



Should Franchisors Exhibit at Franchise Shows?

The context of this question is really important to understand and the question we would ask is:

"What do you hope to achieve by exhibiting at a franchise show?"

If the main reason is to sign more franchisees then please read on... (I have included a simple summary of some of our analysis relating to this research document at the end).

Serious franchise leads will always find you online (if you have a good presence)

Anyone serious enough about investing in a franchise may well attend a show, but they almost certainly will spend a lot of time online doing their research and this will include requesting information from various franchise portals (e.g. Franchise Direct) and reference sites (e.g. BFA website). This is why it's important for franchisors to have a presence on the most popular franchise sites as a priority spend. Many franchisors allocate their annual budgets firstly into franchise shows, then online advertising when it should be the other way around.

You can target franchise leads directly through email shots

When someone fills out a form on any of the franchise advertising sites, their details are entered into the main database held by that site (Franchise Direct have a clean database of over 60,000). When a franchisor has a profile on the site, and pays for an email shot, they are able to put their opportunity directly in front of tens of thousands of people who have expressed an interest, and retain an interest, in franchising.

Typically an email shot to a database of around 60,000 can generate between 50-70 leads at a cost per lead of less than £15

A franchisor will engage with less than 2% of franchise show attendees

Attendance numbers at the big franchise shows usually range from 2,500 to 4,000. Of the people that walk through the doors, a franchisor may engage and get contact details for between 25 and 80 (depending on size of stand space, location within the hall, how the stand is dressed and number of personnel manning the stand).

Let's assume the average number of attendees at a franchise exhibition is 3,000 over two days, and that 50 enquiry forms are filled out on a franchisor's stand – this is less than 2% of the total attendees.

Of the 98% of attendees each franchisor didn't get the personal details for, there will be a high number who may have been interested if they had had a chance to engage. Franchisors need to ensure they have a good online presence in order to put themselves 'in front' of these potential leads following an exhibition, which costs more money!

The cost per lead at a franchise show is very high

The number of leads a franchisor will capture at a franchise exhibition is directly related to size, location and look of stand, as well as the number of personnel on the stand.

We have carried out a simple case study where two franchise brands we know well, and which operate in the same sector both exhibited at one of the main franchise exhibitions last year. One spent nearly £7,000 to have a bigger stand in a central location with 3 people manning it. The other spent half as much and had a much smaller stand which was more tucked away.

Over the 2 days the brand with the larger stand managed to get 64 people to complete an enquiry form, while the other brand only managed to collect 25. The cost per lead for both was well over £100 (and this didn't even take into account accommodation, travel, time and stand dressing costs). To date neither brand has converted any of these leads into franchisees...

The actual cost of finding and converting a franchisee from a franchise exhibition runs between £7,500 and £10,000, and usually requires an average of over 100 enquiry forms to have been collected with a good followup process

Quality of exhibition leads have proved to be no better than any other type of lead

What we now know through comprehensive analysis is that not only is the cost per lead at an exhibition very high, but the quality is no higher than a typical online enquiry.

Having attended all the major franchise exhibitions over the last 10 years and monitored how many franchisees were signed for the brands worked with over a number of different sectors (including single operator and management models, man and van, domestic and commercial cleaning, kitchen franchises, care franchises, etc), the conclusions cannot be refuted...

Over the last 5 years, people have become much more focussed on comprehensive internet research to go along with attending exhibitions. This has led to a marked decrease in the number of exhibition enquiries who become franchisees, to a level where a franchisor needs just as many exhibition leads to sign a franchisee, as they would internet leads. Of course, there are times when a franchisor may only collect 20 leads and sign a franchisee, but on average this is not usual.

With the average cost per exhibition lead being over £100 versus average cost per internet lead of £25, it becomes very apparent that attending shows purely for the reason of finding franchisees is not the best use of budget

Exhibitors no longer receive the database of attendees

Franchise show organisers have started to withhold the database of registered attendees from exhibitors due to the misuse of that data by franchisors following a show. What this means is that franchisors have to be very good at getting as high a number of attendees to complete their enquiry form as possible.

Any perceived value, or reason for attending a franchise show to get access to the 2,500 to 4,000 'serious' prospects no longer holds any sway. Franchisors used to feel that even if they didn't get that many specific leads (i.e. enquiry forms filled on the stand) from an exhibition, they felt that if they were able to send an email to a large database of all attendees they might get some interest.

Based on our historic research, even when databases were available to exhibitors, of all the franchisors worked with, only one franchisor has managed to sign a single franchisee when full access to the show database was available.*

* This was based on the franchisor receiving a total number of over 15,000 attendees with an email address gathered from 7 franchise shows. A sustained email campaign was aimed at this database which led to 5 prospects attending a meeting, and 1 new franchisee.

SUMMARY

If your reason for exhibiting at a show is purely driven by recruiting franchisees, then there are many other areas to potentially consider allocating a lead generation budget.

The best way of answering the question of whether to exhibit at a franchise exhibition is to fully evaluate your franchisee recruitment objectives; ensure they are realistic and then assign a budget specifically to achieving those targets, alongside a well laid out strategy for generating and handling leads.

Please contact us for more information on this and for any other advice on any aspect of franchisee recruitment.



APPENDIX

- The data below is summarised and is based on a well-known franchise company that exhibited at 7 of the 8 main shows during the last 4 years.
- The average number of enquiry forms completed (i.e. specific leads) at each show was 36
- The attendee databases for each show were made fully available to the franchisor
- The franchisor had an excellent follow-up process with leads being contacted regularly over the years
- Meetings were held at the franchisor's main base
- The costs below are purely the cost of the stand space and nothing else (i.e. cost of stands, accommodation, travel, time, etc)

Birmingham Franchise Shows (4 attended):

- Leads – 10,049 (includes 128 specific leads)
- Stand Costs – £23,685
- Meetings Attended – 8
- Franchisees Signed – 3 (2 came from the specific leads and 1 from the rest)
- Advertising Cost per Franchisee – £7,895

London Franchise Shows (3 attended):

- Leads – 5,033 (includes 124 specific leads)
- Stand Costs – £16,699
- Meetings Attended – 3
- Franchisees Signed – 0
- Advertising Cost per Franchisee – N/A (none signed!)

Total of all Shows (7 attended):

- Leads – 15,082 (includes 252 specific leads)
- Stand Costs – £40,384
- Meetings Attended Following Show – 11
- Franchisees Signed – 3 (2 came from the specific leads and 1 from the rest)
- Advertising Cost per Franchisee – £16,702