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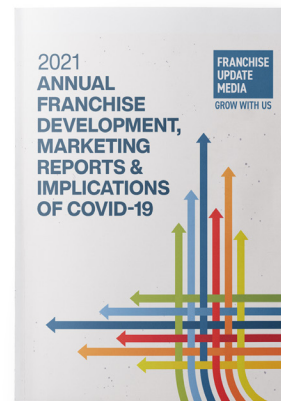
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Menchie's mySmileage Loyalty Program Case Study

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Comprehensive Approach

mySmileage needed to gain robust data and create incentives to boost guest performance. More importantly, the guests' perceptions and experience was a primary focus throughout the development process to ensure that mySmileage was widely adopted and valued. Specific criteria for the launch of Menchie's mySmileage guest loyalty program included:

Build guest database for marketing	Increase average ticket & guest frequency	Integrate national email program into loyalty
Simple to use for team members & guests	Automated marketing based on activity	Fully integrated with point-of-sale systems
Track guest activity — visits & spending	Monitor sales results, measure program ROI	

Incremental Revenue

Loyalty members spend more than non-loyalty members.

mySmileage check average is +17% higher than non-members.

Looking at ticket lift on loyalty transactions, mySmileage has generated over \$84,000,000 incremental sales lifetime, system-wide. Additional revenue gains are realized from increased guest frequency — average visits per guest have increased by 50% over time.

Seasonality Balance

Loyalty program offsets seasonality decline.

Guest traffic has increased during the traditional off-season due to mySmileage members visits and spending activity. mySmileage drives incremental visits even in the slower months!

Missing Guest Campaign

On a daily basis, the loyalty platform sends an automated email to guests that have been missing 30-60-90 days, based on their last transaction. The platform loads a corresponding \$1/\$2/\$3 bounce back incentive onto the member's account, and expires it in 7 days. Redemption is handled through the POS, simple for guests and team members. **This campaign wins back guests in the 21% range, and most guests continue to visit after win back.**

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Not Even a Pandemic Can Stop Franchising!

Written By **KERRY PIPES**

This time last year few could have foreseen the extent of the devastation and havoc Covid-19 soon would wreak. Franchising was continuing its years-long journey of growth, expansion, and development. Franchisors were selling units and adding brands. Franchisees were recording strong sales and opening new units. It looked like 2020 would be another year of positive results.

But as a pandemic not seen in a century took its toll and stay-at-home orders were issued, retracted, and reissued, the economy unraveled, people lost their jobs, stores closed, and businesses failed.

This is a time unlike anything anyone younger than 102 has seen. However, as the year wore on, the franchising world was seen rallying once again, as it so often does in times of adversity. When in-person meetings became impossible, brands began using technology more and more. Zoom meetings, Google Meet, FaceTime, and other tech tools gave franchisors and prospects a way to connect and continue to move ahead. Brands also turned to technology to communicate internally with corporate staff and franchisees.

The new normal of virtual conferences soon followed. Learning, communication, and meetings could still take place—just not in hotels or convention centers. That's when the Franchise Update Media team began planning the company's first-ever 100% online conference: the 2020 Franchise Leadership & Growth Virtual Conference (FLGVC).

The conference, months in the making, combined two previously scheduled conferences—summer's Franchise Marketing Leadership Conference with autumn's Franchise Leadership & Development Conference—for a virtual experience that brought together the best of both worlds. The result was a seamless

experience of both pre-recorded and live interactive sessions that gave industry leaders a chance to learn and come together—in a new and different way. Adapt or die, right?

For three days in October, franchisor executives and development and marketing leaders had an opportunity to rewrite their marketing and development playbooks by participating in a unique event that featured virtual networking, insightful content, proven best practices, inspiring keynoters, and revealing case studies. Of course it could never replace a live event, but it was a great substitute and reminded people of what they were missing: each other!

In this issue you will learn more about the virtual conference and what took place over those three days. Among its many offerings, the FLGVC included two key events. First was recognition of this year's Franchise Innovation Awards finalists and the announcement of the two overall winners: Goldfish Swim School and Camp Bow Wow.

Second was the presentation of results from the Annual Franchise Development Report (AFDR) and the Annual Franchise Marketing Report (AFMR). Both reports are packed with in-depth highlights, statistics, and actionable insights. You'll find more information about both awards and reports in this issue.

Looking ahead to 2021 with a new administration in the White House, a slightly rejiggered Congress, and (as of November) a coronavirus resurgence coupled with hopes for a vaccine that is safe, effective, affordable, and available, no one can say for sure what will happen in the coming months or years. But one thing is certain: Franchising will keep moving forward, adapting, finding a way, making adjustments, and getting the job done. It's the franchising way.



How to know if Your PR Firm Is Guessing.

Can your PR firm prove it's generating media coverage around the specific topics your customers and franchise candidates are searching for online and on social media?

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PR firms are typically evaluated based on soft metrics like media coverage and media impressions... **not measurable results.**

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PREPARE FOR TAKEOFF!

MassageLuXe preps for an “explosion” of growth

Written By **KERRY PIPES**

MARK OTTER

President, CEO

Company: MassageLuXe

Units: 69

Age: 60

Years in franchising: 10

Years in current position: 3

Mark Otter spent the early years of his career learning the ropes of franchising on the restaurant side. He spent 7 years as a division president for a national burger brand, and before that 5 years as a franchisee of an upscale steak and seafood brand. Four years ago, when he saw an opportunity to step into the C-suite at MassageLuXe, he jumped right in. Today, he is president and CEO of the spa brand, which offers massages, facials, and waxing.

Massage therapy is big business. A recent study by the American Massage Therapy Association documented it as an \$18 billion industry—and growing. That’s one of the reasons Otter is on a quest to see MassageLuXe grow from its current 69 locations to 250 locations in the next 5 years. “The plans around that are to continue to add great people to support the franchise base and to become the premier provider of massages and facials,” he says.

Otter believes that communication and teamwork will always be followed by success and growth. Hard work and building relationships have been two of the cornerstones to his success. Franchisees and their success, he says, is a key factor in his leadership approach. “My role is to assure the success of franchisees and facilitate the growth of the brand.”

Otter doesn’t shy away from bold predictions and says to expect an “explosion” of growth in the next year as he continues bringing in the right team members to support the system’s 5-year plan. “People are going to see who we are in the business community, and people are going to want to get on that train,” he says.

LEADERSHIP

What is your role as CEO? To organize the company and ready it for growth. I have been getting the team in the right place and structuring the team so it is both proactive and reactive with the franchise base. My primary role is to assure the success of current franchisees, and secondly to facilitate the growth of the brand.

How has Covid-19 affected the way you lead your brand? Other than all of the obvious procedural issues that had to be addressed for the safety of all of our clients and staff, the main thing I have done is simply deepen the resolve to be there for our clients, our franchisee partners, and their staffs. Leading in challenging times takes constant learning, constant communication, and the deep-down desire to help all successfully accomplish their goals. And, of course, the ability to change direction on a dime if new information becomes available.

Describe your leadership style. First and foremost, building relationships is what is most important to me. The first thing we need to do is tap into everyone’s emotional piggy bank. It is important to always make deposits. My team members need to know I am there for them and reasonable, but that I have high expectations of them. They must be willing to give their all.

What has inspired your leadership style? Through the years, I have worked for many great leaders. I am a voracious reader of leadership books and I like to understand leaders of the past. I have taken a lot from great leaders I have worked with in the past. I learned to listen to them and to see what was successful and what was not. I believe a great leader is constantly learning how to get the best out of people and how to connect with different personalities.

What is your biggest leadership challenge? Impatience. I want us to make progress and improvements today, as well as tomorrow. I have to recognize that there is a lot of work to be done. There will be gaps, and I want those gaps closed quickly. I need to have that patience because at the end of the day I expect a lot out of the team.

How do you transmit your culture from your office to front-line employees? Our culture is fantastic, and I take a lot of pride in it. We have a collaborative nature; egos are sent out the door. We are very open to ideas and everyone has a voice. The number-one thing that has put us in the successful position we are in today is the team. We have a culture of caring about the franchisee base, caring about one another, and caring about the commitment to do a better job tomorrow than we are doing today. The culture is fantastic.

Where is the best place to prepare for leadership: an MBA school or OTJ? I think OTJ is the best place to prepare for leadership. Most people end up going to work for a few years in another job before they get their MBA. The reason they do that is that it's helpful to go out and get real-world experience in business. If you're thrown right into the middle of a business, you may have a textbook way of looking at things instead of the real way of looking at leadership. It doesn't matter how much you know. What matters is your ability to learn from what you do and apply it to your work with others.

Are tough decisions best taken by one person? How do you make tough decisions? The best decisions are made by one person, but those decisions need to be vetted through a number of trusted resources. A leader leans on everybody to get the input they need to make the right decision. Great leaders have the responsibility to make the best decision as long as they have solid information and expertise.

Do you want to be liked or respected? The simple cop-out is to say you need both. It's simple. I'd rather be respected than liked. If I'm respected for the job I do—how I treat people, the results I get, and how I get those results—then the majority of people will like me as a leader. I've seen a lot of leaders who are loved by everyone, but not necessarily for getting the type of results they need.

Advice to CEO wannabes: The biggest advice I would give future CEOs is to become the expert in every aspect and level of your business. Understand your business from the entry point to the CEO job. You need to become expert in all facets of that business. My second piece of advice is that you need to really understand financing and operations, and you need to have a working knowledge of each of the aspects of running a corporation. You don't need to be an expert at those things, but you need to understand how they work. Then you need to find great people to surround yourself with. The best ticket to success is to rely on fantastic people in leadership roles and listen to them.

How can a CEO help their CMO develop and grow? CEOs must communicate the company's vision with their CMO to ensure that the CMO can focus on what they want to accomplish. The CEO must understand the customer journey from the start, how the customer looks at things. Helping a CMO develop is a matter of making sure they are also setting up a department with a good structure, and helping them learn how to get the most out of their people.

MANAGEMENT

Describe your management style: I try to surround myself with very good people, and I try to have open lines of communication. I recognize that it takes something different to motivate individuals. What becomes important is getting to know what's important to each person. I need to understand why they make the decisions they make, and I want to build a relationship where they not only come to me for business decisions, but also personal decisions. I have a very open teaching style, and I believe we learn from our mistakes. I also want my team members to feel comfortable teaching me when I can learn from them.

What does your management team look like? We have a chief financial officer who handles the financial department, a chief growth officer to run the franchise demand generation and consumer marketing, a vice president of operations, a vice president of franchise operations, a vice president of marketing, a franchise director who handles all the franchise sales, and a director of IT.

How does your management team help you lead? By keeping me informed. We all communicate very well, and everyone is encouraged to keep the information coming. We ask questions and share thoughts constantly.

Favorite management gurus: Do you read management books? Yes, I frequently read management books. My favorites are: *The 10 Natural Laws of Successful Time and Life Management* by Hyrum W. Smith; *The Leader in You* by Dale Carnegie and Associates; *Leadership Is Common Sense* by Herman Cain; and *Jack: Straight from the Gut* by Jack Welch.

What makes you say, "Yes, now that's why I do what I do!"? I like to see individuals making the decision to become entrepreneurs. I love seeing everyday people decide to step out of the corporate world, make a big change in their careers and get into business by themselves. I like to see people take control of their future, and we have a very diversified group of franchisees. What excites me is people who really create growth and opportunity for themselves through the franchise world.

PERSONAL

What time do you like to be at your desk? I am at my desk by 7 a.m. at the latest every morning, and often earlier.

Exercise in the morning? Wine with lunch? I take a 3-mile walk outside every morning. It's very important to start moving and get that energy and strength from going outside in the mornings. The combination of the exercise and being outdoors is important. Later in the day, I'll do a workout in my home gym. No wine with lunch. That would just make me sleepy.

Do you socialize with your team after work/outside the office? I don't socialize outside of work. I think that we have a very social nature in our office. We will certainly text each other funny things, but I like the idea of people having their own social life outside of work with their own families and their friends. I think it's better if everyone has that without having work overload. Because inevitably you're going to talk about work, and I don't want them to have to do that.

Last two books read: I'm currently reading a book called *Love Work* by Chuck Runyon and Dave Mortensen, co-founders of Anytime Fitness. Before that I read *Open: Inside the Ropes at Bethpage Black* by John Feinstein, about a U.S. Open

that was played there. Golf is an important part of my world.

What technology do you take on the road? My laptop and smartphone. That's pretty much all I need.

How do you relax/balance life and work? Relaxation is exercise, nature, and golf. Those are my releases. I've always had a work-life balance. Family and work and a recreational life all have to go hand in hand. Having great friendships—for example, being part of a golf community is important to me because I can socialize. There are a lot of business leaders in my golf circles. I am not someone who says you have to keep everything separate. I think those things have to complement each other. Probably one of the best relaxations for me is being on the putting green at sundown and enjoying being outside.

Favorite vacation destination: So far, Maui. I do have a vacation scheduled at Lake Tahoe and Yosemite soon, but right now I'd go back to Maui.

Favorite occasions to send employees notes: I use the Hallmark Card app and send electronic cards through email to my staff on a consistent basis. I will send them for many reasons, for example, if I see someone do a small act of kindness or if they took on a big project or handled a challenge, or for something personal. I find that these e-cards are a great way to sometimes add humor or encouragement.

Favorite company product/service: Yes! A deep-tissue massage. A Swedish massage is nice, but a deep-tissue massage is my go-to.

BOTTOM LINE

What are your long-term goals for the company? Our goals fall in line with a 5-year plan to grow from our current 69 locations to 250 locations. The plans around that are to continue to add great people to support the franchise base and to become the premier provider of massages and facials.

How do you measure success? Business success is seeing our company grow. It's seeing our franchisees find success

with their own individual businesses and seeing the people who work for us continue to grow in their leadership roles. It's wonderful to see the franchisees have the success they're looking for and let their investment turn into what they want it to be. Personally, my success is based around people. I measure success through my relationship with my friends and with my family. Watching my daughter's career flourish and watching her grow as a person is how I measure my own success. I also view my success through my spirituality and my ability to be there for others.

What has been your greatest success? Being able to conquer challenges that have come up in life. I aim to be a solid family person for my wife and daughter. I believe that teaching people along the way in my career, helping other people succeed, and being in a position where I can enjoy life have been my greatest successes.

Any regrets? I regret that I didn't know as much as I know now at a younger age. I think that wisdom comes with age, probably, but that same wisdom would be very valuable at a younger age. I want to do what I'm doing for a long, long time. There are so many technological advances that I would have loved to have used earlier in my career. The world is changing so quickly today in business, and I'd like to see it. It's such an exciting time. It will be different tomorrow. Today you learn so much from younger people in business, like my daughter, who is a financial analyst in a family office investment group. It's an exciting time in the world of business.

What can we expect from your company in the next 12 to 18 months? You can expect an explosion of growth. We're bringing on the right people. People are going to see us and hear about us. The success that we're going to have is going to be noticeable. People are going to see who we are in the business community, and people are going to want to get on that train. ■



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DYNAMIC GROWTH AHEAD!

PuroClean is thriving during the pandemic

Written By **KERRY PIPES**

STEVE WHITE

President, COO

Company: PuroClean

Units: 325

Age: 63

Years in franchising: 35

Years in current position: 7

When emergency response is your business, a pandemic like Covid-19 offers an upside. Business is booming at PuroClean, which provides 24/7 restoration services to businesses and residential properties damaged by water, fire, mold, biohazards, and now offers cleanup services for coronavirus outbreaks.

PuroClean President and COO Steve White says his team has adapted and learned to stay in touch “in more ways and more often” during the crisis—both internally and with customers. The results, he says, include exponential system growth, all-time record sales, and every indication that these trends will continue in the coming year.

White has been a franchise industry stalwart for more than three decades. The former U.S. Army Captain spent 5½ years at Domino’s Pizza, then logged 18 years with Allegra Network where he served as COO and president of the company’s Signs Now brand. Seven years ago he was recruited by PuroClean.

With a diverse set of experiences at franchise organizations of varying sizes, and also as a franchisee, he has demonstrated an ability to lead, build teams, and drive new growth for franchise brands. He describes his key area of focus at PuroClean as strengthening the processes that will ensure sustained system growth.

One way the brand has grown under his leadership has been through multi-unit franchising. “We were inspired to develop it by one of our leading franchise members. After piloting the model with him, we now have more than two dozen franchise owners who own more than one unit. There really is no greater compliment than a franchise owner willing to double their investment in our company,” he says.

White considers his time at PuroClean both his greatest challenge and his greatest success. “When I joined the company, franchise owners were unhappy and angry,” he says. “The sale of the company to Mark W. Davis and Frank Torre enabled us to achieve tremendous success and record growth, and the franchise owners are happier than they’ve ever been. My career has had a lot of turnarounds and difficult situations, but PuroClean has given me the most rewarding experience yet, and the greatest is yet to come!”

LEADERSHIP

What is your role as president/COO? To lead the growth of PuroClean to become a world-class brand by relentlessly serving our existing franchise owners and attracting more franchise owners to the brand across North America.

How has Covid-19 affected the way you lead your brand?

We have learned how to communicate in more ways and more often. We became Zoom experts, launched a virtual Meet the Team Day, enhanced our online learning academy, and held daily calls with our franchise network to keep the lines of communication open when so much was uncertain. Overall, many things didn’t change for our brand. I believe that crisis reveals character, and that was certainly true across PuroClean. Our franchise owners and corporate headquarters continued to move forward at our usual pace, stepping up to help communities in their time of need because serving others is what defines our brand.

Describe your leadership style. My leadership style can be defined by servant leadership. I strive to lead boldly with the heart of a servant.

What has inspired your leadership style? During my time in the Army, I was blessed to serve under some amazing leaders who still inspire me today. In fact, I just had coffee with one a few weeks ago! I also am inspired every day by Mark W. Davis and Frank Torre, who purchased PuroClean in 2015. They are servant leaders who are there for me and our franchise owners whenever we need them.

What is your biggest leadership challenge? The biggest challenge I face every day as a leader is to develop future leaders to help build a stronger future for the brand. I believe that my job is to build the team, empower them, and let them build the business. I am always trying to create future leaders and nurture a healthy, growing team that moves forward with integrity and high character.

How do you transmit your culture from your office to front-line employees? The most effective way is to talk about the culture all the time, then practice what you preach. I interview every finalist candidate for our support team before a job is offered because I want to set culture from the very beginning and emphasize the pillars of our culture: servant leadership, accountability, and active collaboration. When speaking with potential franchise owners at our Meet the Team Day, I talk about the culture and the importance of servant leadership in what we do, helping people during their times of need. Every day, I set the tone for the company, and then I practice what I preach in my own role as president and COO.

How can a CEO or president help their CMO develop and grow? It's not too different from helping any leader develop and grow. Growth comes from opportunities, and opportunities come from intelligent delegation. Rather than seeing delegation as a way to get things done, I see it as a way to develop my team into leaders. I take a look at each person, evaluate where they are at now, and ask them to do something that's a bit of a stretch for them. I've found that to be an effective way to help my team grow. For marketing specifically, I find that the most important point of growth is to help them gain command of every dollar of spend in the marketing fund and help them stand in front of an advisory council to account for every dollar spent. Marketers don't always gravitate toward numbers, so this is one way to help fill a blind spot and build confidence.

Where is the best place to prepare for leadership: an MBA school or OTJ? On the job, along with active leadership and mentoring mixed in. You need to be in the arena, but you also need a good leader who can help guide you through. Surrounding yourself with great role models and examples of those who are doing great work in the industry will get you far, no matter where you are in your career. Even now, I am heavily involved in the IFA as part of its Board of Directors and Chair of its VetFran Committee.

Are tough decisions best taken by one person? How do you make tough decisions? I believe in a "One Team" approach to everything, especially tough decisions. By making a decision alone, you miss out on a wealth of knowledge from your leadership team. When making tough decisions, the first thing I do is listen and reflect on what my team is saying. Then I summarize what I hear and listen again to my team's response. Finally, I summarize how I believe the team should move forward. By that point, everyone is usually in agreement, and then the decisions are easy.

Do you want to be liked or respected? When I was younger, I was approached by people who had worked for my dad, and they told me that they were the best they had ever been when working for him. He asked a lot from his team, and he wasn't always the most popular, but he made them the best they could ever be and they respected that. Ultimately, respect is the most important part, but I hope I do it well enough to be liked as well. Who doesn't want both!?

Advice to president or COO wannabes: It's a simple recipe: do the right thing in the right way, and work your butt off. The further I get into my career, the more value I place on doing the right thing and doing it clean. Taking shortcuts creates more problems down the road, but doing things with integrity lays bricks in a wall that's never going to come down.

MANAGEMENT

Describe your management style: For me, everything I do is about the entire team. Collaboration, trust, and teamwork are the foundation for a successful leadership team, and I think that's why we do very well with the next generation of employees in the workplace. I've found that Millennials appreciate our emphasis on teams.

What does your management team look like? Everyone on the team is an expert in their respective area. We all have our own perspectives from an operations, finance, or training standpoint, but we all come together as One Team. Every Monday we start the day with an executive team meeting, whether remotely or in person, to talk about what's happening in the company and share our viewpoints. We are all welcome and encouraged to share our perspectives, and we can challenge each other and hold each other accountable during this meeting.

How does your management team help you lead? They are the greatest practitioners of our culture. They keep our franchise members first and build great teams to serve them. They are empowered to make important decisions and lead by example.

Favorite management gurus: Do you read management books? As I mentioned, I recently had coffee with an old Army colleague. I told him that he was the first person to ever make me read military history. I hated it then, but I admit I'm still using principles from Sun Tzu's *Art of War* to this day. I also enjoy John Maxwell's books because he writes about leadership with great specificity.

What makes you say, "Yes, now that's why I do what I do!"? Without a doubt it's when I see a franchise owner helping another franchise. The single greatest asset PuroClean has is its community of franchise owners. They are a rich community of givers, helpers, and servers. I can't tell you how fulfilling it is to see franchise owners acting as One Team and becoming true servant leaders themselves.

OPERATIONS

What trends are you seeing with consumer spending habits in your stores? In terms of specific services, we are not seeing significant new trends. Water, and the mold that follows it, is everywhere, and that keeps us incredibly busy. One trend I see overall, though, is a greater emphasis on customer service. We practice Relentless Customer Service, and in our business that's especially important. The better our customer service, the more jobs insurance companies

will assign to the brand. PuroClean may not be the biggest or oldest franchisor in restoration, but every single day we strive to lead in customer service, and we have the scores to prove it.

How is the economy driving consumer behavior in your system? We're in a recession-proof industry, and we've weathered changes in the economy before. There hasn't been much change because of the economy.

What are you expecting from your market in the next 12 months? We've been growing exponentially, experiencing all-time record sales months while delivering great service in a tough environment. We expect this to continue in the next year.

Are your franchisees bullish or bearish about growth and adding additional units? Bullish, absolutely. Multiple-unit ownership is a relatively new concept for PuroClean. There really is no greater compliment than a franchise owner willing to double their investment in our company.

Are commodity or supply costs a cause for concern in your system? Yes! We worked in PPE long before Covid-19 caused Americans to understand what that stood for, and because of the world becoming more cleaning-conscious, there's greater demand for the supplies our franchise owners use every day. Prices have gone up, some cleaning solutions are a little harder to come by, and vehicle manufacturing has slowed. We've actually had a hard time getting enough trucks to feed the growth of our system this year.

In what ways are political and global issues affecting the market and your brand? Of course there is a general and wide-reaching need for better and deeper cleaning because of the Covid-19 pandemic. One way that might surprise people is privacy. Privacy is becoming a bigger issue in our world. When you think about where PuroClean works—in homes and places of business—our franchise owners must be sensitive to personally identifiable information and other matters of privacy. When they send images of the job for insurance companies to document the work that has been done, they must be careful to not photograph anything that violates our customers' privacy.

PERSONAL

What time do you like to be at your desk? Exercise in the morning? I'm at my "virtual" desk around 6 a.m. to check messages and emails that came in overnight. After a nice long walk with my wife Pamela, I get behind the real desk around 8:30 to 9:00.

Wine with lunch? No wine with lunch, but very often with dinner. Very often.

Do you socialize with your team after work or outside the office? Absolutely. One of my favorite ways to get together with the team is through a round of golf.

Last two books read: *The Ant and the Elephant* by Vince Poscente, who spoke at a PuroClean convention a year ago. *Nice But Not Naive: And Other Lessons I Learned from Chick-fil-A Founder Truett Cathy* by Perry McGuire.

What technology do you take on the road? A laptop, iPad, iPhone, Bluetooth earbuds, a remote mouse, and pointer.

How do you relax and balance life and work? My wife and I recently celebrated our 30th anniversary and I rented a limo to recreate my original proposal. I also enjoy travel, cooking

with my wife, swimming, playing golf... and occasionally driving very fast on a racetrack.

Favorite vacation destination: Wine travel is big for me and my wife, and Napa Valley is the destination we've gone to most often.

Favorite occasions to send employees notes: I love celebrating the birthdays of my employees. Our employees have their birthday as a paid holiday, and I always like to send a personal note to wish them a happy birthday and appreciate all the work they do for PuroClean.

Favorite company product/service: Our franchise owners help people in difficult circumstances caused by water damage every single day. Just a little over a year ago, it actually happened to me when my roof leaked during a tropical rainstorm. Of course I immediately called my friendly neighborhood PuroClean franchise owner, who promptly came to my rescue!

BOTTOM LINE

What are your long-term goals for the company? I'm very goal-driven. I live by Vince Lombardi's words on chasing perfection, knowing we will never attain it, but catching excellence along the way. Every day, I strive to grow the company to 800 offices in North America and make PuroClean a true world-class brand.

How has the economy changed your goals for your company? It hasn't. One of the beauties of PuroClean is that the economy does not affect us one iota.

Where can capital be found these days? For us, sufficient capital can be found in SBA loans and in some 401(k) savings or equity that's been built up along the way. I have to give credit where it's due and thank our federal government for PPP loans because this is the first financial crisis ever where small businesses got help from the federal government.

How do you measure success? First, by growing the franchise owners already with us and second, by how we are adding to their numbers. Franchise satisfaction scores from the surveys we do with Franchise Business Review are also very important for us because they are a measure of the quality of our service. One of the most fulfilling moments and measurements of success for me is the day a franchise owner retires and sells their business. Not only did they have a great career, but their business success was so great that someone was willing to buy it from them. It's a sign that PuroClean really brought value to a franchise owner's life and that we've served them faithfully to the very end.

What has been your greatest success? PuroClean is my greatest success, as well as one of my greatest challenges. When I joined the company, franchise owners were unhappy and angry. The sale of the company to Mark W. Davis and Frank Torre enabled us to achieve tremendous success and record growth, and the franchise owners are happier than they've ever been.

Any regrets? Not at all. I do my best with whatever information and resources I have at the time, and I can't be regretful of that.

What can we expect from your company in the next 12 to 18 months? Expect dynamic growth and excellent customer service scores! ■

Continuous Improvement

HVAC service brand adapts to the times — again

Written By
LANCE SINCLAIR

For generations, One Hour Heating & Air Conditioning has serviced homes across the country. Today, as we reflect on the tumultuous year it's been for businesses across the board, we're reminded of how important it is to adapt based on consumer needs and new market trends.

