



# Annual Franchise Development Report

# DIANE PHIBBS

EVP, Chief Content Officer  
FRANCHISE UPDATE MEDIA





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# RANCHISE DEVELOPMENT REPORT

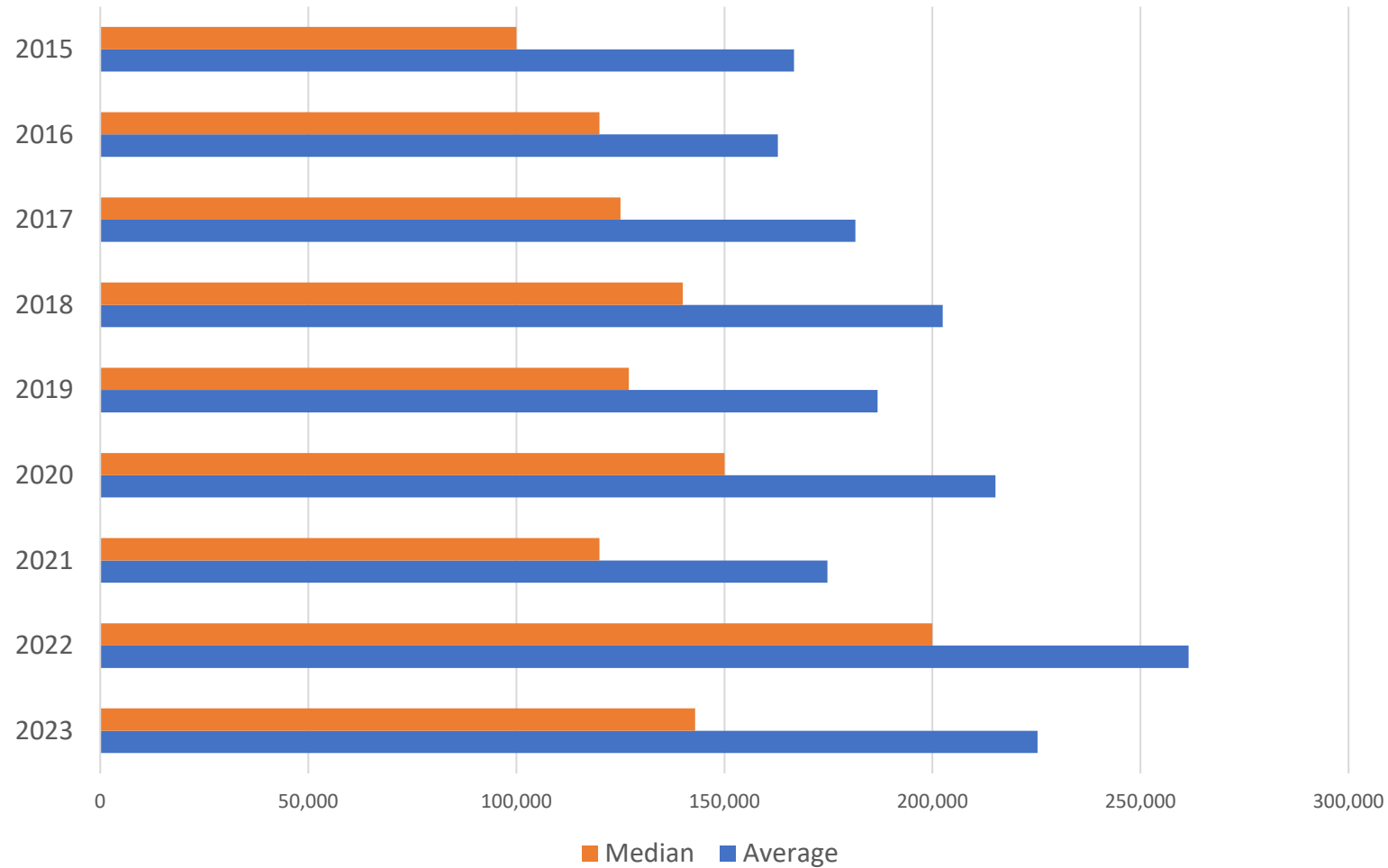


**All call participants will receive an email with a link to