

# 10 Secrets to Increasing Franchise Sales

The number of franchises in the United States has been steadily increasing since the 1950's. Franchise operations today account for nearly 50 percent of our retail sales, and annual franchise sales total more than \$1 trillion.

Out of the hundreds of thousands of franchise establishments, *Entrepreneur Magazine's* 2006 Franchise 500 included the following as their "Top Ten Franchises for 2006."

Franchise Trade queried each of these franchises to find out just what sets them apart from the myriad of other franchises out there. What do they pride themselves on and to what do they owe their tremendous success? And just what do they have to offer an individual today looking to invest in a franchising opportunity?

## NUMBER 1: SUBWAY

**"A Global Reputation for Offering Fresh, Tasty, Healthier Alternatives to Traditionally Fatty Fast Foods"**

Here's what Subway's Public Relations Coordinator Rob Wilson had to say:

### What sets Subway apart

"Compared to many other franchise systems, the SUBWAY concept has relatively low start-up costs, plus training and follow-up support from an extensive network of regional and headquarters personnel, who provide foodservice know-how and business guidance. Needing minimal equipment and space requirements, the SUBWAY concept is flexible -- 'at home' in free-standing locations, food courts and strip malls, in more than 5,000 convenience stores, in airports, truck stops and casinos, hotels and department stores, in high schools, on college campuses, in amusement parks and hospitals."

### What Subway prides itself on

"We pride ourselves on our sub sandwiches -- custom-made on freshly baked breads, SUBWAY restaurants offer fresh, great-tasting 'made to order' subs, salads and wraps, with exceptional customer service and value. Millions of customers think of SUBWAY Restaurants sub sandwich options (including '8 under 6' grams of fat) along with spokesman Jared Fogle -- as their preferred fast food choice for smart eating habits. In fact, the SUBWAY chain has achieved a global reputation for offering fresh, tasty, healthier alternatives to traditionally fatty fast foods."

### To what does Subway owe its tremendous success?

"Co-Founder Fred DeLuca attributes our tremendous success to our franchisees around the globe, whose energy and enthusiasm have brought SUBWAY restaurants to 83 countries. Now boasting close to 25,000 locations, the SUBWAY chain has recently been cited by Global Finance magazine as one of the world's best companies."

### What does Subway have to offer a prospective franchisee?

"Celebrating 40 years of QSR [quick service restaurant] experience, the SUBWAY Restaurants chain presents an operationally simple (no cooking), proven concept -- for people who are new to running their own business, and for those who are seeking a career change with another business opportunity -- both can succeed with the SUBWAY brand, even without prior foodservice experience."

"A SUBWAY restaurant franchisee benefits from worldwide brand recognition (rated #1 in Entrepreneur magazine's annual "Franchise 500" list (January 2006 issues) -- for the 14<sup>th</sup> time in 18 years. Top-notch

operations and well-known menu choices are backed by many years of nationwide TV advertising in the USA and Canada, as well as diverse, ongoing local advertising and operational assistance."

## **NUMBER 2: QUIZNOS**

[As of press time, Quiznos had not answered Franchise Trade's inquiries.]

## **NUMBER 3: CURVES**

**"Most franchises seek business people and try to teach them passion; we teach our passionate people how to run a successful business."**

Becky Frusher, Communications Manager for Curves International, responded to our inquiries:

### **What Sets Curves Apart**

"There are a couple of different ways to compare Curves to other franchises, comparing it to other fitness franchises and comparing it to other types of franchises, like fast food.

"Compared to other fitness franchises, we have several important points of difference. First, we are by far the largest fitness company in the world -- and the tenth largest franchise of any kind in the world. We account for 27 percent of all health clubs in the U.S. and Canada, and are the largest fitness franchise in those countries as well as in Australia, Ireland, Mexico and Spain. Most of this growth (9,400 clubs now open worldwide) was done by word-of-mouth.