For us, that means staying flexible, evolving customer offerings, introducing innovative technology, and improving the in-home experience. We've continuously adjusted our business model over the past 18 years, which has been key to our success and is why we've ranked as the number-one HVAC company on *Entrepreneur's* Franchise 500 list for the past 6 years. However, as we reflect on our growth, it's essential to remember where we came from and the hard work it took to get to where we are today.

The company began as an affinity group called the Contractor Success Group. Plumbing, electrical, and HVAC contractors across the country would

share best practices and collaborate on how to strengthen their independent businesses, which ultimately led to the creation of an organized franchising group called Clockwork in 1998. Later known as Clockwork Home Services, the company's portfolio included Benjamin Franklin Plumbing, One Hour Heating & Air Conditioning, and Mister Sparky. I joined the company in 2004, working my way from trainer to manager and now, vice president of operations. The transformation I've witnessed over the past 16 years has been incredible, and now that we're a part of the Authority Brands family our journey is only accelerating.

Back in the early days, our training was primarily focused on helping owners learn how to answer the phone and communicate properly with a prospective customer. Now we teach our owners how to run a business, focusing on areas including finances, effective leadership, sales tactics, management, team building, and more. We also heavily focus on reputation management, promoting individual businesses through social media, interactive websites, and offering public relations support. Our marketing efforts have come a long way from the days when placing an ad in the Yellow Pages was a primary tactic.

Additionally, the technology we've implemented into our business has rapidly evolved. To remain relevant, adopting innovative technologies must be a priority for all businesses. Nearly 95 percent of our system is operating on iPads. Through these

tablets we're able to give homeowners presentations of potential work, see appointments history, and even accept payment. We've also started offering advanced smart home technology that monitors a home's HVAC readings 24/7. If an issue is detected, an alert is sent to our technicians immediately and an appointment scheduled. While we're thrilled to have adopted this type of technology, corporate can't take all the credit. Our best ideas and innovations come from the contributions of our franchise owners, as we really view our relationship with them as partners and not merely franchise owner and franchisor.

The bond we've created with our network of franchise owners is the biggest reason we've been able to attain continued success. Our franchise owners have held strong to our five core values of exhibiting professionalism, honesty, understanding, accountability, and fun. The steadfast belief that we are improving the lives of the customers we serve, and the unwavering trust that is built during every visit, has allowed us to remain an integral part of homeowners' daily lives. Regardless of the operational changes the brand has made over time, we've maintained an exemplary level of service, kept our promise about being on time, and remained dedicated to providing quality products and guarantees. When you stay true to your essence, you make a greater impact on the ones you serve.

As we look ahead, we must remember to never be complacent. The work isn't over once you achieve success. In fact, I suggest the exact opposite. We must work harder and ask ourselves the important questions, such as: How can we help increase the top line for our franchise owners? How can we improve the bottom line? How can we better serve as leaders? What tools do we need to make our services more effective?

This is how we'll remain leaders in the HVAC industry and build toward an even greater future. One Hour Heating & Air Conditioning has accomplished so much during its tenure, and I look forward to the next 10 years. ■

Lance Sinclair is Vice President of Operations at One Hour Heating & Air Conditioning, Benjamin Franklin Plumbing, and Mister Sparky.



Aced the Test!

Covid proved the strength of this brand's operations

Written By
MICHAEL ALLNUTT

Rooted in our mission to change the way customers think about automotive service by providing knowledgeable, honest, and genuine car repair, Christian Brothers Automotive has remained committed to that goal, even in the midst of the pandemic.

Earlier this year, the initial onset of Covid-19 brought on a new level of complexity and uncertainty to nearly all businesses, including ours. Our operations model was put to the test, and now, 8 months into the pandemic, we know our model has passed that test. We are confident that the operations put into place before the pandemic, paired with our franchise system's willingness to be innovative, led us to a record-breaking year.

NEW TECHNOLOGY PRE-PANDEMIC

In 2018, we searched for ways to greatly improve our guest experience. One of the first decisions we made was to move away from the POS software we had been using for more than 16 years. Realizing that the software was no longer able to support our teams' daily scheduling and management needs nor meet our guests' experience expectations, our organization decided to switch to a new cloud-based POS system called Tekmetric, which offered far more versatility that streamlined operations, while simultaneously improving our ability to serve our guests to their satisfaction.

We continued to shift our car care experience into high gear through a new technology partnership with autotext.me. Now our service teams are able to keep our guests updated throughout the entire repair service process by using a tablet that provides automated text and email updates to

guests on their vehicle's repair status, repair recommendations, estimated completion time, and other critical servicing information. One of the key features of autotext.me is digital vehicle inspection, which enables our team members to rank the technician's findings based on the urgency of the recommendation and, of course, safety. Each report also includes pictures and videos so guests can see exactly what is going on with their vehicle without ever having to leave their home or business, which has turned out to be a major differentiator for automotive repair during the pandemic.

FRANCHISEE-FUELED INNOVATION

At the start of the pandemic, the brand was in a unique position. Because our shops have remained open as essential businesses, we have been able to continue to serve clients in communities throughout the country.

Covid-19 has brought a lot of complexity and uncertainty with it—especially with a system of more than 225 locations across 30 different states, all of which have different mandates and policies surrounding their coronavirus responses. As franchisees have made modifications to their operations to meet the ever-changing needs of our world today, the training and support programs we already had in place set them up for a successful adjustment. As a result, our franchisees have been more innovative than ever. They began experimenting with different workflows, processes, and procedures.

One of our more effective initiatives was adding the concierge service of complimentary pick-up and delivery. While we've always offered courtesy shuttle rides, we knew there was no better time than the present to implement this service for our guests. This was something we always wanted to do, but lacked the time and focus to do well. Many of our franchisees welcomed this service with open arms, knowing that the innovation would improve shop performance and the overall guest experience.

RECIPE FOR STRONG PERFORMANCE

The investments we made as a brand into new technology before the pandemic, along with our operations protocol, have certainly positioned

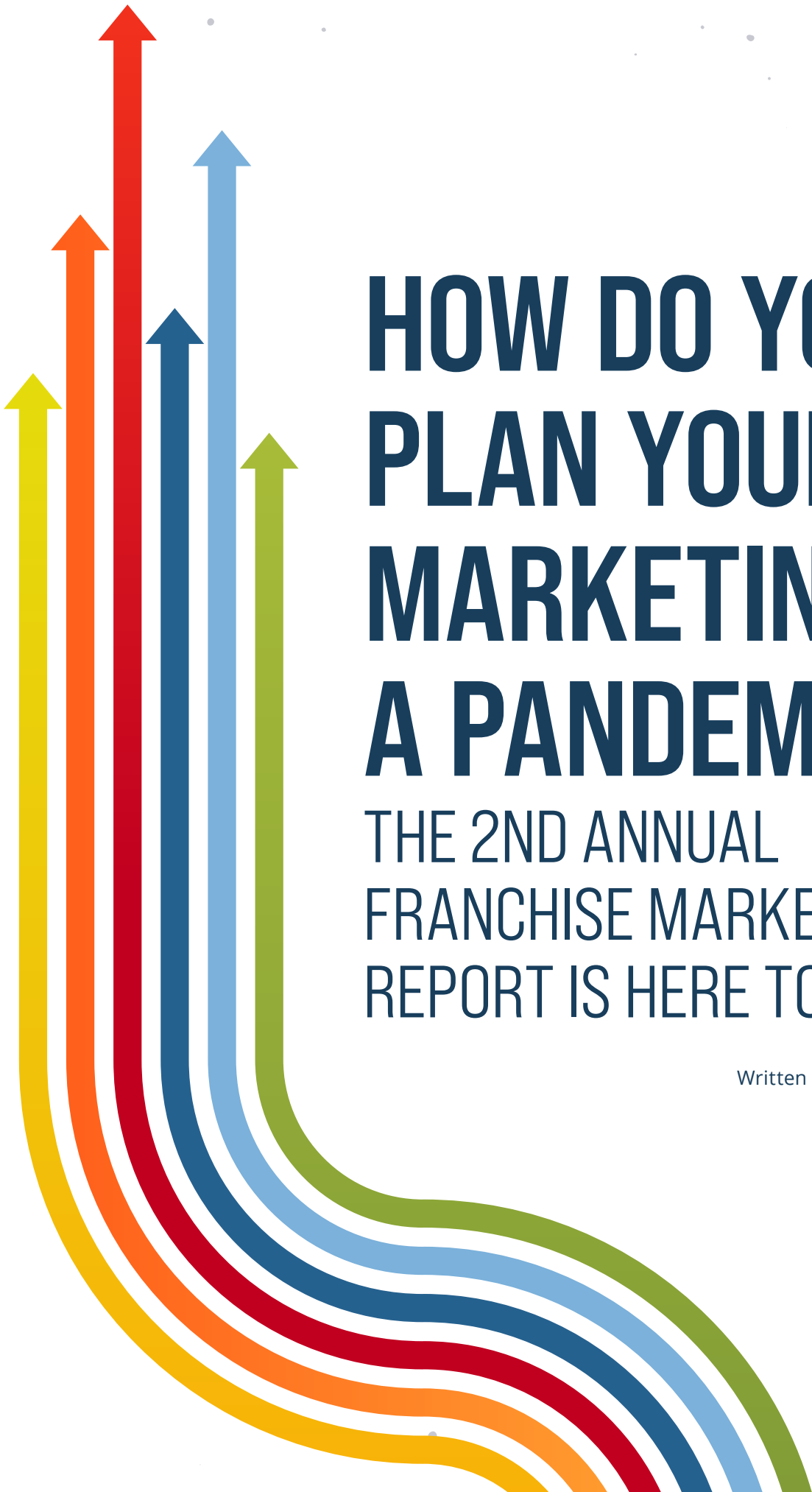


us to fare well during a turbulent year full of uncertainty. However, the secret ingredient to our strong performance through the past 8 months boils down to the people who make up our franchise system and the commitment they have to creating the best guest experience possible.

Christian Brothers offers our franchisees and their team members more support than most franchisors, and that is something we take great pride in, and is a testament to why we've never closed a shop. In fact, to ensure the proper resources and support to yield franchisee success we have a 1:2 ratio of home office members to franchisees. We have an amazing team that provides marketing, recruiting, accounting, coaching, training, purchasing, and IT support, but our support does not stop with franchisees. We also have individuals dedicated to supporting our front-office service teams and our technicians.

Our franchisees are an innovative bunch, and together as a network we continue to challenge the normal ways of doing business by always looking for new opportunities to better serve our guests and their teams. ■

Michael Allnutt is Vice President of Operations at Christian Brothers Automotive.



HOW DO YOU PLAN YOUR MARKETING IN A PANDEMIC?

THE 2ND ANNUAL
FRANCHISE MARKETING
REPORT IS HERE TO HELP

Written By **EDDY GOLDBERG**

2021 Annual Franchise Marketing Report

October 2020 marked the release of the second Annual Franchise Marketing Report (AFMR). This report provides franchise consumer marketers with invaluable data and analysis they can use to benchmark their performance against that of other franchise brands and within their industry sector. In short, the AFMR is a resource they can use to improve the effectiveness of their marketing efforts and spend.

The pandemic, coupled with franchising's already competitive and frothy landscape, has strengthened the need for marketers to better understand how their brand measures up against the competition and is performing in the wider marketplace. The AFMR is intended to assist franchise consumer marketers in understanding how their team compares with their peers and, more importantly, help them allocate their limited resources to the most effective channels for achieving their system-wide goals.

Diane Phibbs, executive vice president and chief content officer at Franchise Update Media, presented highlights from the report in October at the 2020 Franchise Leadership & Growth Virtual Conference.

"We created this annual report at the request of our Franchise Marketing Leadership Conference Advisory Board to develop relevant content for CMOs, and to learn more about their needs and challenges," said Phibbs.

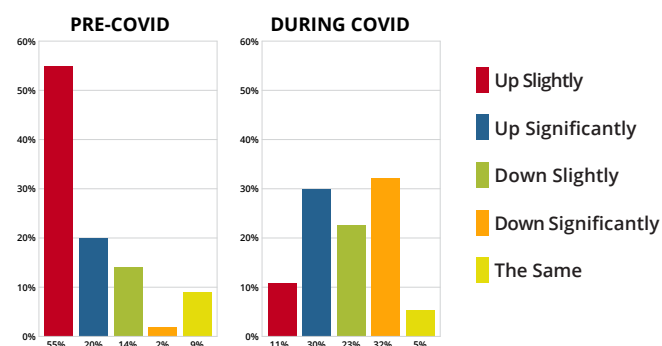
Participants in the AFMR consisted of franchise marketing leaders who completed an in-depth questionnaire. Responses were aggregated and analyzed to produce a detailed look into the marketing practices, budgets, and strategies of a wide cross-section of franchise brands and sectors. The data and accompanying commentary and analysis provide the basis of the 2021 AFMR. Below are selected highlights from the new report. Ordering information is at the end.

PARTICIPATING BRANDS

The survey data includes information for brands whose end-consumers are B2C, B2B, and both. Three of four respondents (75%) market to consumers, about 1 in 7 (16%) market to businesses, and about 1 in 10 (9%) market to both. So for perspective, the overwhelming majority of respondents are responsible for marketing to consumers.

Sorted by category, service brands accounted for more than half (54%) of all respondents, with the remainder split about evenly between food, retail food, and retail non-food.

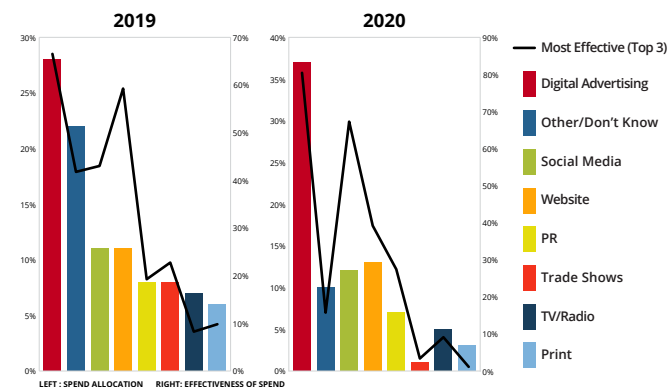
LEADS/TRAFFIC COUNT



75% of brands reported leads/traffic trends as up slightly or significantly Pre-Covid vs. 41% During Covid. Most brands (55%) reported leads/traffic as down slightly or significantly During Covid.

Changes in consumer behavior that began with the arrival of the coronavirus this spring have significantly altered leads and traffic to brands, affecting how marketers communicate with their customers. "We were doing really well at the beginning of the year, with 75% of brands up, compared with 41% during Covid," said Phibbs. More than half (55%) reported that leads and traffic were down slightly or significantly during the pandemic. "Consumer patterns of everyday life changed, so brands had to change too, and take a look at their marketing spend and messaging. The consumers dictated it."

MARKETING BUDGET: SPEND & EFFECTIVENESS

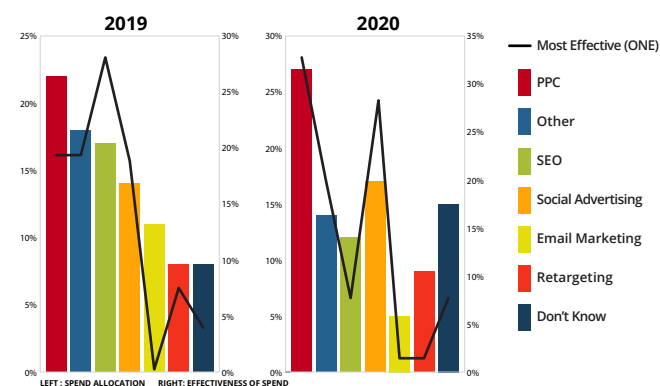


New consumer behaviors resulting from the pandemic meant that media options that worked in the past were no longer effective. For example, when people aren't in their cars commuting, radio ads will not be the best choice; nor are in-person events, which some brands had relied on.

"Some brands had to pause and rethink their messaging. The traditional promotion or price strategies were no longer viable," said Phibbs. "The tone of advertising changed for many brands and included more empathetic messages." In fact, Marketing with Empathy was one of the breakout sessions at the conference. Finally, media shifted even further to digital, which became increasingly effective as consumers spent more time online at home.

"It was almost inappropriate in some cases to do hard-hitting price and promotion," said Phibbs. "Marketing with empathy became increasingly important as brands had to rethink how they were getting their messages across to their customers."

DIGITAL MARKETING: SPEND & EFFECTIVENESS

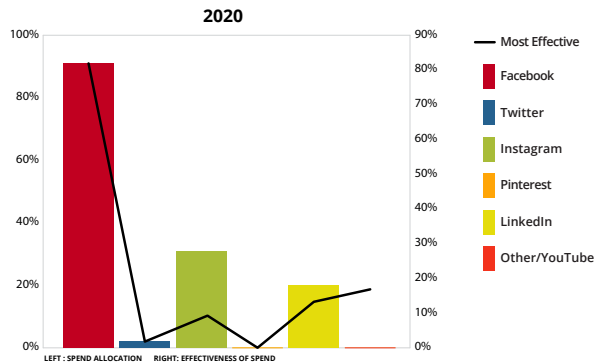


With people forced or choosing to stay home, spending on digital marketing rose. Out-of-home advertising, from in-store campaigns to billboards and more, fell in tandem with commuting, spurring a shift to digital campaigns to reach people where they were: at home on their computers, tablets, and phones.

More specifically, said Phibbs, spending on digital advertising increased in some of the direct-to-consumer media, such as PPC. "Social media has become very effective at a higher rate than spend. This speaks to the impact of a solid, structured organic social media program. Brands with a combination of organic posts and paid social advertising can reap rewards."

Social media, said Phibbs, has become very important this year, with the effectiveness of social advertising dollars showing quite a spike. One contributing factor, she said, is that many brands have a formal organic social media program in their marketing repertoire that works along with their social advertising to drive their messages through those kind of avenues.

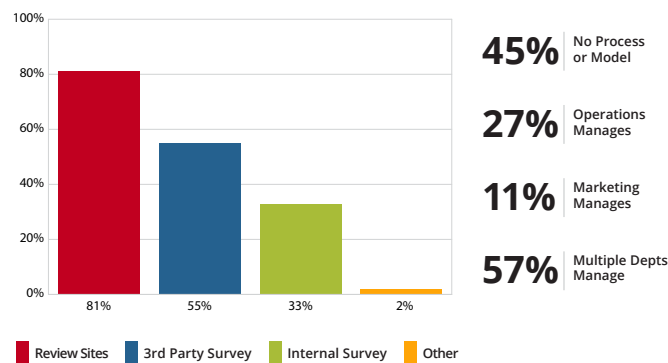
SOCIAL MEDIA: SPEND & EFFECTIVENESS



As the graph shows, organic social can be effective with and without paid advertising. Phibbs said it is important to remember that YouTube and Pinterest will have associated costs that are not included in the advertising survey.

"Even if you have a social media program, and you have some channels where you don't necessarily spend, perhaps in Pinterest or YouTube, there may be other associated costs you may need to plan for. For example, creating video content for either one, but primarily for YouTube, can be increasingly costly. You have to plan for that when implementing a solid social media program."

MEASURING CUSTOMER EXPERIENCE



Measuring your customer experience is more important today than it has ever been. Everyday life has changed and perception of your brand is evolving. "Implementing a formal customer experience program will keep you informed and making better decisions for your customers," said Phibbs. "I think that's something that needs to be monitored."

Nearly half (45%) of respondents said they have no formal customer process or program for their brands. While this is down from the previous year, that's understandable when there are few or no customers. Still, said Phibbs, "I think there are different ways to find out and measure your customer experience. For brands that don't have a customer experience program, I recommend they rethink that and take another look." Included in that rethinking is which departments manage or are responsible for measuring customer experience—as well as how good or bad the communication between departments is when that function involves more than one team.

MYSTERY SHOPPING

A mystery shopping program is an important tool for understanding how your franchised and company locations are performing. However (and again understandably), it has been difficult to execute a mystery shopping program during the pandemic.

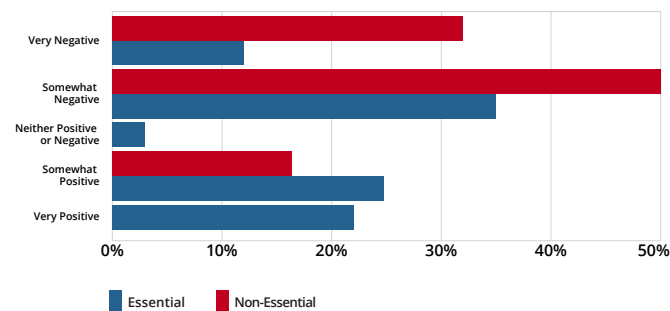
Only 1 out of 3 (32%) reported that they currently have a mystery shopping program in place, down significantly from last year. That too makes sense as in-person shopping and dining out have been severely curtailed. "If your locations are closed or you can't get to your consumers to deliver a service, then you don't really need a mystery shopping program because there's no one to shop," said Phibbs. However, she added, when the economy finally begins to rebound and consumers start to move again (think vaccines), it's wise to have a program in place ready to go.

"I think it's important for brands to think about having a formal mystery shopping program, and those come in a couple of different forms. You can have a program where someone comes into your physical location and tests out your product and customer experience; or mystery shoppers who shop your customer service phone agents, for example," she said. "Again, going back and understanding what consumers are looking for and how they are moving, I think is going to be more critical than ever as we move forward and out of this."

ESSENTIAL BUSINESS IMPACT

This year, for the first (and we hope last!) time, we added a new section to the survey about essential vs. nonessential businesses. Somewhat surprising was that 7 of 10 (70%) respondents were in essential business. It's possible that many non-essential businesses did not respond simply because they were busy trying to survive. Still, the data is useful in that it can help brands plan for the coming year. Here are some highlights.

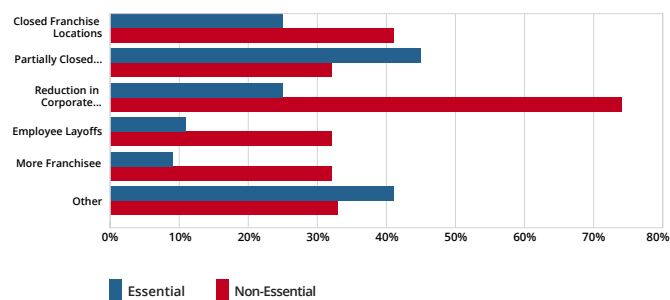
IMPACT OF COVID-19 ON BUSINESS OPERATIONS



"It's not surprising that non-essential businesses were negatively affected while essential businesses had a more positive response," said Phibbs. "What we wanted to do was see what kind of challenges marketers are experiencing during this time." For instance, about 8 of 10 non-essential brands said the impact of Covid-19 was very or somewhat negative, compared with only 1 in 2 for essential businesses.

On the positive side, about half of essential businesses said the impact was somewhat or very positive, compared with only about 1 in 7 at non-essential businesses. As for who was deemed essential or not, that varied greatly by industry, as well as by locality, as cities and states varied greatly in their responses, with many continually changing them from week to week. A multi-state franchisor could see all its units wide open in one state and completely shuttered in another, or find units restricted to partial capacity or hours, even in adjacent cities or towns.

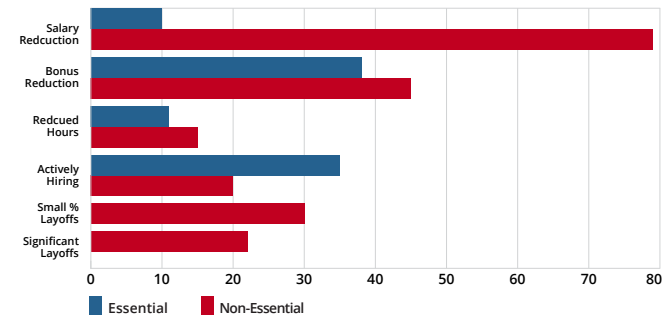
BUSINESS CHALLENGES



Challenges resulting from the pandemic affected the entire business landscape, in the form of temporary and permanent location closures, budget reductions, and furloughs of corporate staff and employees at franchisees' locations and corporate stores.

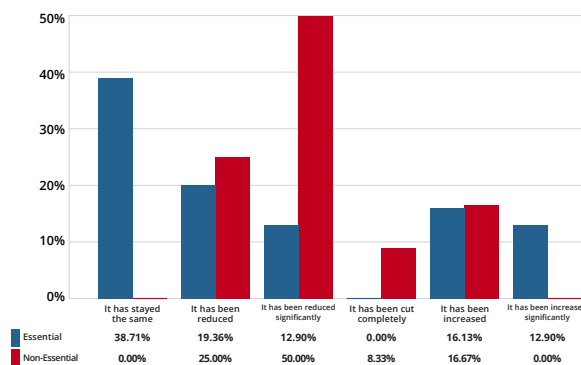
"Covid affects everything, especially marketing," said Phibbs. "If your locations are closed, partially closed, or operating at 25% capacity, you don't have ad fund dollars coming in. And if you don't have ad fund dollars coming in, you can't do anything, and that's reflected in the marketing team." Again, as the graph shows, essential businesses reported fewer business challenges, and some even thrived.

IMPACT ON MARKETING TEAM



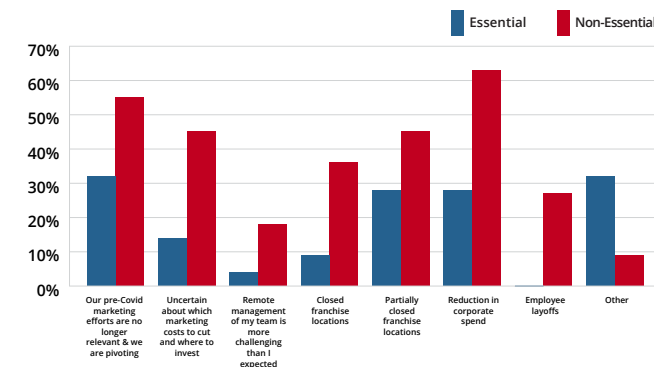
Impacts to respondents' marketing teams followed a similar trend. Some brands are actively expanding their marketing teams—though in greater numbers for essential businesses, which, Phibbs noted, are actively hiring and making changes to their marketing teams. One highly visible example during this pandemic is QSR brands, especially those with drive-thrus or that were able to shift quickly to delivery and takeout.

MARKETING BUDGET IMPACT YTD 2020



As noted, budgets were affected significantly by reduced ad fund contributions. "If your stores are not open and generating revenue, ad fund dollars aren't coming in," said Phibbs. "There will be short- and long-term implications for some brands." No non-essential brands reported that their marketing budgets stayed the same or increased significantly, while 8.3% said it was cut completely. Again, she said, it all goes back to ad fund dollars. "If you don't have ad fund dollars, you don't have a marketing program."

PAUSED MARKETING PROGRAMS DUE TO COVID-19

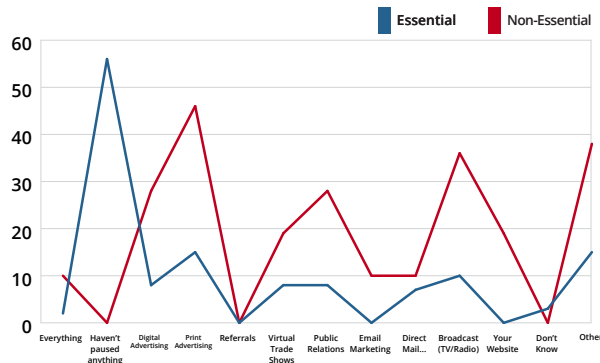


Marketing programs were paused for a variety of reasons, with non-essential businesses hit hardest. "Across the

board, everybody got hit a little bit," said Phibbs. And again, no ad fund dollars, no program.