your discounted copy**

# AFDR Survey Participants

- 101 Franchisors
  - 2044 company-owned units
  - 21,802 franchise units
  
- Plans for growth in 2023
  - 1725 franchise units

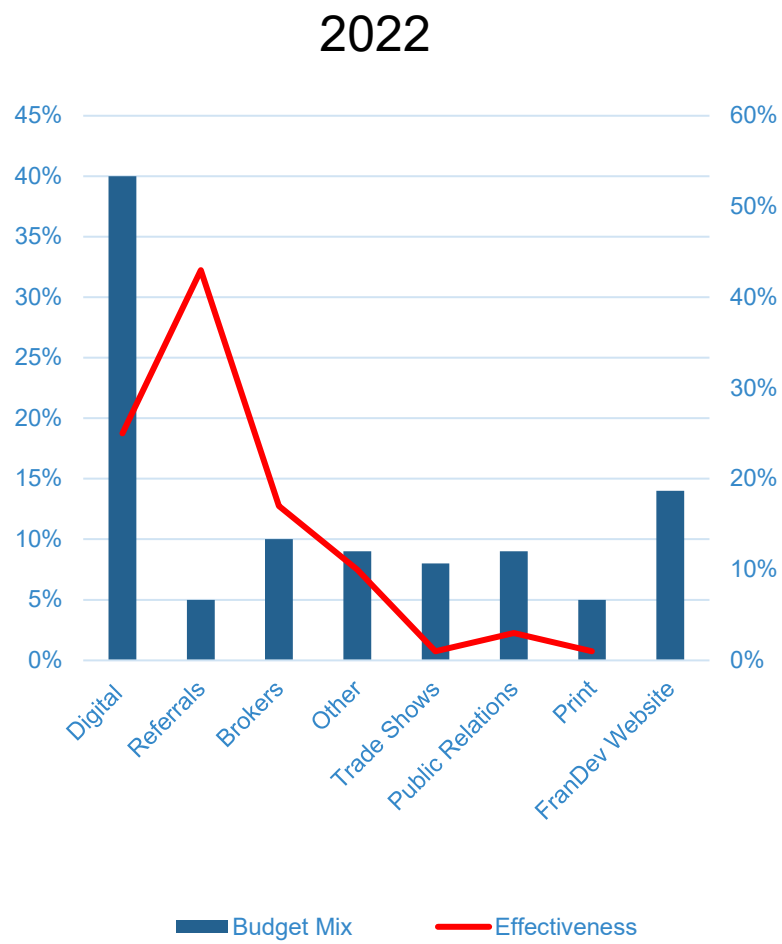
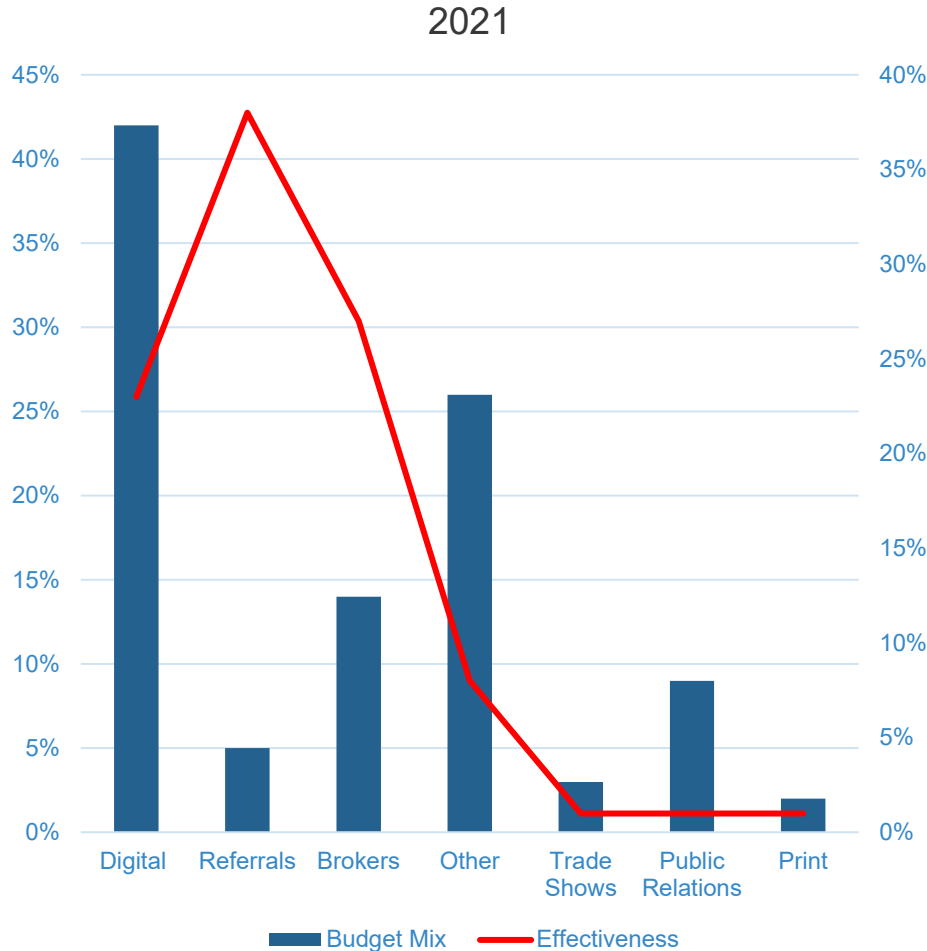
# Recruitment Budgets: 9 Year Trend



