



**FRANNET**  
LOCAL. TRUSTED. FRANCHISE EXPERTS.

## Franchise Sales Index Performance Insights (YTD Results Through September 2020)

Impact of COVID-19 on Franchise Sales  
Marketing Effectiveness & Buyer Behaviors

Keith Gerson, CFE

October 27, 2020

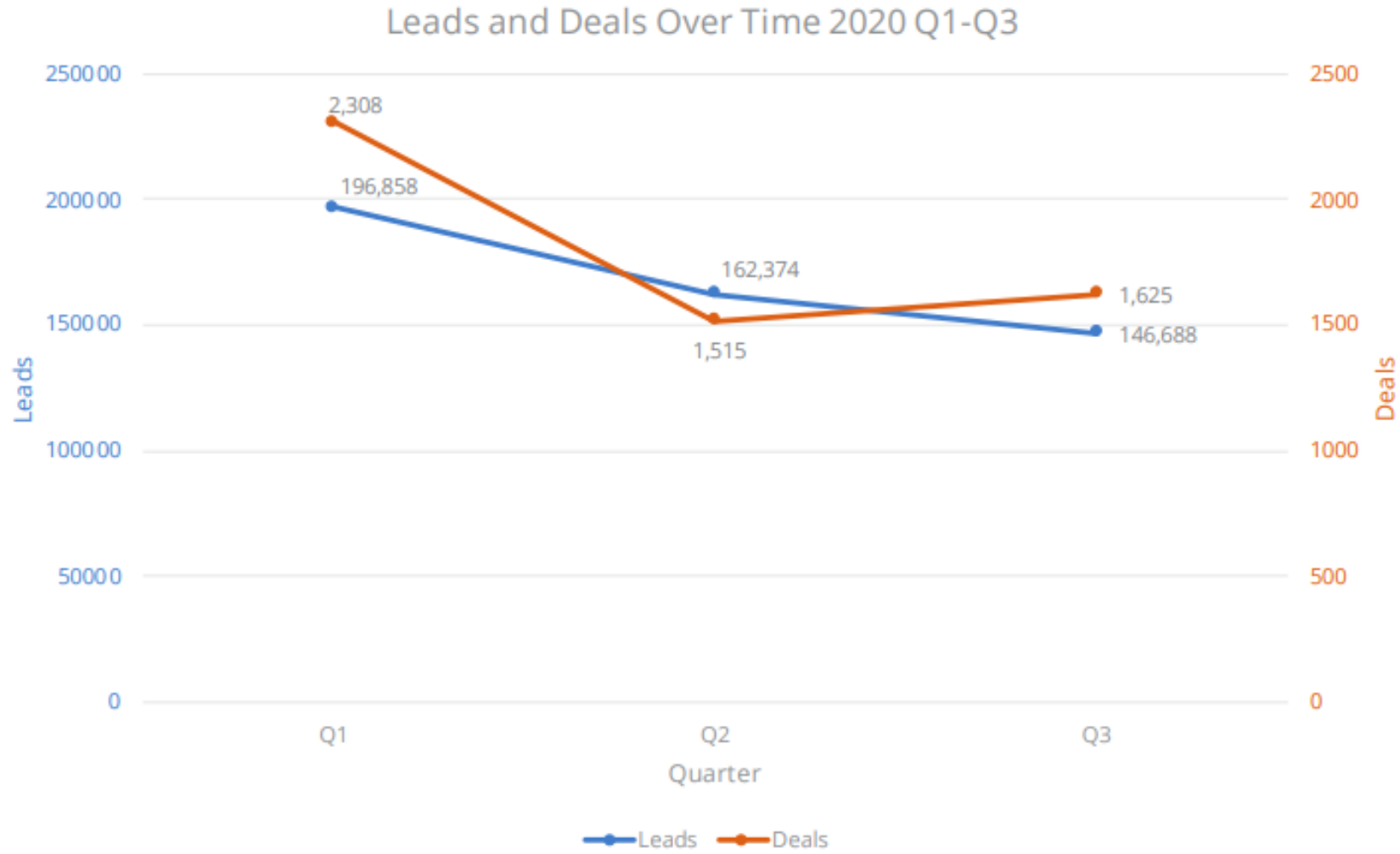


# How Has Lead Generation Changed Throughout the Pandemic?

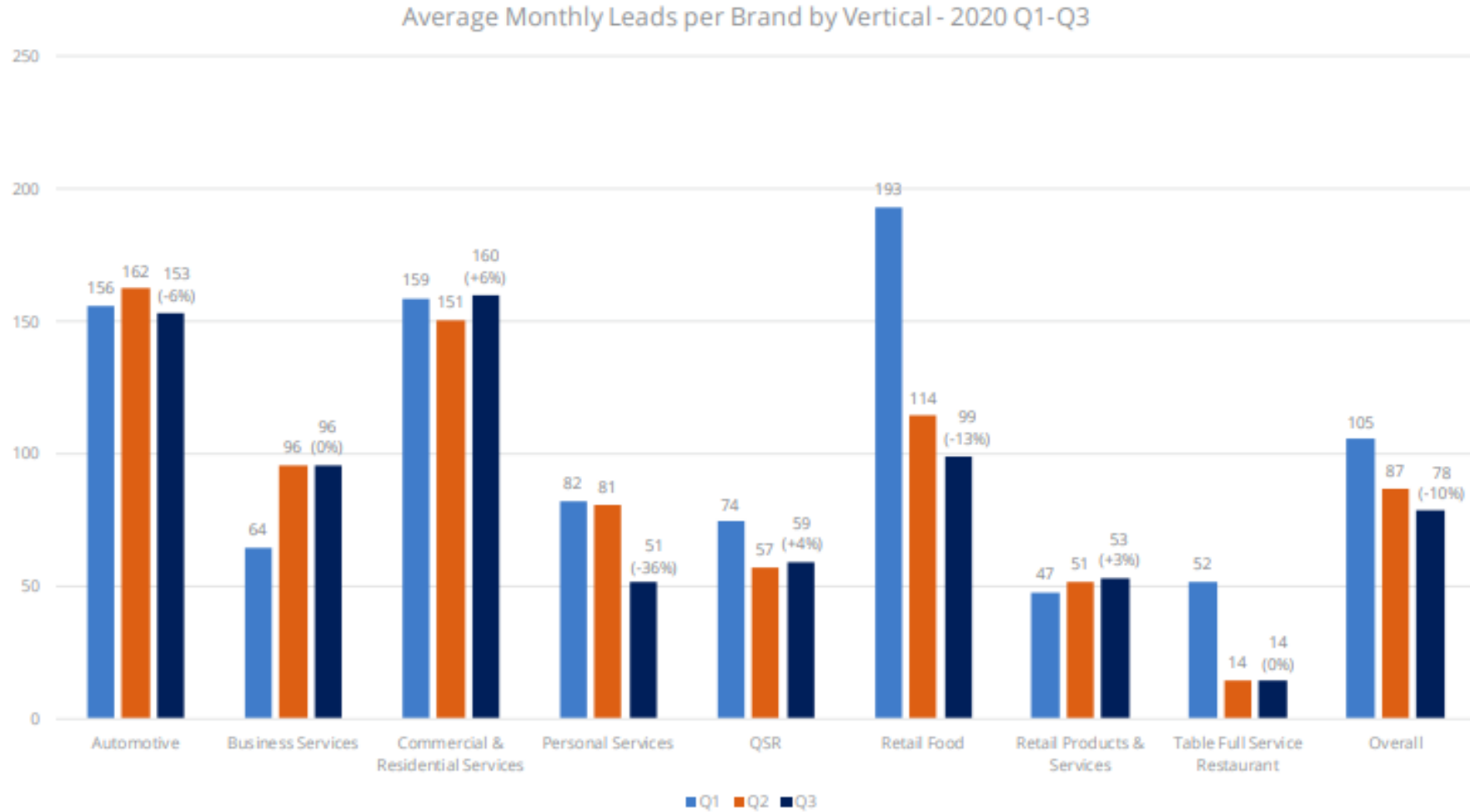
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Franchise Sales Insights from 607 Franchise Brands  
by Industry & Size, Aggregated & Anonymized

