



IFA[®]

INTERNATIONAL FRANCHISE ASSOCIATION


WEBINAR SERIES

Great Expectations: The evolving role of Companies and CEOs in a post-election world

 **MORNING CONSULT**[®]

NATIONAL ECONOMIC IMPACT OF FRANCHISING


Franchise ownership and the jobs they create offer career progression and economic stability. Franchises are the country's largest job training program, fostering highly-skilled careers in a variety of industries.




733K
Establishments



7.6M
Jobs



\$269.9B
Payroll



\$674.3B
Output




\$404.6B
GDP

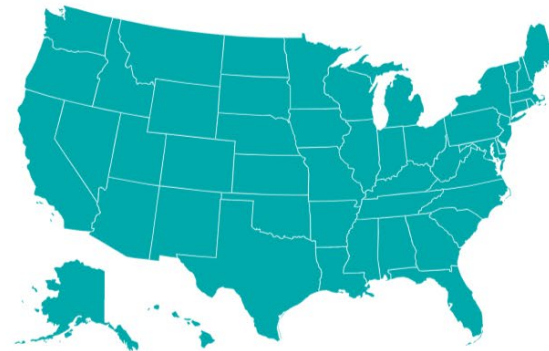
[CREATE REPORT](#)

ECONOMIC IMPACT OF FRANCHISING ACROSS THE COUNTRY

Franchise businesses employ nearly 8 million Americans, and in 2018 franchises put over \$800 billion into the economy.

Select a state to see economic data and public opinion of franchising.

Choose a State 



FRANCHISE BUSINESS ECONOMIC OUTLOOK FOR 2020

Franchise industry growth is expected to continue riding the momentum of the U.S. market boom in 2020, despite an uncertain economy.



+1.5% establishments

The number of franchised businesses in the U.S. is expected to grow by 1.5% this year, to a total of 785,316 establishments.



+232,000 jobs

Franchise industry expected to add 232,000 jobs in 2020, growing total employees to 8.67 million.



+4.6% GDP

Overall GDP contribution by the franchise industry is expected to grow by 4.6%, to \$494.96 billion.

To read the Executive Summary

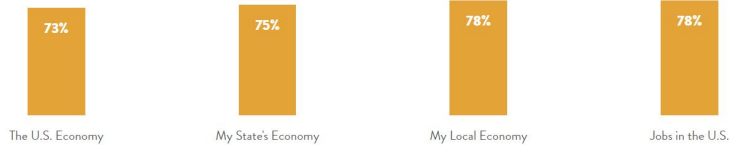
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To read the Full Report

[CLICK HERE](#)

VOTERS SEE FRANCHISES AS AN ECONOMIC FORCE

Percent of voters that think local franchise businesses help the following:



A MAJORITY OF VOTERS HAVE A FAVORABLE OPINION OF FAMILY-OWNED FRANCHISES

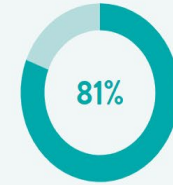


81% of voters have a favorable view of the family-owned franchise businesses in their neighborhood.



70% of voters say franchise businesses are a part of their everyday life.

A MAJORITY OF VOTERS HAVE A FAVORABLE OPINION OF FAMILY-OWNED FRANCHISES



81% of voters have a favorable view of the family-owned franchise businesses in their neighborhood.



70% of voters say franchise businesses are a part of their everyday life.

FRANCHISING GIVES BACK TO LOCAL COMMUNITIES

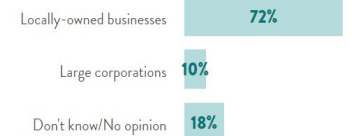
From supporting Little League baseball teams, to donating food for homeless shelters, to organizing marches for cancer research, franchise businesses donate billions of volunteer hours and dollars to give back to their communities. Big or small, the combined local contributions from all ten sectors within franchising create a significant impact worldwide.

Voters think locally-owned businesses are more likely to assist the local community.



90% of money generated by franchises stays local.

Who do you think is more likely to be more involved with improving your local community by assisting places such as local churches, charities, little league teams, etc.?



GREAT EXPECTATIONS

The evolving role of Companies and CEOs
in a post-election world.



BRAND INTELLIGENCE

Morning Consult Brand Intelligence integrates over 10 million survey interviews on over 4,000 brands in the 15 largest economies to provide real-time insight on consumers and brands.



ECONOMIC INTELLIGENCE

Morning Consult Economic Intelligence interviews over 15,000 adults globally per day to track consumer confidence, unemployment, and inflation in the 15 largest economies in the world.



RESEARCH INTELLIGENCE

Morning Consult Research Intelligence conducts global survey interviews on a proprietary basis for clients interested in custom brand tracking, product positioning, and product pricing.

Trusted Partners of

Bloomberg



The New York Times



EUROPEAN CENTRAL BANK

POLITICO



BANK OF JAPAN



OVER 440 OF THE GLOBAL 2000 COMPANIES

have switched to Morning Consult in less than five years.



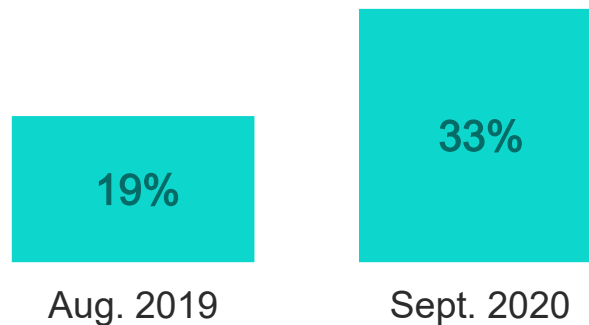
GREAT EXPECTATIONS:
THE EVOLVING ROLE OF COMPANIES IN A POST-ELECTION WORLD

GROWING EXPECTATIONS FOR COMPANIES

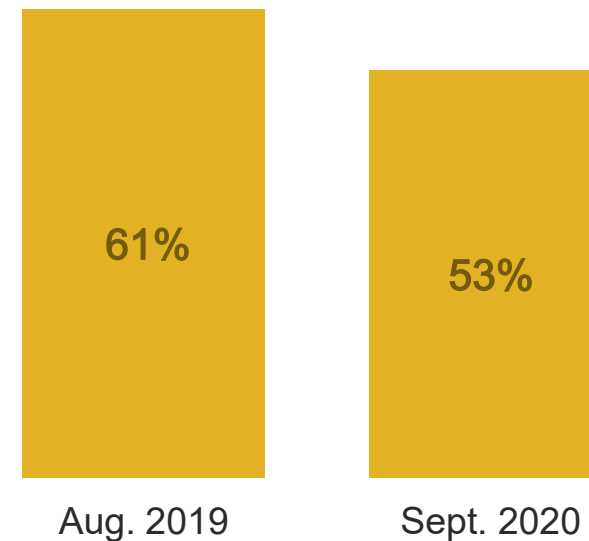


More Americans feel corporations should use their influence to impact political and cultural – up 14 points in 2020

Corporations play an important role in this country, and they should **use their influence to impact political and cultural issues**