Top reasons for non-essential businesses to pause their marketing programs were reduced corporate spending; pre-Covid marketing efforts that were no longer relevant or working; stores that were partially closed; and uncertainty about which marketing costs to cut and where to invest going forward. No essential businesses cited employee layoffs, while a few said remote management was more difficult than they'd expected. The top reason for essential business to pause their marketing programs was simply that their pre-pandemic strategies and tactics were no longer effective.

MARKETING ACTIVITIES PAUSED



Digging deeper, the survey asked respondents to break down the specific areas in which they'd paused their marketing. Among essential businesses, more than half said they had not paused any marketing activities; no non-essential businesses said that.

Most marketing tactics were affected by program pauses, again with non-essential businesses most dramatically affected. "I think it all depends on what marketing budget you have or what your business sector is," said Phibbs.

CLOSING COMMENTS

- **MARKETERS ARE EMBRACING CHANGE**
- **ADJUSTING PROGRAMS, BUDGETS, MESSAGING TO MEET THE NEEDS OF THE CUSTOMER**
- **CONTINUED CUSTOMER FOCUS WILL LEAD US MOVING FORWARD**

Marketers are adapting their programs and resources to meet the new needs of consumers, said Phibbs. Her advice? "Continue to listen to the customers. They will lead your brands to where they need to be."

Overall, she said, "The interesting thing that comes out of all this data is that marketers are embracing change. They're adjusting their programs, their budgets, and their messaging to meet the needs of the consumer. Marketers are forced into change, and I think that a continued focus on the customer will lead us all moving forward."

ORDERING INFORMATION

The AFDR and AFMR will be a combined report this year. It will also include the essential business survey information. The price is \$200 through December 31. All attendees received a complimentary copy. Pre-orders can be placed at <https://afdr.afmr.franchiseupdate.com>.

WHAT'S NEXT?

"A regular conversation we have with franchise CMOs is how do business owners, businesses, and brands keep their fingers on the pulse of changing consumer behaviors?" said Therese Thilgen, CEO of Franchise Update Media, who joined Phibbs to offer her thoughts on the AFMR findings.

"We have a lot of predictions from economists, futurists, etc. on what it's going to look like," said Thilgen. "Will we get back to restaurants, gyms, etc.? What can marketers do? What should they be doing? No one has a crystal ball."

"Probably one of the biggest things," said Phibbs, "is that marketers will have to monitor what's going on in the community, following what the experts say, and creating programs that apply to their businesses. Plan for the worst and hope for the best. And have a crisis PR plan. What if a business reopens and someone claims they got sick from being there?"

"It's all about paying attention to existing consumers," said Thilgen. "Which shifts in consumer behavior will be temporary, and which ones permanent? Really measuring this is critical. There are a lot of companies to help franchisors do that."

"Our job as marketers and service providers," said Phibbs, "is to give our customers what they're looking for—whether it's lunch or content." One way to do that echoed the theme of the conference: breaking down silos and improving communication and collaboration between marketing, franchise development, and the C-suite.

"In our CEO thought leadership panel," said Thilgen, "all three spoke to the power of alignment and how they manage their corporate teams. Communication must be as high as it ever has been, and listening to franchisees is more important than ever. Post-Covid, how franchise brands communicate internally will be elevated with new best practices. Now more than ever, it's time for leadership in franchising."



INNOVATION REWARDED

GOLDFISH SWIM SCHOOL AND CAMP
BOW WOW ARE 2020'S BIG WINNERS

Written By **KERRY PIPES**

Innovation and technology were more essential to businesses during the Covid-19 pandemic than at any time in recent history, and remain so today. Companies across the globe have been forced to find ways to survive as governments mandate temporary business closings and consumers hunker down at home. It was in this frothy environment that Franchise Update Media compiled and judged the 113 entrants submitted in its 2nd Annual Franchise Innovation Awards competition. Entries were segmented into four categories: Marketing & Branding, Operations, Products & Services, and Human Resources.

During the first-ever Franchise Leadership & Growth Virtual Conference (FLGVC) in October (see separate story), four finalists in two of the categories were invited to present their entries online during the conference and explain to attendees how they created and implemented their ideas and achieved their goals.

This year's winners of the coveted top two awards were Goldfish Swim School, which won the Franchise Marketing Leadership Award, and Camp Bow Wow, which won the Franchise Growth & Development Leadership Award.

Franchise Marketing Leadership Award

Goldfish Swim School took home the top award for Local Marketing Leadership and was runner-up for its Cause Marketing Campaign on the way to becoming a finalist in the Franchise Marketing Leadership Award competition.

Despite its in-person swim classes being closed by the pandemic, Goldfish is beginning to expand its footprint through new growth, says the brand's Vice President of Marketing Shana Krisan. Company executives saw a need to condense and simplify local marketing support. The result was development of the company's Local Marketing Consultants (LMC) program.

"The goal of the LMC program was to streamline communication to one point of contact to allow for hands-on support and a more personalized approach to better understand marketing dynamics," says Krisan. "This approach created the opportunity to better understand and address the needs of franchisees, bringing ease to marketing execution, all while enhancing local brand awareness."

Goldfish also developed digital playbooks to replace its paper versions and create a more efficient way to distribute marketing materials to franchisees to help them more easily and effectively execute national and quarterly campaigns at the local level. Combined with the LMC, this allowed each school and franchisee to out-market and outperform the competition.

"The LMC program also allowed our subject matter experts to devote more time and attention to innovative projects such as launching a national PR and cause marketing campaign, establishing a brand ambassador partnership, developing enhanced brand campaigns and materials, and the rollout of numerous water safety initiatives," says Krisan.

After implementing these initiatives, Goldfish saw a 30% increase in brand search over 12 months, strong engagement with Gmail and retargeting ads, an average organic ranking of 1.6 across the network, 195+ leads on average per month, 40,000 total new members, and a cost per acquisition under \$20. As a result, brand awareness has skyrocketed and Goldfish has seen a 158% lift in media exposure.

"As an emerging brand, I truly could not be prouder of the way Goldfish has prioritized marketing and innovation to help grow the franchise to new heights. Marketing plays such a critical role in brand growth and development. This acknowledgment further validates Goldfish Swim School as a franchising leader," says Krisan.

Franchise Growth & Development Leadership Award

On its way to the finals in the Franchise Growth & Development Leadership Award competition, Camp Bow Wow also took home the top awards in two categories: Most Innovative Building Design, Remodel, or Prototype; and Most Innovative Use of Technology.

The brand's innovation deployed technology in unique ways to provide more interactive and engaging training and communication to both its franchisees and their employees, while simultaneously developing a unique enrichment program for its canine consumers.

"The technology innovation allowed us to quickly adapt and disseminate new training, or to reiterate current policies to keep staff and customers safe, as well as launch new



initiatives to support our franchise owners during the pandemic," says Camp Bow Wow Training and Communications Manager Tara McHenry (above right).

"It combines small, easily digestible courses, using interactive content to increase engagement and knowledge retention with hands-on learning to accommodate all learning styles and ensure camps are up to date on brand standards, safety, and service." It also allows individual franchisees to add their own policies and procedures for their own locations as part of the learning path for their camp.

"The enrichment service innovation blends Camp Bow Wow's traditional all-day play with daily sensory stimulation for dogs, as well as delivering customized, individual services that allow our customers to provide a piece of home to their dog while at camp. It caters to all types of dogs and promotes both physical and mental health for a well-rounded experience," says Erin Askeland, animal health and behavior consultant at Camp Bow Wow (above left).

When the brand launched the new technology platform, the goal was a 50% adoption rate. However, says Askeland, Camp Bow Wow achieved a 94% engagement rate as a result of pairing it with the enrichment initiative.

McHenry and Askeland both said they were completely taken by surprise and honored to be recognized with the award for the two large-scale initiatives. "We were in a strong group of other brands and nominees and appreciate being able to take home the Franchise Growth & Development Leadership Award," they said. ■

TOP OF THE 2020 INNOVATION CLASS

Four finalists competed for this year's Franchise Marketing Leadership Award. Goldfish Swim School took the top prize. The other three finalists in this category were:

- PRIMROSE SCHOOLS** – Winner, Best Social Media Campaign
- EPCON FRANCHISING** – Winner, Best Digital Campaign
- JERSEY MIKE'S SUBS** – Winner, Best Cause Marketing Campaign

Four finalists also vied for the Franchise Growth & Development Leadership Award. Camp Bow Wow nabbed the top prize there. The three other finalists in this category were:

- EDIBLE** – Winner, Most Innovative Product Introduction
- CHECKERS & RALLY'S** – Winner, Most Innovative Operations Team
- THE EXERCISE COACH** – Winner, Most Innovative Use of Data



MEASURING SUCCESS

MARKETING METRICS DRIVE GROWTH AT JUNK KING

Written By **KERRY PIPES**

Chrissy Russo stepped into her role as senior director of marketing at Junk King about a year ago. Junk King is an eco-friendly junk removal company that recycles up to 60 percent of the items it picks up. Russo was hired in January 2020, along with a new COO and vice president of business development, as the brand brought in seasoned professionals to help take growth to the next level.

With 15 years in marketing, Russo was tapped for her expertise in building brand awareness, developing strategic alliances, and leading teams. Before coming to Junk King she spent 5 years as vice president of marketing with Nelson, an independent staffing company where she was recognized as an innovative leader in building successful brands and market strategies. She also has been a part of a disruptive outplacement solutions provider where she focused on B2E marketing and was responsible for educating both enterprises and displaced employees.

Since arriving at Junk King, she has been overseeing two key areas: 1) leading the strategic direction of junk removal from residential and commercial spaces, and

2) marketing strategy and implementation for franchise development.

Russo is a strong proponent of technology use. Data today, she says, has become more sophisticated and provides deeper insights, but it's also easy to get overwhelmed by the sheer amount of it. Nevertheless, the data Junk King collects has been instrumental for the brand entering new markets. "It allows us to find where those opportunities are and turn them into conversions," she says.

Since joining the company Russo also has been a part of a fundamental shift in social media marketing strategies. Junk King has begun using more local social media tools, and she says the result has been huge growth numbers in followers and consumers.

Russo is quick to point out that while KPIs and conversions are important for marketers, numbers are only part of the story. Marketing, she says, should always include creativity and the desire to create great campaigns, which is ultimately what builds brand awareness, kindles interest, and leads to conversions.

Describe your role as senior director of marketing. I have two main areas of responsibility. The first is leading the strategic direction of junk removal from residential and commercial spaces, with the other being the marketing strategy and implementation for franchise development. I work hand in hand with nearly every department, from customer care to operations and sales to franchise development. The ultimate goal is to push the brand forward and get closer to being the number-one junk removal company.

What's the most challenging part of being a marketing leader today? Easily the biggest challenge is keeping up with the many ways consumers behave and interact, especially online. You have to ensure that your brand is top-of-mind to consumers, and that is difficult since there's so much content from other brands out there. There are a lot of different platforms and avenues to reach customers and prospects, and you have to use them all effectively. That includes understanding which social channel each demographic is drawn to. We know that the methods we use for a certain demographic (Facebook, email, phone) won't work for others. Your efforts need to expand beyond the digital realm, however. You must challenge your brand to be active in the community and give back to build awareness among local markets.

How has Covid-19 affected the way you have led your brand's marketing efforts? While business itself was, fortunately, not hit too hard, the pandemic has provided a lot of valuable learning. Being the first to get your voice out there is key. When things first really started being affected by the pandemic, we knew we had to get our messaging out there first; we had to be first to market. We didn't wait to see what our competitors were doing. Instead, we jumped right in to let our customers know about the new safety precautions we'd implemented and would be taking to not only keep them safe, but also to keep our employees safe. All of our employees had to be trained on talking points to help address customers' concerns, especially at our call center. We've also been more focused on community-building initiatives. A few of our owners have set up grocery delivery for at-risk individuals in their community, along with the initiatives our other owners have taken part in.

What are the 3 most important keys to being an effective marketing leader today? First, you must have a quality team surrounding you. Having the right teammates that fit from both a skill set and cultural aspect is very important. They have to understand their role in the company and do it effectively so the rest of us also can be effective. Next, you must be nimble. If there's one thing I've really learned in the last few months, it's the importance of being able to change tactics at a moment's notice. Finally, you have to be able to interpret analytics. All of the raw data at your disposal is worthless without the ability to understand it and put it into action.

How do you prepare a marketing plan and execute the strategies? Collaboration is the name of the game. My team and I will get together and dive into our plans quarter by quarter to see how we can meet our metrics. We use the metrics we met last year to give us an idea of what we should aim for. Our team also will go through the campaigns and strategies we used, determine which ones worked,

then try to implement those into our new plans. Feedback from owners on the local level also is invaluable. During the planning process, it's important to consider how these ideas will affect the other departments and if they will work cross-functionally.

How do you measure marketing results and effectiveness? We rely heavily on analytics tools for measuring our results and effectiveness. Junk King has a proprietary system that allows us to see conversions (customers booking a job or estimate) through the CRM model. Besides that, we use Google Analytics and HubSpot to see where traffic is coming from and if those are effective at driving conversions. Conversions are definitely our number-one metric when measuring success. Ultimately, our customers let us know how well we are doing. Our consistent positive reviews let us know where the brand stands in the junk removal ecosystem.

Discuss your core consumer marketing strategies and objectives. Our core objective is getting as many conversions as possible; the more appointments the better. We give our consumers a variety of ways to book a junk removal estimate or job. They can call, text, or email, even sending images to help solidify the job right there. SEO initiatives are a main focus for us to drive these conversions. Our digital footprint is phenomenal for a young company, and we're constantly looking to expand it. We always look to partner with the best lead generators and be top-of-mind no matter where you might be searching. Having a strong presence in the community is another objective for us. Our owners are always looking to participate in philanthropy and giveback programs, something that has been especially important during the pandemic. Even if these aren't transactional, it's a great way for the community to know that Junk King is there for them.

How do you go about creating a "customer-centric" marketing and brand philosophy? Our number-one priority is a focus on customer service. With our very high satisfaction ratings and thousands of positive reviews, we truly value how our customers feel about us. We especially take pride in our return referral numbers, which are upwards of 50 percent. To create this, we tout ourselves as the best in the industry and back it up with our performance. Additionally, we never turn down a job just because of pricing. Our employees are always willing to work with a customer on a price they're most comfortable with. This all goes hand-in-hand with our desire to help people ease some stress in their life.

Describe your marketing team and the role each plays. Our marketing team is small but mighty, with all of us playing a major role. Personally, I do a lot of task-oriented things. Our marketing operations manager has been with us since the beginning of the company and knows Junk King inside and out. She enables us to understand our target market and segmentation, helps to ensure we get the right message to the right person, and is instrumental in franchise support. The digital marketing coordinator handles all of the front end and some back end of our web presence; they do a lot of the analytics and know which methods are best to continue expanding our digital footprint. Finally, our marketing coordinator is the one that puts it all together; they pull it all

together for us and are a real jack of all trades. By helping us navigate smaller support functions, we're able to focus more on bigger initiatives.

Why is it so important for the marketing department to have a “personal touch” when it comes to helping the brand connect with franchise prospects? A personal touch is essential when it comes to connecting Junk King with prospects. They are buying into the brand and want to make sure it has a strong presence, and marketing plays a major role with that. Our team has individual meetings with each prospect to go over our marketing efforts and what they can expect when becoming a Junk King franchisee. Marketing plays a big part in supporting the sales process, as well as the franchisees once they've opened. Owners get the royal treatment with us and have access to unequalled resources compared with others in the industry.

How does this help your franchise sales and development effort? By establishing those relationships, new owners get a sense of what they're buying into. In turn, they feel more comfortable with their investment.

What ways/tools do you rely on to do this? Our team takes a multi-touch approach. We like to include as many members of the team as possible to get the entire company's perspective. Then we use any tool at our disposal to get our message across. Phone calls, robust email marketing campaigns, and even more-traditional methods help us build those relationships. It's essential that our message is tailored to each prospect. We never want our message to sound canned.

Do today's prospects expect more from the franchise marketing department? What, and how do you provide it? There is certainly more expectation from the marketing department. The role of marketing has changed so much, as it's now closely tied to our sales expectations. We provide prospects with a lot of support on the marketing side, including giving them access to scalable technologies to help grow their business.

How is today's consumer and marketing “data” helping you fine-tune your marketing initiatives? It's definitely come a long way. Data has become so sophisticated and insightful that it's become easy to get lost in it and go down a rabbit hole. This data has been instrumental for us entering new markets and revenue streams. It allows us to find where those opportunities are and turn them into conversions. The analytics help us see if we were the first to market as well.

Describe the evolving role of social media in your brand's marketing efforts. When I first joined Junk King, the brand's social media was mainly at a national level. However, it became clear that there was an opportunity to leverage this content on a local level, especially from an advertising perspective. Since making that shift, we've seen huge growth numbers in followers and consumers. We've also tried to use our social media outside of a sales approach. Our social platforms give a great opportunity to increase consumer engagement and build those vital relationships with them.

How do you work with other internal departments and does technology help? Having a smaller team allows for all of us to work cross-functionally with the other departments very well. I work with operations, sales, IT, and customer success to put plans into action and make sure there's no

strain on the other departments. Technology has played a big part in how we communicate. Especially since the pandemic hit, we are using Zoom, Microsoft Teams, OneDrive, and other videoconferencing platforms. However, we still like to do it the old-fashioned way by picking up the phone and giving someone a call.

How do you manage costs and budgets for the marketing department? It really is a “one day at a time” approach. I like to build enterprise-level relationships with our vendors, and these relationships allow our costs to stay low. Our team likes to build a lot of things in-house, which gives us flexibility in the budget for making large-scale purchases.

Do you see vendors as business partners? Why/why not? I 100% see our vendors as business partners, especially those in our industry, like truck providers. It's vital that they be a part of our business and celebrate our successes together. We have strong relationships with our vendors because of the great work they do for us. Without them, it would be much more difficult to grow and scale as much as we have.

How have marketing strategies/tools changed over the past decade? How have you adapted? You have to be nimble and ready to change strategies at the drop of a hat. It's interesting, because earlier in the year email marketing was on its way out for us and we were shifting more to texting. People were spending less time looking at their email and more time with their texts. Then the pandemic hit and people had more time to look at their email, so we began shifting back to email marketing. Our website is something that's had to evolve as well. Mobile is all the rage right now, and about 50% of our traffic comes from mobile users. For the longest time we were focused only on the website experience for the desktop user; now we must consider the mobile user. You have to stay on top of the different avenues to reach customers. It seems like there's a new social media platform popping up every year, and our team does its best to take advantage of these different tools and do them well.

How is your marketing/branding strategy developed, and how does it flow through the system? When it comes to developing strategy, our team has a top-down approach. Strategies are developed so that they are scalable nationwide and in Canada. Then we hone these strategies so that they can be done on the local level to help our owners. Our franchise consultants play a big role in pitching these marketing activities to our owners to make sure we have participation throughout the entire system.

What advice would you offer to aspiring CMOs and marketing leaders? There's a lot of advice, but first is to not get lost in the analytics. While data is helpful to measure KPIs and conversions, marketing is so much more than just numbers. It's about creativity, too. There are so many facets to what a marketing team can bring that can't be measured by analytics, such as the power of the brand itself. Everyone starts out with a creative mindset in marketing and has the capability and desire to create great campaigns. But as your career progresses that can sometimes waver. So never forget to tap into your creativity. Always make sure to use your team, since a one-person show is almost never successful. Also, don't overanalyze an idea. Sometimes the best method is to just roll with it and see what happens. ■

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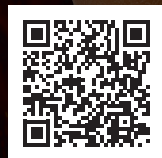
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Q How has Covid-19 changed your marketing strategies, plans, and goals for 2021?



REBECCA MILLER

Chief Media Officer/Partner
Smoothie King

In our early conversations as Covid-19 grew, as a lifestyle brand we knew that we had to remain committed to our guests' health and wellness goals. We pride ourselves on being a purpose-driven company and, if anything, the pandemic magnified our need to stay focused on our brand's mission and vision in the health and wellness space. With our guests' routines drastically interrupted, our franchisees and the marketing team knew we could not slow down our guest-focused initiatives.

For example, early in the pandemic, we fast-tracked a new smoothie designed to support our guests' immunity. We also collaborated with Under Armour to expand our reach during the height of home workouts and to reinforce our position as a healthy lifestyle brand. Additionally, we donated more than \$1 million in smoothies to healthcare professionals and first responders on the front lines fighting Covid-19 to show how our smoothies can serve a purpose in more ways than one.

At the same time, we also had to meet our guests where they were and communicate our message digitally. Since the start of the pandemic, we have shifted a lot of our time, attention, and resources to

the safety and convenience of our online ordering platforms. Whether that's incentivizing guests to order through our Healthy Rewards loyalty app with in-app promotions, or partnering with a trusted third-party delivery vendor like DoorDash, we are continuing to build out our digital presence and ordering capabilities so our guests understand how accessible we're making ourselves.

Also, in terms of accessibility, Covid-19 allowed us to lean into the convenience aspect of our business. Smoothie King has always attracted an on-the-go guest, so we made sure to emphasize our drive-thru capabilities as a safe and convenient option. As a result, our 400-plus drive-thru locations averaged a 26 percent increase for July year-over-year.

Being a lifestyle brand requires adjusting to the needs of consumers. As guests' lives were affected, we quickly pivoted to better align our brand with those changes. They may only feel comfortable ordering on their phone, picking up in-store, or having their order dropped off to their car curbside. So we have focused our marketing efforts on letting our guests know how they can order Smoothie King safely and conveniently, and will continue to do so.

“The recent Global Coworking Growth Study 2020 showed, among other statistics, that 5 million people will be working from coworking spaces by 2024, an increase of 158% compared with 2020. And 77% of the coworking operators surveyed said they plan to expand by opening new locations.



CHRISTINE PESCATORE

Director of Marketing
Venture X

Covid-19 has affected the coworking/flexible workspace and how we market to potential franchisees and members. However, in many ways, this pandemic is helping us reach new audiences and focus our messaging on what potential franchisees and members are really looking for right now.

Before Covid, our marketing strategy centered around the current and projected growth in our industry, the professional, upscale spaces we offer, and our unique features. During and post-Covid, we will still focus our messaging on those key items, but we have enhanced it with the following:

1. For potential franchisees

- Focusing on positive projected growth in 2021 and beyond (number of spaces and number of members)
- Building awareness of new target markets based on the explosion of remote workers
- Describing the increased demand for private offices, private meeting rooms, and offices closer to home (to avoid mass transit)

2. For potential members

- Focusing on virtual office offerings (professional address/mail handling without a physical office) needed for those working from home but not wanting to use their home address
- Marketing meeting rooms for professionals who are working

remotely and need a professional place to have a meeting/conference

- Targeting enterprise clients who are giving up their long-term leases at traditional offices
- Marketing private individual and team offices for those who cannot work from home on an everyday basis, but want to be near home
- Focusing on the size of our spaces (which easily allows for social distancing) and the cleanliness procedures we have put into place

These are just a few of the marketing changes we have made as we approach 2021. Regarding our plans and goals, they have not changed. Our plan is to continue to grow in new and existing markets in 2021 in the U.S. and worldwide. We are currently at 37 locations open and more than 120 signed worldwide.

The recent Global Coworking Growth Study 2020 showed, among other statistics, that 5 million people will be working from coworking spaces by 2024, an increase of 158% compared with 2020. And 77% of the coworking operators surveyed said they plan to expand by opening new locations.

We understand the need for coworking/flexible office space will only grow as the office landscape, remote employee situation, and general environment continue to change. And we will continue to pivot our marketing messaging to focus on the solutions Venture X is providing.

Employee Engagement

The key to making pay irrelevant

Written By
JOHN DIJULIUS

Today is a tough labor market. Employee turnover in the past 12 months was at an all-time high, as reported by the U.S. Bureau of Labor Statistics. However, there are more jobs available than people looking, which certainly makes it an “employee market.” Still, great leaders and great companies do not use the high “quit rate” as a crutch. The companies with the best employee culture are not experiencing high turnover. Why? Because they have made pay irrelevant.

Making pay irrelevant does not mean they pay their employees less or more than what other companies are paying for similar positions. What it does mean is this: *Based on the organization's culture and environment, employees are so aligned and inspired with the company's vision and purpose, they have no idea what other companies are paying.*

Employees who work for great companies that demonstrate they genuinely care about their people are not out looking for the “best deal” on paper. However, when a culture is lacking, things like money, better hours, and proximity to where they live all become much more important.

EMPLOYEES QUIT MANAGERS

Studies have shown that the reasons people leave their jobs are directly related to how connected they feel at work. The Families and Work Institute has found that compensation and benefits have only a 2% impact on job satisfaction, while quality and workplace support have a combined 70% impact. Retaining employees is not a function of the HR department. Employees are most engaged when they feel as though their work is important, they are appreciated, they learn and grow, and they feel a part of a great team.

In fact, the single most important determinant of an individual's performance and commitment to stay with an organization is the relationship that individual has with their immediate manager. People leave their manager far more often than they leave the organization. Leaders love to blame high turnover on the youth of today by casting Millennials and Gen Z as lazy and entitled. My experience as an employer has been the opposite. I have found in The DiJulius Group, John Robert's Spa, and Believe in Dreams, where we have a large percentage of customer-facing Millennial-generation employees (100+), the younger generations are even more loyal and committed to our company's mission and purpose than previous generations.

Why do some companies have a large, unmotivated, and apathetic workforce, while other companies boast a workforce willing to make ridiculous sacrifices for the betterment of the organization? When it comes to the Millennial generation, it's important to know they're not interested in trading

hours for dollars. They want to be part of something big, part of a purpose. Think of companies like Zappos, Chick-fil-A, Nordstrom, Ritz-Carlton, and Disney. All of these companies employ Millennials who are fully engaged in their work. The businesses that tie job responsibilities to an overall purpose and bigger picture get incredible results from Millennials—and also from the rest of their employees.

IT STARTS WITH EMPLOYEE ENGAGEMENT

Forrester reported that only 13% of employees worldwide are engaged, meaning they are involved in, enthusiastic about, and committed to their work and workplace. Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work. *Employee engagement is not the same as employee satisfaction.* Employee satisfaction only indicates how happy or content your employees are.

According to a study by Deloitte, younger generations want to work at companies with an authentic purpose, with more than 70% of Millennials expecting their employers to focus on societal or mission-driven problems.

Consumer Clarity published a great article called “Why Millennial and Gen Z Employees Are Leaving Your Employment,” citing some of the top reasons those generations are quitting companies: they're not as engaged, they want more than a paycheck, traditional management styles don't work, they want to grow, and they want to learn new skills.

Best-selling author Simon Sinek says it best: “Imagine a world where people wake up every day inspired to go to work, feel safe while they are there, and return home at the end of the day feeling fulfilled by the work they do, feeling that they have contributed to something greater than themselves.”

You absolutely can make pay irrelevant... if you are willing and able to build a world-class internal culture. ■

John DiJulius III, author of *The Customer Service Revolution*, is President and Chief Revolution Officer of The DiJulius Group, a customer service consulting firm that works with companies including Starbucks, Chick-fil-A, Ritz-Carlton, Nestle, PwC, Lexus, and many more. Contact him at 216-839-1430 or info@thedijuliugroup.com.