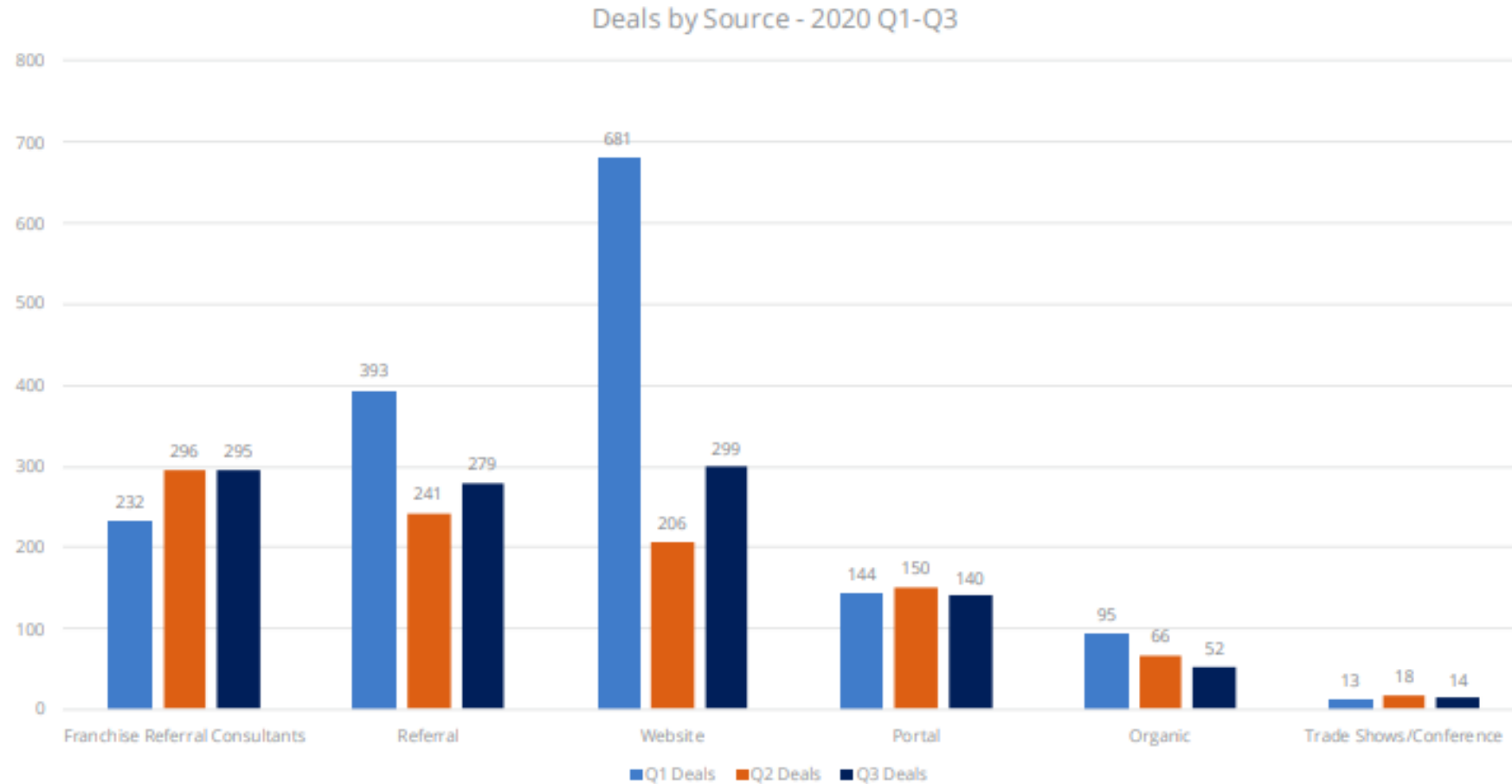
# Leads & Deals per Brand by Segment – Qtr. 1 through Qtr. 3



# Asymmetrical recovery continues with five Verticals flat-to-positive in leads while total verticals down by <10%> led by Personal Services & Retail Food