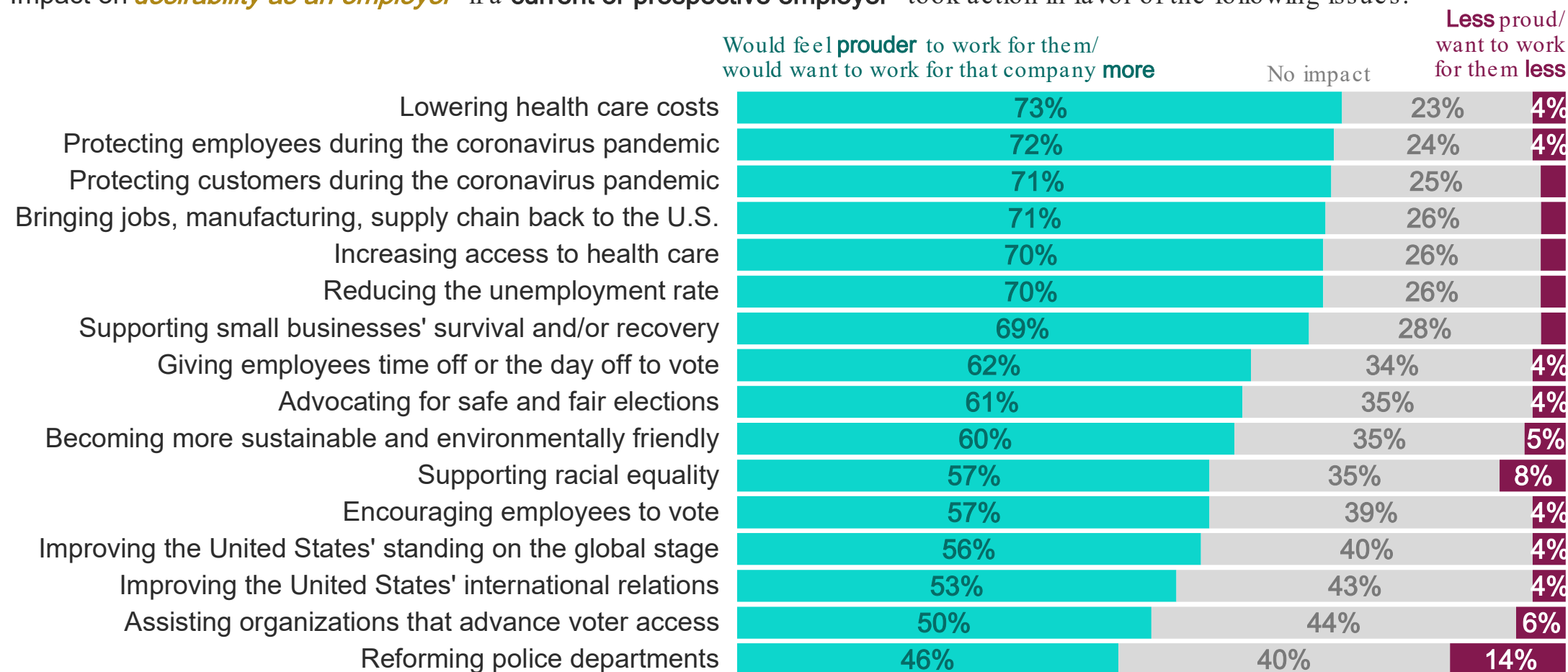


Corporations should stick to what they do, and generally **not get involved in political or cultural matters**



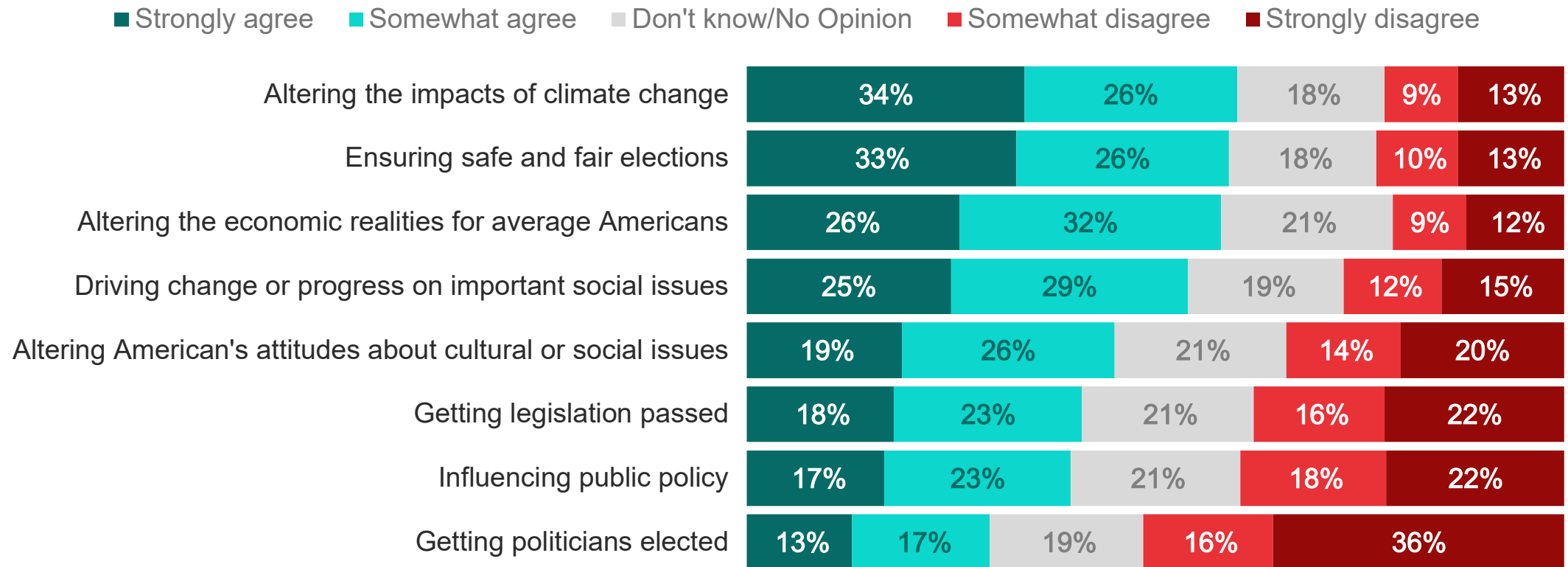
Giving employees time off to vote and advocating for safe and fair elections would all boost employer desirability this election season

Impact on *desirability as an employer* if a **current or prospective employer** took action in favor of the following issues:



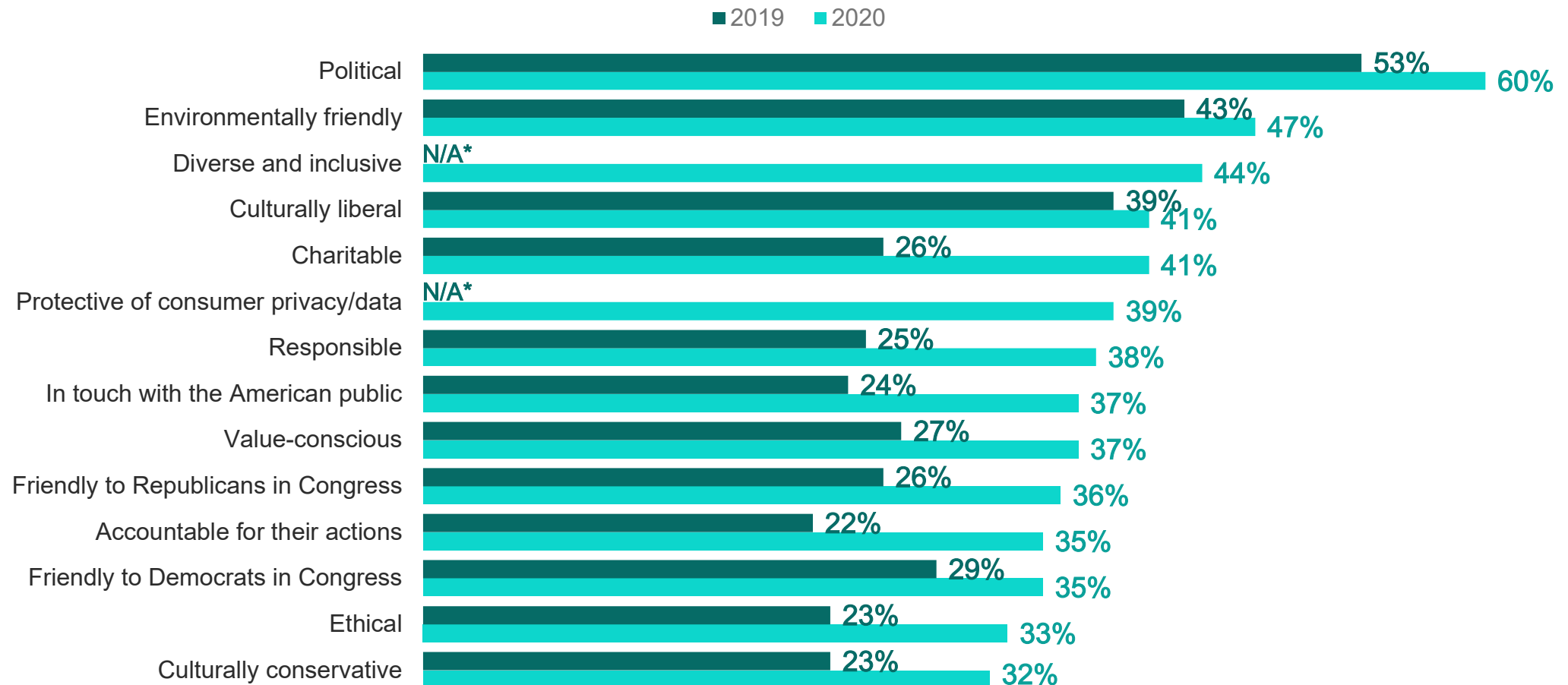
Climate change, safe and fair elections, and economic issues are the top areas where most want corporations to use their influence

