Beyond Validation: Using Franchisee Satisfaction Data to Build a Stronger Brand
OBJECTIVES FOR TODAY’S SESSION:

- Survey tools for measuring franchisee satisfaction.
- Using survey results to identify areas of system strength and weakness.
- Setting priorities, evaluating initiatives and benchmarking progress with survey data.
- Using testimonials from franchisees about success, growth and support.
- Effective use of satisfaction survey data in franchise development.
Your Questions

- Should we survey our franchisees? How can it help our brand?
- What should we ask them about so we harvest useful information?
- What can go wrong if ask them about our performance?
- How can we use the survey responses to improve our system?
- How can we use the survey results to sell franchises?
- Should we use videos instead of or in addition to verbatim responses?
Schlotzsky’s Sandwich Shop brings alternative to fast food

By Dave Whitaker
Staff Reporter

Jeff Johnson, a UNL 1977 graduate of business, will open a new restaurant in Lincoln sometime in mid-April, with a product he said is "super."

Schlotzsky’s, a sandwich shop, is a franchise from Austin, Texas. The first store opened in 1971, and by August 1984 Schlotzsky’s had 178 stores in 16 states.

The name of the restaurant came from a word someone said as a joke when tasting the sandwich. The name stuck, and even when researchers tried to come up with a new logo, they decided Schlotzsky’s was the best.

The bread for sandwiches is made daily from a secret recipe with a sourdough base. The original sandwich has ham, spiced lunchmeat, salami and a blend of melted mozzarella, cheddar and Parmesan cheeses. It’s topped with tomatoes, onions, marinated olives, lettuce, mustard, and a garlic spread.

Besides the original, Schlotzsky’s offers ham and cheese, cheese and turkey breast sandwiches. The store also will have a self-service counter for drinks, tea and coffee, plus soup.

Wisconsin cheese is the staple, and other soups will be varied daily. Salads will be individually packaged to keep them fresh.
Extraordinary

Two separate and distinct businesses

1. Customer focused business, and
2. The business of franchising
The customer is always right

From Wikipedia, the free encyclopedia

For other uses, see The customer is always right (disambiguation).

"The customer is always right" is a motto or slogan which exhorts service staff to give a high priority to customer satisfaction. It was popularised by pioneering and successful retailers such as Harry Gordon Selfridge, John Wanamaker and Marshall Field. They advocated that customer complaints should be treated seriously so that customers do not feel cheated.
Raving Fans
A Revolutionary Approach to Customer Service
Ken Blanchard
co-author of The One Minute Manager
Sheldon Bowles
Foreword by Harvey Mackay
Satisfied Customers Just Aren’t Good Enough
Net Promoter

“How likely is it that you would recommend this company to a friend or colleague?”

% PROMOTERS - % DETRACTORS = NPS (NET PROMOTER SCORE)
Transactional Relationship
Consumer Opinions

1. Fix it, improve it, make changes
2. Ask customers if they like the new product
3. Sell the improved product
4. Assess progress (is it selling?)
Franchising

For the franchisor, the franchise is an alternative to building "chain stores" to distribute goods that avoids the investments and liability of a chain. The franchisor's success depends on the success of the franchisees.
Alliance

From Wikipedia, the free encyclopedia

An alliance is a relationship among people, groups, or states that have joined together for mutual benefit or to achieve some common purpose, whether or not explicit agreement has been worked out among them.
Collaboration

From Wikipedia, the free encyclopedia

A Collaboration is a **purposeful relationship** in which all parties **strategically choose to cooperate** in order to **achieve shared** or **overlapping objectives**
A partnership is an arrangement where parties agree to cooperate to advance their mutual interests.
The relationship between franchisors and franchisees has often been termed a "commercial marriage".

In many ways this is true, though the difference is that in the franchise relationship there must by definition be a "senior partner" - the franchisor.