# Top Deals by Source shows greatest improvements in Referrals & Websites



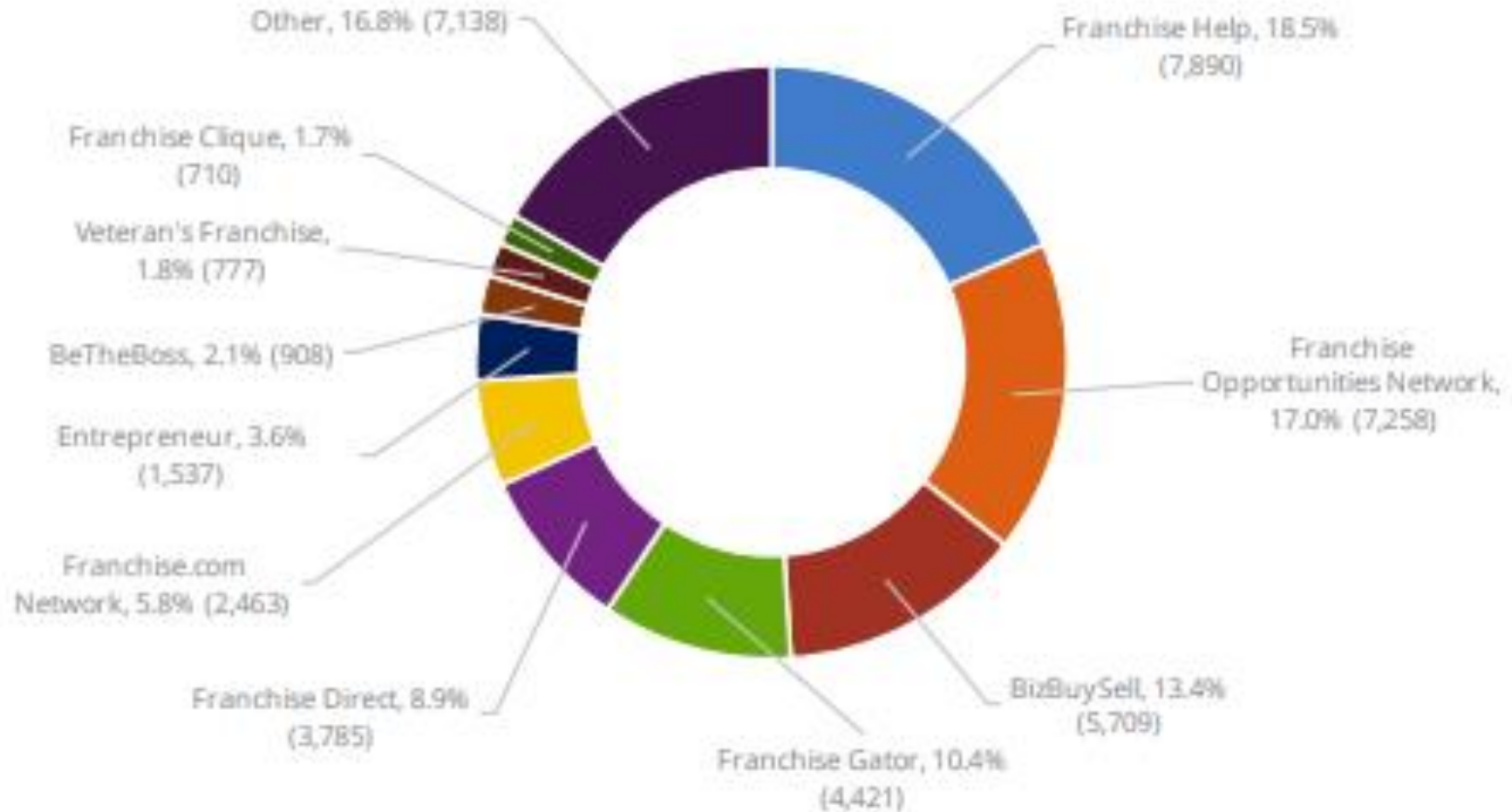
# Portal Performance in Q3, 2020

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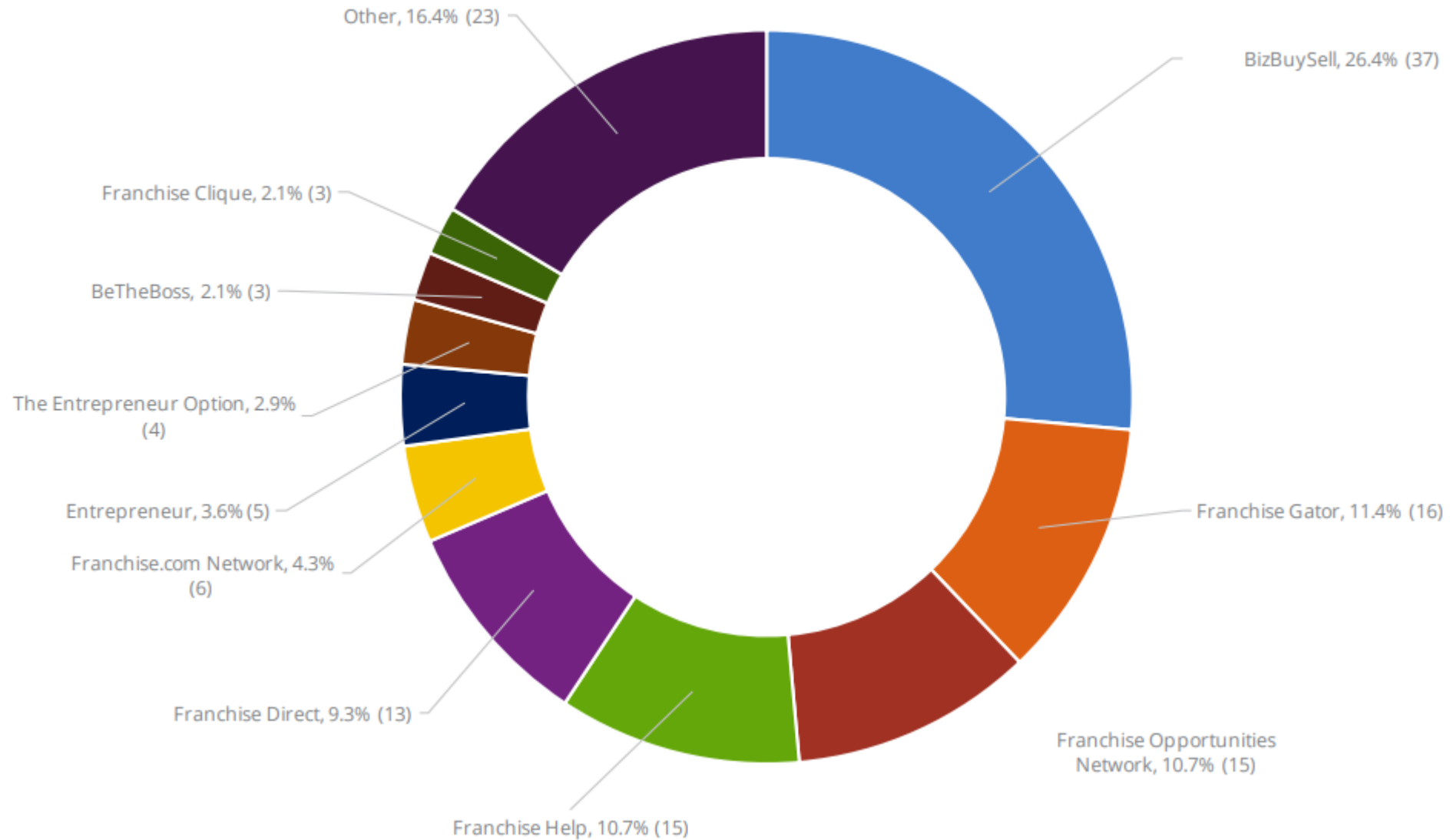
Franchise Portals Experienced Decline in Leads While Maintaining the Same Lead to Deal Conversion Rates Throughout the Pandemic.