Corporations should act to influence:



60% of Americans think companies have become more political in recent years also say they have become more environmentally friendly, more charitable and more responsible

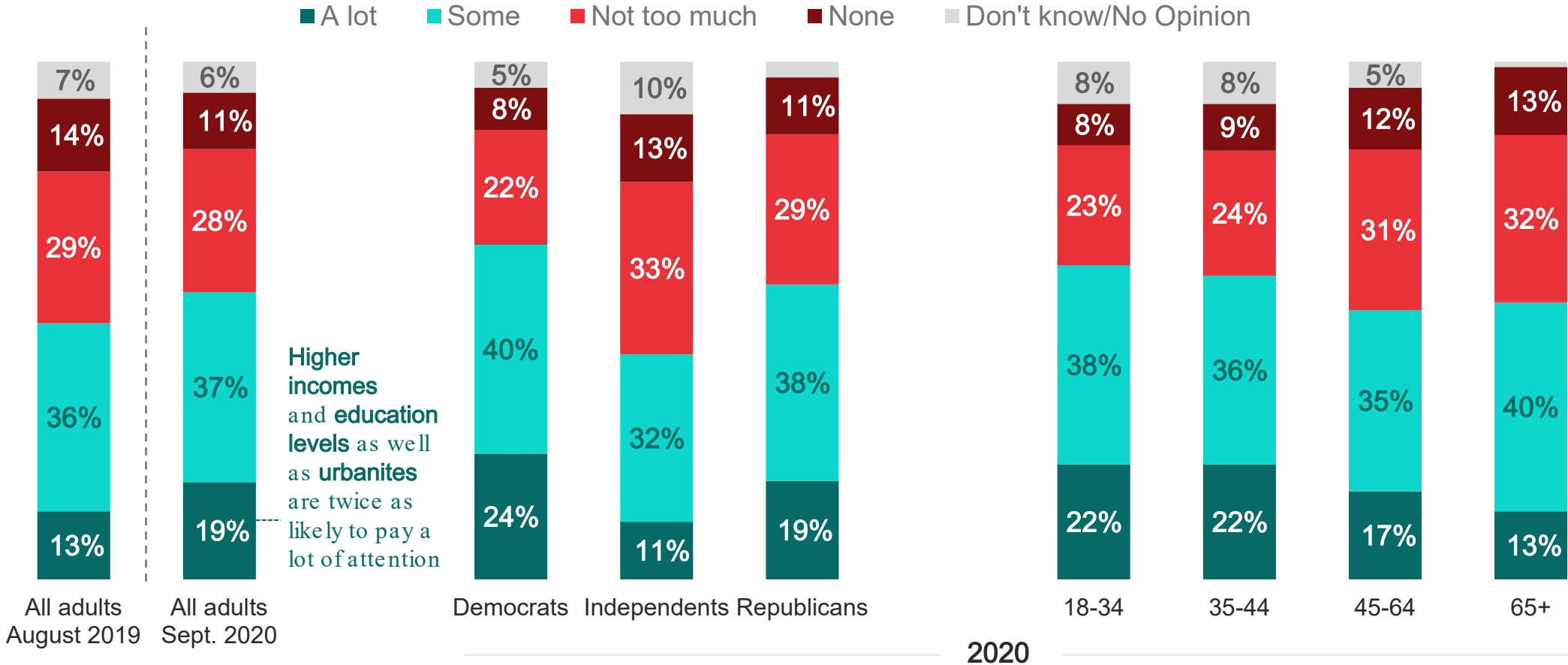
In recent years, corporations in America have become **more**:



*"Diverse and inclusive" and "protective of consumer privacy/data" not asked in 2019.

56% of Americans are attentive to ethical and political matters relating to companies they purchase from Democrats and younger generations notably more so than their peers

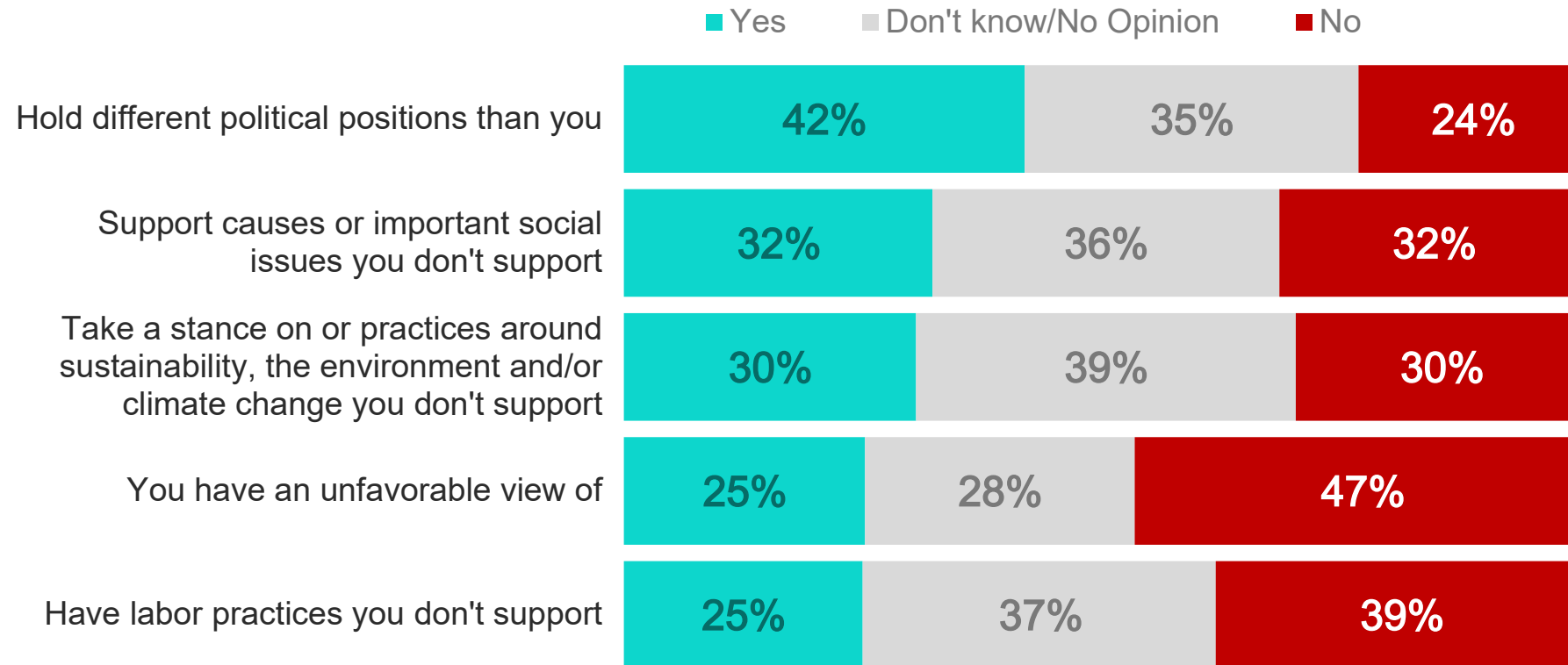
Attention Americans pay to ethical and political matters relating to companies they purchase from



THE EVOLVING ROLE OF COMPANIES: ETHICAL & POLITICAL CONSIDERATIONS

While 42% say they purchase from companies with different political positions than their own, 42% wouldn't purchase from companies they have an unfavorable view of