8.2 years
Rate Your Marriage

On a scale of 1 – 10 rate your satisfaction with your marriage in the areas of:

1. Shared Values -
2. Commitment to each other -
3. Conflict Resolution Skills -
4. Intimacy/Sexuality -
5. Spirituality/Faith -
6. Money Management -
7. Appreciation/Affection -
8. Lifestyle -
9. Recreation -
10. Decision Making -
11. Parenthood/Children -
12. Household chores / gender differences -
13. Careers -
14. Balancing Time -
IMPROVE
Open-honest
COMMUNICATION
“If you think of a marriage relationship as a straight line between two points, adding a third point creates a triangle, and in the geometry of human relationships, the triangle is the toughest shape to navigate.”
Chronic Complainers

False Praise
How well do you franchise?

How do you know?
“Franchisors and franchisees have **different roles** and the **key to success** is to **understand** those different roles and each to **fulfill their role to the very best of their ability.**”

“The **franchisor’s role** is to:

1. create and then constantly refine the business model to ensure strong unit level economics;
2. develop new programs, strategies and profit centers;
3. and to protect the powerful relationships that make franchising successful.

The **franchisee’s role** is to:

1. learn and follow the operating system;
2. **provide constructive feedback to enhance the system**; and
3. to protect the powerful relationships that make franchising a successful method of growth.”
Independent third-party research
- Not “SurveyMonkey”
- Unfettered access to every franchisee
- A minimum of 70% participation
- With $\pm 5\%$ at 95% confidence level
- No reward for positive responses, no risk for negative responses

Every survey is not research!
Satisfaction/Validation
Quantitative

Q: In general, how would you rate the **overall quality** of your franchisor?

   Excellent - Very Good - Good - Acceptable - Poor

Q: Knowing what you know now, and if you had to **do it over again**, would you invest in this franchise?

   Definitely - Very Likely - Probably - Probably Not - Definitely Not

Q: Would you **recommend** this franchise to a prospective franchisee?

   Definitely - Very Likely - Probably - Probably Not - Definitely Not
Q: My franchisor helped me establish realistic expectations prior to my becoming a franchisee.

Strongly Agree - Agree - Disagree - Strongly Disagree

Q: My franchise experience has met or exceeded my original expectations.

Exceeded My Expectations - Met My Expectations - Below My Expectations

Q: The financial results provided by this franchise opportunity have met or exceeded my original expectations.

Exceeded My Expectations - Met My Expectations - Below My Expectations
Initial Training

Quantitative

Q: How would you grade the initial training supplied by the franchisor?

A - B - C - D - F

Q: How would you grade the initial opening support provided by the franchisor?

A - B - C - D - F
Ongoing Training

Quantitative

Q: How would you grade the helpfulness of your franchisor’s field representatives?

A - B - C - D - F

Q: How would you grade the ongoing training and support supplied by the franchisor?

A - B - C - D - F

Q: My franchisor responds in timely way to my questions and minor problems.

Strongly Agree - Agree - Disagree - Strongly Disagree
Franchisor/Franchisee Relationship

Quantitative

Q: My franchisor cares about franchisee profitability and success.

Strongly Agree - Agree - Disagree - Strongly Disagree

Q: My franchisor is effective in resolving disagreements with franchisees.

Strongly Agree - Agree - I'm Not Aware Of Any Disagreements - Disagree - Strongly Disagree

Q: My franchisor and I are committed to a positive, long-term relationship.

Strongly Agree - Agree - Disagree - Strongly Disagree
**Popeyes Domestic Questionnaire**

Q29

**Compared to the experience with your other franchisor, how would you rate Popeyes in the following areas?**

<table>
<thead>
<tr>
<th>Area</th>
<th>Better</th>
<th>About the Same</th>
<th>Weaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Support.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Relationship with its franchisees.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Strength of the brand.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Relevance of the menu.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Guest experience satisfaction.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Profitability.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>New unit potential.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Opportunities to express input on the direction for the future.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>System alignment on direction for the future.</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
### Franchise Business Consultant (FBC): Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t know/NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>MY FBC is comprehensive and fair in evaluating Brand Standards and giving feedback on my operational execution.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FBC worked with me or my team to gain alignment on our priority areas of focus for my business.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FBC not only helps me drive top line, but helps me figure out how to get more to my bottom line.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FBC and Field training team helps keep my team current and capable with ongoing training and development.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FBC keeps me well informed and well prepared for initiatives.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

