

4 STEPS TO ENCOURAGE YOUR FRANCHISEES TO DO MORE EFFECTIVE MARKETING

Your success as a franchisor is based on the sales growth of your franchise community. Embrace of marketing by the franchisees is critical to this goal.

There are a number of drivers of revenue that you as a franchisor directly impact: providing customer value through the quality of your product, setting up efficient processes, and providing strong training that results in excellent service.



One very important lever for sales growth that you should encourage is your franchisees' active participation and skill in their marketing.

Here we will detail four ways to educate your franchisees in the best practices for highly effective marketing as well as motivate them to invest in the programs.

1 Communicate frequently and sell the benefits of franchisee marketing

Franchisors at times face that challenge that some new franchisees do not see the importance or value of active marketing. Start with the "why" marketing boosts

leads, traffic and ultimately sales. Then teach the "how" investing in marketing pays dividends.

- Showcase the stories of franchisees that are getting strong returns on their marketing spend. Videos of franchise owners conveying their successes are very effective.
- Detail how every \$1 of marketing spend results in measurable returns on investment.
- Communicate these success stories regularly to the franchisees. Focus on this topic during weekly calls and at your annual Summit.
- Encourage franchisees to create their own peer networks to share best practices and wins.

2 Develop a franchise marketing plan along with tools for franchisees to tailor their efforts to their local markets

Franchisees need a well thought-out game plan to set their strategy and produce a budget so they can execute their marketing most effectively.

Start with a marketing calendar that lays out detailed, monthly franchise-sponsored plans based on insights gathered from previous campaign results. Franchisors should estimate campaign costs so budgets can be easily and realistically set by franchisees.



Offer marketing training and educational resources for your franchisees.

To ensure marketing programs are targeted to the right audiences, franchisees should have a thorough understanding of the demographics of the brand's target customers including where they hang out and what they are interested in. These customer snapshots form personas. Franchisees also need to be aware of competitors.

Some franchisors make available comprehensive coaching sessions and online classes for franchisees to grow comfortable with marketing initiatives.

3 Make it easy for the franchisee to rollout and execute the plan

Leading franchisors create company-wide marketing programs that are easy for the franchisees to select, customize and put into action. A franchisee is most likely to follow through on the plan with a single platform from which programs can be rolled out.

One highly effective marketing tactic is to offer franchisees regularly scheduled Point of Purchase (POP) kits to support sales around important holidays or franchise-supported campaigns. These POP kits

might feature banners, window clings, table toppers, etc.

Franchisor marketing partners will often build and host website portals to distribute these marketing programs. Ask your provider if it can help you devise your marketing plan as well as an online portal, accessible only to franchisees. Suppliers will often build and stock these portals at no or low costs.

Also, franchisors that select a single or a small number of marketing providers can typically ensure high brand consistency and quality. In addition, concentrating your purchases through a limited number of providers will likely lead to volume-based discounts that will boost the franchisee's marketing return on investment.

4 Provide incentives to encourage franchisees to market

Franchises have different financial models to encourage franchisees to invest in local marketing as well as support the franchise's overall brand. Here are good practices to utilize:

- Reward strong marketing by providing incentives if certain marketing thresholds are met. Use these incentives to direct marketing dollars in the most

effective direction. Corporate sharing of costs emphasizes the importance of marketing and gives you a voice in directing the marketing efforts.

- If you have a brand fund or national marketing fund, consider using it to pay for part or all of POP kits, which can be tailored to regions or local markets.
- When a particularly important opportunity presents itself, consider supplementing the regular marketing funds with additional incentive funds to encourage participation.
- Run contests among franchisees to get their attention and encourage them to invest more. The winners often make great success stories to feature.

We have described four ways to encourage your franchisees to do effective marketing. As you head into next quarter, consider which ideas will most significantly impact your franchisee's marketing success, resulting in higher sales.

Clayton Kendall can help. Our branded merchandise programs help franchise communities scale rapidly, save money and better manage their promotional items, signage, apparel and marketing pieces. Visit us at www.claytonkendall.com or contact CEO Dan Broudy at 412-798-7120 Ext. 130.