"One of our biggest points of difference over other types of franchises is our low cost. We've been named No. 1 Low Cost franchise by Entrepreneur magazine for a number of years."

### **To what does Curves owe its tremendous success?**

"Herein lies the secret of Curves' tremendous success; its culture, or what we call the Curves Community. Our members get something more from their Curves experience than just a flat stomach or smaller dress size. They find a support system of women just like them to encourage and motivate them not just while working out but in every aspect of their lives."

### **What Curves prides itself on/ has to offer a prospective franchisee**

"Curves is and always has been a service company. Our franchisees are people who are passionate about helping others -- most of them are former members. Most franchises seek business people and try to teach them passion; we teach our passionate people how to run a successful business.

"Individuals seeking to purchase a Curves will find a company that prides itself on honesty, integrity, hard work, and compassion for others. We offer an extremely high level of training and certification, ongoing franchise support, successful marketing and advertising programs, and an efficient business model that makes it possible to be successful in a relatively short period of time."

## **NUMBER 4: THE UPS STORE**

**"The UPS Store Franchises promises to deliver world-class customer service to every person that walks through his or her door."**

The following comes from Public Relations representative Megan Belt of The UPS Store & Mail Boxes Etc.

### **What Sets The UPS Store Apart/What The UPS Store Prides Itself on**

"The UPS Store concept meets the personal and business needs of consumers with a complete array of shipping, postal and business-service offerings -- all in one convenient location. Customers benefit from the shipping prices they want, with the reliability they need."

"The UPS Store is an innovative network with more than 26 years of retail and franchising experience and the power of one of the world's most admired and recognized brands. The UPS brand resonates strongly with current and potential customers and is among the top brands in the world."

"With over 5,600 The UPS Store and Mail Boxes Etc. locations around the world and opportunities in more than 75 countries and territories, our network is the global leader in its market. Our network revenues exceed \$1.8 billion annually."

### **To what does The UPS Store owe its tremendous success?**

"The UPS Store franchise is a globally respected brand, which means stores are known and trusted from the moment they open their doors. The strength of The UPS Store network comes, in part, from the talented and dedicated associates at each retail location. The UPS Store franchises promises to deliver world-class customer service to every person that walks through his or her door."

### **What does The UPS Store have to offer a prospective franchisee?**

"Some of the benefits of owning The UPS Store franchisee include:

- Unparalleled Brand Recognition
- Financing Assistance
- Real Estate Development
- Store Design and Construction
- Training
- Ongoing Support
- Pre-established Corporate Customers
- Technology Development and Support"

### **NUMBER 5: JACKSON HEWITT TAX SERVICE**

***"Providing franchise owners with the essential support and assistance they need to achieve and exceed their goals."***

Allison R. Jackson, Senior Manager of Communications for Jackson Hewitt Tax Service, shared the following about Jackson Hewitt:

### **What sets Jackson Hewitt apart**

"Jackson Hewitt Tax Service Inc. is the second largest tax preparation service company in the United States with franchised and company-owned offices in 49 states and the District of Columbia. It is a publicly traded company (NYSE: JTX) that specializes in electronic filing (IRS e-file) and provides full service, individual federal and state income tax preparation and facilitates related financial products to taxpayers across the country."

### **What Jackson Hewitt prides itself on**

"With most offices independently owned and operated, Jackson Hewitt prides itself on attracting entrepreneurs who are dedicated to succeeding as business owners, where franchisees can focus on being in business for themselves but not by themselves. Jackson Hewitt ensures that its franchise owners have a strategy in place to effectively operate and grow their business."

"Leveraging Jackson Hewitt's strong and knowledgeable leadership, franchisees are provided with ongoing training and support in the areas of technology, operations, management and marketing. Franchise owners have regional field support teams throughout the country who have an understanding of their assigned markets and can offer operational insight."

### **To what does Jackson Hewitt owe its tremendous success?**

"Entrepreneurs who choose Jackson Hewitt are joining a company that is focused on providing products and services that create value for its customers.