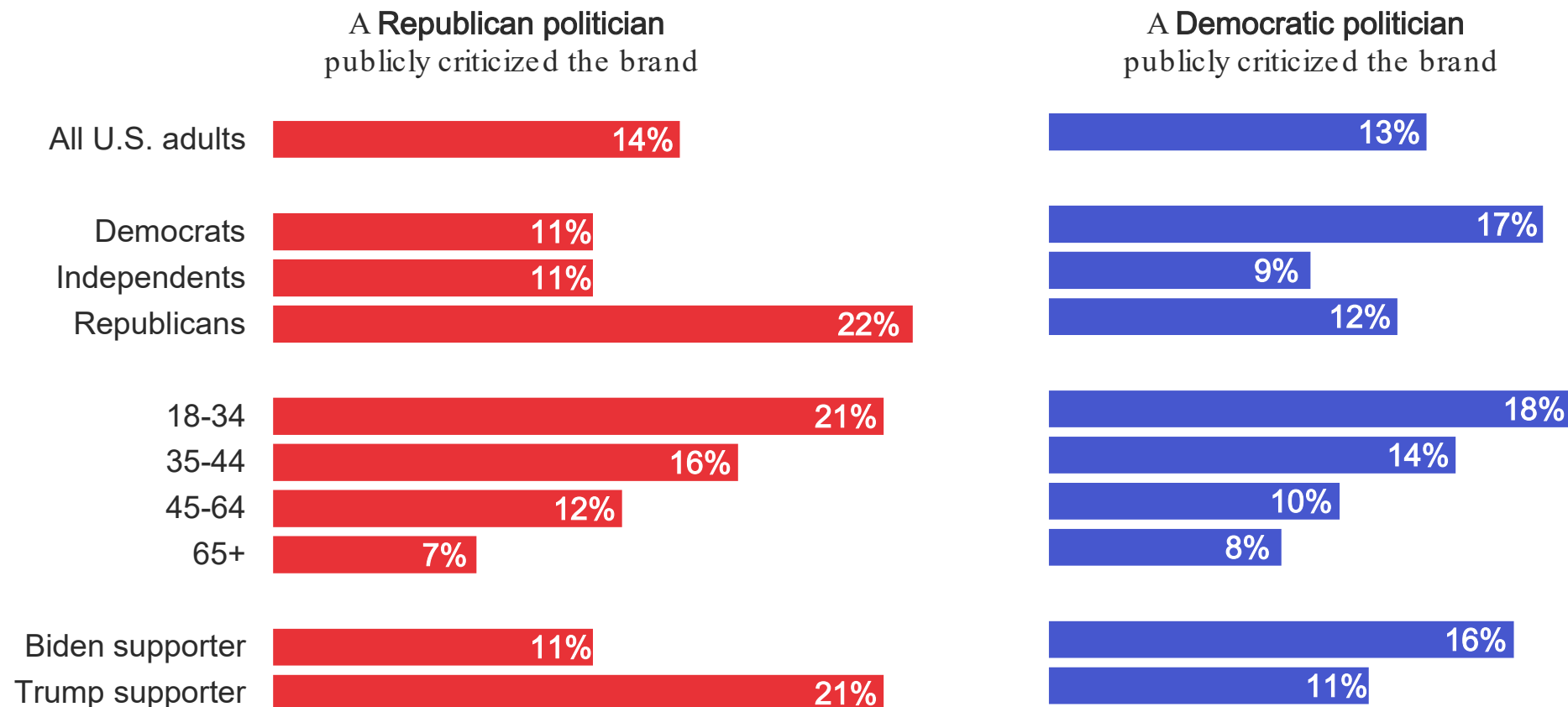
Have you purchased goods or services from any of the following?



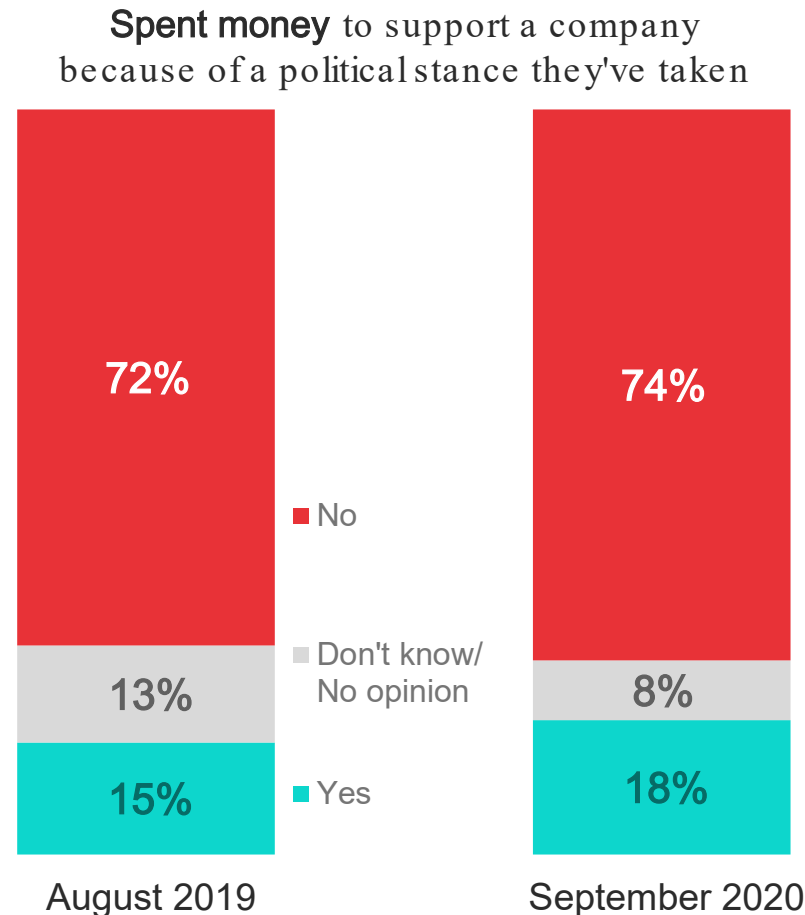
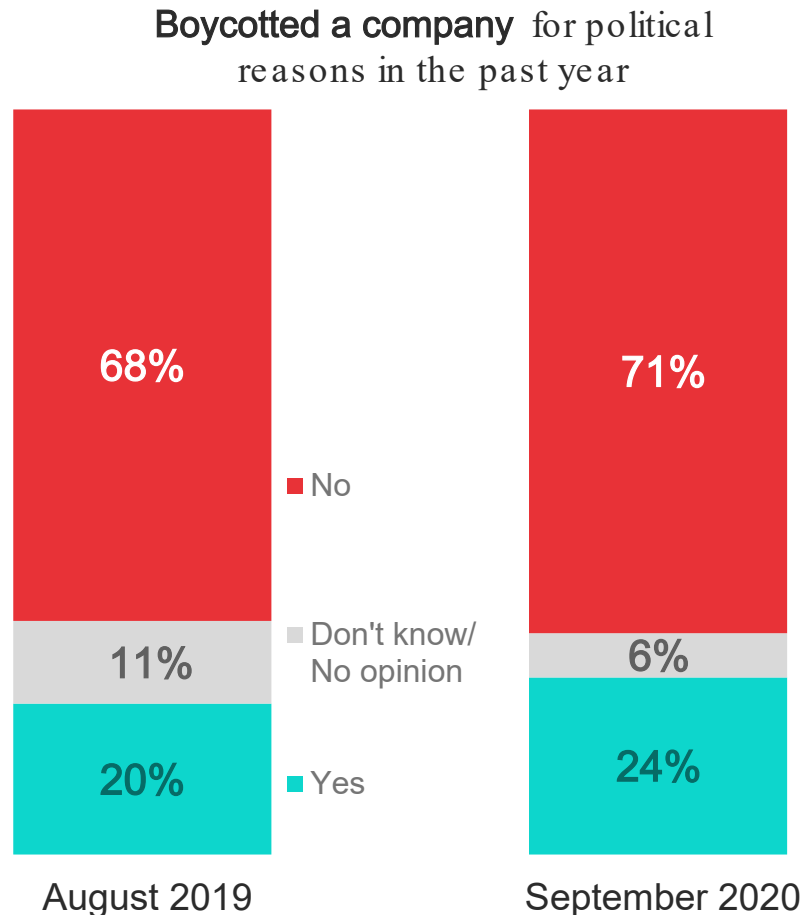
Women, younger adults, higher incomes and adults with higher education levels are all significantly more likely than their respective peers to agree with each of these statements