# Distribution of Leads by Portal – Q3, 2020

Leads by Portal - 2020 Q3

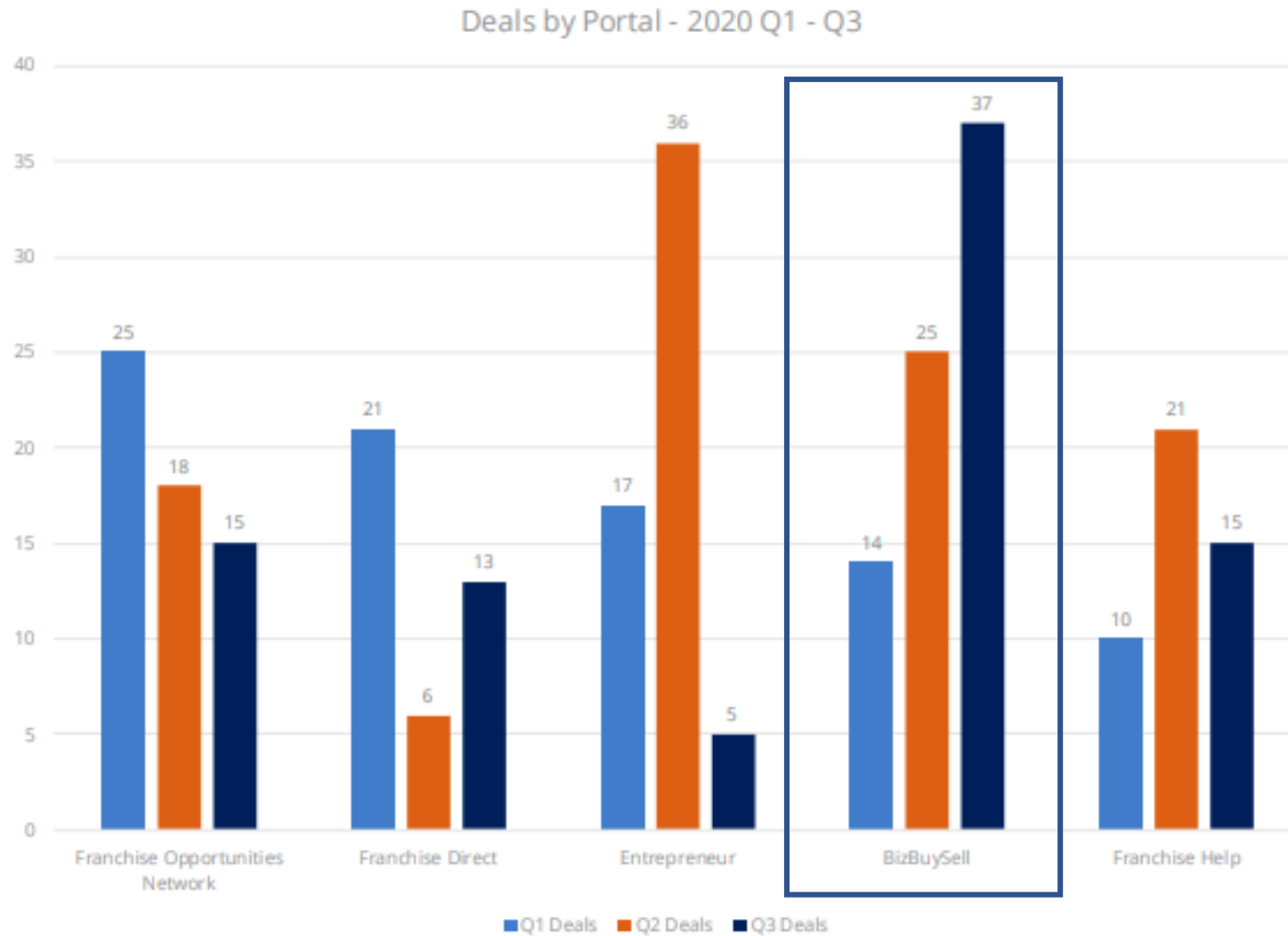


Deals by Portal - 2020 Q3

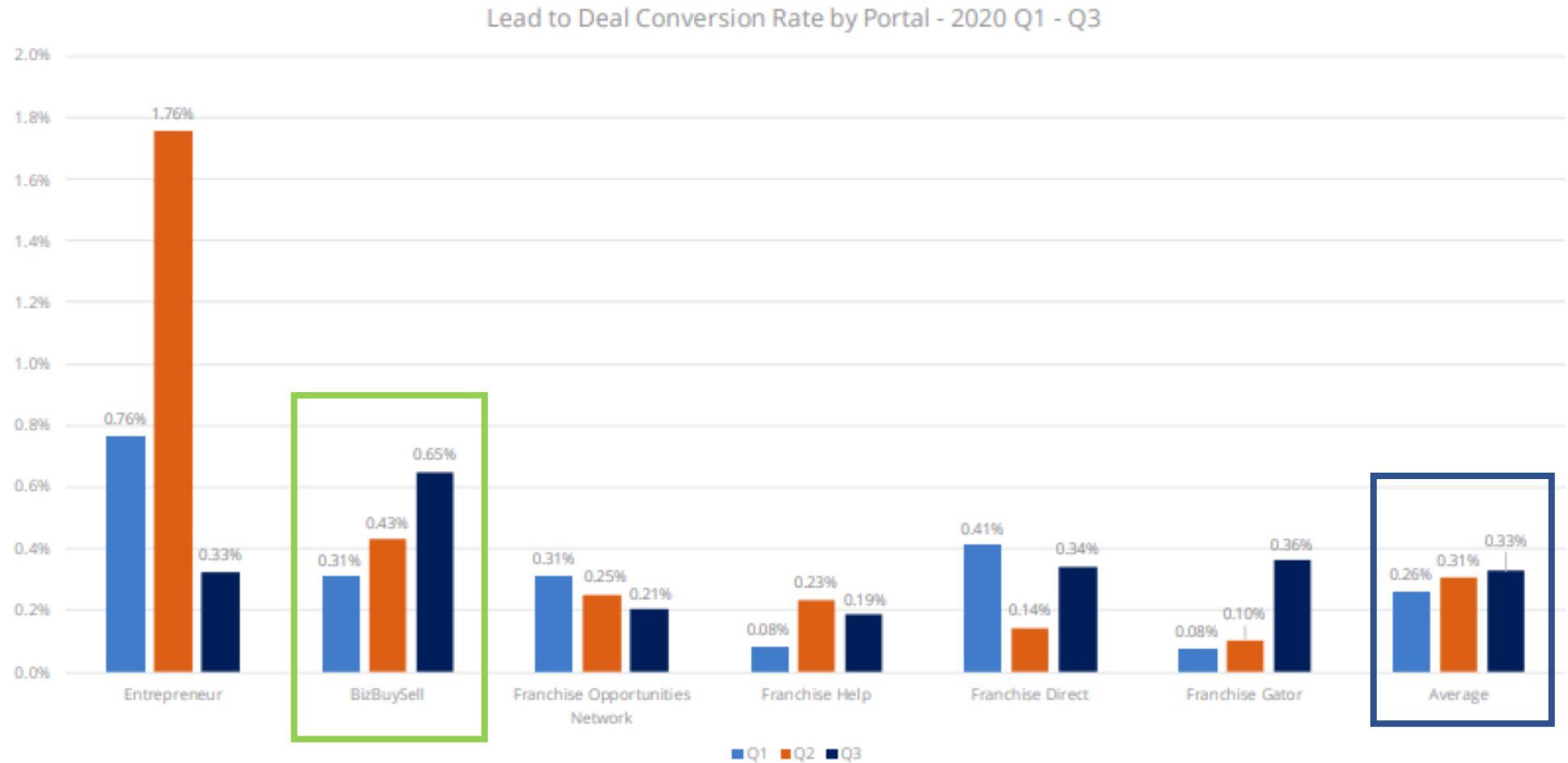




# Top 5 Portal Performers for Deals – YTD



# Top Franchise Portal Lead to Deal Conversion Rates – Q3, 2020



# Franchise Referral Consultants

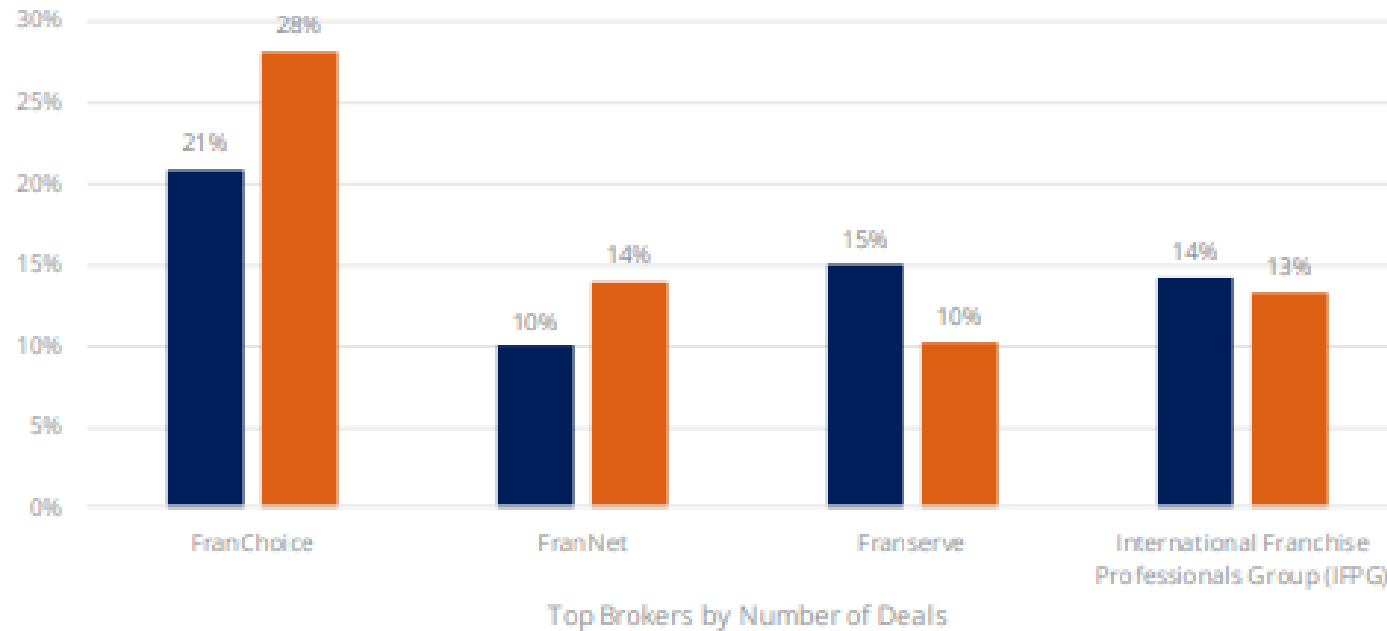
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Quarter 1, 2020 