"As further evidence of its success, Jackson Hewitt enters this tax season with the proud distinction of being named the #5 Franchise Overall by *Entrepreneur Magazine* in its "2006 Annual Top 500 Franchises" ranking (January 2006 issue). The publication also recognized Jackson Hewitt as the #8 fastest growing franchise, the #1 tax preparation service franchise (13<sup>th</sup> year in a row) and the #2 low-cost franchise.

"These achievements are a result of providing franchise owners with the essential support and assistance they need to achieve and exceed their goals."

### **What does Jackson Hewitt have to offer a prospective franchisee?**

"When people consider becoming a Jackson Hewitt franchisee, they are attracted to the national brand name, the low cost of investment, the strong franchisee support system and the history of franchisee success. Jackson Hewitt is particularly pleased that approximately two-thirds of the territories available have historically been sold to existing franchise owners who are looking to reinvest in additional Jackson Hewitt locations."

It's an exciting time for the franchise industry as all signs point to an industry that will continue to thrive and grow -- and as new franchise concepts continue to be developed, introduced and adopted.

The International Franchise Association recently announced that the U.S. Bureau of the Census is planning to include questions about franchising in their 2007 Census of Business. This will be the first time the economic census will actually count franchise business in the U.S.

Out of these hundred of thousands of franchise establishments, Entrepreneur Magazine's 2006 Franchise 500 included the following as their "Top Ten Franchises for 2006."

Franchise Trade queried each of these franchises to find out just what sets them apart from the myriad of other franchises out there. What do they pride themselves on and to what do they owe their tremendous success? And just what do they have to offer an individual today looking to invest in a franchising opportunity?

### **NUMBER 6: DUNKIN' DONUTS**

***"People are passionate about our products, our convenience and especially the quality we provide."***

Communications Manager Andrew Mastrangelo had this to share about Dunkin' Donuts:

### **What sets Dunkin' Donuts apart/What it prides itself on**

"Dunkin' Donuts has evolved from a place to grab a cup of coffee in the morning to one that serves customers almost around the clock.

"Contrary to our name, Dunkin' Donuts is more about coffee than donuts. Beverages account for 63% of our sales and donuts make up only about 17% of Dunkin' Donuts' sales. We are the country's largest

retailer of coffee-by-the-cup, serving nearly one billion cups of brewed coffee each year. Last year, Dunkin' Brands posted a 21% increase in profits that was fueled by our coffee business.

"There is a growing demand for what we offer: great coffee and delicious food and beverages that you can enjoy all day; fresh, fast and affordably. The mix of our coffees and beverages, along with our donuts, muffins, bagels and breakfast sandwiches, has allowed us to grow and thrive.

"Dunkin Donuts is currently expanding in its existing markets, while entering new Southern and Mid-Atlantic markets. The national expansion program ultimately will triple Dunkin' Donuts to 15,000 stores throughout the country by 2025. In the meantime, we are expanding our existing markets, increasing same store sales, offering new menu innovations and introducing new store concepts."

### **To what does Dunkin' Donuts owe its tremendous success?**

"In many ways, our very strong brand is our best recruitment tool. People are passionate about our products, our convenience and especially the quality we provide. We are consistent with delivering high quality products each and every time in all of our stores. Our strong network of franchisees has been the foundation to our success and today we are recognized as one of the leaders in the quick service restaurant category."

### **What does Dunkin' Donuts have to offer a prospective franchisee?**

"We have an excellent relationship with our franchisees. When Jon Luther became CEO two years ago, one of his top priorities was to ensure that the franchisee/franchisor relationship at Dunkin' remains one of the strongest in the industry.

"We are committed to working very closely with franchisees from the first day they sign on with us. We provide constant training and support -- from assistance in site selection and financing to marketing and training. We are constantly having discussions with current franchising managers throughout the country to discuss the brand and how we present ourselves to potential franchisees.