A Republican publicly criticizing a brand has slightly greater influence on their base than a Democrat's criticisms with theirs

Stopped purchasing from a specific brand liked in the past two years because:



While a growing share of Americans say they have spent money to support a company or boycotted one because of a political stance, the majority has not



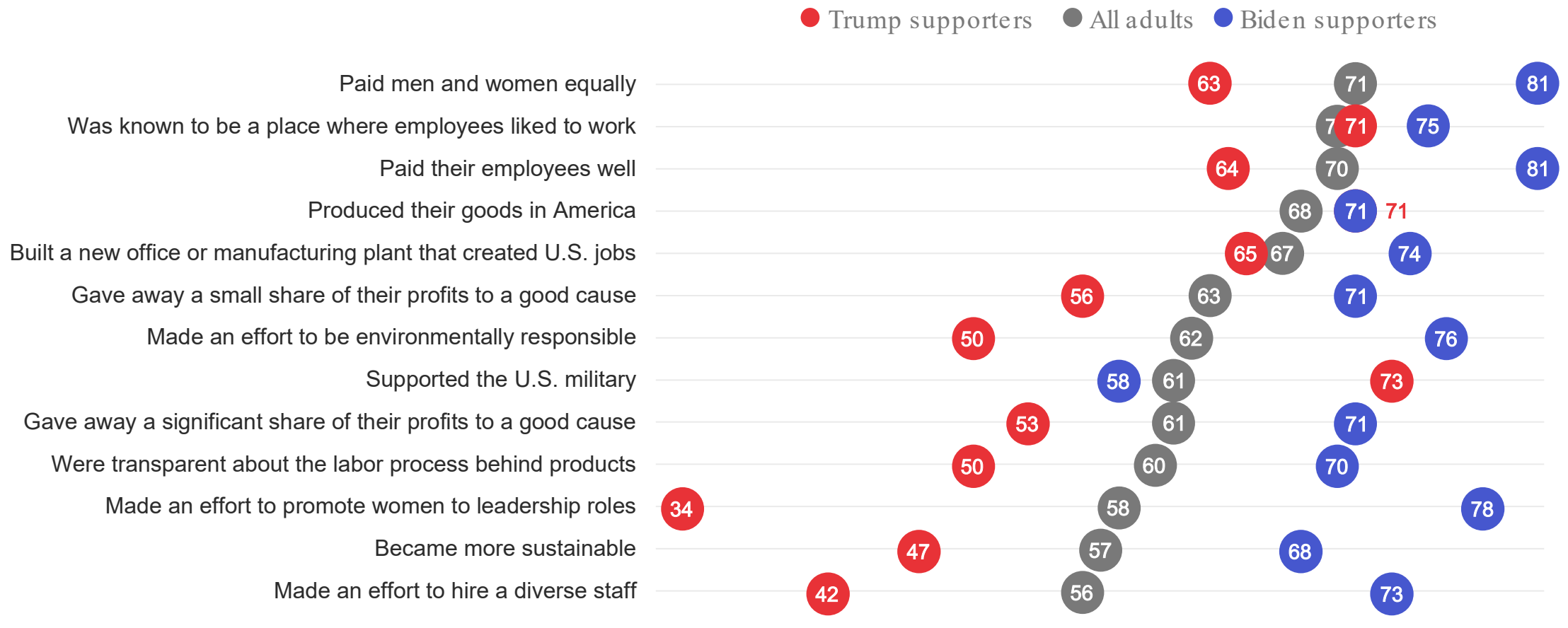
Liberals are significantly **more likely** to have done each of these; moderates are unsurprisingly **less likely** to have done so.

Those who are paying “a lot” of attention to the 2020 election are much **more likely** to have done each of these, as are those who say they consider a company’s ethics when purchasing.

Americans who have boycotted a brand are nearly **5x as likely** to have “boycotted” one; the reverse is also true.

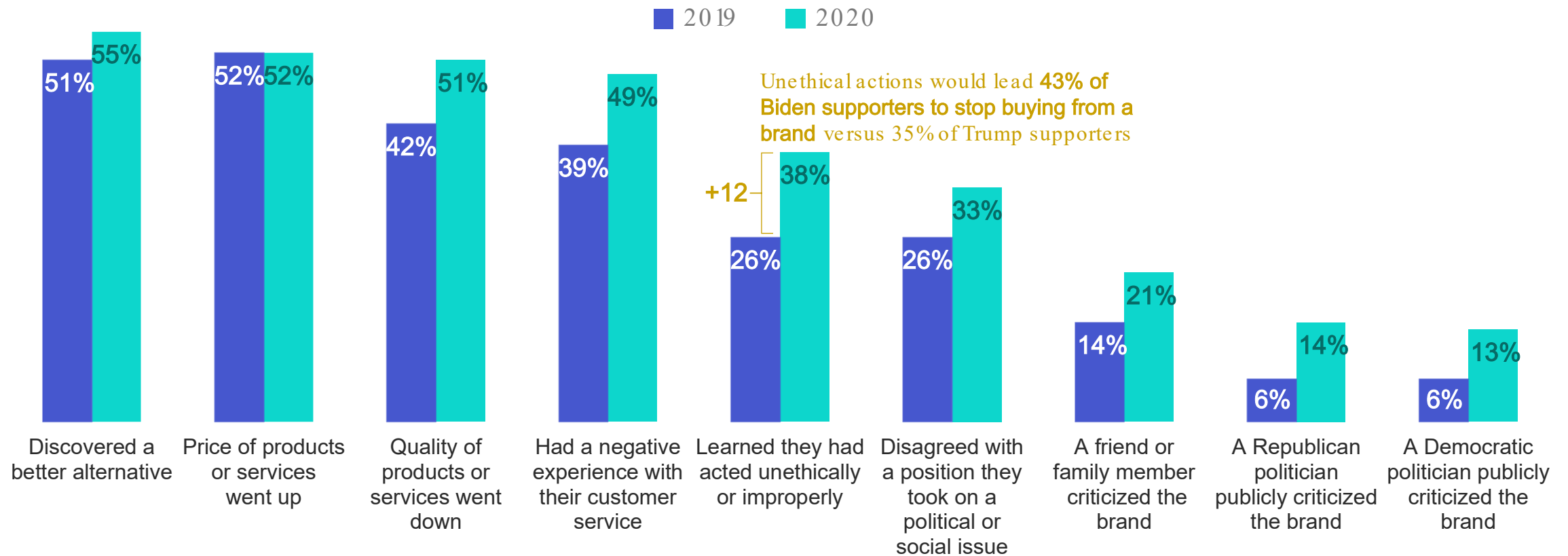
Gender equity, taking care of employees and contributing to society through jobs or donations lead to the biggest brand boosts

Net change in favorability toward companies taking the following actions, by supporters of each presidential candidate



Americans are most likely to stop buying from brands they like for price, quality or service but 38% would do so due to unethical behavior, a 12-point increase from August 2019

Reasons Americans stopped purchasing from a specific brand they liked in the past two years:

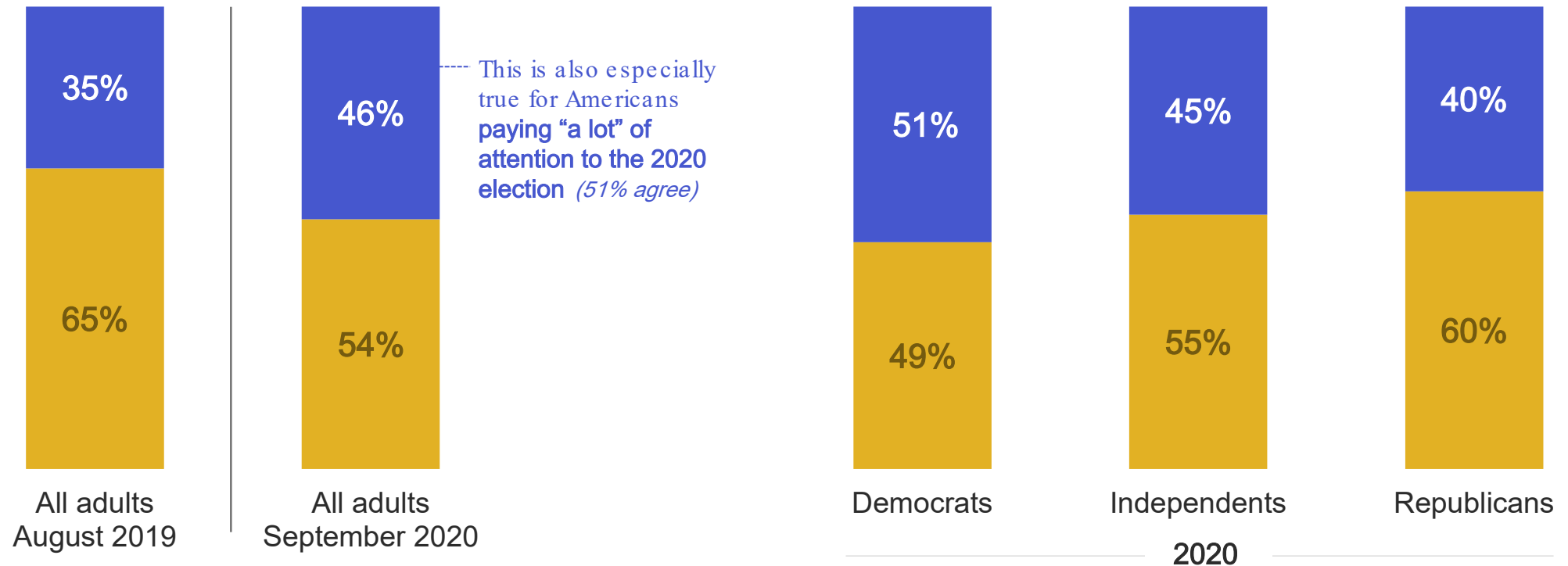


Though with differences along party lines, most would prefer companies act responsibly and ethically but are generally willing to overlook some issues for an item they like at the right price

Which of the following statements comes closest to your view?

■ I prefer companies act responsibly and ethically, but if a company offers a product I like at the right price I am likely to overlook some issues

■ I rarely, if ever, overlook a company acting irresponsibly or unethically, and will stop buying from them if I learn they have done so



GREAT EXPECTATIONS:
THE EVOLVING ROLE OF COMPANIES IN A POST-ELECTION WORLD

THE EVOLVING ROLE OF THE CEO



The vast majority of Americans hold CEOs responsible for not only their company's success, but also its employee experience, societal impact, and diversity and inclusivity

Share of U.S. adults who agree that CEOs are ultimately responsible for:

87% the successes – and failures – of their companies.

84% promoting diversity and inclusion at their company.

87% creating a positive employee experience at their company.

76% being leaders not just in their companies, but also in American society.

87% ensuring their company has a positive impact on society.

WHAT DRIVES CEO REPUTATION TODAY

The Top Drivers of CEO Reputation

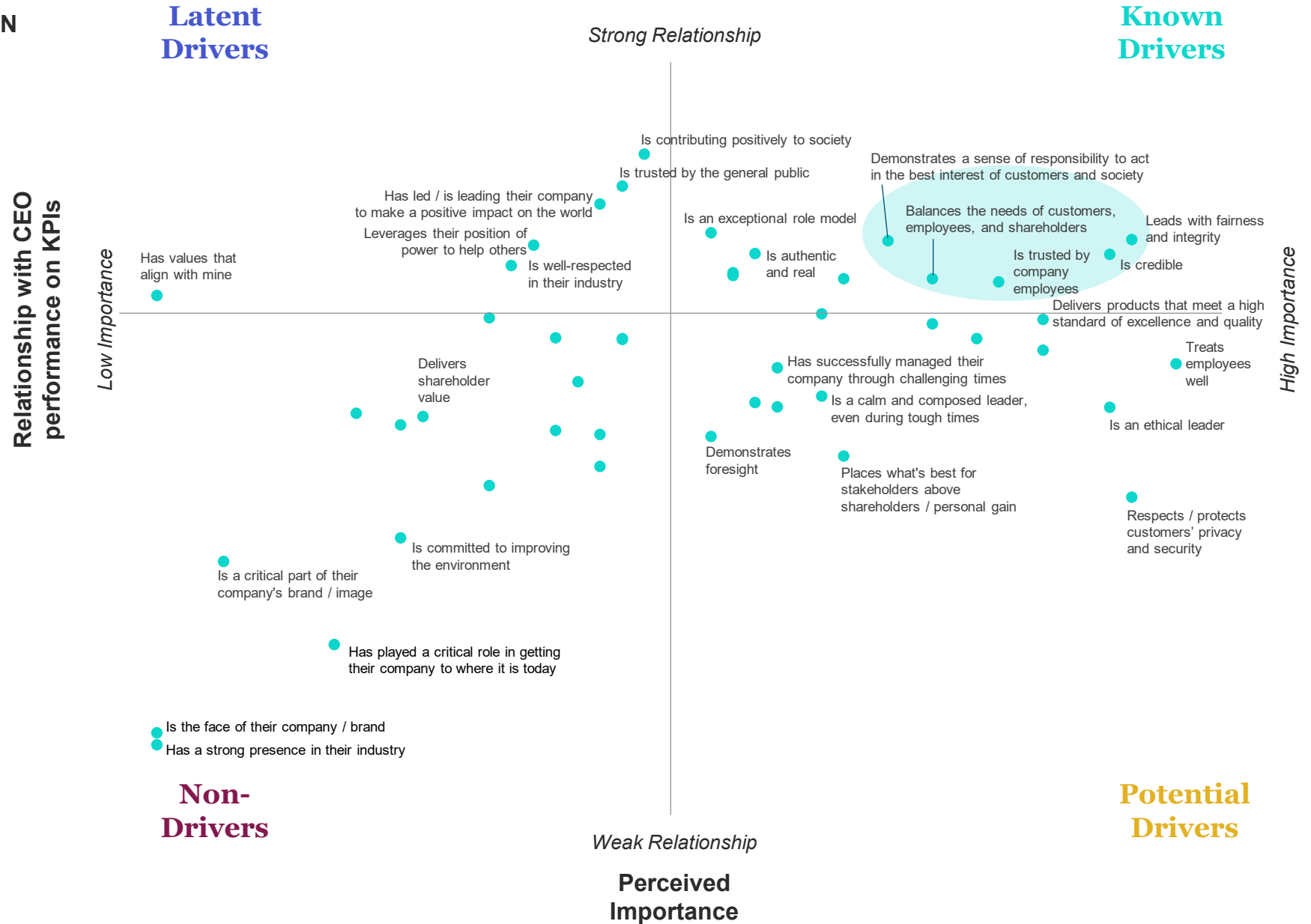
Of the 48 attributes tested, these 10 had the strongest relationship with CEO reputation and performance

1. Is contributing positively to society
2. Is trusted by the general public
3. Has led / is leading their company to make a positive impact on the world
4. Is an exceptional role model - sets an example of strong and effective leadership for others to follow
5. Leads with fairness and integrity
6. Demonstrates a sense of responsibility to act in the best interest of customers and society
7. Leverages their position of power to help others, give back and/or make a difference in society
8. Is authentic and real
9. Is credible - delivers on promises
10. Is well-respected in their industry

DRIVERS OF CEO REPUTATION

The Attributes We Tested Resulted in Four Categories of Drivers

Comparing *claimed drivers* of CEO perception with *proven drivers* of CEO performance across KPIs reveals important insights on what matters – and what doesn't



— DRIVERS OF CEO REPUTATION

KNOWN DRIVERS

Respondents say these are important, and they are

- Leads with fairness and integrity
- Is credible – delivers on promises
- Is trusted by company employees
- Balances the needs of customers, employees, and shareholders appropriately
- Demonstrates a sense of responsibility to act in the best interest of customers and society

LATENT DRIVERS

Respondents say these are not important, but they appear to be

- Has values that align with mine
- Is well-respected in their industry
- Leverages their position of power to help others, give back, and/or make a difference in society
- Has led/is leading their company to positively impact the world
- Is trusted by the general public
- Is contributing positively to society