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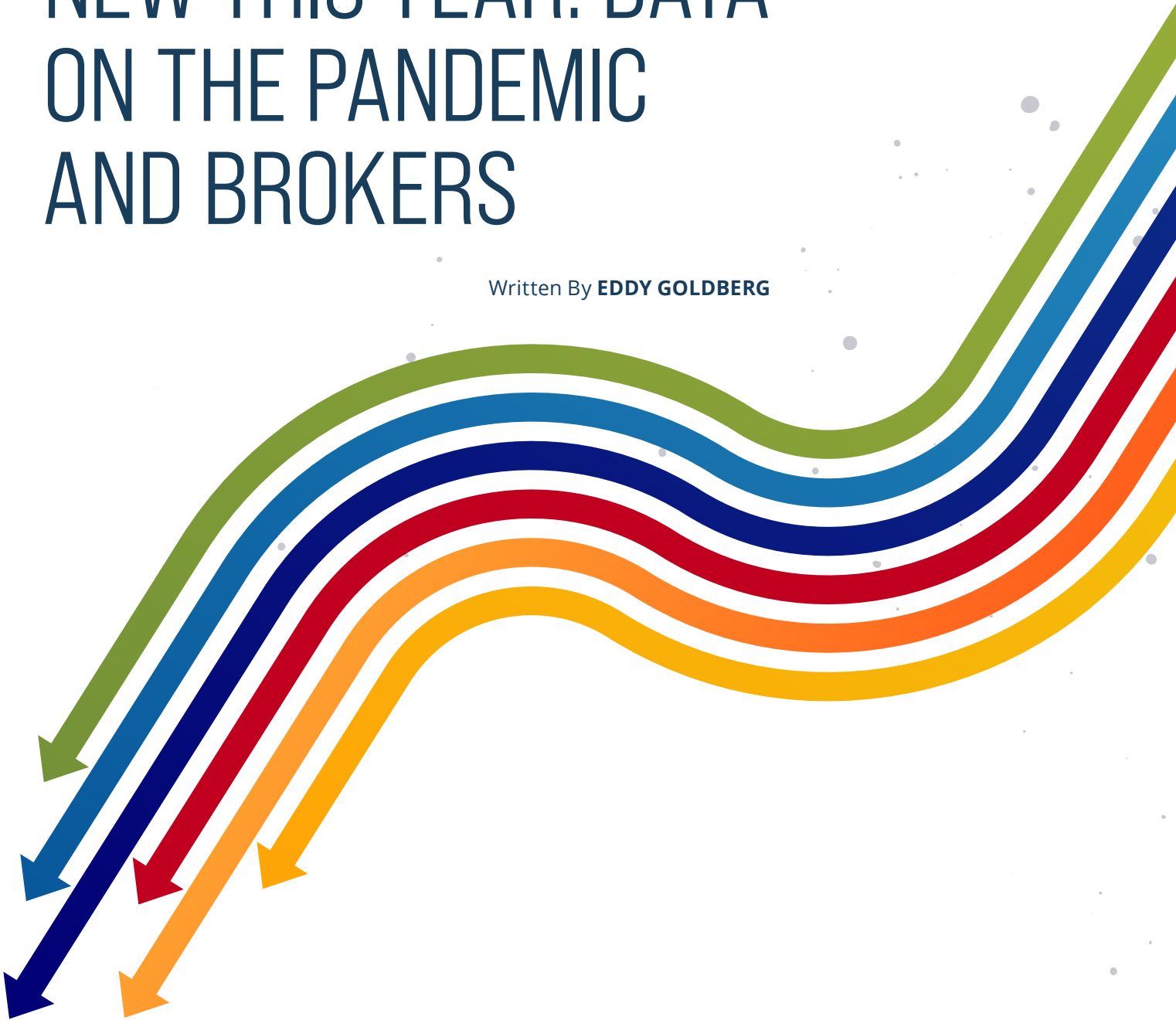
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2021 AFDR

NEW THIS YEAR: DATA
ON THE PANDEMIC
AND BROKERS

Written By **EDDY GOLDBERG**



Results from the 2021 Annual Franchise Development Report (AFDR) were unveiled in mid-October at the first-ever Franchise Leadership & Growth Virtual Conference (FLGVC).

Participants in the survey consisted of franchisors that completed an online questionnaire. Responses were aggregated and analyzed to produce a detailed look into the recruitment and development practices, budgets, and strategies of a wide cross-section of franchisors. The data and accompanying commentary and analysis provide the basis of the 2021 AFDR.

Highlights from the report were presented in a general session by Franchise Update Media's Executive Vice President and Chief Content Officer Diane Phibbs and CEO Therese Thilgen. Below are selected highlights. Ordering information is at the end of the article. Conference attendees received a complimentary copy and could view the presentation online for the following 30 days.

THE VIEW FROM 30,000 FEET

Introducing the report, Thilgen told attendees, who included franchise development teams, consumer marketers, and members of the C-suite: "Our goal is to provide data that will help you in your respective disciplines respond to the changes of 2020 and make more informed decisions going forward."

She cited a recent Wall Street Journal article titled, "Is It Insane To Start a Business During Coronavirus? Millions of Americans Don't Think So." And although the pandemic has closed hundreds of thousands of businesses, on the other hand, said Thilgen, "We're seeing a record number of applications being filed for new U.S. businesses, and they are rising at a rate not seen since 2007. Why? A mix of necessity and opportunity."

In the franchise world, she said some good news is that the past couple of months saw an uptick in franchise sales, multi-unit deals, and new unit openings in almost every category.

Phibbs, who presented the findings with Thilgen, said the ways that franchise prospects research franchise opportunities today is changing even more with the onset of the pandemic. With so much information about a brand available online, prospects conduct most of their due diligence long before they pick up the phone and engage with a brand. And that initial research by potential franchisees is not only about the brand, its products or services, or ROI.

"When prospects look at a franchise opportunity, they also look at how a brand engages with its customers. They look at marketing programs, social media, PR, and visit or shop your brand themselves," she said. "And they often talk with franchisees before they talk to you."

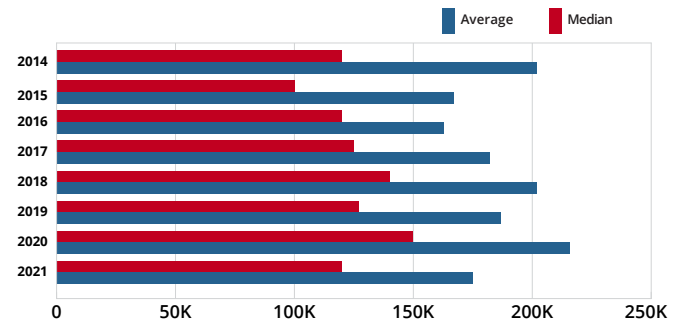
THREE KEY FACTORS REVEALED IN THE 2021 AFDR

1. With so much initial research taking place on the Internet, it's critical to position your franchise opportunity in the best possible light online. This matters more than ever during the pandemic. Your website must engage prospects and provide important details to invite them to take the next step.
2. Franchise development is a team sport. How each department interacts with franchisees and end customers is huge. It's franchise development's responsibility to get

the executive team and their peers educated and invested in development.

3. Business conditions at the unit level are critical to franchise development. If your units/locations aren't doing well, your ability to grow your system will be affected. There aren't enough leads in the world to overcome unhappy franchisees and negative sales and profits.

RECRUITMENT BUDGETS: 8-YEAR TREND

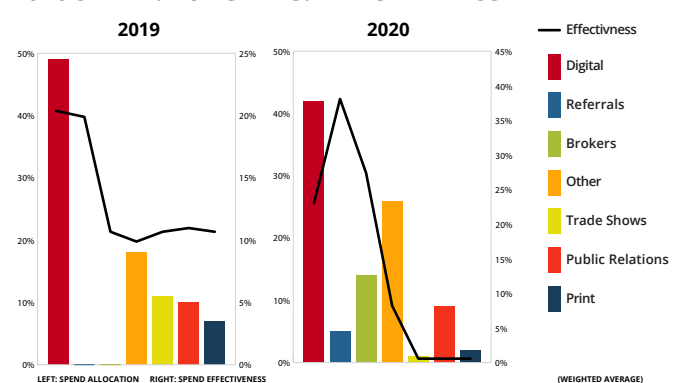


Median and average budget plans for 2021 are lower than in 2020, when they reached a 7-year high. In fact, said Phibbs, this is the lowest planned spend for recruitment budget in years.

In this year of tumult and change, only 30% of franchisors who responded to the survey had their 2021 budgets nailed down. "We've never seen so many franchise organizations without budgets in place at this time of the year," she said.

The predominant reasons respondents cited were decreased system-wide sales; confusion, as franchise development teams don't know what to spend and where to place the dollars; and the most obvious and perhaps largest reason: uncertainty about Covid and its long-term impact to their systems, consumers, and the U.S. economy.

2020 SPEND: BUDGET VS. EFFECTIVENESS



When you consider that many lead generation activities were halted at the beginning of the pandemic, it makes sense that in 2020 digital, print, and PR spending declined, with trade shows taking a big hit as the country closed down. A separate survey question revealed that lead generation activities that were paused included digital (28%), trade shows (27%), and print (22%).

"When travel is canceled, transitioning budgeted dollars to other activities makes sense," said Phibbs. "We learned that franchise brands are building budgeted line items for

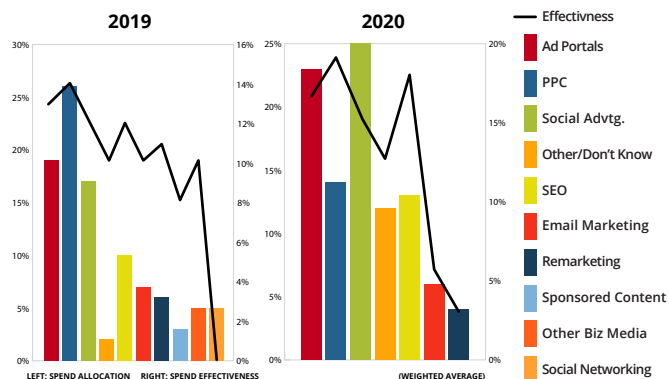
2021 Annual Franchise Development Report

brokers, so we added a broker category to the survey," she said (more on brokers below).

The "Other" category, which shot up this year to 26% of spend, includes franchise opportunity websites at 11% of spend, said Phibbs. "So it looks to me that if it wasn't already planned, development executives were shifting some of their resources to update and upgrade their franchise opportunity websites, which is a really smart move given that people were at home and learning from those websites."

Referrals, as they have for years, remain the most cost-efficient lead generation method.

DIGITAL SPEND: BUDGET VS. EFFECTIVENESS



When Covid hit and travel stopped, traditional lead generation methods were no longer viable. Franchise development teams turned to digital, which is relatively cost-efficient and easy to get into. Still, the shift to digital in all aspects of life created a lot of change that marketers—and consumers—had to figure out as the months dragged on.

Looking at how digital budgets are applied, the survey found that spending for advertising portals was up, but their effectiveness declined during Covid. The opposite was the case for pay-per-click, where spending was reduced but effectiveness increased. "This is interesting when you look at last year's results, where the effectiveness for the two was very similar, but the spend was quite different," said Phibbs.

The effectiveness of social advertising is similar to last year, but spending in this category increased by almost 10%. "I believe brands tried a lot of different ways to attract prospects during this time of change," said Phibbs. "It will be interesting to watch how digital initiatives change in the coming year."

If there's one point to stress after analyzing all the data, said Thilgen, it's to fully understand your target audience. "So much has changed this year, and it affects everything we do—values, financial situations, and the way people communicate. It all plays into the franchisee recruitment program, and some do it better than others. We should evaluate our target market and adjust our budgets and lead generation initiatives accordingly."

MEASURING COSTS

Cost per lead and cost per sale are arguably the two most important metrics in franchise recruitment. Both increased this year. As we've noted in previous years, why 100 percent of franchisors don't track these critical numbers remains a

mystery—and a major reason many development departments continue to miss their annual goals.

"With 2020 being a crazy year for personal movement and economic uncertainty, it is no surprise that cost per lead and cost per sale are both up over last year," said Phibbs. "You're spending against your budget and the pandemic hits, causing an investment slowdown, so it's natural that your cost per lead will go up."

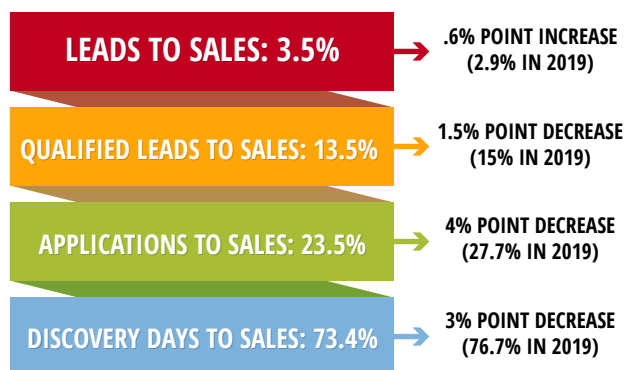
Something for brands to consider as they budget for 2021 is to front-load their budgets, i.e., allocating a heavier portion of their annual spend to the first and second quarters, understanding that it takes time to move prospects through the sales funnel and sales process to get to a deal. "I'd recommend that brands go back and take a look at front-loading their budget going into 2021," said Phibbs. "Because one of the stats we found in the research is that the lead-to-deal close window is now 18 weeks. That's 4½ months, which means that leads will have to be generated by the beginning or middle of August to even have a chance of closing in 2021."

In this year's AFDR, 7 in 10 (70%) of respondents tracked cost per lead; this compares with 79 percent in 2019 and 65% in 2018. The good news is that more brands *are* tracking cost per lead than they did years ago; the bad news, of course, is that 3 in 10 in this year's survey still didn't. Average cost per lead (among those that tracked it) was \$312; that compares with \$213 in 2019 and \$126 in 2018. (Median cost per lead this year was \$75, compared with \$91 last year.)

Looking at cost per sale, which many view as *the* most important recruitment metric, 61% of brands in the survey tracked this figure this year, compared with 65% in 2019 and 53% in 2018. While this shows strong improvement from a few years ago, it still means that almost 40% of brands still do *not* track this most valuable metric. In these pandemic times, with revenues down and so many brands struggling, you might think that tracking cost per lead would rise to the top of franchise recruitment teams' to-do lists.

Of the 61% that did track cost per sale, they reported an average of \$12,138, up significantly from 2019's average of \$10,500, and 2018's average of \$8,984. (Median cost per sale this year was \$9,650.)

SALES CLOSING RATIOS



Another crucial set of metrics in evaluating the effectiveness of a franchise development team are the ratios of leads to sales, applications to sales, and discovery days to sales. Lead

quality is a huge factor here, and brands with pre-qualifiers generally have better closing ratios.

In a separate survey question, 60% reported their lead quality was up pre-Covid. During Covid, however, just 39% of respondents reported their lead quality was up, 35% said it was the same, and 23% said it was down.

Leads-to-sales ratios rose from 2.9% in 2019 to 3.5% this year. The ratio of qualified leads to sales, although a fairly healthy 13.5%, still fell 1.5% from last year. The applications-to-sales ratio also fell during this year of the pandemic, dropping 4% from 2019 to 23.5%. The discovery-days-to-sales ratio, at 73.4%, also fell this year, by 3% from 2019—though it's uncertain how much shifting from in-person to virtual discovery days was a factor here.

"This shift in lead quality is a factor in the change in these stats," said Thilgen.

Additionally, with the economy on hold, 38% of respondents temporarily or permanently paused franchise development efforts because of the coronavirus, 7% paused everything, and 34% didn't pause anything.

"Again, these ratios all go back to understanding your target audience," said Phibbs.

NEW: BROKERS

This is one of the new categories this year, as brands turned to brokers to help fill their pipelines. "It's no surprise that brokers specializing in franchising have a higher success rate than those who don't," said Phibbs. Service brands reported the highest success rates with brokers: more than half (55%) of non-brick-and-mortar service brands reported closing deals through brokers; for brick-and-mortar service brands that figure was 24%.

BROKER SUCCESS

Broker success varies with how much it costs a prospect to buy into a brand. Brands with an investment of \$250,000 or less found the greatest success with brokers (58%), followed by brands requiring investments of \$250,000 to \$500,000 (34%), and those costing upward of \$500,000 (6%).

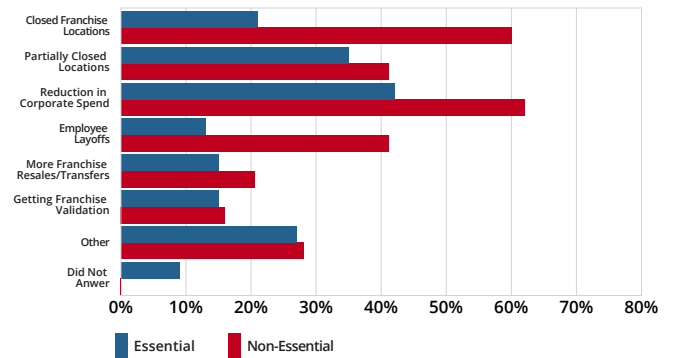
This year broker success rates also were affected by the coronavirus. Of the brands that closed deals with brokers, 55% had closed or partially closed locations during Covid (32% partially, and 23% fully closed).

NEW: ESSENTIAL BUSINESSES

Among all respondents, 72% said they were deemed essential, 26% not, and somehow 2% reported that they didn't know. And while there had been positive changes in the weeks leading up to the conference, with brands reporting a growing number of reopenings, in the weeks that followed coronavirus and infections spiked upward to daily records, and many brands saw units shuttered again.

BUSINESS CHALLENGES

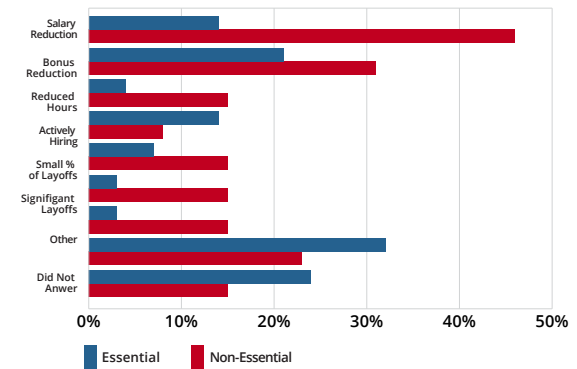
Closed or partially closed locations were the biggest challenge for brands, both essential and non-essential. While this wasn't surprising, Phibbs said, "The surprising stat for me here is the resale and transfer data we found. I thought it would be higher than it is. We'll probably see a change next year as the economy rebounds and people begin to move about. This will show which franchisees were able to withstand the pandemic."



Her advice for the meantime? "If your brand doesn't already have a structured resale program, I suggest you consider developing one now."

Another challenge topping the list of concerns for both essential and non-essential businesses was reductions in corporate spend; and for non-essential businesses, dealing with employee layoffs at both the franchise and corporate levels.

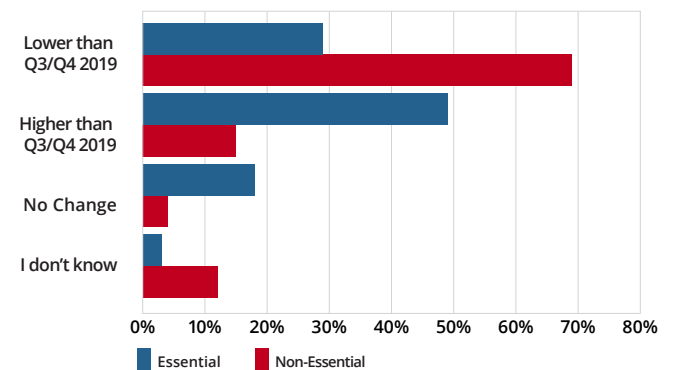
IMPACT ON FRANCHISE SALES TEAMS



Most of the impact on sales teams was in salaries and bonuses. No surprise there, said Phibbs. However, she said, "One of the things most surprising to me is that 14% of essential businesses said they are actively hiring."

Essential businesses reported a better overall business picture than those deemed non-essential. Some essential businesses also provided written commentaries on their programs and said their overall businesses were in good shape. "Brands are rebounding, while some continue to have some challenges," said Phibbs.

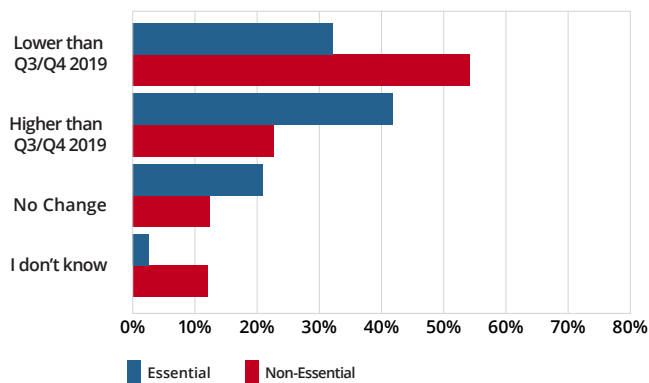
Q3 & Q4 2020 SYSTEMWIDE REVENUE EXPECTATIONS



2021 Annual Franchise Development Report

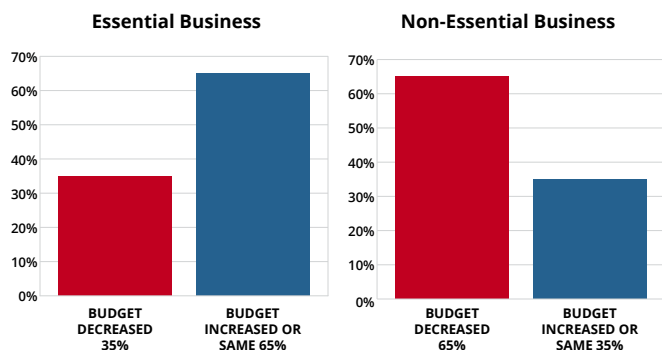
Essential businesses have higher projections on system-wide revenue than non-essential businesses, because they're performing better right now and have made changes in response to the limitations imposed by the coronavirus and state and local regulations. And again, said Thilgen, there is still much uncertainty in development departments, as there is in most every aspect of life right now, whether business or personal.

Q3 & Q4 FRANCHISE SALES EXPECTATIONS



Sales expectations for the coming year follow in line with system-wide revenue, said Thilgen: higher for most categories, with non-essential businesses having slightly lower projections. "Essential businesses have a much more optimistic, forward look about their sales—and in many cases have a better budget to achieve their goals than those classified as non-essential."

FRANCHISE DEVELOPMENT BUDGET IMPACT YTD 2020



"Some non-essential businesses have just been devastated, and their recovery period is just going to take a little bit longer," said Thilgen.

As noted, essential businesses have higher budgets for the balance of 2020 and the year ahead. This group reported that their franchise development budgets are increasing or staying the same, whereas non-essential businesses are more likely to reduce their budgets going into 2021.

The survey responses back that up: among non-essential businesses, almost half (45%) said their franchise development budgets had been reduced, significantly reduced, or completely cut; 40% said they have maintained their franchise development budgets; and 16% increased slightly or significantly. With the pandemic permeating everyday life, "These numbers aren't surprising," said Phibbs.

"The marketer in me says there's a philosophical decision to be made here," she said. "The marketer says that when times are tough, market, keep the pressure on, and, unfortunately, spend. But you have to continue your marketing efforts so people don't forget about your brand. There are many people who may say, 'Well, everybody knows us.' But in the end, when there's so much noise online right now, not everybody will remember your brand."

CLOSING COMMENTS

Returning to the 30,000-foot view, three things stood out this year, said Phibbs:

1. We are seeing an uptick in franchise development efforts.
2. Budgets will be dependent on overall business conditions.
3. Filings for new franchises have increased in the past couple of months.

Thilgen said she'd noticed a "radical change" in new store openings in the 6–8 weeks preceding the conference. "We've seen a big uptick in spend over the last 2 months," she said. "In speaking with franchisors, we've seen more optimism on the development side. The big kicker is going to be when the vaccine happens. When can we get back to the new normal? What is normal now? We just don't know."

Wrapping up the presentation, Thilgen said, "Entrepreneurs have to live in the future. They have to look ahead and navigate these uncharted waters to keep their companies alive. Right now so much attention is on sustainability, but thriving is the ultimate goal—and giving their employees the opportunity to be a part of that."

"Necessity and crises are the mother of invention. It's happening out there, and we're seeing that too. The pivoting and agility that franchisors and their franchisees are demonstrating are driving their futures."

2021 AFDR NOW AVAILABLE!

The 2021 Annual Franchise Development Report (AFDR) delivers data collected from franchisors, with responses organized by industry, unit investment, system-wide sales, and more. The annual report provides franchisors with the ideal tool for studying their development practices, benchmarking their sales and recruitment budgets against their own industry categories, and setting goals and budgets for the year ahead. The report also includes research into online recruitment practices, the growing use of mobile and social tools by prospects, and best practices by franchisors.

The AFDR, the only sales and lead generation benchmark report available in franchising, identifies industry sales trends and top lead generation sources for meeting sales goals. For example:

- How does your sales budget compare with other brands in your segment?
- Are your closing ratios in line with your industry and investment level?
- What conversion rates should you expect from your website?
- Is your online spending paying off? How do you know?
- Are your brokers delivering—and is their price per deal too high?

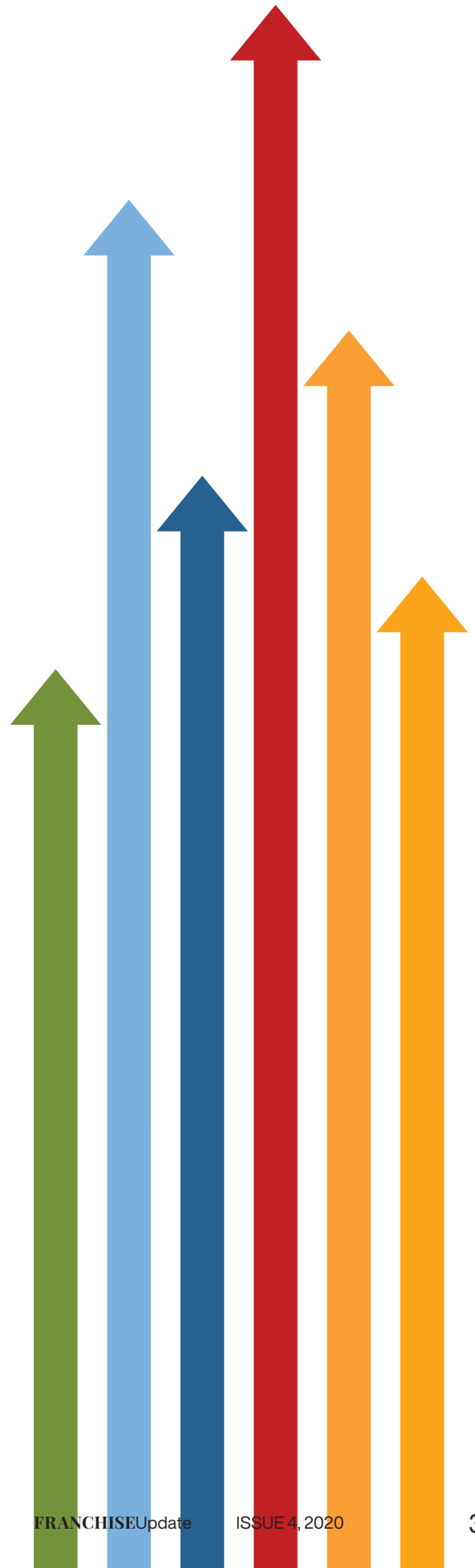
- Are you using referrals, and how much are you paying for them?
- How are franchisors using social media to recruit candidates?
- Some franchisors are exceeding their sales goals. What are they doing differently from those falling short?