"As a result of our national expansion plan, we are now moving away from a single store model to expectations that our franchisees will sign SDAs [Store Development Agreements] for at least three to ten stores. We are seeking large area developers with a strong organization and the ability to manage multiple stores effectively and successfully. We also look for some prior experience in the QSR [Quick Service Restaurant] industry."

### **NUMBER 7: JANI-KING**

#### ***"Quality, proven programs to ensure that we support the demands of both our clients and franchisees"***

According to Jani-King, it is the world's leading commercial cleaning franchise company with more than 10,000 authorized franchise owners worldwide. Jani-King's Director of Public Relations, Robert Kindred, shared the following about this company:

### **What sets Jani-King apart/What it prides itself on**

"Jani-King takes great pride in our people and we work diligently in support of them. We have professionally staffed regional support offices in every major market who are available to our franchise owners for training, accounting, account sales and operational assistance. There are few companies that offer their franchise owners the level of support that Jani-King does."

### **To what does Jani-King owe its tremendous success?**

"Our success over the past 35 years has come from understanding the importance of customer service and knowing our customers. We service tens of thousands of clients around the world, but we also consider

our more than 11,000 franchisees our customers. We have implemented quality, proven programs to ensure that we support the demands of both our clients and franchisees. That's why our customers refer us to their colleagues and why our franchisees refer us to their friends and family."

#### **What does Jani-King have to offer a prospective franchisee?**

"In addition to our top-10 ranking, Jani-King has been number one in our service category [commercial cleaning] 19 times; not only because of the support that we offer, but also because of the opportunities presented by the commercial cleaning industry. Unlike the food service industry, Jani-King offers a low-cost investment. Whether you are looking for a part-time business to help send your children to college or a full-time business to retire from, Jani-King offers a plan that is right for you."

#### **NUMBER 8: RE/MAX INTERNATIONAL, INC.**

##### ***"Fabulous franchisee/franchisor relations"***

RE/MAX International, Inc. is a global network of real estate agents. Founded by Dave and Gail Liniger in 1973, RE/MAX has enjoyed continuous growth for more than 30 years. Chairman of the Board and co-founder Dave Liniger took the time to answer Franchise Trade's questions:

##### **What sets RE/MAX apart/What it prides itself on**

"We are special due to our fabulous franchisee/franchisor relations. As founder of the company 33 years ago, we have gone through the ups and downs of a start-up to now having a very large organization. We value our "zees" as personal friends. Almost all of the great ideas and improvements to our network have come from the field. Our success is due to the 115,000-plus sales associates within 6,000 offices in 63 countries."

##### **To what does RE/MAX owe its tremendous success?**

"Our success has come from hard work, determination, and well-defined goals as what we as a network strive for in business ethics, relationships, products, services, and market share."

#### **What does RE/MAX have to offer a prospective franchisee?**

"We offer number one position in the real estate industry in brand name recognition, market share, and web presence. This is the ultimate competitive advantage to a real estate broker trying to build their business."

#### **NUMBER 9: 7-ELEVEN**

##### ***"A long, proud history that dates back more than 75 years"***

Joanne Webb-Joyce, Director of National Franchise Sales, had this to say about the 7-Eleven franchise establishment:

##### **What sets 7-Eleven apart/What it prides itself on**

"7-Eleven has been recognized by *Entrepreneur* as a Top Ten franchise every year for the last five years and by many other experts over the years. We are among the world's premiere convenience store retailers with a long, proud history that dates back more than 75 years."

"The 7-Eleven Franchise System is like no other in the country. As a leader in the franchise industry for over 40 years, we offer a proven retail operation with a world-famous trademark, and the average initial cash investment is reasonable. Best of all, 7-Eleven franchisees receive assistance and support all the way."

"7-Eleven has much to be proud of, most especially its history of innovation, its relationship with its franchisees, its involvement in the community and its proprietary Retail Information System which enables each store to change as the needs of its customers change."