POTENTIAL DRIVERS

Respondents say these are important, and may become more so soon

- Demonstrates foresight
- Has successfully managed company through challenging times
- Is willing to place what's best for customers, employees and/or other stakeholders above shareholders or personal gain
- Respects/protects customers' privacy and security
- Treats employees well

NON-DRIVERS

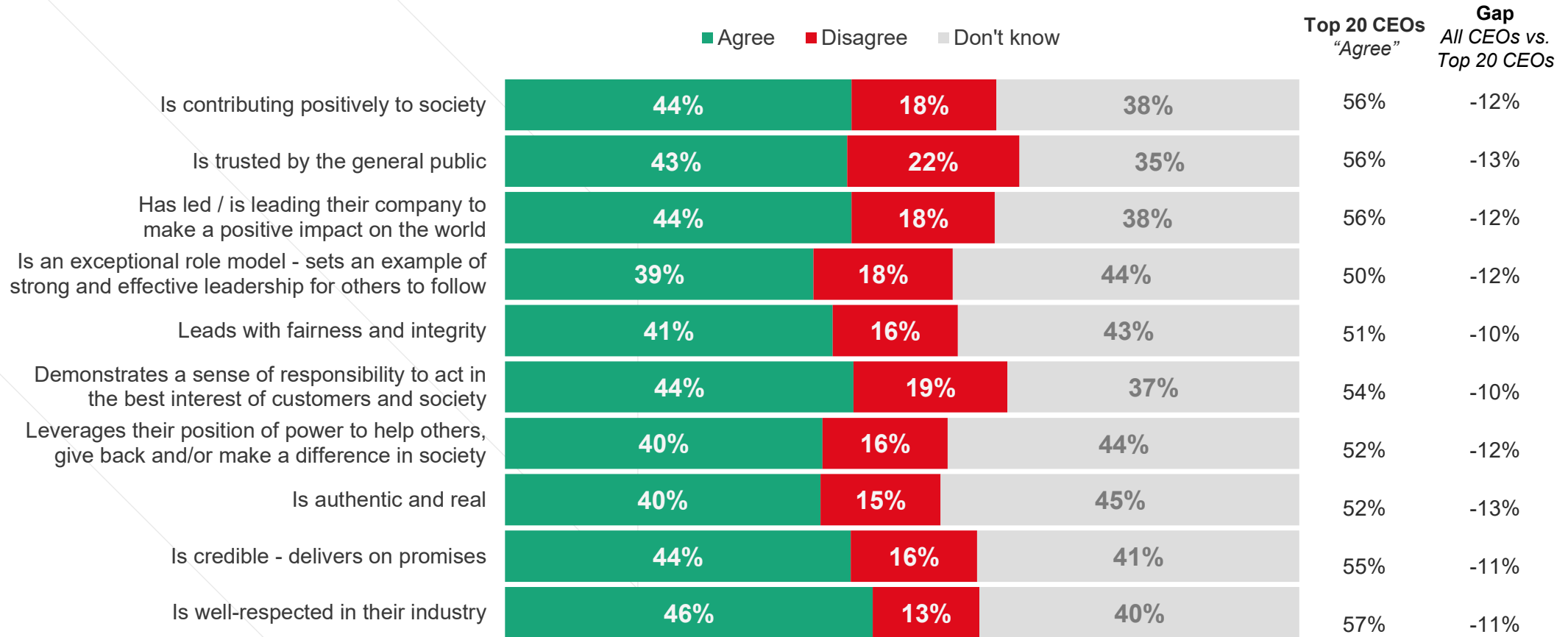
Respondents say these are not important, and they aren't

- Has a strong presence in their industry
- Is the face of their company/brand
- Is a critical part of their company's brand/image
- Has played a critical role in getting company to where it is today
- Is committed to improving the environment

DRIVERS OF CEO REPUTATION

The Average CEO Scores Lower on Top Drivers of Performance, Especially Relative to Top CEOs

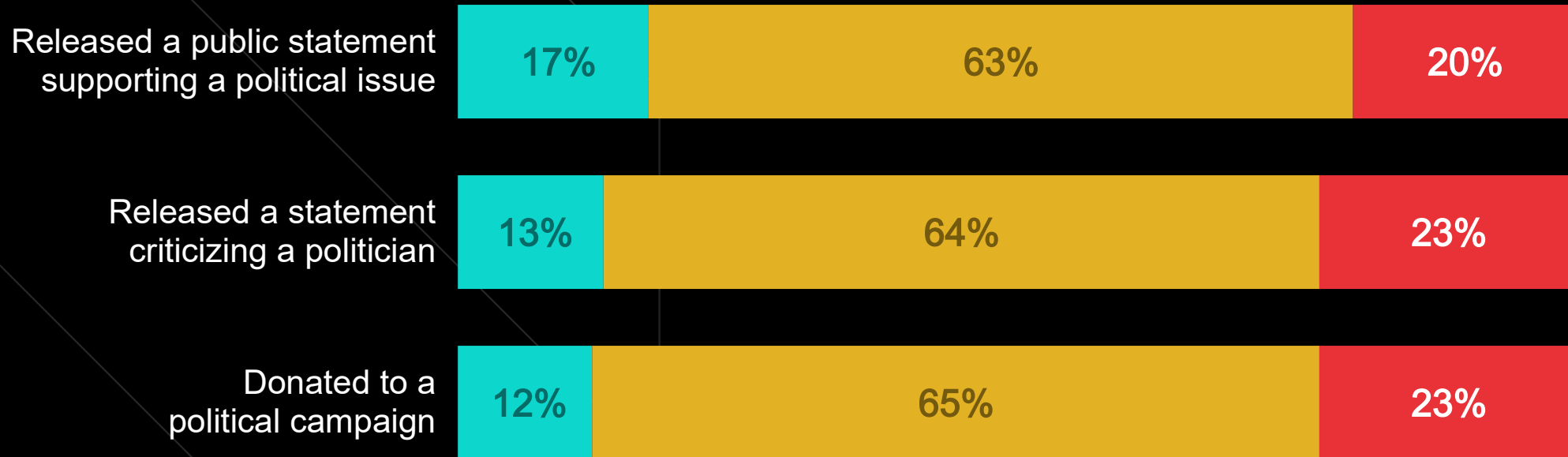
Average of 315 CEOs Morning Consult Tested



But when it comes to political actions, it seems most actions wouldn't change most American opinions, though certain donations or statements would lead to a net decline in favorability

Change in favorability toward a company if its CEO or founder:

More favorable toward their company No change Less favorable toward their company

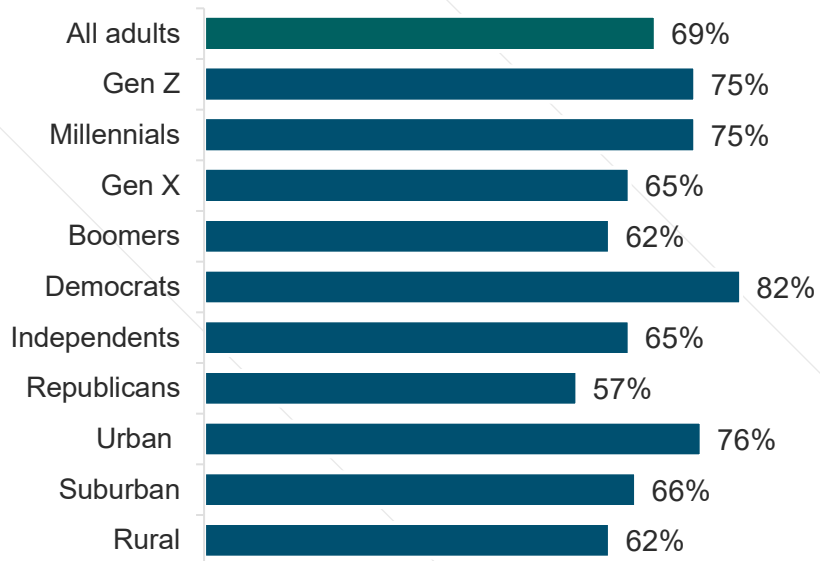


A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

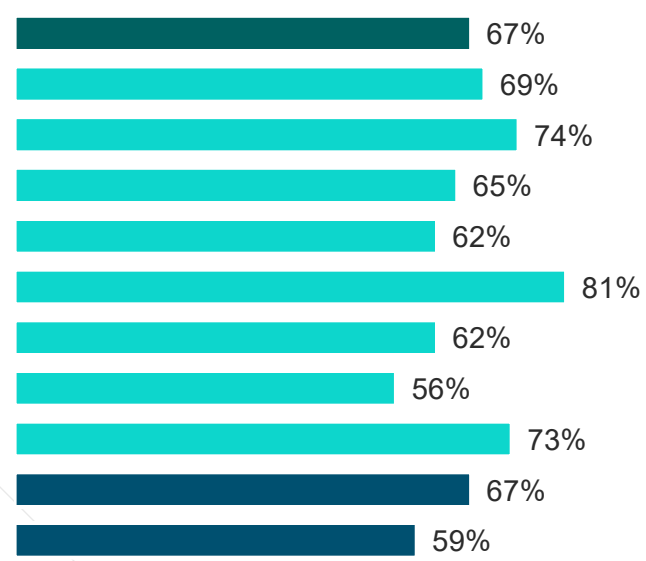
How CEOs & Companies React Today Could Have Long-Term Effects on Consumers' Buying Decisions