2023  
Average  
Recruitment  
budget  
decreased  
from 2022

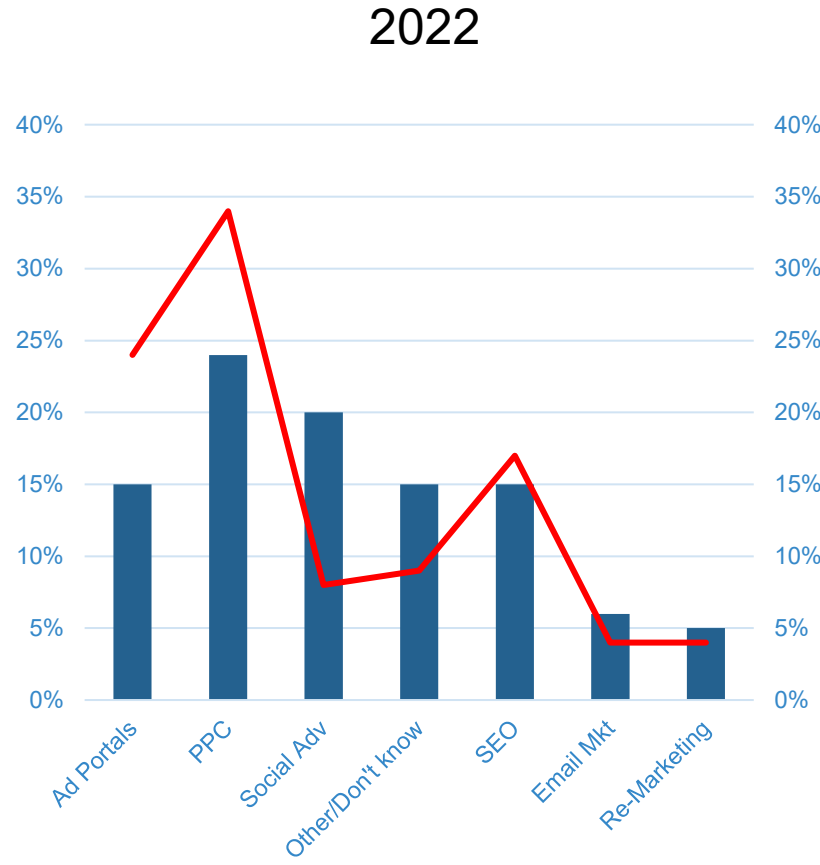
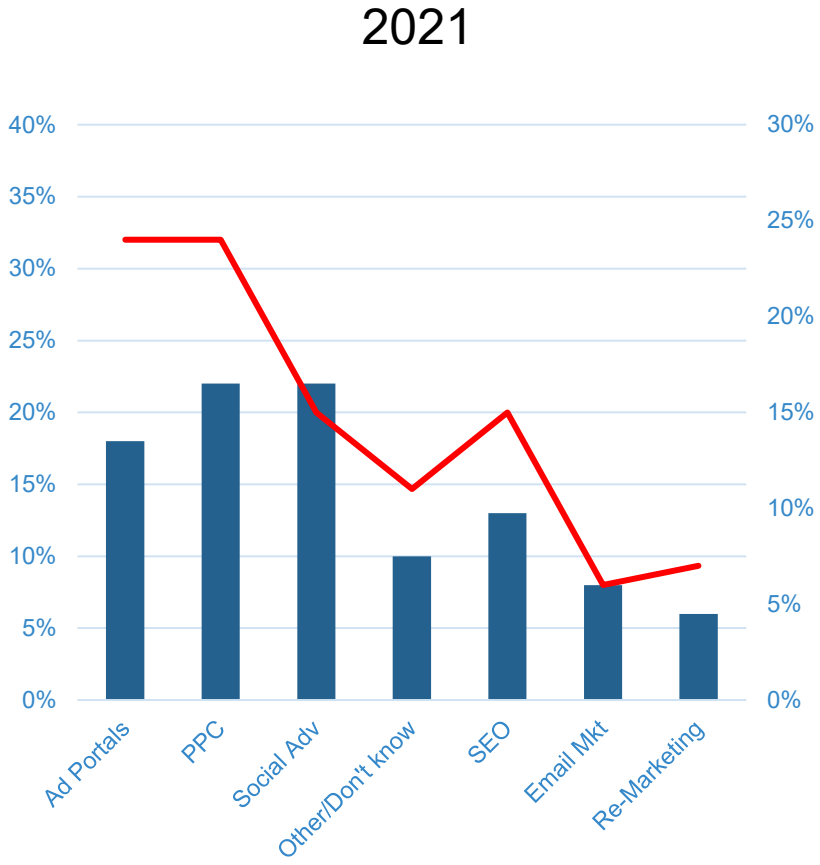
# 2021 Spend: Budget vs. Effectiveness