was primarily unaffected by Pandemic until mid-March whereas Quarter 2 was impacted for the whole of the Quarter.

What has transpired as of late?

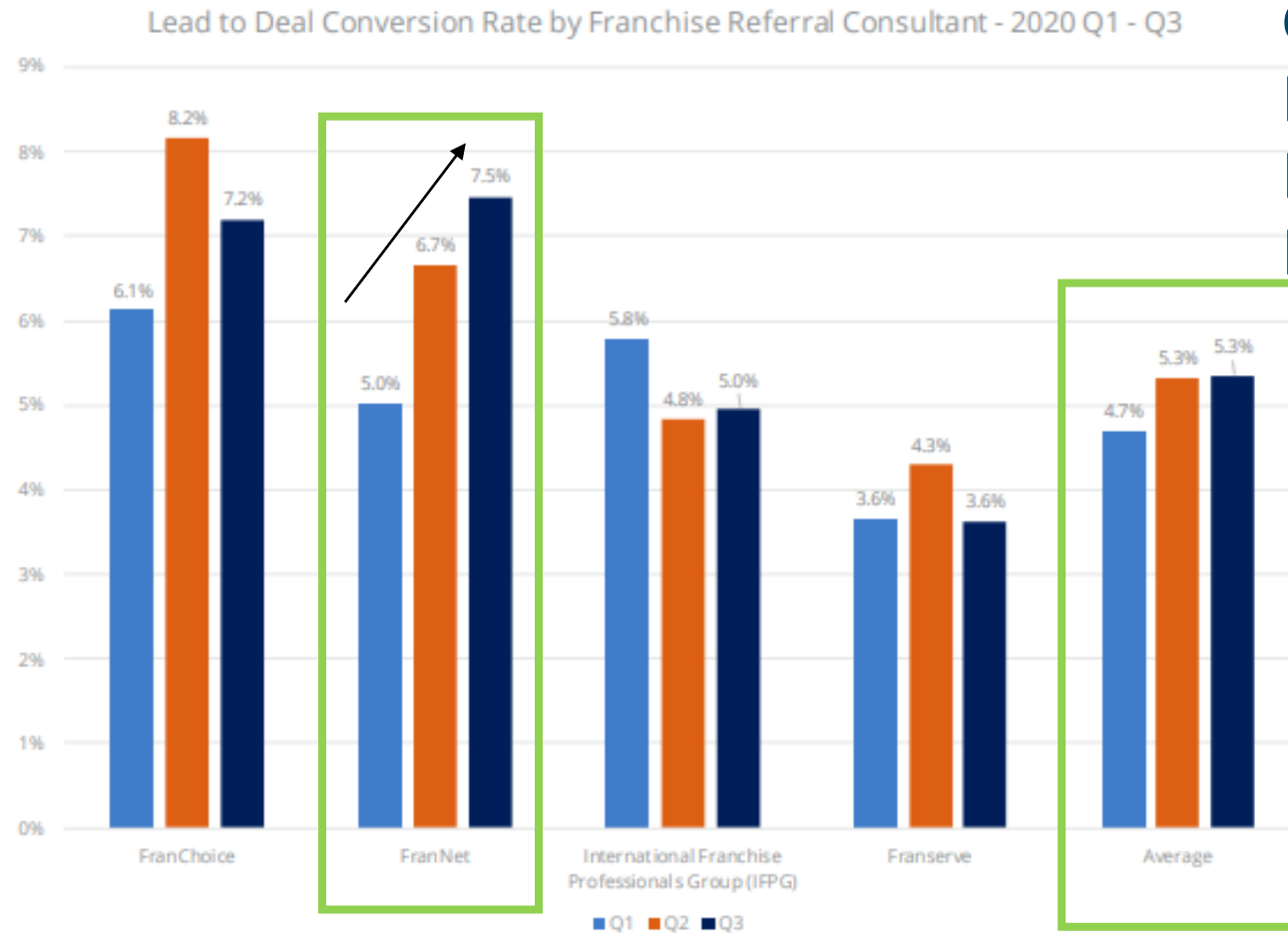
# Top Franchise Referral Consultants– Lead to Deal Comparison

Percentage of Leads and Deals by Franchise Referral Consultant - 2020 Q3



■ Percentage of Leads by Franchise Referral Consultants ■ Percentage of Deals by Franchise Referral Consultants