Given protests and demonstrations across America in response to the death of George Floyd, to what extent do you agree or disagree with the following? *Among those who said "somewhat" or "strongly agree"*

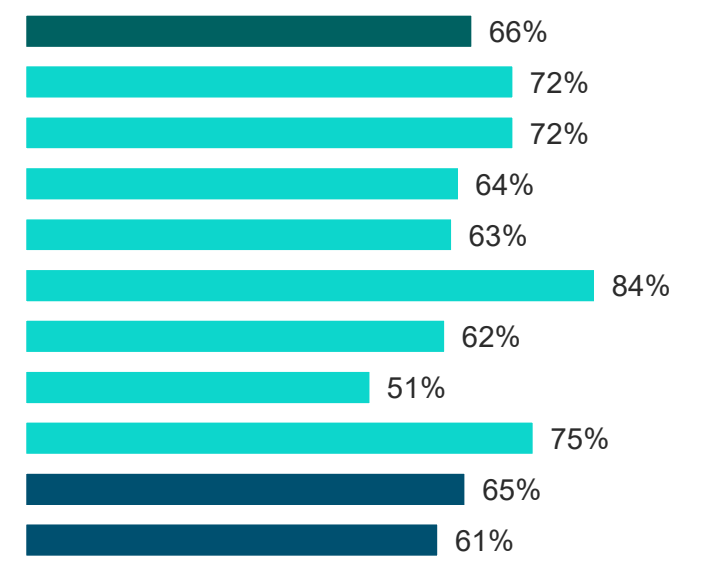
How company CEOs react and express themselves on topics such as Black Lives Matter will permanently affect my decision to buy from their company



How businesses react and express themselves on topics such as this will permanently affect my decision to buy from them



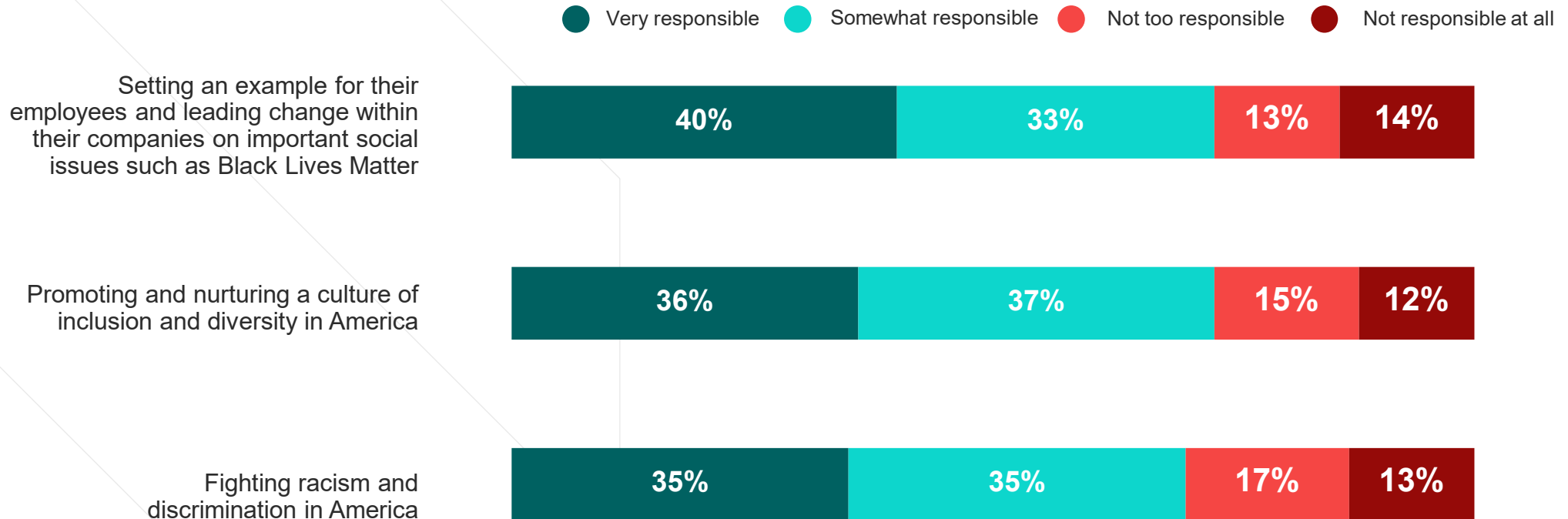
It is now more important to me that companies I buy from have a diverse management team



A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

Americans Hold Executives Responsible For Setting an Example Around Diversity and Inclusivity Within Their Organization and America More Broadly

How responsible do you think CEOs and company executives are for each of the following?



A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

However, Americans Feel Companies and Their Leaders are Failing to Effectively Combat Racial Inequality Within Their Organizations and More Broadly

How effective do you think companies and their leaders are at each of the following?



— ACTIONS SPEAK LOUDER THAN WORDS

What Consumers Want to Hear and See from CEOs in This Moment

Given protests and demonstrations across America in response to the death of George Floyd, to what extent do you agree or disagree with the following?

CEOs Should:

81%

Express or reaffirm their commitment to ensuring their organization's **hiring process is equitable**, inclusive, and accessible to diverse populations and provide specifics on how they will ensure this happens

79%

Express or reaffirm their organization's commitment to **fighting racism and discrimination**, and provide specifics on how they will ensure this happens

79%

Clearly outline how their organization is taking steps to **improve social, racial and economic equality in their organization** and how they will remain committed moving forward

79%

Express or reaffirm their organization's commitment to **promoting diversity, inclusion, equality, and advocacy**, and provide specifics on how they will ensure this happens

ACTIONS SPEAK LOUDER THAN WORDS

What Consumers Want to Hear and See from CEOs in This Moment

Given protests and demonstrations across America in response to the death of George Floyd, to what extent do you agree or disagree with the following?

CEOs Should:

78%

Express or reaffirm their commitment to **demanding diversity, inclusion, and equality throughout their organization's supply chain**, including partners, providers, and clients

77%

Express or reaffirm their commitment to **more diverse and equitable representation at all levels of their organization**, such as diversity pledges, and provide specifics on how they will ensure this happens

71%

Use their power and influence to demand action from government entities who have the power to enact systemic change

70%

Make a statement, whether official or personal, about **their commitment to be an ally**

— OVERVIEW OF RESULTS

Recap: A CEO's Role In Combating Racial & Social Inequality

CEO Actions Today Could Impact Their Brand's Bottom Line in the Future

Consumers across generations and regions as well as high-income and high-influence audiences say corporate responses to recent Black Lives Matter protests will influence how they view executives, and ultimately, who they purchase from in the future.

CEOs Have A Lot More Work To Do

The majority of consumers wants CEOs to address racial inequality, with 70% saying that CEOs are responsible for fighting racism and discrimination in America. Only 33% say companies and their leaders have been effective at reducing and helping to combat racial inequality.

The Expectation to Say, And More Importantly, Do Something

Eighty-three percent of Americans say that while they appreciate CEOs making a public statement about important social issues like Black Lives Matter, their actions speak louder than their words.



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