The 2021 AFDR is packed with timely information and benchmarking data that can help your franchise system grow faster and close more deals—while saving thousands of dollars in cost per sale. Based on responses to in-depth surveys from franchise companies, this thoroughly researched report reveals the success drivers that are sure to boost the output and quality of your sales department.

Filled with the most comprehensive sales and lead generation data in franchising, the 2021 AFDR is a must-have tool for franchisors, development consultants, and advertising, marketing, and technology suppliers—and is ideal for benchmarking and building budgets and media plans.

ORDERING INFORMATION

The AFDR has been combined with the AFMR this year. The report also includes the essential business survey information. The price is \$200 through December 31. All attendees received a complimentary copy. Orders can be placed at <https://afdr.afmr.franchiseupdate.com>.





A VIRTUAL SUCCESS!

THE FIRST FRANCHISE LEADERSHIP & GROWTH VIRTUAL CONFERENCE WAS A HIT

Written By **KERRY PIPES & EDDY GOLDBERG**

The inaugural Franchise Leadership & Growth Virtual Conference (FLGVC) took place entirely online this past October 13–15. The all-digital event continued Franchise Update Media's long history of showcasing timely speakers and sessions, education, best practices, and inspiring keynote speakers. The conference, which required paid registration, focused on breaking down silos and increasing collaboration between the C-suite and the marketing and development departments, as attendees and panelists shared their most effective growth strategies and best practices for system-wide success (and survival) in these uniquely challenging times.

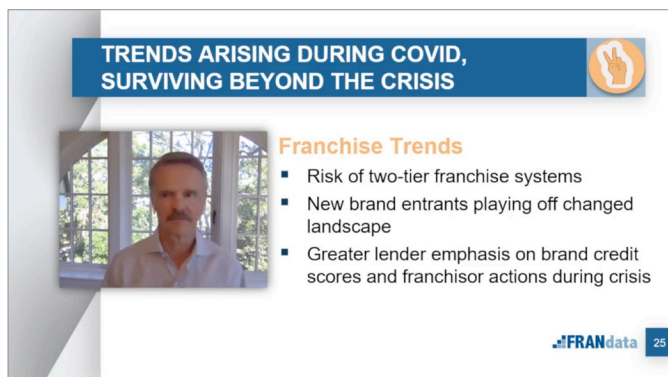
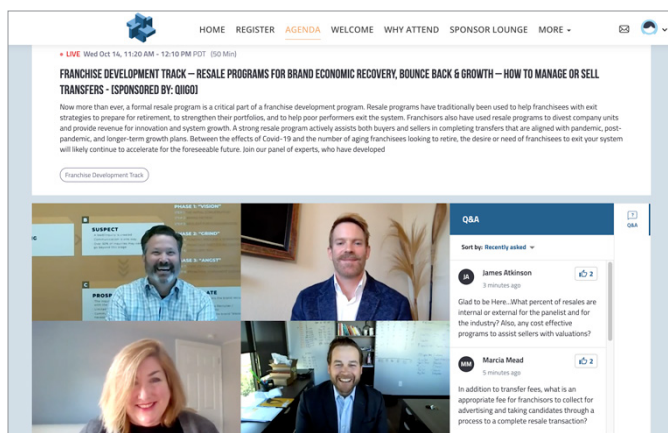
"While we're all longing for the days of gathering in person, it was important for us to find a way to bring the incredible content that our conference advisory boards, speakers, and team have put together at a time franchise leaders need it most," said Therese Thilgen, CEO and co-founder of Franchise Update Media. "I'm thrilled we were able to build an innovative platform to

showcase mission-critical information to help franchisor teams collaborate more closely and drive success in marketing, development, and leadership."

Thilgen added that the FLGVC combined features from the company's three usual conferences: franchise leadership, franchise development, and franchise consumer marketing. All three were postponed or rescheduled earlier this year, leading to their combination into the FLGVC.

The event unfolded seamlessly as a series of live and pre-recorded sessions, keynotes, and presentations. Attendees could log in to live events as they happened, with the additional bonus of having exclusive access to all recordings for 30 days following the conference. This new format allowed participants to actually experience *more* content and sessions than they would have been able to do in person—at their convenience from work, home, or anywhere with an Internet connection.

This year's conference Platinum Sponsors were 919 Marketing, Consumer Fusion, and GbBIS. All sponsorships were sold out.



DAY 1: OPENING SESSION AND KEYNOTE

As screens on hundreds of computers lit up around the world, Thilgen welcomed attendees and shared an inspirational message before introducing the first keynote speaker, Stefan Olander. He is the former vice president of global development at Nike and co-author of *Velocity: The Seven New Laws for a World Gone Digital*. Today Olander is the founder of BrandNew, a boutique innovation studio where he inspires leaders, brands, and businesses.

Olander drew on his experiences at Nike and shared ways that innovation and technology, combined with insights and inspiration, can satisfy consumer expectations and desires—all while building successful, enduring companies. He encouraged attendees to “be a fire-starter and pull others along with you and your ideas. Be ceaselessly curious, think outside of your own area, and imagine better—not just *what* you imagine, but *how* you imagine.”

Olander’s opening keynote gave way to the event’s first set of breakout sessions, which were built around three tracks: Franchise Development, Marketing & Brand Building, and Leadership. Sessions and panels were led by experienced moderators and franchising pros who brought great insights and ideas to each.

First up on the Franchise Development Track was a session called 2021 Lead Generation Planning: Reach Your Franchise Prospect on Their Terms. Graham Chapman, vice president of account services at 919 Marketing, led the panelists—Tray Doster, director of franchise sales at Zaxby’s; Sean Hart, vice president of franchise sales and development at American Family Care; and Dwayne Tanner, senior vice president of franchise development at N-Hance Wood Refinishing—through a series of questions and discussions. Panelists discussed better ways to reach prospects on their terms, how to best answer their questions and concerns, and how they use content marketing and data analytics to reach prospects and achieve better results. “Focus on content that converts,” said Chapman.

A second breakout session, from the Leadership Track, was called Profitable Partnerships: How Effective Marketing and Franchise Development Teams Drive Brand Growth Together. This panel dug into the conference’s theme of breaking down silos so that the C-suite, franchise development team, and marketing team could collaborate more effectively to achieve system-wide goals. The session was moderated by Christina Chambers, executive vice president of franchise development at InXpress. Participants were sponsor Daniel Mormino, senior vice president at Infiniti HR (session sponsor), and development and marketing leaders from two brands: Scooter’s Coffee Vice President of Franchise Sales Tim Arpin and CMO Bill Black; and School of Rock Chief Development Officer Anthony Padulo and CMO Elliot Baldini. Baldini said the biggest obstacle in the way of greater collaboration between the marketing and franchise development teams is developing mutual trust. When it comes to trying something new, he said, both teams can be very inflexible.

The third concurrent breakout session, from the Marketing & Brand Building Track, was called Build Your Brand Voice To Resonate with Today’s Consumer: Marketing With Empathy—all the more important in connecting with and engaging both prospects and consumers in the Age of

Covid. The panel was introduced by Matthew Montoya, partner and enablement training manager at Constant Contact (session sponsor). Moderated by Handyman Connection Vice President of Marketing Marci Kleinsasser, the panel consisted of Mark Montini, CMO at Tropical Smoothie Cafe, Stacy Stout, vice president of marketing at Frenchies Modern Nail Care, and Doug Zarkin, vice president and CMO at Pearle Vision. Among other timely topics, the panel discussed the changes in messaging and channels that made the biggest difference in connecting with consumers, and how their brands decide on what public positions and messaging to take on health, social justice, and other current affairs.

Day 1 wrapped up with roundtables, the conference's first live events. Moderators welcomed small groups of attendees from their homes in a Zoom-style get-together. Discussion topics included Best Practices for Virtual Discovery Days; Communicating Brand Change Initiatives: Driving and Ensuring Adoption; Effective Social Media Content Strategies To Drive Engagement for Your Brand; and Franchisee Conflict Resolution & Communication. Altogether, the FLGVC offered 9 concurrent roundtables for attendees to participate in during this time slot. And again, attendees were able to view *all* the roundtables at their convenience for the next 30 days.

DAY 2: ECONOMIC FORECAST & 2020 INNOVATION AWARDS

Day 2 kicked off with the annual "State of the Economy" presentation by FRANData CEO Darrell Johnson. His presentation is eagerly anticipated for the deep dive he takes into the numbers and the insights and projections he draws from them about how the economy will affect franchising—especially important this year as brands operate in the shadow of uncertainty generated by the pandemic.

Johnson displayed numerous charts to help put the pandemic in perspective, explaining how Covid-19 compares with other historic pandemics. He estimated that the current pandemic would last another 12 to 18 months, which would prolong its many impacts into 2022 and beyond. He cited research that found 72% of small businesses were optimistic that they could remain open another 6 months, and that 60% of those that had shut down expected to reopen. He also discussed trends to watch in consumer behavior, technology, and franchising in the coming year.

Johnson's presentation was followed by a general session on the 2020 Franchise Innovation Awards—and the announcement of the two overall winners (see separate story). This year's competition included 113 entries with 19 winners, 7 in the Marketing & Branding and 12 in the Growth & Development categories.

The four finalists for the overall awards of Franchise Marketing Leadership and Franchise Growth & Development Leadership were invited to present their entries to the conference attendees. They employed videos to explain their innovations, how they implemented them, and the results. Goldfish Swim School won the top award in the Franchise Marketing Leadership category, and Camp Bow Wow took home the Franchise Growth & Development Leadership Award.

Next up were two rounds of breakout sessions. In the Marketing & Brand Building Track, a session called

Create a Consistent Messaging Plan Adapted To Meet Consumer Sentiments: Regional, National, Local, Franchise Development was moderated by Kirsten Subach, former regional marketing manager at Dine Brands. The panel included College Hunks Hauling Junk & Moving Vice President of Marketing Mary Mills, Best Life Brands Director of Marketing Janice Pollard, and Painting with a Twist CMO Katherine LeBlanc.

Panelists shared how they had worked to create consistent messaging plans with a clear vision and message. Wells played a compelling video that College Hunks created and employed to show that it's a brand customers can trust because of shared values and an identifiable culture. A recurring theme at this session (and many others) was the acceleration of changes and innovations required by Covid—and because today's consumers expect more from brands, and quickly.

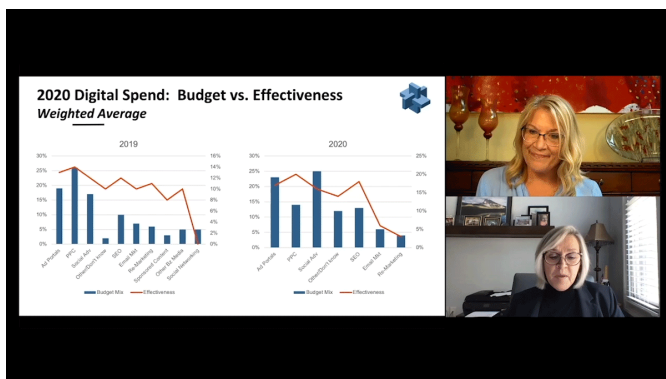
Also available during this time slot was a session from the Franchise Development Track called Show Me the Money: Building Your Post-Covid-19 FDD & FPR. With material changes resulting from Covid (shuttered units and reduced sales for some; increased sales and profits for others), brands must be prepared to update their Item 19 more frequently—or omit any numbers until their individual situations stabilize.

This session was introduced by Michelle Issing, owner and president of Designing Events, which sponsored the session. Jan Gilbert, an attorney with Polsinelli, moderated the panel, which consisted of TruBlue Total House Care President Sean Fitzgerald, Wild Birds Unlimited Chief Development Officer Paul Pickett, and Inspire Brands Vice President of Franchise Development Joe Sieve. Wild Birds Unlimited, deemed an essential brand, made a midyear adjustment, said Pickett, adding a new schedule that addressed same store sales from January to June this year. "We had strong sales later on, so we wanted to show a year-over-year comparison with 2019." Minor changes also were made to Items 7 and 11, he added.

The final breakout sessions of the day featured Resale Programs for Brand Economic Recovery, Bounceback, and Growth: Manage or Sell Transfers (Franchise Development Track); Crisis Management: Using PR To Protect the Brand, Drive Awareness, and Generate Leads (Marketing and Brand Building Track); and Interdepartmental Strategies for Supporting Franchisees (Leadership Track).

DAY 3: AFDR, AFMR, & CEO LEADERSHIP PANEL

The final day of the conference opened with a series of live interactive roundtables. Attendees again could choose from nine different sessions: Avoid Franchisee Bankruptcies: Help Liquidate Their Enterprises; Collecting Ad Fund and Royalty Fees During a Down Economy; Leveraging Your Brand's PR Success in the Sales Process; Marketing Metrics That Matter: Showing ROI to Franchisees; Should My Brand Slow Our Franchise Sales Efforts?; Stay-at-Home Orders: The Impact on Print and Direct Mail; Supporting Franchisees Through Lease Renegotiations and Abatement; Timing To Restate Your Earnings: Now or Scheduled?; and Manage Changes to Local Listings Online. Once again, these sessions were kept small, which allowed for a more intimate environment for interaction online.



"Marketers are embracing change, adjusting programs, budgets, and messaging to meet the needs of consumers," Phibbs said in closing. "Continued customer focus will lead us forward."

Next up was a CEO Thought Leadership panel in which Thilgen asked three veteran franchise industry leaders—Sonic President Claudia San Pedro, Fat Brands Chairman and former McDonald's USA CEO Ed Rensi, and Fastsigns CEO Catherine Monson—for any advice they could provide to attendees about leadership today. Each also shared their insights and thinking about how their systems have been affected by Covid-19, as well as their advice on strategic planning and organizational alignment going forward.

Two final sessions—Doing More With Less: What To Do When Budgets Are Limited; and Powering Up Your Franchise Sales for 2021: New Ideas, Trends, Tools, and Technologies that Convert to Sales for Single- or Multi-Unit Franchisee Prospects—wrapped up the panels and sessions before the final closing event: 2020 IFA Chair Monson's concluding keynote on the importance of FranPAC and the Franchise Action Network to educate elected officials about franchising, defend franchising's hard-fought gains, and lobby for favorable changes to help franchising survive and grow.

THE REVIEWS ARE IN!

Initial feedback from attendees reinforced the hopes and hard work of all involved in the planning and execution of Franchise Update's first virtual conference.

"I think this conference has gone just great. I wondered how the execution would go with all of the obvious challenges," said Eric Little, chief development officer for Right at Home. "While it's not the same as being in Atlanta and socializing with all our friends, FLGVC helped to renew my enthusiasm for franchising in such a crazy year. Well done, and thank you for all that you do for the industry!"

Liane Caruso, CEO of helloCMO, said, "Of all the content I've watched, consumed, and downloaded, this is the most relevant and valuable to me. I also really appreciated this format and presentation."

And Marcia Mead, a franchise development consultant whose current clients include Kale Me Crazy, said: "I was so glad to be able to attend the FLGVC last week. In a year where we all spend too much time in front of our computer screens, I choose to be discerning with my virtual event commitments. The FLGVC was not only worth my time, it was amazing! I wrapped the conference with five pages of notes. The format had great variety from an excellent keynote to panels with fresh information to the reporting and data I've come to expect from the world-class Franchise Update Media team. Thanks for the time and effort so I could continue to learn and grow. Seriously, the best virtual event I've attended this year!"

In addition to the favorable reviews, registration numbers revealed that a paid virtual conference model can be successful and sustainable. And while everyone would prefer to meet in person, the current situation requires Franchise Update (and every other business across the globe) to evaluate options for its three signature conferences in 2021 should the pandemic continue. To stay up to date visit franchising.com.

Two general sessions followed the roundtables. The first was presentation of results from the Annual Franchise Development Report (AFDR) and the Annual Franchise Marketing Report (AFMR). See separate stories in this issue for more details on these reports.

Franchise Update Executive Vice President and Chief Content Officer Diane Phibbs presented a summary of the results, analyses, and observations from the reports, along with significant highlights and statistics that compared this year's findings with last year's—with the goal of providing budgeting and spending benchmarks for franchisors as they look to 2021. Phibbs appeared on a split screen with Franchise Update CEO Thilgen, who offered her own informative insights and observations on the data. Both presentations factored in results and implications for essential versus non-essential businesses.

Many results, while important, were unsurprising. The AFDR found that the arrival of the coronavirus resulted in a decline in development spending and drove up brands' cost per lead and cost per sale. But good news may be just ahead. Phibbs said there's currently an "uptick in franchise development and that filings for new franchises have increased in the past couple of months."

Meanwhile, data in the AFMR revealed that franchise brands that were deemed essential were not as deeply affected by the pandemic as those deemed non-essential. Essential businesses closed fewer units and laid off fewer employees, for example. Again, no surprises there, but the report contains the data to back that up and help brands better plan and prepare for an uncertain 2021.



FRANCHISE LEADERSHIP & GROWTH

VIRTUAL CONFERENCE

THANK YOU FLGVC ATTENDEES

Thank you to the nearly 500 attendees (over 360 Franchisors) that took part in the Franchise Leadership and Growth Virtual Conference. We loved the engagement with our fantastic speakers, great conversations with leading franchisors and

sponsors in the roundtables and great feedback on the case studies in the Sponsor Solution Toolkit. We miss being together in person with you, but – thanks to your support – we were able to create an online experience with great stories, ideas and sharing.



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FRANCHISE LEADERSHIP & GROWTH

VIRTUAL CONFERENCE

BY THE NUMBERS

430

REGISTERED
ATTENDEES

200+

FRANCHISOR
BRANDS

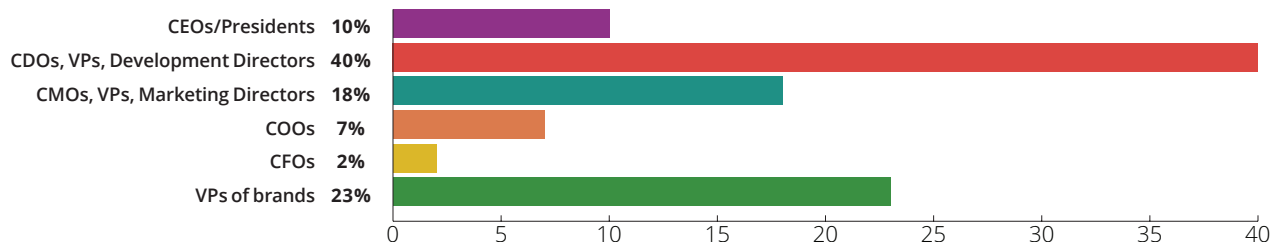
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FRANCHISOR
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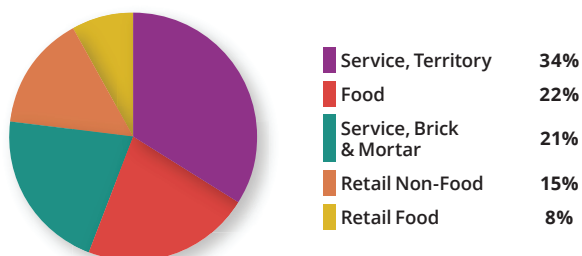
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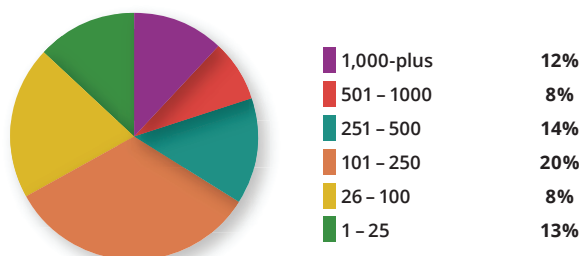
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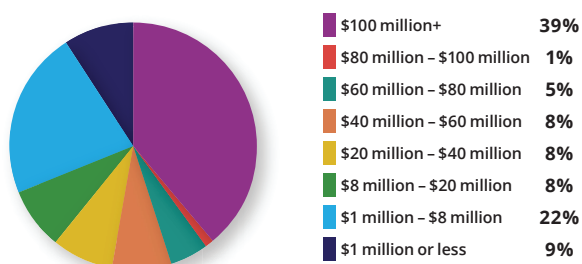
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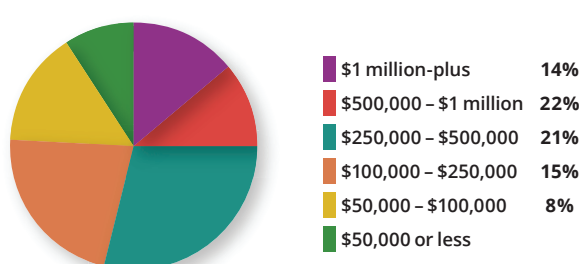
BY NUMBER OF FRANCHISES



BY SYSTEMWIDE REVENUE



BY INVESTMENT LEVEL



Emerging Strategies

New brands find ways to grow during Covid

Written By
ANDREW SEID

"It is not the strongest of the species that survives, nor the most intelligent. It is the one that is most adaptable to change."
—Charles Darwin

The Covid-19 pandemic has created a number of unexpected problems that all businesses have had to deal with. It has been crucial for emerging franchisors to identify where they need to adapt and where they might need to change course completely, as they now find themselves in a business environment vastly different than what they originally planned for.

There has been no silver bullet for emerging franchisors trying to survive and thrive in the current climate. What is effective in one market, industry, or specific brand may not have the same effect under different circumstances. Here are a few lessons we've learned from clients over the past months as they've attempted to adapt to changing conditions.

BROKER NETWORKS MAY BE UNAVOIDABLE

Whether or not to use traditional franchise broker networks is often a complicated decision for emerging franchisors. While brokers typically provide access to a substantial pipeline of potential candidates, the costs and associated fees and commissions can often be too high to make it a worthwhile proposition.

Many emerging franchisors rely heavily on the revenue generated by up-front franchise fees to help fund the franchisor during those early periods. In many cases, however, the use of franchise brokers can often put a franchisor underwater on each individual franchise sale. Additionally, an emerging franchisor with less brand

equity may not be attractive to many broker networks, since they have less of a track record of success that their candidate pipeline may value, compared with more established brands.

However, with the limitations on franchisee recruitment because of the pandemic, the access that broker networks have to franchisee candidate pools takes on even greater value. With no in-person franchise shows or other industry-specific events, the ability of an emerging brand to reach potential franchisees is further limited.

TAKE ADVANTAGE OF TECHNOLOGY

Even before the pandemic, the use of videoconferencing and virtual interactions was widespread across all industries as technology caught up to the needs of convenience and cost-effectiveness. Many franchisors, however, still prioritized in-person meetings, whether for franchise sales or initial and ongoing training for existing franchisees.

Shifting these processes to videoconferences and phone calls is now critical. While traditional in-person interactions such as discovery days can provide great insight into how well a franchisee candidate might fit into a brand's culture, brands will need to develop new ways to leverage technology to accomplish their goals.

Thrillz High Flying Adventure Park, a large-scale family entertainment center franchise based in Danbury, Connecticut, has begun offering educational sessions to their candidates on a variety of topics, including a broader understanding of franchising as a whole. As former franchisees themselves, the founders quickly learned as they built their own franchise system that there was much they wished they had known about franchising during that process. Having a more educated franchisee candidate often leads to less potential for misunderstanding the various aspects of the franchisee-franchisor relationship.

Other emerging franchisors have experienced immediate benefits from having to shift toward more virtual interactions with their franchisees and franchise candidates. ManageMowed, a landscape management franchise out of Edmonds, Washington, has already seen an increase in efficiency resulting from a greater use of

technology. Historically it took three or more months from initial contact with a lead to signing them as a franchisee. Without the need to schedule a candidate to fly in for an in-person discovery day, that has been cut down to 2 months or less. They've found that candidates are not missing out on much by not being there in person, and it has saved costs for both them and the candidates. They plan to continue virtual discovery days, even once travel and in-person interactions are safe again.

IDEAL CANDIDATES NOW AVAILABLE

One reason franchising tends to thrive during times of economic uncertainty is that such circumstances often coincide with an increase in one of the traditionally most effective groups of franchisee candidates: newly unemployed corporate professionals looking for their next step.

As in past periods of economic strife, the negative effects of the pandemic have led to an increase in layoffs, furloughs, and companies going out of business. For someone leaving corporate America, whether on their own terms or not, the idea of being in control of their professional life is often very appealing. Franchising has always been an effective way to take control of one's economic future by becoming a small-business owner with the benefit of an established system and the support of an established brand.

CONCLUSION

The opportunity to evolve and adapt is never greater than during times of great upheaval and uncertainty. Emerging franchisors are often not weighed down by the rigid SOPs, inflexible standards, and general systemic inertia that can plague larger, more established brands. Take advantage of the opportunities that present themselves and don't be afraid to be different. As the world continues to make its way out from under the pandemic, the franchise brands that will have the most success going forward are the ones that have best adapted to the changing landscape. ■

Andrew Seid is senior consultant at MSA Worldwide. Contact him at aseid@msaworldwide.com or 860-523-4257.

Q How has Covid-19 affected the timing from signed agreement to opening? How are you adjusting?



JOE MALMUTH

*Managing Director of Franchise
Development*
Batteries Plus Bulbs

From our perspective, Covid-19 actually has affected our timeline from signed agreement to opening in a positive way. The current economic climate has created an opportunity for our process to speed up, allowing us to get our franchisees into better locations at a faster rate.

We have seen an increase in the availability of great real estate and have been discovering properties that are both on the market and also off the market, yet still available. Landlords are moving faster to fill available spaces, and because we were deemed an essential business very early in the pandemic, landlords are beginning to perceive our locations as an anchor store instead of a secondary retailer. We are able to go into plazas that used

to have exclusivity and move forward on a location quickly.

The increase in speed from signed agreement to opening has also affected our internal structure in a positive way. We have added to our team, bringing in people who can assist with the process and a faster timeline. We also have invested in tools and resources that allow more accurate intel on market studies and demographics.

Finally, as a huge benefit to our franchisees, when it comes to finding real estate, we have adjusted our due diligence process and are able to identify good sites earlier in the process. This eliminates much of the legwork, so once a franchise is awarded much of the work is already behind them.

“Throughout Covid-19, the newer franchisees have been able to quickly establish themselves as trusted, knowledgeable partners for small to medium-sized enterprises in need of a remote support system to address their shipping needs and to assist those facing pandemic impacts.



CHRISTINA CHAMBERS

*EVP, Franchise Development
InXpress*

We are not a brick-and-mortar franchise, so from signed agreement to opening simply includes the time to attend training and launch the business. No difference in timing this year, but we did adjust to all-virtual training classes instead of in-person.

Since March, we've seen faster time from candidate application submission to signing, at an average of just over 60 days. In 2019, this timing was 100 days, so it has been significantly faster during Covid-19. With no additional lead generation spend or additional franchise development team members, we awarded 64 percent more franchise agreements so far in 2020 compared with all of 2019. I believe this uptick is a direct result of the resilient, essential nature of our business in shipping and logistics, combined with the safe work-from-home atmosphere for franchisees.