# Top Franchise Referral Consultants– Quarter to Quarter Comparison



**FranNet  
Outperforms all  
Brokers in Lead to  
Deal Closing  
Ratios**

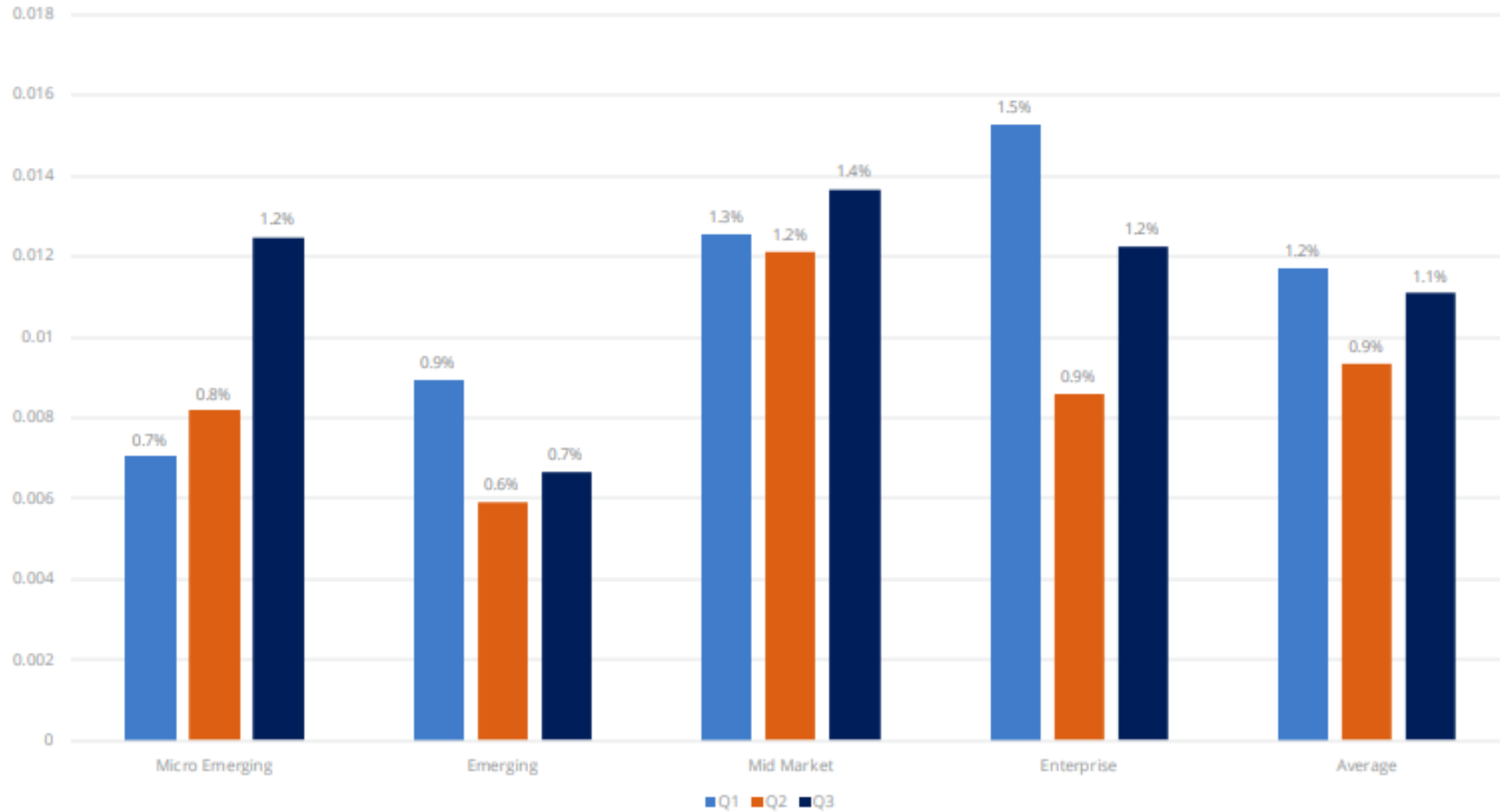
# Overall, We Find Greater Efficiencies Are Being Realized.

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Less Leads = More Deals

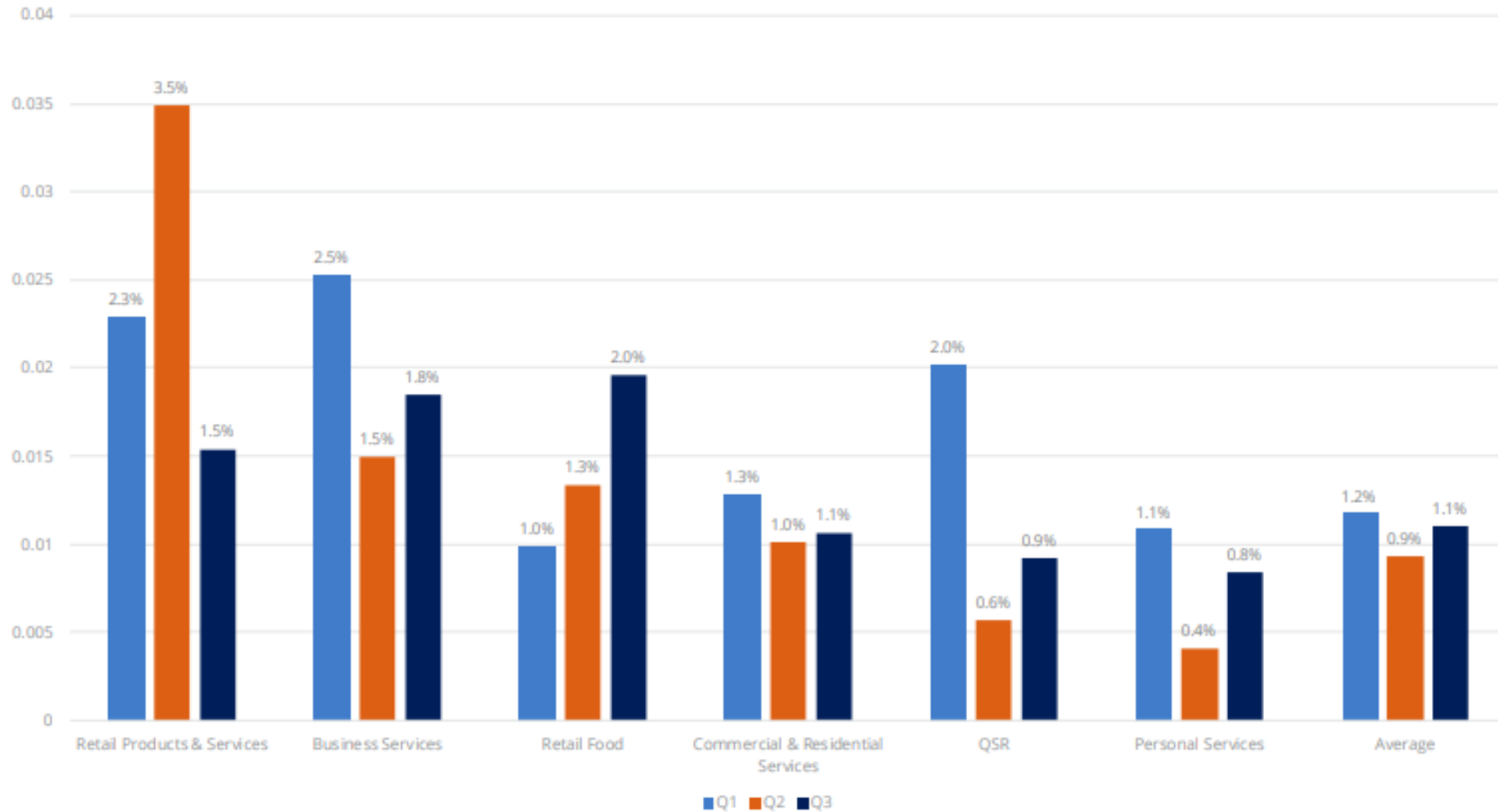
# Quality of buyer and economic motivations are creating greater efficiencies

Lead to Deal Conversion Rate by Segment - 2020 Q1-Q3



# Conversion rates have improved w/ exception of Retail Products & Services which is still higher than overall avg. in overall closing effectiveness