### Field Marketing Manager (FMM): Do you agree or disagree with the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t know/NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My FMM is providing great input and leadership to my coop resulting in great local marketing plans.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FMM is continually providing analysis and results from various programs to utilize in adapting our plans going forward.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FMM is helping me leverage my loyalty database at the local/store level and showing me how to best integrate with the system wide loyalty plans.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FMM is very responsive in helping us capitalize on local market opportunities.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>My FMM effectively communicates promotional calendar updates/system initiatives at the coop, individual franchise, and agency partner.</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Franchisee Verbatim Questions

Q: What do you like most about your franchisor?

Q: What concerns you most about your franchisor?

Q: What comments or suggestions would you like to provide to senior management for improving your franchise system?

Q: What one thing could your franchisor do to increase franchisee sales and profits?
The Franchise Research Institute® sent a study solicitation notification to all four hundred fifteen (415) Auntie Anne's franchise owners. The study was completed in February 2017. Auntie Anne's personnel gave franchisee contact information to the Franchise Research Institute. The notification included the URL (web address) of the Franchise Research Institute franchisee opinion online survey and a numeric "pass code" to insure no duplication of responses.

Franchise owners were encouraged by Auntie Anne's and by the Franchise Research Institute to complete the survey, and were assured that their individual responses to the questionnaire would never be revealed to anyone outside of the Franchise Research Institute (including Auntie Anne's management).

Franchisees logged on to the online survey questionnaire, entered their individual "pass code," completed and submitted the survey. Two hundred ninety-one (291) of the four hundred fifteen (415) total franchisees, or 70.1%, responded and took the survey. The Franchise Research Institute has no reason to believe that non-respondents' answers would vary substantially from those respondents.

The maximum error range on this study is plus or minus (±) 1.9% at the ninety-five percent confidence level.
Overall Quality

94%¹

In one all-encompassing question we ask the franchisee to rate the quality of the franchisor. This question provides insight (without any specifics or qualifiers) about their overall impression of the franchise.

Q: In general, how would you rate the overall quality of your franchisor? (n=34)

<table>
<thead>
<tr>
<th>Rating</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>26%</td>
</tr>
<tr>
<td>Very Good</td>
<td>26%</td>
</tr>
<tr>
<td>Good</td>
<td>26%</td>
</tr>
<tr>
<td>Acceptable</td>
<td>16%</td>
</tr>
<tr>
<td>Poor</td>
<td>6%</td>
</tr>
</tbody>
</table>
Paul Brown, Chief Executive Officer

Paul Brown is Chief Executive Officer of Atlanta-based Arby’s Restaurant Group, Inc. (ARG). ARG is a leading global Fast Crafted™ restaurant company operating and franchising more than 3,300 Arby’s restaurants worldwide.

Joining the company in May 2013, Brown has led the Brand’s revitalization efforts, at the heart of which include boosting the company’s culture and instilling a sense of “Serve, Refresh and Delight.”
Q: In general, how would you rate the overall quality of your franchisor?

2013:
- Total Positive = 87%  
  - Excellent: 4
  - Very Good: 19
  - Good: 34
  - Average/Acceptable: 30
  - Poor: 13

2014:
- Total Positive = 98%  
  - Excellent: 6
  - Very Good: 41
  - Good: 35
  - Average/Acceptable: 16
  - Poor: 2

2015:
- Total Positive = 99%  
  - Excellent: 18
  - Very Good: 52
  - Good: 21
  - Average/Acceptable: 8
  - Poor: 1

2016:
- Total Positive = 100%  
  - Excellent: 30
  - Very Good: 47
  - Good: 20
  - Average/Acceptable: 3

