FRANCHISING IN EUROPE

By Farrah Rose, The Franchising Centre

Ahead of attending this year's EFF awards, I was asked to give a presentation and write an article on the state of Franchising in Europe. Thanks goodness it wasn't a big topic…..!

One of the biggest challenges with addressing this is that Europe is not a one, single market, of course, but a patchwork of economies, cultures, and regulatory frameworks. So, how do you talk about Franchising in Europe in any meaningful way?

The first way is to look at anecdotal evidence. I'm always talking to different people from different markets and regions, and reports are mixed. If you were to ask any 10 people in a room the same question, you would undoubtedly get 10 different answers. Some say their market is doing better than ever, others say it has still yet to recover from the various huge challenges of the last few years. However, generally speaking, there is a buoyant and optimistic feeling about the present state of franchising and it's future. As a business model, it continues to prove itself very resilient and robust, in spite of – or maybe especially because of – the unique challenges we've all faced in the last 5+ years.

The second way is to take a deeper dive into all the actual facts and figures of each and every European market and try to understand all the trends behind them. Fortunately, we are very lucky to have so many fantastic colleagues who have been more than happy to help us out in this department.

The answer is a complex one… The experience of a franchisor in France is very different from one in Romania or the Netherlands. Yet, there are clear patterns that tell us where franchising is heading, and what franchise leaders should be preparing for.

THE PICTURE IN NUMBERS

Here's what our friends and colleagues are reporting:

1. Number of Franchise Systems

Across Europe, there are an estimated **8,500 to 14,000 franchise brands** operating, with approximately 80% originating within the EU. The European Franchise Federation (EFF) indicates **over 14,900 franchise systems** are active across the continent.

Country	Franchise Systems
UK	1,009 (2024, +8% since 2018), doubled since 1995
France	2,035 (2023, +3.2% vs 2022)
Germany	910 (2023), ~1,000 expected 2025
Italy	931 (2024)
Portugal	542 (2024), 66% Portuguese
Spain	1384 (2024)
Sweden	600-650
Norway	400-500
Denmark	140-200
Netherlands	917 (2023)
Romania	440 (55% international / 45% national)

2. Number of Franchisees / Franchised Units

Franchising plays a crucial role in employment across Europe, contributing millions of jobs and a vast network of business units.

Country	Franchisees / Units	Notes
UK	50,421 units	Provides jobs for ~770,000 individuals
France	92,132 outlets	Supports 951,620 direct and indirect jobs
Germany	193,920 outlets, 148,577 franchise entrepreneurs	Employs ~830,000 people
Italy	67,275 points of sale	293,791 employees in networks (2024)
Portugal	-	Supports over 185,000 jobs (27% of employment)
Spain	77,819 outlets	Estimated 39-44,000 franchisees
Sweden	30,000–32,000	-
Norway	~10,000	-
Denmark	5,500 outlets	-
Netherlands	34,849 outlets	410,500 employees (2023)

3. Turnover of the Franchising Sector

Franchise brands in Europe are collectively generating **over €300 billion annually**.

Country	Turnover	Notes
UK	£19.1 billion (€22.9B)	12% increase since 2018, avg. turnover per unit £386,000
France	€88.49 billion (2023)	+15.6% vs 2022
Germany	€149.2 billion (2024)	1.1% increase; expected €147B in 2025
Italy	€35.8 billion (2024)	Projected €37.122B in 2025, 2.2% of GDP
Portugal	€22 billion (2023)	8.3% of national GDP
Spain	€27.6 billion	2.5% increase
Sweden	~292 billion SEK (2018/19)	-
Norway	NOK 137 billion (2019)	More than doubled from NOK 54B in 2008
Denmark	-	Specific consolidated figures not available
Netherlands	€46 billion (2023, excl. VAT)	410,500 employees (2023)
Romania	€5.8 billion	-

WHAT'S CHANGING?

It's hard to generalise across such a diverse and multi-faceted range of markets, of course, but Europe's franchise ecosystem is split between mature markets, such as France, Germany, Spain, the UK, and the Netherlands, where stability, structure, and scale dominate - and emerging markets like Romania, Poland, Portugal, and Greece, where agility, innovation, and rapid adoption are fuelling growth. Mature economies offer consistency and established systems, while emerging ones provide faster expansion and white-space opportunities, particularly in services, education, healthcare, and digital-first concepts. This duality creates both opportunities and complexities for brands looking to expand across borders.