## Weighted Average



# 2021 Digital Spend: Budget vs. Effectiveness

## Weighted Average

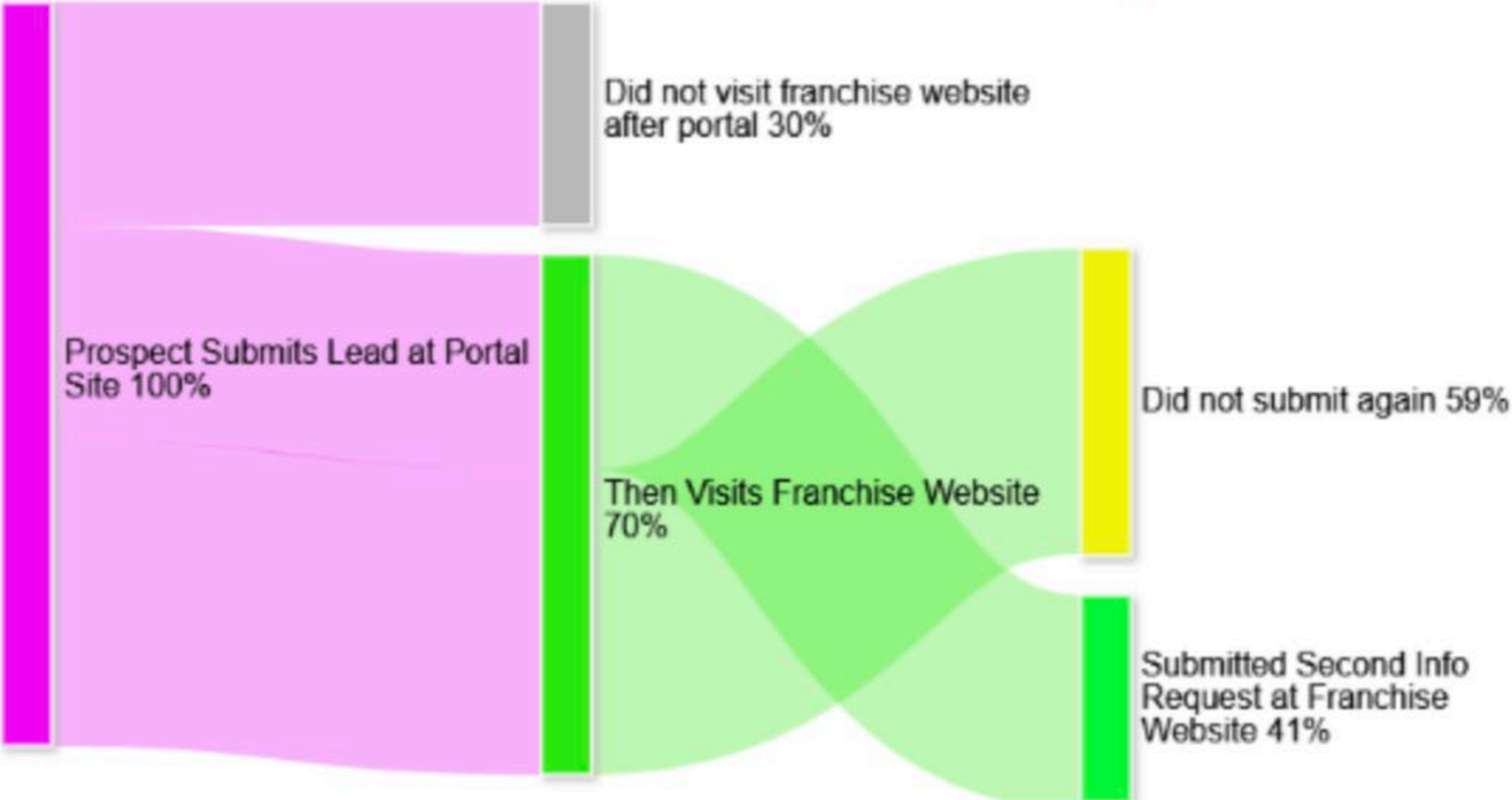


Legend: Budget Mix (blue bar), Top Sales Producers (red line)

# 70% of Portal Leads Visit Your Franchise Website Afterwards

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FranchiseInsights.com Survey, Aug 2022