The only area we are seeing an increase in timing is for SBA loan closings. Our franchisees are still able to obtain SBA Express loans this year, but it has gone from 30 days to closer to 90 days.

We give franchisees the tools to “pre-launch” their business before completing the training program. That means they're able to begin prospecting small to medium-sized businesses that need quick and reliable shipping solutions for all their international small parcel, domestic small parcel, and LTL (freight) needs.

Throughout Covid-19, the newer franchisees have been able to quickly establish themselves as trusted, knowledgeable partners for small to medium-sized enterprises in need of a remote support system to address their shipping needs and to assist those facing pandemic impacts.

Because of the demand for reliable shipping solutions, those who pre-launched by making prospecting calls saw more success than in years past—especially since more small businesses were open and available to engaging on the phone in an effort to save money and increase service, or who were looking for assistance in pivoting their shipping to e-commerce solutions. Our franchisees' ability to solve pain points for small businesses in such a challenging time has resulted in faster early launch results.

Everything Has Changed

But franchise buyers still want the same things

Written By
EVAN HACKEL

Why do people buy franchises? Even though everything has changed since Covid struck, the fundamental motivations for buying a franchise have not changed.

1. People who buy franchises want to make money. They need to believe your franchise concept is able to provide them the return they need.
2. They want to do something they would enjoy and make money by doing it, with a company they love. (Remember that sometimes, and for some people, making money is more important.)
3. They want to lower the risk of owning a business. To convince them that owning your franchise carries a low chance of failure, show them that you have systems and processes that have been perfected.
4. They want to partner with other owners who will share their journey. When they become part of your franchise, they will be connected to a community of other owners. They don't want to be lone wolves.



So how has selling franchises changed during the pandemic? Everything has changed! People like to say that in 6 months, we have jumped ahead 6 years regarding the way people accept and use technology. And that is true. You must sell to prospective buyers by offering virtual, not face-to face, experiences.

SHIFTING TO VIRTUAL

Pre-pandemic, franchise sales meetings were expensive, especially in larger franchise organizations. Potential buyers arrived at a central location, sometimes flying in, and checked into hotels. On the evening they arrived, they would attend a meet-and-greet where they would make personal connections with other prospective buyers, current franchisees, and your company representatives. The next day they would attend a daylong session. Those days were long, intensive experiences.

Now all that has changed. It just doesn't work to have potential buyers spend an entire day in an online meeting, nor should you expect them to. But you can still engage potential owners around their fundamental motivations for buying by segmenting the sales experience into shorter virtual meetings. So what is a good way to schedule and organize these shorter sessions?

1. Replace the meet-and-greet pre-event meeting or dinner with shorter, virtual social time. People still need to connect with one other. Yet simply setting up a mass virtual meeting could be overwhelming. I would recommend having virtual social meetings that include only four or five prospects, moderated and facilitated by a few people from management. Prospects can introduce themselves and say a little about their background. But mostly they simply socialize. Make them feel comfortable. This really helps them feel that even though they are looking to have their own franchise, they still will be part of something bigger.
2. Organize your discovery day into "micro" virtual meetings where they learn about each part of your company. In these sessions, allow small groups of prospects to meet the key people in your organization. There is no need to schedule these sessions

nonstop, one after another. Thanks to the power of virtual meetings, you can spread them out to allow more leisurely, effective learning. The first meeting can give an overview of your history, your products, and your organization, and can feature presentations or videos that feature testimonials given by successful franchisees. Follow-up meetings can explain your training, marketing support, onboarding, franchise consultants, etc. This part of the process should help candidates determine whether they would enjoy running the business and if they can get a sufficient return on their investment.

3. Allow prospects to take some of your training, so they can see how great it is. This allows them to see firsthand that your company's training will be there to help them both master your systems and train the employees they hire to run their locations. This powerfully demonstrates that your franchise is there to assure the success of every owner. It greatly helps with their need to feel that there is greater safety operating a franchise than being on their own. Additionally, topics you previously would cover in meetings can be covered separately during training.

ONE MORE CONSIDERATION

If a prospective buyer tells you they would prefer to learn about your opportunity on a phone call instead of in virtual meetings, that's a negative indicator. It tells you that person is not "there yet" from a technological point of view. As you add new franchise owners in today's world of doing business virtually, you want owners who are fluent in and completely up to speed with technology. ■

Evan Hackel, a 35-year franchising veteran, is CEO of Tortal Training, a leading training development company, and principal and founder of [Ingage Consulting](https://www.ingageconsulting.com). He is a speaker, author of *Ingaging Leadership*, and host of "Training Unleashed," a podcast covering training for business. Contact him at [evanspeaksfranchising.com](https://www.evanspeaksfranchising.com), follow him at @ehackel, or call 781-820-7609.

LinkedIn for Recruitment

Targeting franchisee candidates just got easier

Written By
LIANE CARUSO

Social media use, which has exploded during the coronavirus pandemic, includes record growth and engagement on LinkedIn. Microsoft (which owns LinkedIn) has reported record levels of engagement and active usage, up 26% in Q3 alone. This makes the platform an optimal place to get (and stay) in front of your ideal candidates, many of whom are likely in career transition mode right now.

So how can you make LinkedIn a viable part of your marketing and recruitment strategy? Here are some best practices and basic recommendations to make LinkedIn work for your brand.

Post regularly on your personal profile. LinkedIn is like one large business networking event, so it's more about the person building relationships than the brand itself. The platform has cultivated an environment that prioritizes people and the conversations they have. Ensure that your brand leaders (especially your frandev team) are posting relevant and regular content. It's important to stay active and top of mind, so try to post at least three times a week. Share company milestones, highlights, and success stories, but be cautious about being too "salesy." That approach doesn't work in real life and it certainly doesn't work in social media, even on LinkedIn.

While LinkedIn is traditionally far behind its competitive social platforms in terms of functionality, it has recently rolled out tools to make the platform a more personal experience. Any [posts that encourage engagement](#) will help them be seen by more people. To that end, live video is driving significantly more engagement than other types of videos. According to [Search Engine Journal](#), "Live video on LinkedIn is

seeing 23X more comments per post and 6X more reactions per post than native video."

The LinkedIn Live feature allows individuals and organizations to broadcast live video content to their network in real time. You can also try other new features like [LinkedIn Polls](#) and [LinkedIn Stories](#). LinkedIn is also testing a [Current Status](#) field that would be displayed when people hover over your profile.

Be sure to connect with those you meet, those you want to meet, and industry colleagues. Interact with their content and encourage engagement with yours. Make real connections and you will consistently see your efforts flourish. As with any social platform, engagement begets engagement.

Post consistently on your company page. First, make sure your company profile is complete and robust with information. Candidates often first research online before ever reaching out to get more information. Ensure that your company page conveys the brand message and brand promise that attracts quality candidates. If you have a white paper, presentation, video, or downloadable brochure, you can include this here. While these posts won't be seen by as many people, post consistently at a minimum of once or twice a week. Share company milestones, news, press releases, and success stories. Let your team know when there's news to share to their personal profiles, and encourage them to be brand ambassadors to help get the word out to *their* networks.

Host virtual events on your company page. Virtual discovery days, Meet the Team, Ask the CEO, and Lunch & Learns have become popular online events to engage with prospective candidates. LinkedIn now has the ability to create [virtual live events](#) through your company page. You must have at least 1,000 followers and be engaging with your audience to be approved. If you're not quite there yet, you have a great opportunity to set the stage for this new feature.

Build effective ad campaigns through LinkedIn Campaign Manager. If the lifetime value of your ideal prospect is \$10,000 or more, you should take advantage of the precision

professional targeting available through LinkedIn. Be sure to have your expectations in line as the cost per lead and cost per click can vary across channels. At times, LinkedIn may seem more expensive, but the real number to look at is cost per acquisition.

Garrett Gillin, principal of [215 Marketing](#), says, "LinkedIn has the benefit of targeting job and company criteria that may increase your qualified lead rate and lead to a better close rate. Take time to assess your specific target audience, where they spend their time online, and what channels provide you the best balance between cost and visibility to get in front of your ideal candidate."

Much like Facebook, LinkedIn has a variety of ad campaign objectives that can serve to reach your targeted audience. Whether it be awareness, consideration (website visits, video views, or engagement), or conversions (lead gen or website), choose the tactic that best serves your budget and goals. Take advantage of building custom audiences and retargeting prospects who have engaged with your website and your content.

Gillin also recommends: "Make your calls to action top of funnel. Promoting a video ad showing a successful franchisee story or a brand overview with the option to download your brochure or opt in to your email series will drive far more engagement than a call to action to 'schedule a meeting.' The goal is to obtain contact information for people that have an interest in business ownership, your specific business type, and a willingness to learn more. From there, you can use a number of other tactics to nurture them through their buying journey and continue to interact with your brand." ■

Liane Caruso is a franchise marketing professional specializing in digital marketing, social media, sales and marketing alignment, and strategy. Recognizing a gap in sales and marketing teams of franchise brands, she launched [helloCMO](#), a franchise marketing consultancy dedicated to fractional CMO or outsourced CMO engagements for franchise brands and suppliers. Find her on LinkedIn or contact her at 312-526-3996 or liane@lianecaruso.com.

Navigating Change

Captain D's flexible prototypes offer lessons

Written By
PHIL RUSSO

Since the early 2000s, the fast casual restaurant business model has experienced explosive growth, with about 80% of Technomics' Top 500 U.S. restaurant chains now using the dining format to meet consumer needs. As a result of the fast casual boom, the market's increase in competition has also created a scarcity of available cost-efficient real estate for brands to expand in prime territories. For the time being, we're seeing an uptick in available real estate as a result of the pandemic, but the market remains competitive as surviving brands continue their expansion, now with even more-specific building needs to diversify their channels of distribution, such as drive-thrus.

At Captain D's, we've found a way to navigate the oversaturated market with a real estate strategy that offers flexible prototype options for our franchisees, allowing them to tailor their restaurants to meet the criteria of the available real estate in their market, as well as the needs of their communities. Here are some tips on how brands can implement similar strategies and adjust to trends in an effort to overcome various real estate obstacles.

Develop multiple prototypes for various real estate opportunities. The U.S. contains more than 50 million commercial properties, with only a fraction of them viable for fast casual restaurant development. As a result of increased competition, brands must remain flexible in their real estate strategies and develop multiple turnkey prototypes that fit various land parcels.

For example, Captain D's launched several prototypes earlier this year that range from a walk-up and

drive-thru-only model to a 62-seat building, initiated depending on the market and availability of real estate at hand. The needs of rural and suburban guests are met with a larger footprint that includes ample indoor seating and dine-in amenities. In select, highly populated markets where the customer is mobile, Captain D's has found an increased demand for high-quality food on the go, which places a larger emphasis on drive-thru and carryout business and less on interior dining. In these communities, real estate options can be limited and available sites often come at a premium. To meet the ever-changing landscape of available real estate, brands should have prototypical design options that best meet the needs of their consumer group, while having the flexibility to adapt to the available real estate options.



Franchise Opportunity

Find your target markets and evolve with them. As mentioned, fast casual restaurants have rapidly been on the rise as the dining format is perfectly suited for the on-the-go lifestyle modern consumers are modeling. The *Washington Post* recently reported that the market for fast casual food has grown by 550% since 1999.

As demand increases for fast casual dining, the segment is constantly evolving. So it's important for brands to keep a pulse on the consumer trends that are ultimately driving their sales in order to mold their future prototypes for optimum performance. Even before the pandemic, we developed an "Express" model, featuring a more compact footprint that is limited to both drive-thru and walk-up window service.

We wanted to integrate omnichannel access further into our strategy to cater to guests that are on the go and desire convenience. This model is more relevant than ever before as customers look for dining options that adhere to ongoing social distancing measures and provide great food, fast.

While being prepared with a more compact and accessible model is important, it is even more vital for success to ensure that development is being positioned in the correct markets. For example, an "Express" prototype may be more suitable for densely populated areas with a highly mobile customer base, where the restaurant's prototype and menu offering will complement a more portable-friendly dining experience. We're using Tango's market optimization and analytics software, which provides us with demographic and psychographic data, traffic, and geofencing technology to help us determine which prototype we should deploy in each market, and its potential for success.

Save time and money with turnkey prototypes. With nearly 54% of the foodservice industry being franchised, a franchisee's preference and best interest is often top-of-mind for developing fast casual and quick service brands. Therefore, turnkey prototypes are increasingly more favorable to save time and money in the development process for both franchisee and franchisor. With that in mind, to quickly expand on the availability of suitable properties, brands must be prepared with multiple prototypes of varying layouts and sizes in their back pockets. Turnkey prototypes paired with an openness to converting existing properties expedites a brand's search and development process.

With ready-to-go prototypes, brands are able jump at the right real estate opportunity no matter the size of land parcel available. Simultaneously, production timeframes can also be cut through use of these turnkey structures. ■

Phil Russo joined Captain D's in 2015. As Vice President of Real Estate, he is responsible for planning corporate and franchise site selection to help support accelerated growth. Previously, he held various roles with Focus Brands, where he was oversaw a team of real estate directors and managed the strategic growth for Moe's Southwest Grill, McAlister's Deli, and Schlotzsky's.

Beyond the Crisis

Good, bad, or what for franchising?

Written By
DARRELL JOHNSON

The predictions are streaming in and they're all over the map. Yelp reported that 60% of the 163,735 businesses that closed on its platform in September will not reopen. A more recent American Express study showed that 21% of their small-business clients expect to fully recover within 12 months. Which is it?

While the Great Recession was more universal in its impact, the answer is that this crisis has been very uneven in its impact across sectors. That consistency isn't there this time. For instance, many businesses in residential services and healthcare have benefited from the crisis. Most businesses across retail and hospitality have been hammered. Yet even within an overall struggling sector such as retail food, there are considerable disparities. Businesses in QSR that had drive-thrus and/or were able to add pickup and/or delivery rebounded nicely. Even if a QSR brand was lucky enough to have these capabilities, some locations still struggled if they were affected by local or state authorities imposing closure or capacity restrictions. That's a lot of unevenness.

All this may give us a better understanding of why government is having a hard time coming up with further policy responses for businesses, as the media seems to swing from one extreme to the other. None of this provides guidance on what to do, however. For that, perhaps the best we can do is understand how two sets of trends will give you a foundation to make better strategic decisions about your brand over the next 24 months and beyond. I'll describe the first one in this column and the other next issue.

This first set consists of trends already in motion pre-crisis but that have been

accelerated by the crisis. These general economic and consumer trends already were affecting franchising, but at a slower, more subtle pace. Each of these trends was known to us, but our understanding of their impact was generally expected to be gradual. No longer. The crisis has accelerated their adoption. Awareness of them will help inform your plans for 2021 and beyond.

Economic and consumer trends with a disproportionate impact on franchising include inequality, retail consumer changes, and credit tightening. Starting with inequality, the data shows that in 2016 (the latest year available) those with the top 10% of income accounted for 38% of the nation's total personal income; those in the lowest 10% accounted for just 2%. And those in the lowest categories have been disproportionately bearing the brunt of the economic consequences of the pandemic. This will be one of the primary national issues for the foreseeable future. Is franchising part of the answer?

FRANCHISING TO THE FORE!

Franchising has *great* stories to tell. For one, it has a higher concentration of minority business ownership than independent businesses, and significant capacity to hire those least qualified: the less educated and less experienced. Franchising is addressing inequality every day. What's holding us back from broadcasting this great story, instead of allowing the common perception of minimum wage, dead-end jobs to linger? Simply put, data. We believe it and we say it. Can we prove it? Yes, but it takes cooperation between franchisors, the IFA, and suppliers, who each have a part of this information. We must make telling our stories a priority as the new administration puts jobs ahead of almost everything else in business.

Retail has been in transition for years. We've seen the bankruptcy of major retailers, shopping malls completely closed, and too many of Main Street's small businesses boarded up—and that was *before* the crisis. The causes are many, but the trend is clear: consumers are changing their shopping behaviors and retailers must adapt.

Retail locations, footprint sizes, and technology interaction are all undergoing dramatic changes. These trends

too, observable for years pre-crisis, also have been accelerated by the pandemic. With a substantial percentage of employees working from home, a return to a full 5-day work week of commuting is highly unlikely. If the average weekly commute drops by just one day a week, businesses relying significantly on commuter traffic will see continued dramatic declines in sales.

Understand that many of these trends will not revert back to pre-crisis days because they already were moving in this direction. In retail QSR and casual food, will the customer care about engaging with the service provider or prefer the forced technology interactions of today? For non-food retail service brands, where the service professional has a direct and ongoing relationship with the customer, be aware of how that relationship is being maintained (or not) during the crisis. If the bond driven by the individual (e.g., fitness instructor) is equal to or greater than that driven by your brand, you are particularly vulnerable to post-crisis changes.

Finally, credit tightening—under way for more than a year before the crisis as a typical, late-stage economic cycle plays out—is now being accelerated as well. During “normal,” more predictable times, lenders rely significantly on FUND scores to assess the performance of a brand.

With the crisis making any kind of comparative historical analysis more challenging, coupled with new FASB rules and more NASAA restrictions about Item 19 that will lead to less disclosure, lenders are seeking greater transparency at a time when more transparency by itself does not reveal a clear picture of credit risk. We are preparing for this with some adjustments to FUND scores and supplemental information from franchisors. You would be well advised to seek a better understanding of what lenders are concerned about right now, and how they are thinking about franchise credit risk.

Next time I will discuss trends initiated by the crisis and how they are reshaping the franchise business model.

Darrell Johnson is CEO of FRANData, an independent research company supplying information and analysis for the franchising sector since 1989. He can be reached at 703-740-4700 or djohnson@frandata.com.



2021 INTERNATIONAL OUTLOOK

MIXED PROSPECTS AMID GLOBAL UNCERTAINTY

Written By **WILLIAM EDWARDS**

As the second quarter of 2020 came to a close, new global franchise development was at a standstill with a bleak outlook. Finding investors in other countries who were able and wanted to start a new franchise was simply not possible. Now, in the fourth quarter of 2020, there are signs of a strong resurgence of interest in acquiring new franchise brands in many countries. Companies looking long term see this as a good time to secure capital at very low interest rates and retail space at discounted rents.

Our company, and the franchisors we help take their brands global, are seeing the return of licensee candidates who for several months focused on keeping their core businesses alive and their employees safe. Today we see active interest in acquiring new franchise licenses from companies

in Australia, Canada, China, Colombia, India, Israel, Italy, Japan, Korea, Mexico, Panama, Peru, Saudi Arabia, Spain, and the United Arab Emirates. The response to the Covid-19 crisis by candidates in these countries truly shows the resilience of the human spirit.

We asked several global franchise experts to comment on the 2021 franchise growth in their countries and regions. The bottom line is that almost all expect 2021 to be a banner year for new franchise development owing to pent-up demand, large positive GDP growth, and a desire to invest in proven business systems.

Also, be sure to look at our annual "Country Ranking as a Place To Do Business in 2021" list, which ranks the countries predicted to be most favorable to franchising in the coming year.



Australia. Projections for franchising in Australia indicate strong resilience post-Covid and into 2021. Strong operators who have been able to pivot their business models to capitalize on the impacts of Covid will see continued and accelerated growth in 2021. Franchisors will benefit from stronger demands for service-based brands as well as those focused on health and well-being. The hospitality sector has seen a vast change in consumer behavior and reliance on home delivery, with an increase in options of app-based platforms to serve the demand. The stronger operators who can adjust their model to balance the cost of in-house dining, takeaway, and delivery will provide a formula for managing the key drivers of the business, including a rethink on the design and format of new sites. Post-Covid lead generation data is showing strong signs of engagement from individuals seeking to invest in a franchise, based on limited security with their current employment or a change in priorities and lifestyle brought about by wanting to buy and operate a business of their own within a branded franchise network. It is also predicted that owing to the softening economic conditions in countries more severely affected by Covid, the appetite for brands to explore a market entry into Australia in 2021 is projected to rise.

—James and Rod Young, DC Strategy, Melbourne and Sydney



Canada. Local and regional governments across Canada are passing or considering passing various regulations to help individuals and businesses survive what seems to be a second wave of the Covid-19 pandemic. Public health agencies and governments are taking steps to help “flatten the curve.” Thank goodness that Canadians are some of the most cooperative people on the planet. That trait helped Canada to maintain one of the lowest infection and mortality rates among developed countries during the first Covid wave. What does this mean for the franchise sector? It means that a better, safer, and more prosperous future is in sight. When that time arrives, franchisors and franchisees alike will be well positioned in Canada to take advantage of pent-up consumer demand. With the added boost from a safe and effective vaccine, Canadian franchisors will be able to take advantage of a bumper crop of well-qualified and well-financed franchise candidates who have lost their jobs through no fault of their own. In 2021, Canadian franchisors will be able to secure more good locations and at much better rates than have been seen for decades. While Covid-19 has been cruel to many business sectors, QSR for take-out and delivery, cleaning and sanitizing, home care, and tutoring have been doing very well in Canada and will continue to expand during 2021.

—Ned Levitt, Partner, Dickinson Wright, Toronto



Egypt. Since 2016, Egypt has witnessed unprecedented economic growth and has become an increasingly urbanized country. With a population of 101 million, Egypt has the largest consumer base in the Middle East and North Africa (MENA) region and is

considered a high-caliber investment market, attracting numerous investors and retailers from the region. It is estimated that 5 million Egyptian consumers are drawn to increasingly popular name brands and convenience services. The franchise sector has witnessed significant growth as new malls have spread across Egypt, particularly in the new suburbs around the Greater Cairo, Red Sea, and Mediterranean coasts. With the outbreak of Covid-19, Egypt's tourism sector has lagged and offshore worker remittances have declined with the decline of oil revenues in the GCC countries, where many Egyptians are employed. In 2021, the economy is projected to continue to slow because of the prolonged effect of the pandemic. FocusEconomics projects GDP to expand 2.2% in FY 2021 and 5.3% in FY 2022.

—Manal El Masry, Ideate Project Management Services, Dubai



Mexico. While there is a general atmosphere of caution and a sense that Mexico's economy will not truly open and bounce back until the coronavirus vaccine can be widely distributed in the country, the 2021 outlook for franchising in Mexico is promising. The pandemic has caused many entrepreneurs to lose their businesses and many more persons to lose their jobs. As the economy recovers they will look to invest and re-establish themselves in the business community finding opportunities that present less risk, like acquiring a proven franchise business.

—Roberto Litwak and Ferenz Feher, Feher Consulting, Mexico City and Southern California



New Zealand. While Covid-19 has had an impact on the New Zealand economy and franchising, the impact on franchising has been less than predicted. The franchising scene is active both with new systems coming on board and with many people who have been made redundant buying franchises. With the New Zealand borders shut except for returning Kiwis, the risk of community spread is minimal and New Zealand is functioning “normally.” While economists project that the New Zealand economy will contract in 2020, it will grow 5% in 2021.

—Stewart Germann, Franchise Attorney in Auckland, New Zealand, IFA Supplier Member



Turkey. The economy in Turkey is expected to grow by around 4% in 2021. However, the depreciation of the Turkish lira against the U.S. dollar by almost 35% since the beginning of this year and the increase in borrowing costs appear to be two of the biggest obstacles to new franchise investments in 2021. Considering these financial factors along with today's “new normal” lifestyle, in the short term Turkey will be a better match for innovative hygiene, health and personal care, and technology-related franchises that are leveraging today's living conditions, rather than more conventional ones such as food and beverage, fashion, and car services.

—Enver Celikbas, Istanbul, Turkey



ASEAN. While what we hear in the news can be quite depressing at times, we are among the many

businesses in ASEAN countries that share a brighter outlook for 2021. According to the IMF, the ASEAN-5 economies (Indonesia, Thailand, the Philippines, Malaysia, and Vietnam) are expected to contract by 3.4% in 2020, before expanding by 6.2% in 2021. Travel bubbles have been formed between Hong Kong and Singapore. Japan is negotiating travel bubbles with Vietnam, Malaysia, Myanmar, Cambodia, Laos, and Taiwan. Franchisors from the U.S., Europe, Australasia, and within Asia-Pacific and ASEAN nations are maintaining their franchise expansion efforts, especially with franchise brands whose competition cannot or will not do so. We are anticipating a major economic bounce in Southeast Asia in 2021.

—Sean Ngo, CEO and Co-Founder, VF Franchise Consulting, Ho Chi Minh City, Vietnam



Thailand. Thailand's economy has been greatly challenged by the pandemic of Covid-19 during 2020. The GDP of Q2 shrank 12.2% from a year ago. Although Thailand controlled the pandemic successfully in Q3, and most franchise businesses have started to recover because of domestic consumption and government stimulus packages, other risk factors have arisen that are affecting the economy: severe drought, political uncertainty, and the continuing anti-government protests. The Bank of Thailand projects 2020 GDP to decline by 8%, and expects the economy will recover to 3.6% growth in 2021.

—Sethaphong "Seth" Phadungpisuth, Managing Director, Gnosis Company Ltd.



United Arab Emirates (UAE). The Covid-19 pandemic has triggered an unprecedented crisis across the globe. From the onset of the outbreak, the UAE reacted swiftly by imposing stringent measures to safeguard people from the pandemic. The UAE's economy has been affected: oil prices have declined, tourism has slowed, and the real estate market has been drastically shaken as a result of the oversupply of goods, loss of jobs, downsizing, and closures of retail/food outlets. The IMF projects real GDP to recover to 3.3% in 2021. UAE consumers' demand for e-commerce has increased rapidly, and they became more price-sensitive as a result of the current economic crisis. Low-end and mid-market retailers have a better opportunity to expand, while the luxury affluent retail market is approaching saturation.

—Manal El Masry, Ideate Project Management Services, Dubai



United Kingdom. The United Kingdom is going through a difficult time with self-imposed business uncertainty as a result of Covid-19, and daily changes in official policy on how to respond. In addition, it is looking very possible that the U.K. will not conclude a trade deal with the European Union, which will put further pressure on an already weakened economy. However, while large parts of the food-and-beverage sector are hurting very badly, other sectors continue to thrive, e.g., property-related services, business coaching, delivery/takeaway food concepts (especially

those with drive-thru formats), and numerous others. Two upsides to the current difficulties are that there is no shortage of labor, and, for property-related businesses, the opportunity to secure very competitive retail space lease terms.

—Iain Martin, International Franchise Consultant, The Franchising Centre, U.K.



Middle East/Worldwide. Internationally we are seeing diversification as a definite trend post-Covid, as companies, entrepreneurs, and investors seek business models relevant to the new ways consumers interact with brands. This is undoubtedly a positive for franchised businesses as they provide the knowledge and industry expertise that allows relatively rapid development of a proven business system. Our forecast for 2021 for the Middle East and worldwide predicts a continuation of what has already begun: demand for models in all sectors with a strong technology base and the ability to deliver their product to the consumer at home. This includes, but is not limited to, mobile services franchises (man in a van), education brands with online curriculum, small-footprint restaurants with a well-developed delivery model, retail businesses with a robust online presence, and health and fitness brands offering hybrid on-location and online models.