Lead to Deal Conversion Rate by Vertical - 2020 Q1-Q3



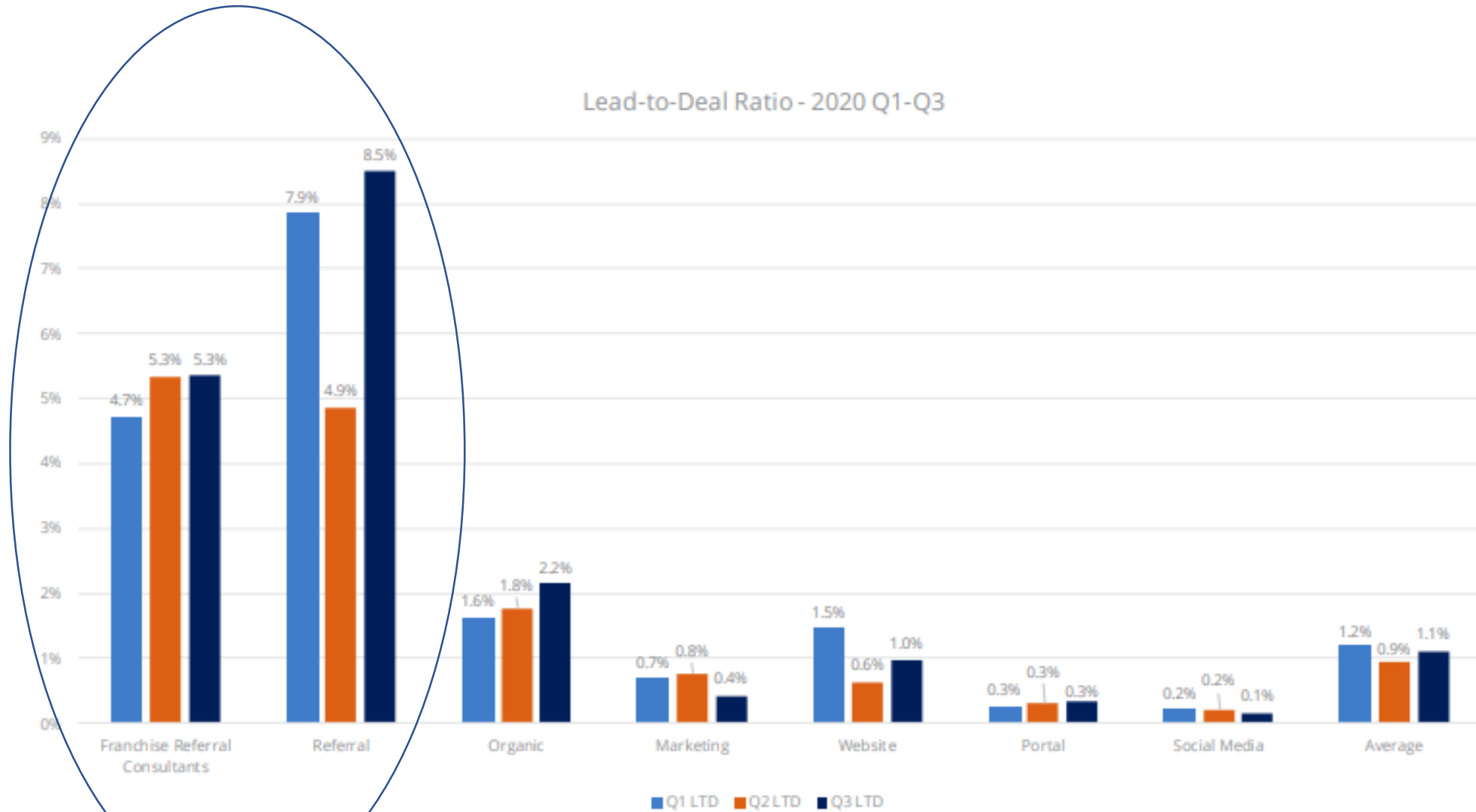


# Final Takeaways

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Trusted Advisors & Influencers are of the Greatest Value at this Moment in Time. But You Won't Get a 2<sup>nd</sup> Chance at a First Impression.

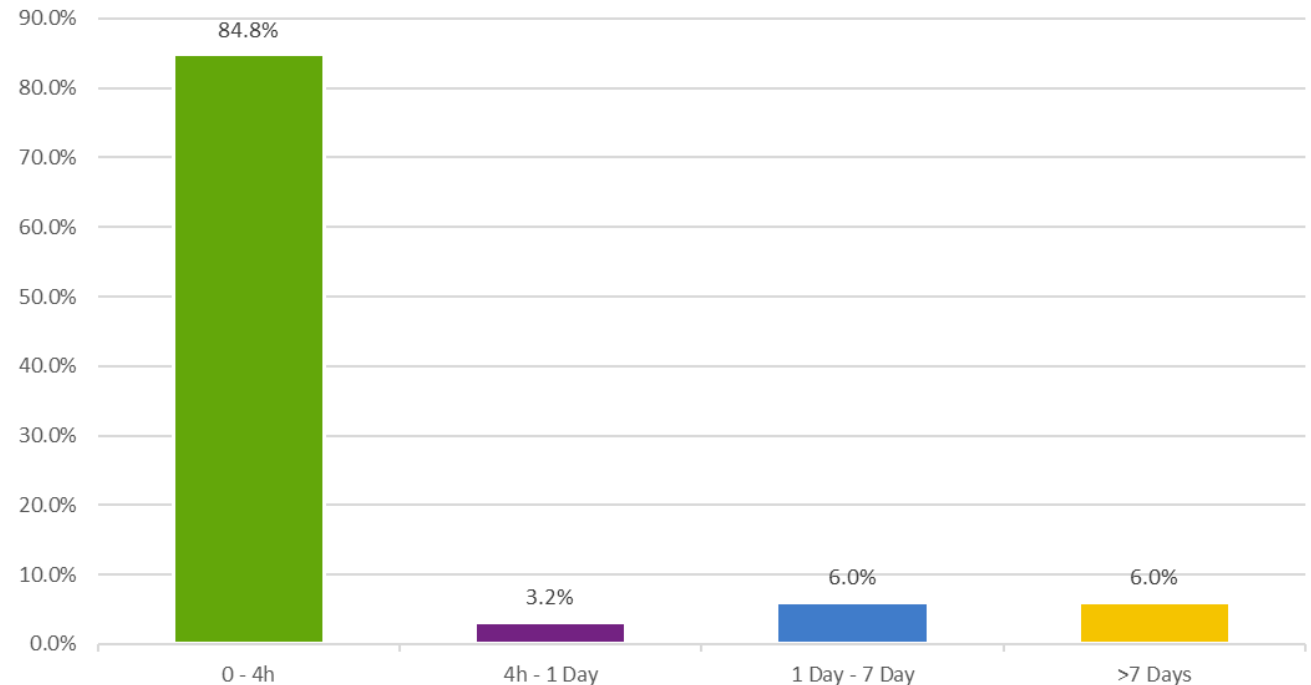
# Lead to Deals by Source reflects the power of influencers & validators