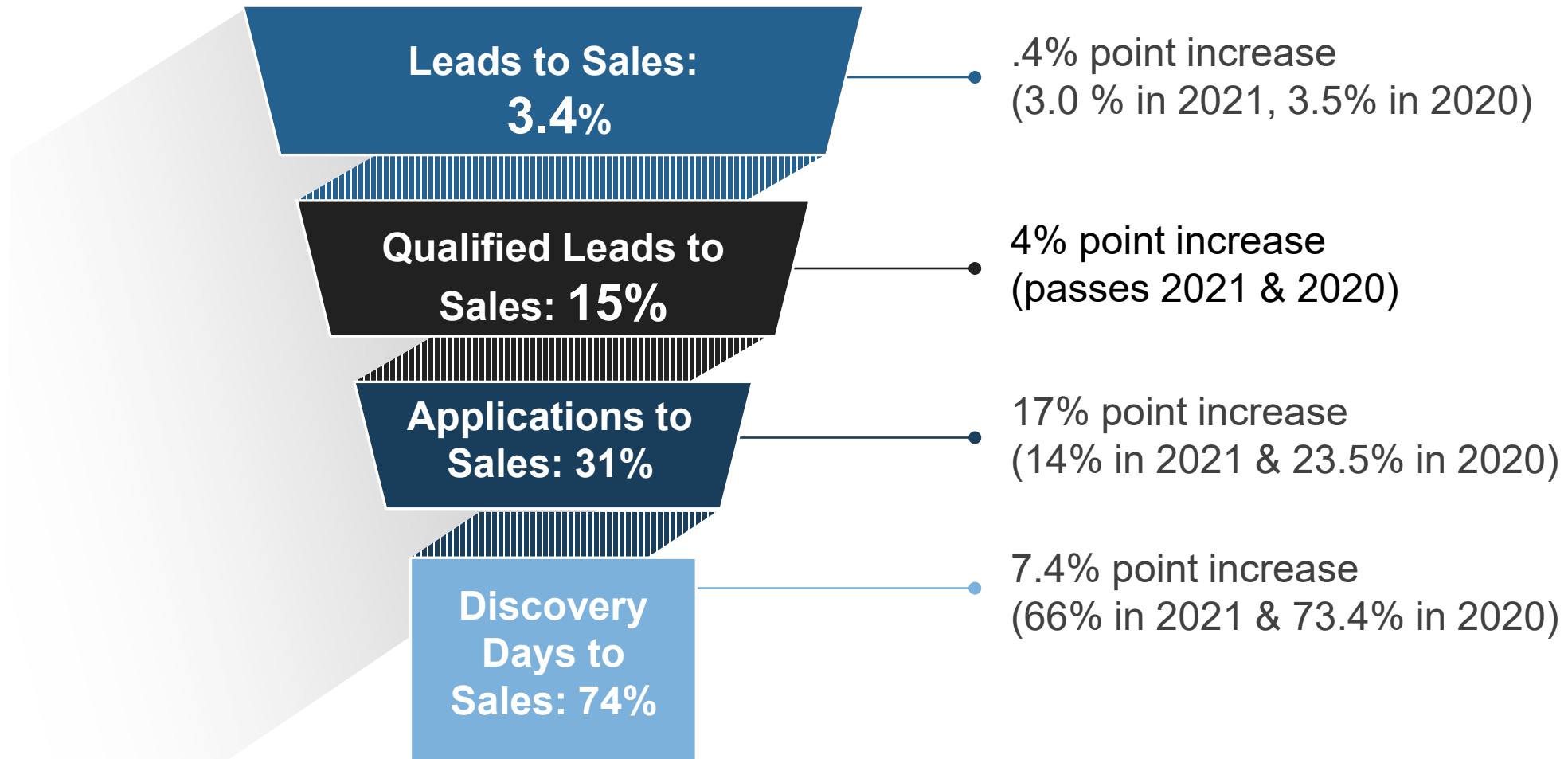




# Measuring Costs

- 63% track cost per lead  
(vs. 50% in 2021 and 70% in 2020)
- **\$155 average cost per lead**  
(vs. \$197 average in 2021 and \$312.00 average in 2020)
- 50% track cost per sale  
(vs. 44% in 2021 and 61% in 2020)
- **\$10,086 average cost per sale**  
(vs. \$9,270 average in 2021 and \$12,138 average in 2020)