Overall, the European franchise sector is undergoing a clear shift from product-driven models toward services and lifestyle concepts. Wellness, fitness, and personal care are expanding rapidly in Northern Europe, while education and healthcare franchises are thriving in emergent markets such as Romania. Tourism-driven retail and hospitality continue to perform strongly in Spain and Southern Europe, but across the continent, traditional Food & Beverage - though still dominant - is losing relative share as consumers increasingly prioritise health, digital convenience, and sustainable living.

WHAT'S DRIVING CHANGE?

Across these markets, four key forces appear to be shaping the future of franchising:

- **Digital by design.** In digitally advanced countries like the Netherlands, the winners are franchises that treat digital not as an add-on but as the core of their business model.
- **Sustainability by default.** In the Nordics and Benelux especially, sustainability is not optional - it is expected. Concepts that ignore this will struggle for relevance.
- **Health and wellbeing.** France and the UK are seeing strong growth in personal services, health, and wellness - a reflection of changing consumer priorities.
- **Labour shortages.** With hiring pressures across Europe, franchisors are investing more in training, efficiency, and technology to keep operations running smoothly.
- **Regulatory alignment.** New moves toward harmonising European franchise regulations could make cross-border expansion smoother, reducing friction for brands with continental ambitions.

AVAILABILITY OF INVESTORS

Investor appetite across Europe is strong, but it plays out in different ways depending on the market. In the UK, both overseas and domestic investors are fuelling growth, while Portugal is attracting a rising immigrant investor base. Sweden is especially active in private equity, venture capital, and impact investing, and the Netherlands continues to put the spotlight on sustainable, scalable business models. Eastern Europe is gaining momentum from strong foreign direct investment and near-shoring, and Spain stands out with a healthy pipeline of candidates, as multi-unit operators expand and new entrepreneurs step in.

A key factor across all these markets is the willingness of banks to finance franchisees - something that remains uneven from country to country. Where banks are supportive, franchise sectors grow more quickly, with a steady flow of new investors able to commit to the model of their choice.

THE IMPORTANCE OF REGULATION AS A GROWTH ENABLER

Right now, the European Union has no unified franchise law, which means the playing field is uneven. Only six countries—France, Spain, Italy, Sweden, Belgium, and Romania—require pre-contract disclosure, while Germany relies on judicial review to keep standards in check. This patchwork approach makes it harder for franchisors and investors to operate confidently across borders. That's why there's a strong case for more consistent regulation. A clearer, harmonised framework would build trust between franchisors and franchisees, reduce legal uncertainty, and make cross-border investment much smoother. It would also give investors the confidence to scale multi-country growth strategies, while driving innovation, healthy competition, and higher standards that ultimately benefit consumers.

THE PRESENT & FUTURE

Franchising is still experience very significant growth right across the continent. There's a great deal of well warranted optimism that this growth will continue, albeit also in an uneven fashion, depending on each individual market.. Service-based and digital-first concepts are scaling fastest, while traditional retail and food remain stable but more saturated.

Cross-border expansion is the next frontier, but the real challenge isn't finding demand, of which there is plenty, it's aligning operations, regulations, and culture across multiple markets. There's every reason to feel very confident about a strong future for franchising in Europe, but it will be governed not by finding opportunity, but how well leaders embrace it responsibly and strategically.

A big thank you to everyone who contributed their local expertise to this article.

Ready to learn more about a specific market? Visit each country's franchise association on the links below:

French: https://www.franchise-fff.com/

German: https://en.franchiseverband.com/

Sweden: https://svenskfranchise.se/om-oss/in-english/

Danish: https://denmark.franchise-association.org/

Spanish: https://spain.franchise-association.org/

Portugal: https://associacaofranchising.pt/

Norwegian: http://www.hsh-org.no

Romania: https://francizor.ro/

Italy: https://www.assofranchising.it/

Netherlands: www.nfv.nl

UK: https://www.thebfa.org/

International Franchise Association: https://www.franchise.org/

Edwards Global: https://edwardsglobal.com/

European Franchise Federation: https://eff-franchise.com/

World Franchise Council: https://worldfranchisecouncil.net/

World Franchise Centre: https://worldfranchisecentre.com/

Franchise Pool International: https://www.franchiseinternational.net/

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