# Deal Percentage by Response Time

## Speed to the lead is no longer an option.

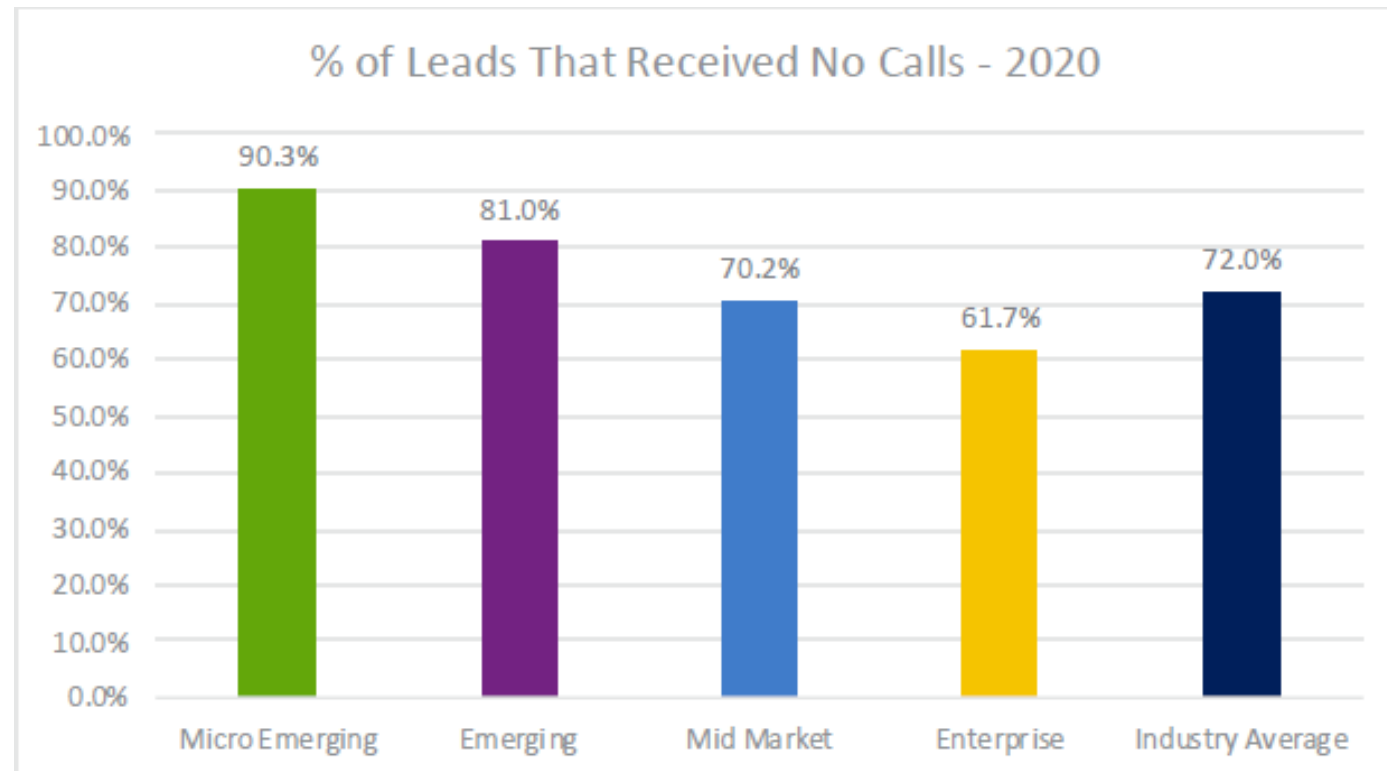
- On average, large franchisors who made initial contact within **four hours** of receiving a lead closed **84.8%** of all deals realized.
- Close rates significantly decline if initial contact is made after four hours.



# Quality of Leads or Execution?

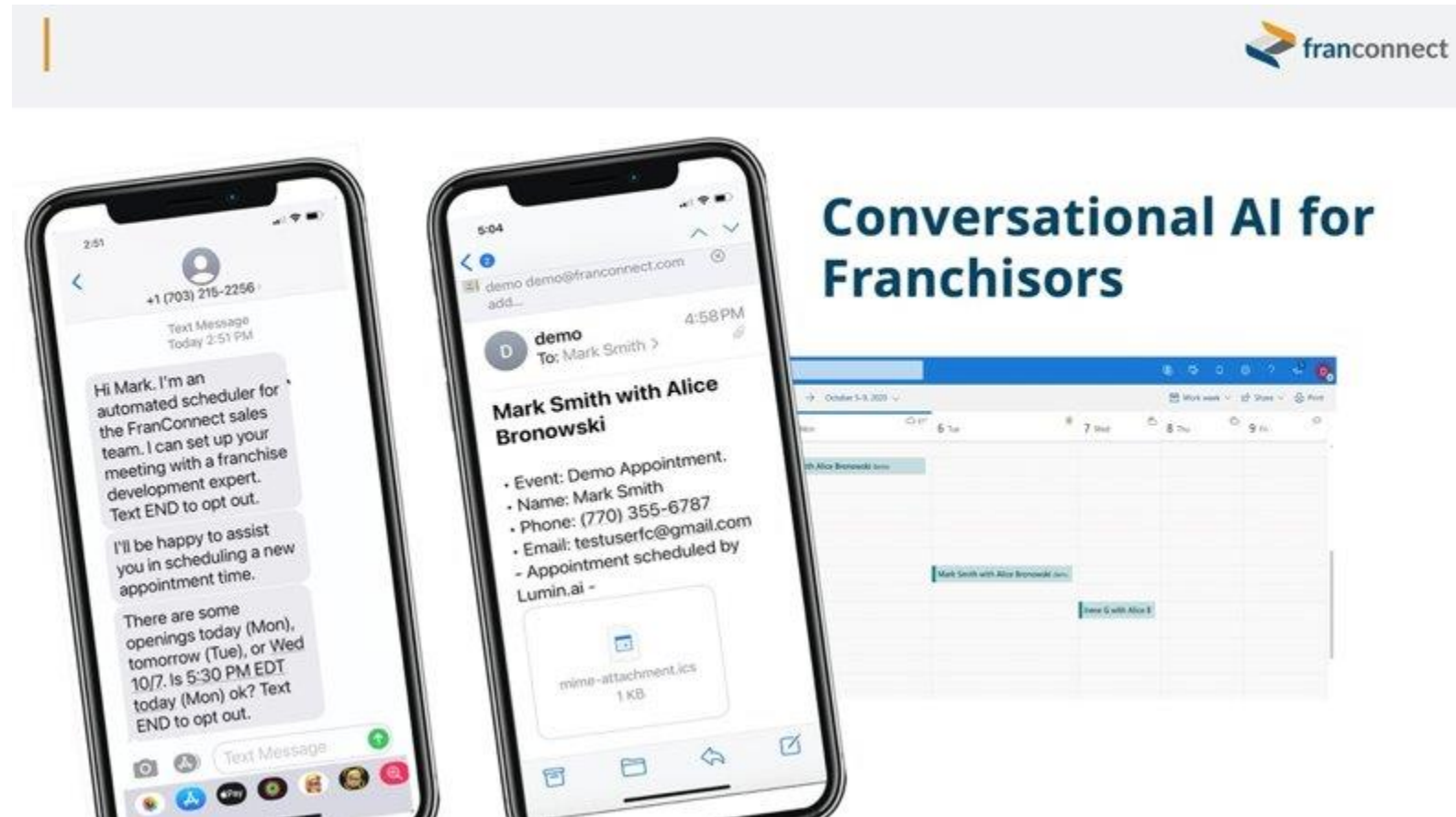
▶ **72%** of franchisors **FAILED** to make any initial contact with prospects

▶ Many franchisors complain about the lack of quality leads. Our data makes the formidable argument that issue is more likely the result of "failure to follow-up".



## Case Study with Floor Coverings International Resulted In:

- >40% improvement in lead closure rates
- 100% lead follow-up in 1 minute or less
- 90% automation of scheduled calls
- 100% increase in monthly leads
- Reduction in administrative costs due to increased efficiency



Accomplished through Integrating AI and SMS seamlessly into FranConnect's Franchise Sales CRM

# THANK YOU.

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