# Sales Closing Ratios





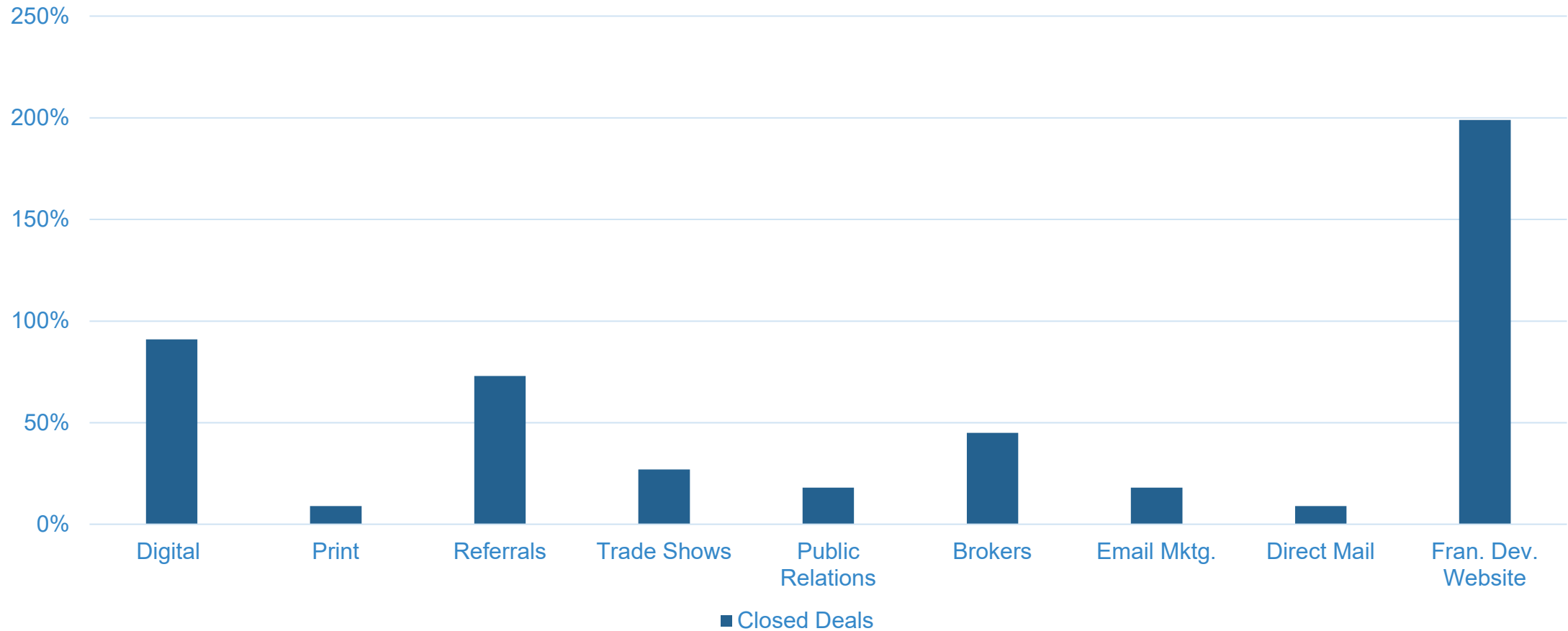
# Franchisors Exceeding Goals

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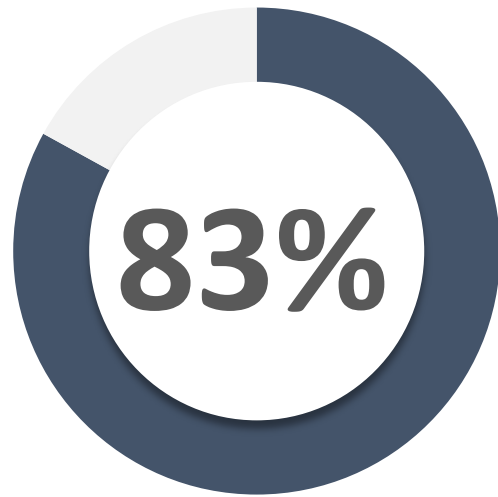
- 92% Lead quality is up or same
- Cost per Lead \$100 less than those below goal
- Closed deals from multiple lead sources