2017:
- Total Positive = 100%  
  - Excellent: 40
  - Very Good: 45
  - Good: 13
  - Average/Acceptable: 2

Legend:
- Excellent
- Very Good
- Good
- Average/Acceptable
- Poor
## Invest Again

**Q:** Knowing what you know now, and if you had to do it over again, would you invest in this franchise?

<table>
<thead>
<tr>
<th>Year</th>
<th>Definitely</th>
<th>Very Likely</th>
<th>Probably</th>
<th>Probably Not</th>
<th>Definitely Not</th>
<th>Total Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>10</td>
<td>20</td>
<td>31</td>
<td>29</td>
<td>10</td>
<td>61%</td>
</tr>
<tr>
<td>2014</td>
<td>21</td>
<td>28</td>
<td>26</td>
<td>21</td>
<td>4</td>
<td>75%</td>
</tr>
<tr>
<td>2015</td>
<td>29</td>
<td>29</td>
<td>27</td>
<td>12</td>
<td>3</td>
<td>85%</td>
</tr>
<tr>
<td>2016</td>
<td>39</td>
<td>33</td>
<td>17</td>
<td>8</td>
<td>3</td>
<td>89%</td>
</tr>
<tr>
<td>2017</td>
<td>42</td>
<td>37</td>
<td>16</td>
<td>4</td>
<td>1</td>
<td>95%</td>
</tr>
</tbody>
</table>

Total Positive:
- 2013: 61%
- 2014: 75%
- 2015: 85%
- 2016: 89%
- 2017: 95%
**Breakout Report by Number of Locations Owned**

### Q1. In general, how would you rate the overall quality of your franchisor?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Currently unopened</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base</strong></td>
<td>199</td>
<td>1</td>
<td>73</td>
<td>57</td>
<td>27</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td><strong>5. Excellent</strong></td>
<td>37</td>
<td>1</td>
<td>11</td>
<td>9</td>
<td>4</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>19%</td>
<td>100%</td>
<td>15%</td>
<td>16%</td>
<td>15%</td>
<td>18%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>4. Very Good</strong></td>
<td>76</td>
<td>0</td>
<td>28</td>
<td>23</td>
<td>11</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>38%</td>
<td>0%</td>
<td>38%</td>
<td>40%</td>
<td>41%</td>
<td>47%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>3. Good</strong></td>
<td>53</td>
<td>0</td>
<td>24</td>
<td>12</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>27%</td>
<td>0%</td>
<td>33%</td>
<td>21%</td>
<td>26%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>2. Acceptable</strong></td>
<td>21</td>
<td>0</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>0%</td>
<td>11%</td>
<td>12%</td>
<td>11%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>1. Poor</strong></td>
<td>12</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>0</td>
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<td></td>
<td>6%</td>
<td>0%</td>
<td>3%</td>
<td>11%</td>
<td>7%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Positive</strong></td>
<td>94%</td>
<td>100%</td>
<td>97%</td>
<td>89%</td>
<td>93%</td>
<td>94%</td>
<td>100%</td>
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<tr>
<td></td>
<td>Total</td>
<td>Less than 5 years</td>
<td>5-10 years</td>
<td>More than 10 years</td>
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</tr>
<tr>
<td>Base</td>
<td>199</td>
<td>36</td>
<td>45</td>
<td>108</td>
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<td></td>
<td></td>
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<td>5. Excellent</td>
<td>37</td>
<td>4</td>
<td>6</td>
<td>43</td>
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<td>4. Very Good</td>
<td>76</td>
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<td>3. Good</td>
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<td>14</td>
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<td>27%</td>
<td>31%</td>
<td>31%</td>
<td>24%</td>
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<tr>
<td>2. Acceptable</td>
<td>21</td>
<td>8</td>
<td>3</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
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<td>11%</td>
<td>22%</td>
<td>7%</td>
<td>7%</td>
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<tr>
<td>1. Poor</td>
<td>12</td>
<td>4</td>
<td>1</td>
<td>7</td>
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<td></td>
<td>6%</td>
<td>11%</td>
<td>2%</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Positive</td>
<td>89%</td>
<td>89%</td>
<td>98%</td>
<td>93%</td>
<td></td>
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</table>
Accurate / Actionable Metrics
What’s Next?
Long-term sustainable brand growth...