—Martin Hancock, COO North America, World Franchise Associates



Global. In 2021 the European market will be recovering from the Covid restrictions and should see sales coming back up, hopefully by Q2 2021, with retail being more accessible as landlords will be more flexible. Specifically for the U.K., the big unknown is Brexit, with a deal or no deal that will affect how business can be done and how people can interact between the U.K. and the European Union. Latin America will likely be one of the regions that will take the longest to recover from the Covid crisis, as jobs won't return quickly enough and governments are not providing assistance as in other regions. Countries including Argentina, Chile, and Bolivia are not only facing the Covid situation, but also social and political reform. The Middle East region will continue to grow and take advantage of new technologies to deliver services, with consumers looking at new ways to spend disposable income as the economies in this region transition from oil-dependence to tourism and new technology hubs in an opportunity to become a new Silicon Valley. ■

—Marcel Portmann, Founder, Managing Director, Portmann Consulting Group

William Edwards is CEO of Edwards Global Services (EGS) and a global advisor to CEOs. From initial global market research and country prioritization to developing new international markets and providing operational support around the world, EGS offers a complete international operations and development solution for franchisors based on experience, knowledge, a team on the ground in more than 40 countries, and trademarked processes based on decades of problem-solving. Contact him at bedwards@edwardsglobal.com or +1-949-224-3896. Read his latest biweekly global business newsletter at www.geowizard.biz.

COUNTRY RANKING AS A PLACE TO DO BUSINESS IN 2021

(1 = BEST, 2.5 = FAIR, 4 = WORST)

Country	Projected 2021 GDP Growth	Market Size (Consumers)	Ease of Int'l Brand Entry	Covid-19 Recovery (Projected)	Overall Country Ranking
USA	1	1	1	2	1.3
China	1	1	3	1	1.5
Indonesia	1	1	2	2	1.5
Vietnam	1	2	2	1	1.5
Germany	2	1	3	1	1.8
India	1	1	3	2	1.8
Philippines	2	2	1	2	1.8
U.K.	1	1	2	3	1.8
Brazil	2	1	3	2	2.0
Canada	2	2	2	2	2.0
France	1	1	3	3	2.0
Italy	1	2	3	2	2.0
Mexico	2	1	2	3	2.0
Spain	4	1	1	2	2.0
Turkey	2	2	2	2	2.0
Chile	3	3	1	2	2.3
Egypt	3	1	2	3	2.3
Japan	3	1	3	2	2.3
New Zealand	3	4	1	1	2.3
South Korea	2	2	4	1	2.3
Thailand	3	2	2	2	2.3
Australia	2	2	3	2	2.3
UAE	4	2	2	2	2.5
South Africa	3	2	3	4	3.0

Notes and Methodology

1. Projected 2021 GDP Growth is an average of rankings from 3 sources
2. Market size is based on middle-, upper-middle, and upper-class consumers in each country
3. Ease of international brand entry indicates how open a country is to international brands
4. Projected Covid-19 recovery predicts how quickly a country's economy is likely to recover from the pandemic
5. Overall country ranking is an average of the previous four numbers for each country

Hit Your Target in 2021

6 steps to keep you on track

Written By
ART COLEY

Franchise recruitment targets and plans for 2021 should be finalized—especially when you consider that January signings typically come from leads generated back in September and October. Great job getting your annual target and plan set. But before you get too excited there is one more question to ask yourself: What is the forecast telling me, and how does that compare with the target?

What are the data and history saying about what is likely in the future? What are metrics such as leads to signing, step one calls to applications, applications to discovery day (virtual or live in-person), discovery day to signing, and other key performance indicators telling you about new unit signings in Q1 of 2021? This is the only way to properly forecast and know if you are “on track” or “off track” in relation to your target.

Next, look at historical data regarding Q1 new unit signings in 2020 and 2019. And what about Q3 2020 and signings so far in Q4? Questions linked back to data, metrics, and historical performance are the foundation for accurate and reliable forecasting.

Depending on the study or survey, up to 90% of franchise companies do not hit their annual recruitment signing targets year in and year out. One root cause is that too many franchise executives have no problem setting lofty goals or targets. But when it comes to reliable forecasting to identify what will prevent success, they fail miserably. If this might be you, what can you do about it? Follow these six steps!

1. Compile the last 13 weeks of data.

Gather numbers from the top of the funnel to the bottom including

leads, reach or contact rate, step one appointments scheduled, step one calls kept, applications completed, discovery day attendees, and signings.

2. Establish key ratios. Determine the conversion percentage between each of the steps in the funnel. Ask questions such as: How many leads is it taking to get a kept step one call with a recruiter? How many applications is it taking to put a candidate into discovery day? How many scheduled step one calls is it taking to get a kept step one call? You get the idea.

3. Calculate the activity required for each step to hit the new target. This is 100% based on data and metrics over the last 13 weeks. By reverse calculating back up the funnel, based on *actual performance*, you will get a snapshot of what it will take to hit your target.

4. Identify the gaps between target and forecast. If the forecast, based on the last 13 weeks, is telling you two new unit signings is what is predictable and your target is five, you have a gap. You have decisions and a plan to make.

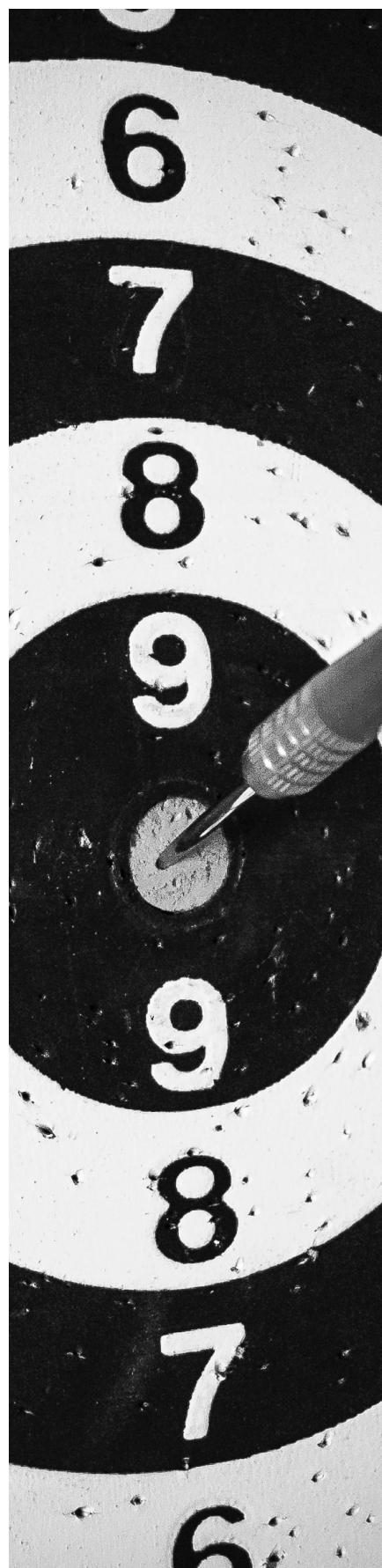
5. Develop action plans to close the gaps. Because of steps one through four, you are confident that you are working on the specific areas that will pay the biggest dividends in moving you closer to hitting your target.

6. Repeat steps every 5 weeks and adjust!

The small number of franchise companies winning with recruitment and hitting quarterly signing targets year in and year out are doing some version of what I just laid out. They understand that they must incorporate both targets and regular forecasting analysis to know the gaps requiring immediate action plans and attention. ■

Let's go to work!

Art Coley leads CGI Franchise. CGIF has been helping franchise companies implement and execute repeatable and sustainable recruitment systems for more than two decades through the Recruitment Operating System. Based in Temple, Texas, CGIF works with brands worldwide. Contact him at 281-658-9409 or acoley@cgiffranchise.com.





FIND YOUR FRANCHISE

AT FRANCHISE.ORG

Unleash your potential as a franchise business owner. At the International Franchise Association's website, **franchise.org**, you can **search, select and compare** thousands of franchise businesses by industry, investment level and keywords. Check it out today and be in business *for yourself, but not by yourself*.



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**Read Minds.
Make Money.
Win Awards.**



**Best Social Media
First Place**



919 Insights instantly shows you how you stack up against the competition. You'll find out exactly what kind of content your website needs to attract and convert qualified franchise leads. We can't promise you'll win a cool social media award like our client Scooter's Coffee did, but you will get the marketing insight you need to sign more deals.

"After we used 919 Insights to amp up our digital and social media marketing programs, we won a best in franchising award from Franchise Update Magazine."

- Kelly Crummer, Director, Franchise Recruitment, Scooter's Coffee



44%
Increase
in leads



58%
Increase in
website
visits



324
Leads per month
10% were
qualified leads



71%
Increase in
closed deals

Get your personalized, free demo of 919 Insights



nineonenine
insights

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**SLIM
CHICKENS**

CASE STUDY

OBJECTIVES

To increase the Slim Chickens franchise development pipeline with qualified, multi-unit franchise candidates through an integrated lead generation strategy.

APPROACH



FRANCHISE
DEVELOPMENT
PR



LEAD NURTURING
CONTENT
MARKETING



FRANCHISE
DEVELOPMENT
SOCIAL MEDIA



MULTI-CHANNEL
ADVERTISING
STRATEGY

“The work All Points has done for our franchise development has been a game changer. In just a few short months, we were attracting more qualified leads, securing credibility-building press coverage, and inking more multi-unit franchise agreements than ever before.”

*Jackie Lobdell, Executive Director
of Franchise Development*

RESULTS

*Nation's
Restaurant News*

“FAST-CASUAL SLIM
CHICKENS PLANS
GROWTH PUSH”

QSR

“SLIM CHICKENS
EXPECTS 30-PLUS
OPENINGS IN 2020”

20 UNITS

SIGNED FROM APPR LEADS

1,900

NEW LINKEDIN FOLLOWERS

50+

MEDIA PLACEMENTS

94.98%

WEBSITE TRAFFIC INCREASE

THE POINT



**INKED MULTI-
UNIT FRANCHISE
AGREEMENTS**



**STRENGTHENED
QUALITY OF
FRANCHISE LEADS**



**INCREASED
AWARENESS OF
BREAKTHROUGH
BRAND**



**PUSHED LEADS
THROUGH SALES
PROCESS**

ALL POINTS
PUBLIC RELATIONS

The Great Nashville Expansion: From Macarons to Gourmet Coffee

When it comes to franchise resales, franchisors and lead generation companies use BizBuySell.

Thomas Scott of Brand Journalists took it a step further and sold his personal franchises ***within 24 hours***.

As CEO of Brand Journalists, Thomas Scott specializes in lead generation services for major franchise brands, as well as transitioning franchisees, both in exits and new ownership. In addition, Thomas owns and operates several multi-unit franchise locations. (Talk about taking your work home with you!)

Challenge

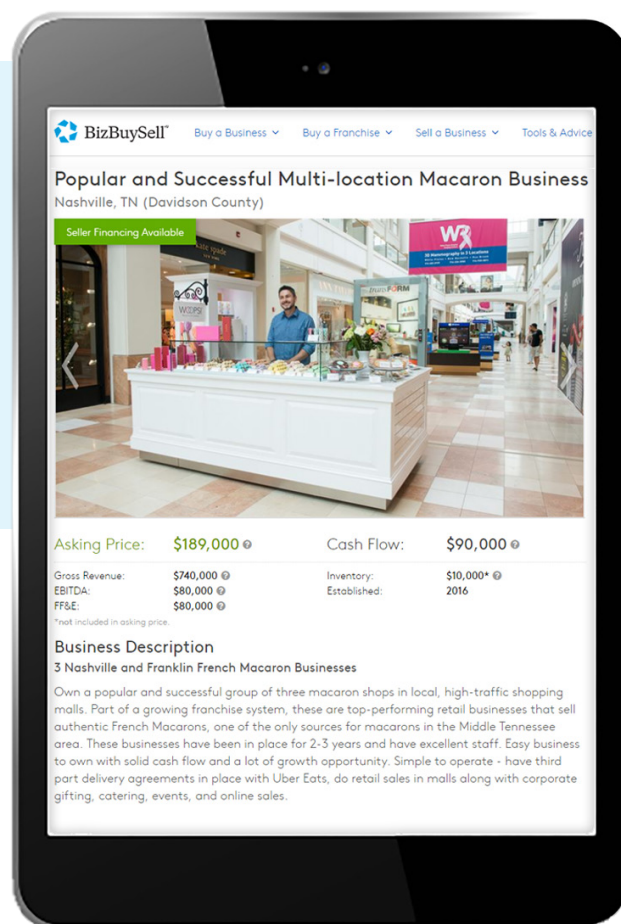
In November 2018, Thomas decided to expand his Just Love Coffee locations in the Nashville area, which is also where he owned three Woops! Macaron franchises. He then decided to sell his three Nashville Woops! Macaron franchises. At that point, the business for sale market was experiencing record-breaking activity.

Opportunities During COVID-19

According to BizBuySell's Q2 2020 Insight Report, at the onset of the pandemic, transactions dropping 39% in April, followed by consecutive gains in May and June. BizBuySell has also experienced a flurry of buyer activity, with site traffic eclipsing pre-pandemic levels. With federal relief program and low interest rates, new opportunities have emerged for both buyers and sellers.

Solution

Thomas works with BizBuySell often and recommends it for resale advertising to his clients, so it made sense that he would follow his own advice when it came to his personal business. He crafted an ad for his Woops! Macaron franchise units, including many details, good



photos and a strong call to action.

Results

Within 24 hours, he had two qualified buyers. One ended up purchasing all three locations, with an attractive price, as well as owner financing. Because they didn't have to use a broker, both parties saved money on commissions, making this one of the easiest resale transactions Thomas had ever seen.

"I wouldn't hesitate to use [BizBuySell] again and we encourage our franchisor clients to invest in [BizBuySell] ads for their own resale programs. We have helped many of our clients like Gigi's Cupcakes, Merle Norman, Fantastic Sams, Lenny's Subs, Aamco and a wide range of others help transitioning franchisees exit and gain a new owner at the same time. It is an essential part of any franchise system's resale program." -Thomas Scott

Kampgrounds of America **succeeds the smarter way** with Constant Contact

Constant contact makes it easy to attract customers and sell more—helping you and your franchisees achieve real results.

Throughout the year, the KOA home office works closely with their dedicated account manager at Constant Contact to design and distribute new email templates to their network of over 500 franchise owners.



These templates help owners give a local flavor to their marketing programs — not only saving them time, but allowing the home office to maintain brand and content control. This makes it easy for owners to schedule their marketing messages to ensure they're always booked.

Take the Lake Conroe/Houston North KOA, for example. They used Constant Contact to increase revenue for a single weekend by over \$7,300 year over year — booking 150 reservations!

Talk about succeeding the smarter way.





REMOVING NEGATIVE REVIEWS & PHOTOS INCREASED ONLINE STAR RATINGS

OVERVIEW

Consumer Fusion worked with College Hunks Hauling Junk for a 2 month pilot for their 3 corporate locations. From December 19, 2019 through March 3, 2020 the Consumer Fusion team was able to remove a total of **109 negative reviews & photos**. All of the reviews and photos Consumer Fusion removed violated the terms of service for Google, Yelp and Facebook.

RESULTS

73

YELP REVIEWS &
PHOTOS REMOVED

20

GOOGLE REVIEWS &
PHOTOS REMOVED

16

MISC. REVIEWS &
PHOTOS REMOVED

Consumer Fusion was able to dispute and successfully remove 109 negative reviews & photos between three locations for College Hunks Hauling Junk.



The Yelp Page for their Tampa Location increased from **3.0 Stars to 3.5 Stars!**



The Google Page for their Tampa Location increased from **4.7 Stars to 4.8 Stars!**



The Yelp Page for their Tampa 45 Location increased from **3.0 Stars to 4.5 Stars!**



The Facebook Page for their Rockville Location increased from **3.5 Stars to 3.9 Stars!**



9990 Mesa Rim Road
San Diego, CA
www.consumerfusion.com

Contact Information

Mark Spencer, COO
mark@consumerfusion.com
(858) 201-4732

Pearle Vision

Challenge

Curious Jane began franchise development services for Pearle Vision in 2019. The challenge was threefold:

- Determine the ideal potential franchisee candidate
- Determine the most strategic way to reach candidates and draw them in to learn more about Pearle Vision ownership via the website
- Increase the number of qualified candidates who converted to leads

Approach & Insight

Our experience in persona development helped us to quickly identify the ideal Pearle Vision franchisee owner and their online behaviors. We also knew targeting them with brand awareness would not be enough. While the Pearle Vision brand is well known, the opportunity to own a franchise was not well-known. Specifics about the opportunity including turnkey operation, low startup costs and an efficient supply chain needed to be provided to potential candidates researching for more information.

Strategy

We took a comprehensive approach to this project and strategically layered in a multitude of services to target more qualified leads and direct them to a newly designed franchise development website. The site content and design aligned with what we knew about the persona, creating a more relevant user experience. An extensive lead magnet was created to answer more technical questions about the opportunity.

Execution

Services utilized:

- Public Relations
- Lead Generation
- SEO
- Website Redesign/Optimization
- Email Marketing

RESULTS



- 438% increase in traffic to website
- 424% increase in user sessions
- 46% increase in leads



LEADING HOME SERVICES BRAND DRAMATICALLY IMPROVES LEAD GENERATION AND DEAL CLOSURE RATES

BACKGROUND

Tom Wood, CEO of Floor Coverings International, wanted to boost sales performance by improving lead follow-up and engagement. Wood challenged his team to increase his deal closure rate by 25%, without increasing the size of the sales team. Knowing that "speed-to-lead" makes a big difference in keeping potential franchisees engaged, the first area of focus was on eliminating the complexity and inefficiencies involved with appointment-setting between leads and sales team member. To address this, Wood set a target of 100% immediate real-time follow-up on new franchise sales prospects.



SOLUTION

Floor Coverings International took advantage of the integration between FranConnect and Lumin.ai. FranConnect is the leading platform for franchise Sales, Operations, and Marketing. Floor Coverings International uses FranConnect Sales, with capabilities including lead scoring, sales process management and regulatory compliance tracking. Lumin.ai provides a smart conversational AI bot solution that engages prospects using text messages.

The entire scheduling process, including complex conversations, can be easily automated using the Lumin.ai scheduling bot. The combination of FranConnect's smart automation and Lumin.ai's Smart Scheduler bot ensures that all leads are engaged immediately, and that next steps are scheduled efficiently based on availability of team members and the prospects. Prospects get a great user experience because they can get immediate closure or interact later at their convenience without having to navigate back to a separate scheduling platform.

In addition to immediate scheduling of visits and follow up, the solution also automates campaigns that can reach out to leads, including dormant leads. The friendly engagement mechanism via conversational SMS text messaging, along with the automatic logging of user responses, ensures that the organization has all the information centralized and available as needed.



www.franconnect.com

RESULTS

Floor Coverings International met or exceeded all of the goals associated with the project. Specific metrics tracked by the team illustrate a strong Return on Investment(ROI):

>40%

Improvement in
lead closure rate

100%

Lead follow-up in
1 minute or less

>90%

Automation of
scheduled calls

100%

Increase in
Monthly Leads

FranConnect is the leading franchise management software provider. For nearly twenty years, the FranConnect platform has served as the Sales, Operations, and Marketing backbone for over 800 brands worldwide. Nine of the Franchise Times Top 10 Fastest Growing franchise businesses rely on FranConnect to drive growth, improve profitability, and streamline operational performance. FranConnect customers span all sizes, growth phases, and industries and they grow 44% faster on average than the broader franchising market. Backed by private-equity investor Serent Capital, FranConnect is headquartered in Herndon, Virginia, with global follow-the-sun operations. For more information on FranConnect, visit www.franconnect.com.

HOW BUMPER MAN GROWS INTO NEW MARKETS WITH CONFIDENCE



Bumper Man®
You Bend'em - I'll Mend'em®

"I can do now what used to take three to five days in about 15 minutes. That's just phenomenal. That's a huge saving for us."

- Brandon Webb, CEO of Bumper Man

ABOUT US

Bumper Man, founded in 1993, exists to carry out the often overlooked, yet crucial work, of repairing car bumpers. Our mobile-only business model consists of franchises that each service a number of car dealerships. We service 6,000 dealerships, and have 110 franchises in over 38 states. With such a large network, finding a versatile and reliable mapping service was enormously important to us.

WHAT DID WE DO BEFORE GbBIS?

Before working with GbBIS, we were having trouble defining our territory boundaries and keeping up with the manual work of market research to find areas for new service locations. We were overwhelmed with the hours it took and wanted to switch to a web-based application that could help us be more efficient and effective.

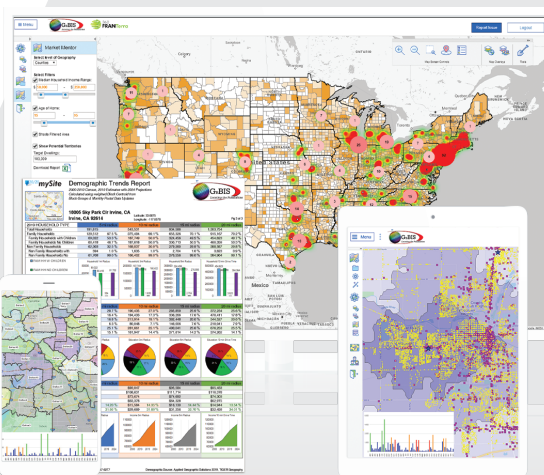
HOW GbBIS HELPED US

We now benefit from a web application that allows us to identify new markets for expansion while other departments design our franchise territories more easily and effectively.

We take data feeds from other providers allowing us to plug detailed and accurate information about dealerships into our application. It's now possible to merge our accounting information with GbBIS, to see how much specific dealerships are worth to us. GbBIS helps us house all the information we need to make key market expansion and territory management decisions in one place. I can do now what used to take three to five days in about 15 minutes. That's just phenomenal. That's a huge saving for us.

HERE ARE SOME OF THE KEY BENEFITS WE GAIN FROM GbBIS

- Expanding more easily using up to date and useful information about dealerships, and easily distinguishing existing customers from potential customers.
- Avoiding conflict and friction between franchisees by clearly defining territory boundaries.
- Introducing third-party data to maps, gaining a close understanding of dealerships before reaching out.
- Saving a significant amount of time and resources by reducing the time involved in defining territories and conducting market research for new locations.
- Having all the tools and data we need in one application. GbBIS is our GIS department.



Let's Talk about Your Goals for Growth
1-877-447-6277

Visit: **GbBIS.com/FLGVC**
Email: **Sales@GbBIS.com**

Senior Helpers® Case Study

CHALLENGE

Senior Helpers® is the nation's premier provider of in-home senior care, with locations all across the country. In 2008, Senior Helpers® was finding it increasingly more difficult to separate employer and employee liability. As a franchisor, they did not want to be involved in policy making and wanted to ensure they were equipped to answer the growing number of employment and statutory questions.

WHY INFINITI HR

- To cut labor costs, mitigate employer liability & increase operational efficiency.
- Find an effective way to pay their employees while streamlining the benefits and HR functions for each franchisee.
- Exclusive discount pricing for Senior Helpers -- leverage the economies of scale of a large aggregator into a competitive advantage.
- Formalized process and consistency across the franchise network.



SOLUTION

One Service | Four Pillars

1. Payroll and Tax Filing
2. State-Specific HR Management
On-Demand One-Point-of-Contact HR Director, Recruiter, etc.
3. Employer Mandatory Insurance
True-Group Workers' Compensation and EPLI
4. Employer Voluntary Insurance
True-Group Fortune 500® Level Customized Health, Dental, Vision, Disability, Life, 401k, etc.

IMPACT



Increase in employee retention
YOY.



The PEO for Franchises® empowers the franchise brand to expand faster and more efficiently by not having to serve as the employer of record. Record growth includes going from 40 units to more than 400 units.

5.67%

This franchise saves an average of 5.67% of aggregate labor costs by utilizing a PEO in lieu of a payroll processor.

“

I love that INFINITI HR handles all our insurance and payroll needs under one roof and that all the billing is done in real time. They are transparent, and I don't have any big surprising bills at the end of the year I have to pay. They handle everything ranging from workers' compensation to liability insurance, and it is an easy way for us to operate. I would highly recommend them to other franchises looking to cut payroll costs under a PEO.”

- Karl Crosby, Senior Helpers® Franchise Owner

Operationalizing Data. Driving Bottomline Growth.



Intelli-Hub, blending analytics and operations for the Health and Wellness space.

Objective

The Exercise Coach needed a solution that reported and operationalized data from their point of sale system (MINDBODY).

Descriptive Overview

The Intelli-Hub team, a MINDBODY partner, has a uniquely deep understanding of the MINDBODY database schema and architecture along with a grounded perspective of what the franchisee needs as well.

Ultimately, multiple dashboards are produced for The Exercise Coach. Each stage of the business process is reflected here. Reporting is available at the corporate level, regional level, all the way down to the location and each trainer.



Results

To evaluate the results/impact of the effort we evaluated KPI's prior to the launch of the dashboards and one year later, after full utilization of the dashboards.

01

**CONVERSION
RATES:**



7%

YOY INCREASE

02

**DIS-ENGAGED
CLIENTS:**



22.7%

DECREASE

03

**RE-ENGAGED
CLIENTS:**



4.43%

YOY WINBACK

These results demonstrate the value of the new solution and its ability to improve the franchisee's ability to convert and retain more clientele than previously.

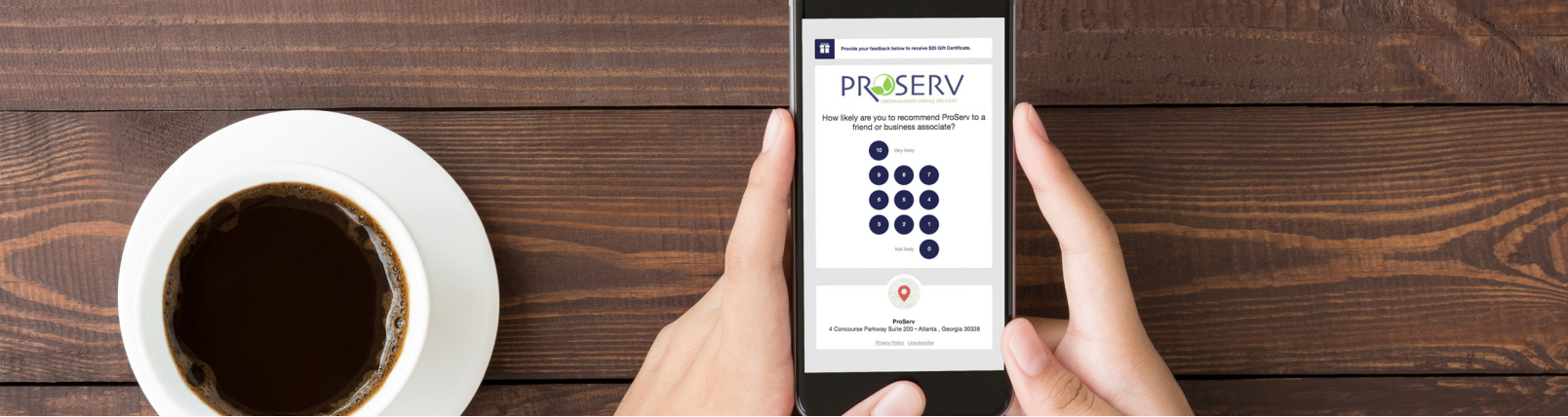
This Intelli-Hub initiative has delivered quantifiable results across The Exercise Coach network and also helped the franchise differentiate itself in the very crowded fitness franchising field.