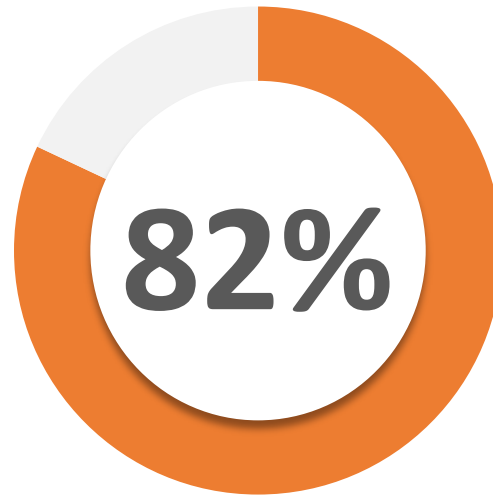
# Lead Sources for Closed Deals



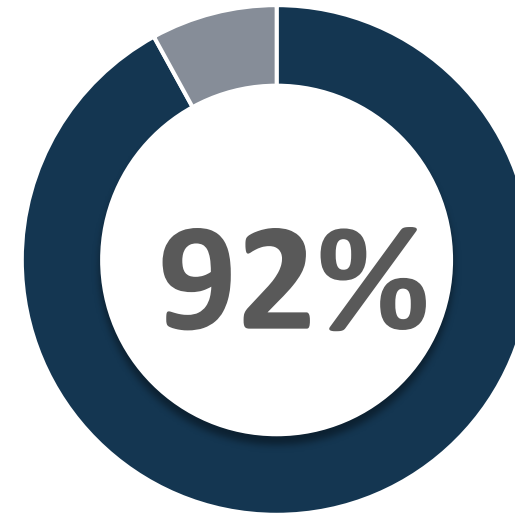
# Franchisors Exceeding Goals



Track  
Cost Per Lead



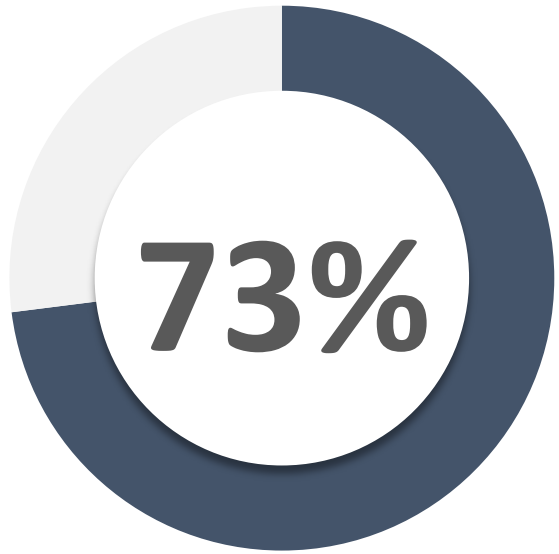
Track  
Cost Per Sale



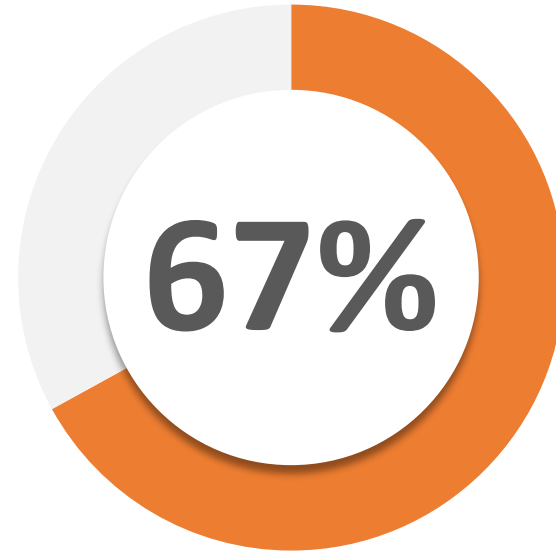
Budget Increase /  
Same