... one franchisee at a time.
Franchisee Success

$ $ $ $ $ $ $

Franchisee Satisfaction

😊😊😊😊😊
Franchisee Satisfaction is the secret sauce needed for long-term brand growth! Increased satisfaction leads to enhanced engagement and higher sales and profits!

Use liberally for maximum benefit!
How well do you franchise?
“You can’t manage what you don’t measure.”
- Peter Drucker
Free Trial Offer
$3,000 Value

FranSurvey® Express
This is a “soup to nuts” offer: complete survey, data review, reports and follow-up phone consultation.

FranSurvey.com/Express
Designing and building beautiful, functional and innovative outdoor living environments that meet our client’s outdoor living and lifestyle needs.

Extending our clients’ leisure time outdoors while enhancing the beauty, safety and security of their homes through carefully designed and professionally installed and maintained outdoor lighting systems.

Delivering a pest and disease free outdoor living environment for our clients that meet their family and lifestyle needs.

Simplifying our clients’ lives and protecting the investment in their homes as their exterior surfaces maintenance caretaker, specializing in revitalizing and protecting the look and appearance of weathered decks, fences, siding, walkways, driveways, concrete, paver patio and hardscaped surfaces.

Assisting our clients to keep their lawn and landscaping looking beautiful by properly maintaining their irrigation systems, while doing so in an environmentally friendly fashion to significantly reduce the amount of water used by the system.
WE SURVEY EVERYTHING

- Retail customers (Net Promoter Score)
- Franchisees (Franchise Research Institute)
- Employees (Energage)
WHY SURVEY

- You can’t improve what you don’t measure
- Avoid the squeaky wheel syndrome
- Confidentiality ensures unfiltered feedback
KEY BENEFITS

- Track trends over time, especially during periods of change
- Facilitates benchmarking
- Establish operational priorities; link improvements to incentives
- Diffuse challenging franchisee conversations with data
- Build system pride and camaraderie
Franchisor Competence

Q: My franchisor is a competent, skillful organization which I can rely on for help.

<table>
<thead>
<tr>
<th>Year</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<td>2017</td>
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2014 Positive Score = 76% ¹
2015 Positive Score = 93% ¹
2017 Positive Score = 100% ¹

Franchise system acquired and relaunched (2013-2016)
MONITOR TRENDS DURING CHANGE

Franchise system acquired and relaunched (2013-2016)

Recommend to Others

Q: Would you recommend this franchise to a prospective franchisee?

<table>
<thead>
<tr>
<th>Year</th>
<th>Definitely</th>
<th>Very Likely</th>
<th>Probably</th>
<th>Probably Not</th>
<th>Definitely Not</th>
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2014 Positive Score = 81%
2015 Positive Score = 87%
2017 Positive Score = 92%
## INDUSTRY BENCHMARKING

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<th>World-Class Franchise</th>
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<td>27%</td>
<td>22%</td>
<td>12%</td>
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</tbody>
</table>

- Facilitates comparisons across franchise systems
- Compare your system against the best of the best in franchising
- Independent objective information for third parties such as lenders or investors
Q: In general, how would you rate the overall quality of your franchisor?

<table>
<thead>
<tr>
<th>Franchisor</th>
<th>Excellent</th>
<th>Very Good</th>
<th>Good</th>
<th>Acceptable</th>
<th>Total Positive</th>
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<td>Archadeck</td>
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<td>Renew Crew</td>
<td>21</td>
<td>36</td>
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<td>14</td>
<td>100%</td>
</tr>
</tbody>
</table>

Total Positive:
- Archadeck: 97%
- Mosquito Squad: 99%
- OLP: 100%
- Renew Crew: 100%
SET PRIORITIES

- Trends and “verbatims” used to determine needed priorities from the voice of the franchisee
- Complementary to views of our SAB’s (franchise advisory counsels), operational management and field teams
- Share results transparently; communicate how results shape priorities; close the loop when initiatives are completed
DIFFUSE OUTLIERS

- Securing objective, independent assessments of all aspects of the franchise system allows the senior leadership team and operational management to diffuse extreme views by the occasional outlier franchisee.