CONTACT

☎ (603) 379-9246

✉ demo@intelli-hub.com

🌐 www.intelli-hub.com



Turn loyal customers into brand champions

Loyal customers are your key to growth and profitability. Listen360's NPS¹-based feedback platform allows you to measure customer sentiment over time so you can improve deficiencies while transforming delighted customers into brand advocates across the web.

[Learn more at listen360.com](https://listen360.com)

Create a stellar online reputation

Up to 9X More Reviews

After using Listen360 for a year, our customers received 3X to 9X more reviews on Google and other review sites than were posted during the previous year.

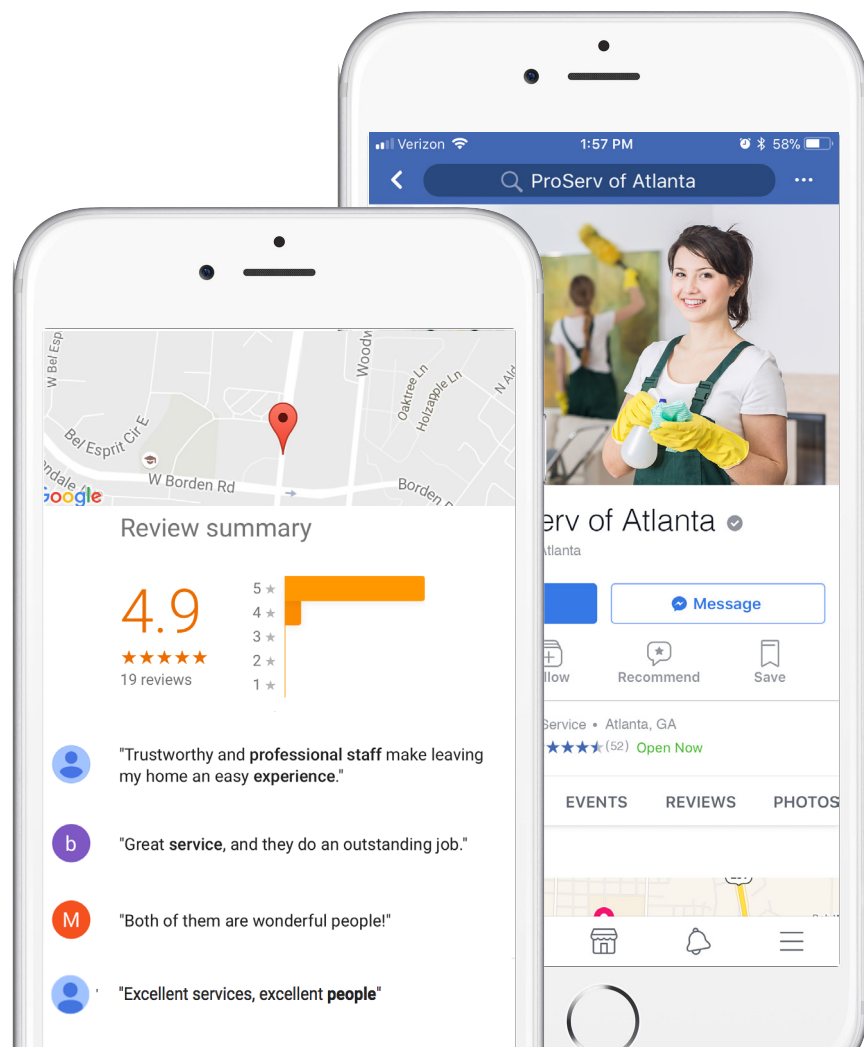
4.9 Average Star Rating

Google and reviews received through Listen360 have an average star rating of 4.9.

10% Increase in Clicks

Transform customer feedback into powerful star ratings alongside your AdWords campaigns to increase ad click-through rates by 10% and reduce cost-per-click by 14% on average.

1. NPS® is a trademark of Bain & Company, Satmetrix Systems, and Fred Reichheld.





Wild Birds Unlimited is the original and largest franchise system of backyard bird feeding and nature specialty stores with more than 300 locations throughout the United States and Canada. Wild Birds Unlimited specializes in bringing people and nature together with bird feeding and nature products, expert advice and educational events.



The Challenge - As consumer shopping habits were abruptly altered in March of 2020, Wild Birds Unlimited franchisees and store owners were seeking new ways to reach customers online and provide a more streamlined shopping experience, in order to achieve their local revenue goals during the peak of spring and summer.



The Solution - Focused on driving increased local customer traffic and purchases, we developed an integrated marketing campaign using Google Ads and Facebook that was customized for each Wild Birds Unlimited store. Ad creative incorporated gift giving promotions, highlighted curbside pickup, and directed consumers to their nearest location.

The Results



*"Our store saw a **28% increase in sales in May** and a **53% increase in June**, and our new customer counts have shown increases we haven't seen in years. The impact of our **local ad campaigns** resulted in **958 total conversions**, **520 store visits** and **396 phone calls**, all translating to **\$15,000 in new sales this year.**"*

*"For a store that's been around for over 30 years, those types of increases don't come along often. **We are convinced that our LOCALACT ad campaigns** and increased demand for at-home activities created the perfect storm for increased sales."*

- Jeanette McDaniel, Owner & Franchisee of Wild Birds Unlimited

"New customer counts have shown increases we haven't seen in years."

LOCALACT is the premier local digital marketing platform for franchises.

From hyper-local digital advertising campaigns, to local data & profile management, customer reviews, website analytics and online reporting, **LOCALACT** gives you the tools you need to increase your local revenue.

National Children's Haircare Franchise

A children's haircare concept sees new life, increases local performance and return on ad spend from digital marketing campaigns

The Business Challenge:

Being a well-established brand in a competitive market, the hair care brand faced stagnant growth over the last decade and were looking for a new approach to local marketing and growth at the local level. A change in their marketing management and dwindling results from previous agencies made them skeptical to the process of digital/traditional 1:1 marketing.

OneTouchPoint Solutions:

Digital Marketing Program

OneTouchPoint revamped their digital marketing efforts and built out a strong digital campaign structure that focused on getting people in store with haircut coupon offers. Tactics included social advertising, microsite offers and retargeting campaigns that showed digital ads with the coupon offer to customers who visited the brand's website but did not immediately call a salon or make an appointment.

Brand Management Platform

The OneTouchPoint U.Connect platform lets corporate and franchisees access and "order" digital marketing programs for their particular location(s) making it simple and easy for local franchise owners to execute on brand marketing program and drive traffic and revenue.

Analyze & Report

OneTouchPoint developed reporting that provided Return on Ad Spend (ROAS) for the campaigns. This helped location owners decide how to direct advertising dollars to the marketing channels that were driving the most revenue.

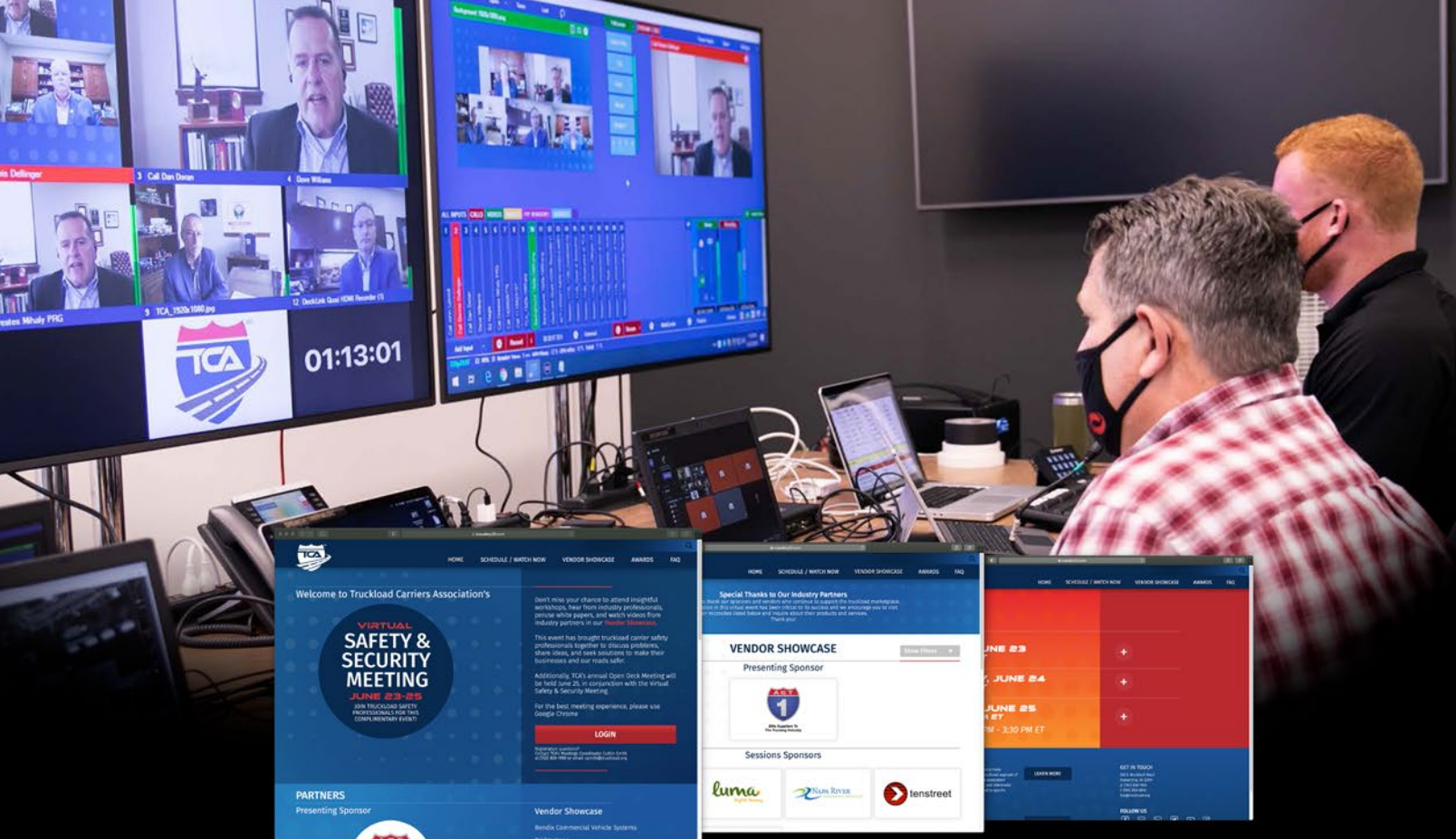
Campaign Results

- **20% growth** in revenue
- **Return on Ad Spend** of \$1.70 returned for every dollar spent in marketing
- **271% increase** in promotion coupon code redemption (119% increase from previous provider)
- Remarketing channel captured **over 3,000 appointments and 2,000 coupon downloads** over an 8-month period

Contact OneTouchPoint Today

Visit 1touchpoint.com or email info@1touchpoint.com.

ITP-CS-3018 (Rev 5/20)



PRG x TCA

PRG helped the Truckload Carriers Association produce their first-ever virtual annual meeting. The three-day event included vendor showcases, breakout sessions, and interactive roundtables.

- PRG operated the event by live switching between pre-recorded and live content out of our Orlando Digital Studio
- PRG developed a back of house communications platform allowing presenters to interact with each other and technicians.
- Participant interactivity included live Q&A submissions and chat
- PRG partnered a web design agency to develop a fully customized website for the event.

Click here to watch the video 



See how we can help at www.prg.com or email david.posegay@prg.com for more information.



CASE STUDY

Mathnasium | College Station, TX

Mathnasium in College Station, TX was looking to identify local parents whose students could benefit from a math tutor. A quiz was perfect for reminding parents how difficult grade school math can be.

The tutoring center offered a prize to win a free semester of tutoring services (valued at over \$1,000) – something incredibly valuable to their target audience. The quiz registration form asked if entrants wanted to be contacted about enrollment in the College Station, TX Mathnasium's program. In addition, the form included an email opt-in for the local tutor.

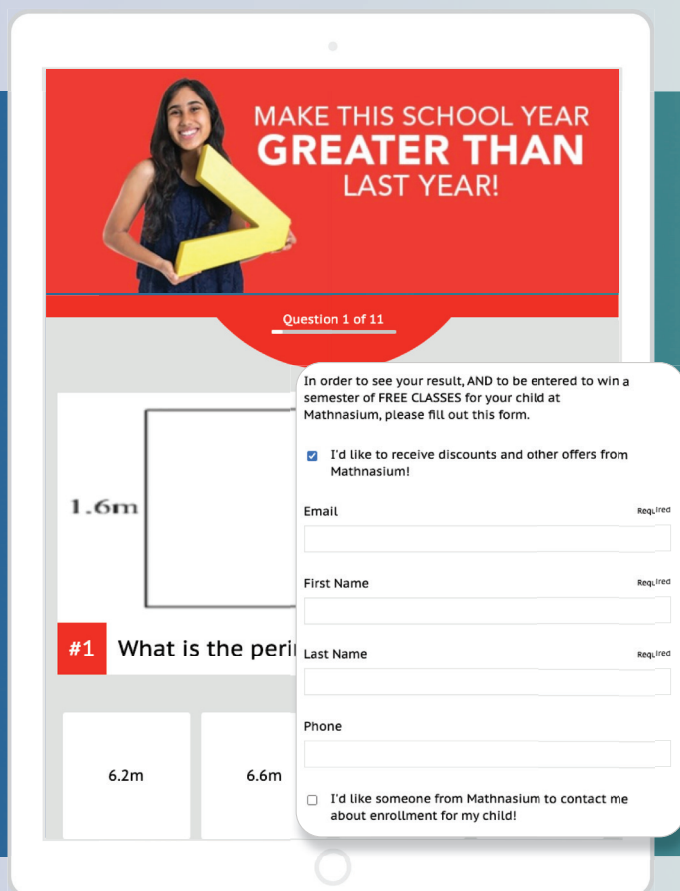
Promotion for the quiz came from local radio station on-air spots as well as an email to the station's targeted database.

25

New Requests to
be Contacted

160+

New Emails
for Database



Use of digital promotions by local businesses has exploded. With over a decade of experience, the Second Street Platform has helped hundreds of thousands of local businesses **drive qualified leads, build email lists, and engage potential customers** through digital promotions – such as quizzes, photo contests, giveaways, brackets, polls, and more.

Second Street is optimized to work with franchisors to create turnkey and brand-compliant promotions that can be scaled across your entire franchise system. **It's more important than ever to get measurable results from your marketing investments** - move potential customers through your funnel faster with digital campaigns through Second Street.

Learn more at secondstreet.com/franchises.

Call **314.880.4911** or email nick@secondstreet.com for more info!



SOCI ASSIST

Increase in Clients'
Facebook Metrics



335,000

Unique People Reached



4,025

Engaged Users



87%

Improvement in Review
Response Time



59%

Increase in Fan Growth



The Challenge

Laskowski Ace Hardware focuses on upholding Ace's brand excellence through outstanding service, exceptional products, and staying true to their helpful place motto. Laskowski Ace Hardware is a family-owned 9 store series celebrating over 58 years of business. Laskowski Ace Hardware was in need of a service that would allow them to connect with their customers beyond store walls by keeping them updated on sales, news, and offerings, while providing solutions via review responses to any concerns or questions they may have pre- or post-visit.



Laskowski Ace Hardware (Antioch, IL)

Published by SOCI [?] · September 1 ·

Moms love mums! Prepare for fall with an autumn favorite. Shop an assortment of premium hardy Chrysanthemums at Ace Hardware of Antioch during our Getting Ready for Autumn Sale!

Our sale runs 9/3 through 9/9, so make sure to swing by for the best deals! <https://www.acechicagolandstores.com/index.p.../laskowski-sale>



"Anytime I'm not quite sure about something, I can go in and ask and **they will find the answer** and help me find what I need to fix something."

—Nancy M., Yelp Reviewer



The Solution

By opting into SOCI's Assist Program, Laskowski Ace Hardware increased Facebook fan growth by 59% across 9 locations all the while reaching 335,000 unique people and engaging 4,025 users. Additionally, by using SOCI's Reputation Management services Ace Hardware saw an 87% review response time improvement in just 10 months. Thanks to their newfound partnership with SOCI Laskowski Ace Hardware is able to nurture their customer relationships on and off the store floor.



WE KNOW SOCIAL MEDIA.

SALES@MEETSOCI.COM



The Client

Pillar To Post Home Inspectors

Company Profile

With 576 locations, Pillar To Post Home Inspectors is the largest home inspection franchise in the world. Their size and rapid growth is a testament to the strength and quality of their brand and services.

Challenges

When WebPunch first started working with the brand, they had several reputation issues left over from their previous online reputation provider. There were four distinct challenges that we needed to address:

1. A lack of positive online reviews on Google
2. Too many negative reviews that were degrading their overall star rating on Google
3. They were only asking their clients for reviews on Google
4. They weren't responding to reviews, which resulted in the negative reviews having more validity and other missed opportunities to connect with their customers

Solutions and Outcomes

The WebPunch crew uses a customized approach to solve problems for all of our clients. As we dug a little deeper, our team was able to identify several problems that we could solve. Here's what we did to make an impact and put ear-to-ear smiles on the faces of all the Pillar To Post Home Inspectors owners and corporate staff.

#1 Solution

We determined that their previous vendor wasn't updating the Google links on Review Requests. This meant that customers clicking to write a review were sometimes being taken to incorrect Google pages. The other problem was that their previous vendor was only sending review requests to the clients who hired Pillar To Post Home Inspectors for their home inspections. WebPunch identified a whole other segment of people who would be an incredible asset in positive review generation, the client's buyer's agents! Expanding their review request pool was a vital part of solving this issue.

Result:

By utilizing WebPunch's Reputation Defenders, we managed Pillar To Post Home Inspectors' business listings and checked regularly for broken or outdated links in their review requests. This approach along with the expanded pool of potential reviewers, enabled Pillar To Post Home Inspectors to send more reviewers to their correct Google listings, resulting in a 37% increase in positive reviews on that platform than their previous vendor was able to achieve.

#2 Solution

WebPunch has specialists that read and personally respond to every review posted for Pillar to Post Home Inspectors on Google, Yelp, and Facebook. This team has a successful protocol to report negative reviews that violate the terms of service for each platform.

Result:

In our first year, we successfully removed 175 negative reviews, dramatically improving the average star rating for the brand as a whole.

#3 Solution

WebPunch can help generate reviews on any platform; in fact, having reviews on numerous platforms is one of the local ranking factors Google uses for search. We quickly looked at generating reviews on Facebook and Zillow.

Result:

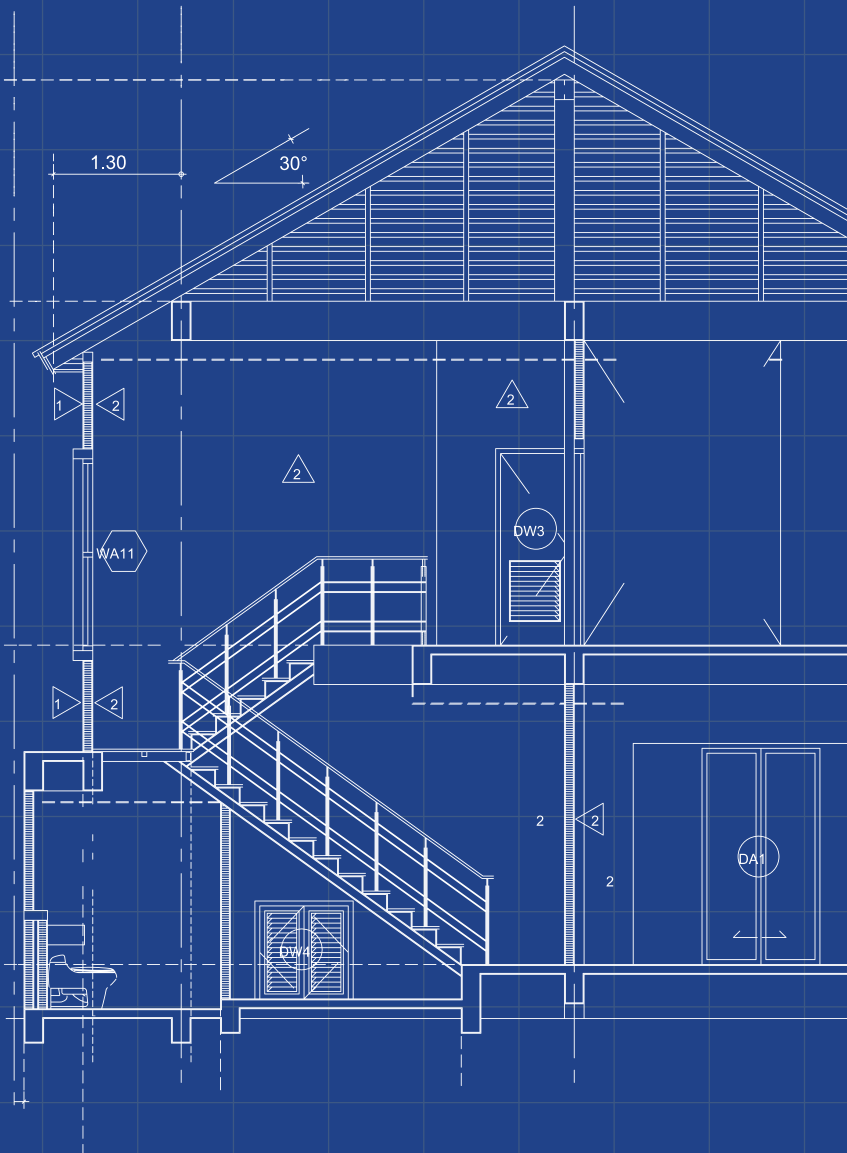
This expanded Pillar To Post Home Inspectors' review portfolio, resulting in a 684% system-wide increase in positive reviews.

#4 Solution

As mentioned above, our Review Response team rose to the challenge of responding to all of Pillar to Post Inspectors' reviews and doing so using the brand's voice. We don't believe in templated responses, and as such, each response was done by a professional writer who is deeply familiar with Pillar to Post Home Inspectors' brand persona.

Result:

In our first year, WebPunch responded to 6,390 reviews! Our writers were able to educate, fortify relationships, and mitigate potentially negative messages that were written about the brand.



There were serious reputation challenges, but WebPunch was able to knock out these problems and help bolster Pillar To Post Home Inspectors' reputation as the industry leader. We are not a one-size-fits-all company or solution. Contact me so we can tailor the brand experience solution of your dreams!

Matt Jones
Co-Owner
matt@webpunch.com
303-229-0051



Zipwhip for Education

Sylvan Learning Centers

Multi-unit owner Matthew Sullivan's four Sylvan Learning Centers, located throughout Texas, struggled in three main areas: generating new customer leads, simplifying staff workflows and reducing phone tag with parents and students. After signing up for Zipwhip, they have been able to increase lead conversion, save time for employees and improve customer engagement.



Challenges

Generating new prospects and ultimately customers is always a key area of focus for franchises. Assessments are the most important way for Sylvan Learning Centers to generate new enrollments and long-term clients. Assessments for Sylvan Learning Centers are upwards of a 70% conversion to new customers.

When COVID-19 forced owner and operator Matthew Sullivan to pivot his franchises to online learning, there was significant confusion around how best to do that, specifically finding the best

way to get Zoom meeting IDs out to families every day. There was miscommunication between parents and Sylvan staff trying to get students the correct meeting ID for the right day. Additionally, staff and parents were trapped in an ongoing loop of phone tag that created massive inefficiencies, resulting in lost revenue for no-show sessions. Sylvan Learning Centers needed a communication solution that not only cut through the clutter of phone calls and emails, but generated revenue and saved time.

Results

Sylvan Learning Centers in Abilene, TX have now shifted to a texting-first strategy. They're leveraging the full power of Zipwhip across all locations as the primary form of communication between staff and parents. This texting strategy has helped generate more than \$7,000 in new business through a single social media outreach campaign. Shifting to a

texting-first strategy has also brought significant benefits in terms of workflow efficiency and time management. Zipwhip has enabled Sylvan Centers to win back customers who have since canceled, providing tremendous ROI. Pivoting to a texting-first strategy has enabled them to streamline and simplify communications across locations

Start Texting with a Free Trial of Zipwhip

Call or Text (855) 947-9447 | info@zipwhip.com | www.zipwhip.com

REACH YOUR AUDIENCE. EVERYWHERE THEY ARE.

**FRANCHISE
UPDATE
MEDIA**

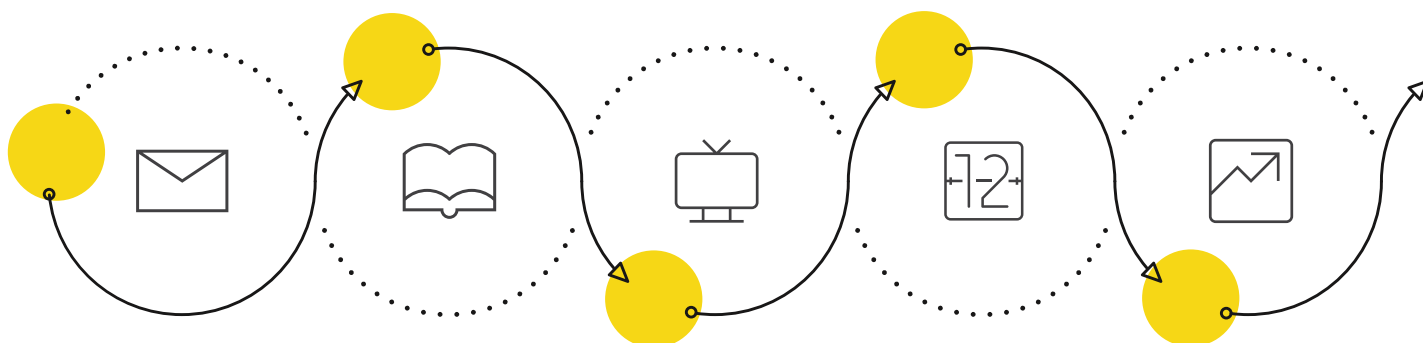
GROW WITH US



Now is your time to grow. You've retooled to build smarter strategies to grow your business in changing times. We have too.

At Franchise Update Media, we've reimagined our platforms to help you grow most effectively – by reaching your franchising audience everywhere they are. Our Franchise Growth Platform™ brings your message to your audience in all the places they learn and collaborate.

To support your growth, we're publishing the latest news and ideas from the leaders who are re-writing the playbook for success in the economic recovery. We're retooling our platforms to share opportunities on every media where your audience chooses to engage. And we're creating new conference experiences to bring our community back together, stronger than ever.



Email Campaigns

Newsletters
Focused sponsor emails

Magazines

Multi-Unit Franchisee Magazine
Franchise Update Magazine
Multi-Unit Franchisee Buyer's Guide
Brand News
Sponsored promotion
Press Room

Online

Feature on franchising.com
Press Room on franchising.com
Sponsored content
Social media posts

Conferences

Multi-Unit Franchising Conference
Franchise Leadership & Development Conference
Franchise Marketing Leadership Conference
European Master & Multi-Unit Franchising Conference

Customized Plans

Post Conference Follow-Up
Email campaign, Newsletter, Sponsored content, social posts
Magazine promos
Customized plan to meet your brand goals
Learn, connect and grow with attendees and sponsor companies

Especially today, we know the power of franchising to help you grow your business.

And we're just getting started.

BECAUSE YOUR GROWTH IS OUR MISSION.