# Franchisors Exceeding Goals



Have a formal  
Resale Program

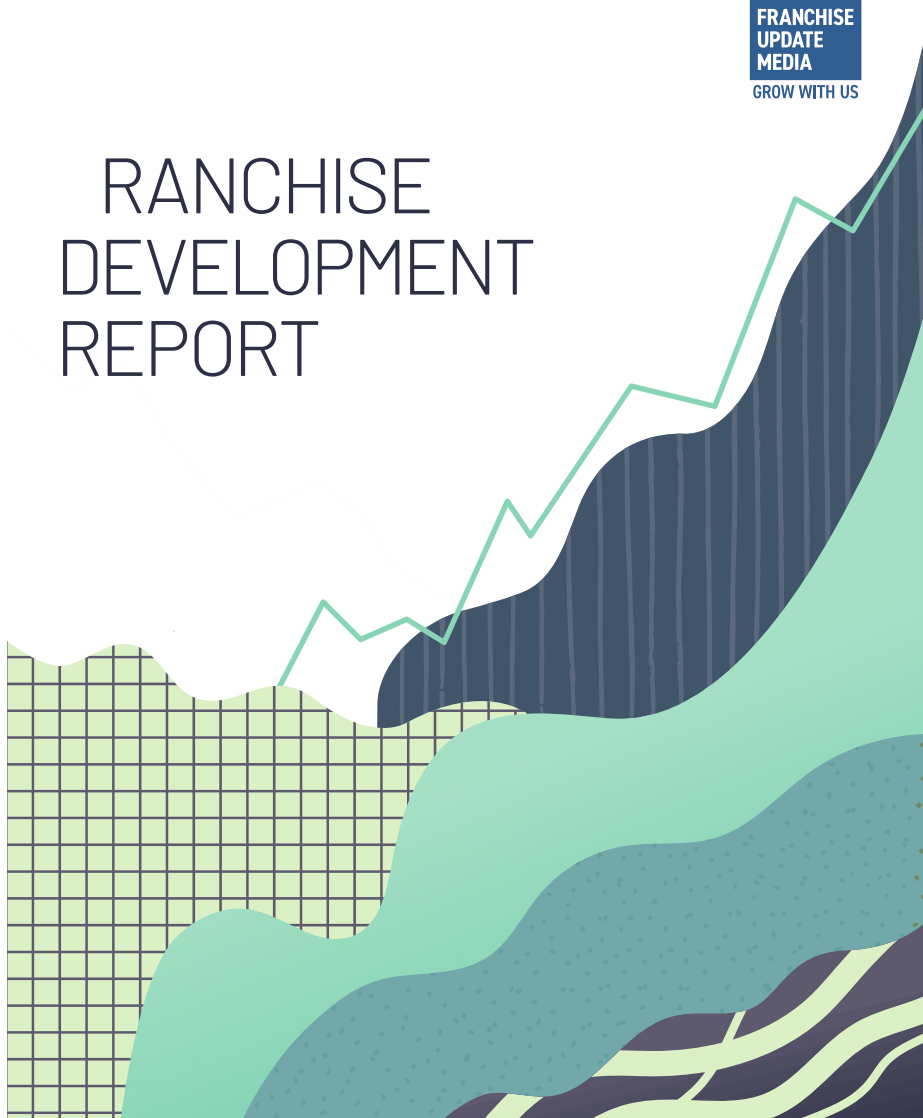


Have Program to Recruit New  
Franchisees for Transfers



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# Thanks

Does anyone have any questions?

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Franchise Update Media