- Use data from the survey to gently counter views that are phrased as representative of the entire system.
SYSTEM COMARADERIE

- Franchisees want to be part of a winning team
- Builds pride and confidence in the brand & system
- Communicate that third-party research will lessen the burdens of validation efforts by prospective new franchisees
Franchise Satisfaction & Auntie Anne’s

- Started working with Franchise Research Institute in 2006
- Always focused on relationships with our franchisees, but wanted to know what they really thought about the model and relationship.
- We were looking for an edge to help us stay on top.
- Franchise Research Institute gave us a way to measure ourselves and get anonymous feedback from our franchisees.
- Historic growth at this time was 90% with existing franchisees
- Provided valuable insight into what was most important to our franchisees
Validation is Gold in Franchise Sales

- Each Candidate gets snapshot report
- Strong scores help sell brand
- Candidates love impartial data
- Share key metrics to highlight strengths

### Auntie Anne's
**Pretzel Perfect**

Linda Engels  
L.Engels@AuntieAnneInc.com  
717.435.1479  
www.AuntieAnneFrananchising.com

#### EXTRAORDINARY Franchisee Satisfaction AWARD WINNER 2006-2018
13 CONSECUTIVE YEARS

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
<th>Positive</th>
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</thead>
<tbody>
<tr>
<td>Overall Quality</td>
<td>86</td>
<td>98%</td>
</tr>
<tr>
<td>Overall Communication</td>
<td>86</td>
<td>96%</td>
</tr>
<tr>
<td>Opening Support</td>
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<td>97%</td>
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<tr>
<td>Product/Service Quality</td>
<td>89</td>
<td>99%</td>
</tr>
<tr>
<td>Initial Training</td>
<td>80</td>
<td>98%</td>
</tr>
</tbody>
</table>

Dig Below the Surface

What do you do with the information?

- Key metric scores are great callouts, but there’s more to the picture.

- Verbatim responses are equally, if not more, important in understanding your franchisee’s mindset.

- Review results with management team and communicate how you will address key issues.

- Remaining proactive in addressing business challenges is a call out point with candidates and shows franchisor engagement and commitment.
Look For Themes

Verbatim Comments

- Areas of focus:
  - Cost Management and Unit Level Economics: COGS actually decreased by 0.33% from ‘07 – ’16
  - Technology: Moved to POS in ‘06-’07 and now moving to a new tablet platform to embrace new technology
  - Communication: Constant focus to provide information to system, and to customers
  - Product Development: Introduced pretzel dogs, nuggets, beverage extensions, now looking to tighten menu
  - Growth: System has almost doubled in size to over 1800 locations globally. Now focused on non-mall growth

- Each of these key areas provides an opportunity to showcase how we have taken the feedback received from franchisees and made it a focus to continue to protect and enhance the business model while growing the brand.
Selling Credibility

Building Trust

● Use the data you have to paint an honest picture of your brand.

● Call out key highlights, but also acknowledge areas to improve.

● Talk about what you are doing to address issues and set the brand up for long term success.

● We’ve found this data to be valuable in showcasing how we are engaged in soliciting feedback from our franchisees and demonstrating that we truly care about the health and future of our brand.

● Ultimately, these discussions build trust and credibility in the brand and in you, and that provides a candidate with the confidence to say yes!
CONCLUSIONS:

- Surveys that are properly designed and conducted yield highly valuable information for franchisors.
- Survey results provide direction and focus to brand managers seeking to enhance the franchisee and retail customer experience.
- Surveys validate the customer experience and defend against outliers.
- Surveys build trust, credibility and engagement with franchisees and candidates.