### **To what does 7-Eleven owe its tremendous success?**

"Ultimately it all comes down to 7-Eleven's commitment to satisfying the customer. Today, over 3,300 U.S. stores are operated by franchisees who are dedicated to giving 7-Eleven customers 'what they want, when they want it' by providing a reliable, fresh assortment of high-quality products, speedy transactions, everyday fair prices and a clean, safe and friendly environment in which to shop."

### **What does 7-Eleven have to offer a prospective franchisee?**

"7-Eleven, Inc. buys or leases the land and develops the site. 7-Eleven also buys the store equipment and pays the utilities. The franchisee leases or subleases a fully equipped 7-Eleven store.

"In addition to a proven 'turnkey' operating system and comprehensive training, 7-Eleven provides ongoing support and services, including advertising, accounting, payroll and monthly financial and marketing records preparation for the franchisee's individual store.

"An assigned Field Consultant visits with the franchisee at least once a week for several hours to provide counsel on every aspect of business. However, all store decisions are made by the franchisee.

"7-Eleven is also committed to a merchandising strategy that differentiates us from all our competition. We have increased our proprietary line of items to drive more traffic to our stores. Now, not only are we known internationally for things like the Slurpee, the big Gulp, and the Big Bite hot dog, we have expanded our food service offerings to include a line of fresh deli items; things like sandwiches and wraps, and fresh baked goods which are prepared and delivered daily. We are putting quality, made-fresh-daily food into our stores, and our customers are taking notice."

## **NUMBER 10: LIBERTY TAX SERVICE**

### ***"Set The Standard, Improve Each Day, and Have Some Fun"***

Answering Franchise Trade's questions is Martha O'Gorman, Liberty Tax Service's Vice-President of Marketing:

### **What sets Liberty Tax Service apart/To what does it owe its tremendous success?**

"Liberty Tax Service holds one major distinction among Entrepreneur Magazine's ranking of top ten franchisors: our CEO, John Hewitt is the only person to have founded two of the top ten.

"John founded Jackson Hewitt Tax Service in 1982 and Liberty Tax Service in 1997. Liberty is the fastest growing retail tax preparation company in history. John's high level of experience is the major factor that makes Liberty Tax special and it sets us apart from other franchise organizations.

"Another unique aspect of the Liberty franchise system is our unorthodox approach to marketing. Instead of spending millions of dollars on conventional forms of advertising like radio or television, we focus the majority of our advertising fund on neighborhood marketing activities. For instance, we have Liberty mascots that take to the streets every tax season handing out discount coupons, donuts, pizza and other marketing items to build the Liberty brand. This unique form of marketing is the cornerstone to our approach and has allowed Liberty to grow faster in raw number of tax returns prepared than both of our competitors combined!"

### **What Liberty Tax Service prides itself on**

"Liberty Tax Service has created a corporate culture that we think is unparalleled in the franchising universe. Our Mission Statement is 'Set The Standard, Improve Each Day and Have Some Fun.'

We want to make Liberty Tax Service a growing and thriving force in the business community while at the same time help make the world a better place to live. We have embraced several cause related campaigns that we support with contributions and publicity from our network of over 2000 offices in the United States and Canada. These organizations, Cell Phones for Soldiers and Stop Hunger Now, have raised millions of dollars collectively to help improve the world each day. And on top of it all, we do have fun!"

**What does Liberty Tax Service have to offer a prospective franchisee?**

"Our franchise opportunity is attractive because of the seasonal nature of the business. The Liberty model allows franchisees to operate their business for just four months. This is ideal for people with families, early retirees looking for something to do but not on a full-time basis, and young entrepreneurs anxious to build net worth while still maintaining another full-time job.

"Most franchise systems require a 52-week, 8-to-12 hour day commitment in order to properly build and maintain the business. With a Liberty franchise, the individual works hard for about 16 weeks and is able to achieve a net profit that matches or exceeds other traditional franchise models."