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Franchise Development Strategies 2012: the Paradigm Shift to a New Normal by
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The key question for every franchise company, whether it is a retail, home-based or a service franchise, whether it represents “white-collar” or “blue-collar” franchises, is: “What are the Best Franchise Development Strategies for 2012?”

Fact #1: Traditional lead sources are NOT producing the predictable number of deals they used to.

Consider what has happened to the main media sources in the last 4 years. This graph shows the percentage change in Advertising Spend Growth by Media from 2008 to 2012. It is clear that News, Print, Magazines are on the decline and have had negative growth, whereas advertising spend on the internet continues to grow.

This transformation of data from the offline to the online is termed Digitization. The digital world has permeated every aspect of our daily lives, from the way we spend our time, to the way we spend our money. It has changed the way we communicate, and it has really changed the way we seek and receive information.

Fact #2: Franchise sales metrics ARE changing to reflect changes in buyer behavior.

Franchise companies are realizing that digital consumers are looking for products and services on Search Engines, instead of yellow page directories, newspapers, magazines and other offline media. Digital Consumers use email, blogs, social networks and various sites to share with more people than ever before.

Fact #3: Even the best of the best in franchisee recruitment are struggling to reach 30% of their leads.

Today more than ever Franchisors must take into consideration that different generations communicate differently. Understanding the tools and utilities that people are using in order to create a clear channel of communication with them will be part of the new approach to franchise development. Tools such as Video Chat, Instant Messaging, Text Messaging, Twitter, LinkedIn, Facebook and emerging tools such as Pinterest will play an increasing role in the Franchise Development Process.

Fact #4: The greatest predictor of future franchise unit openings is current franchisee satisfaction levels and profitability.

The importance of franchisee training and consolidating the franchisor’s business model, plays a vital role in continued franchise development growth. Support staff and franchise development reps will need to work closely together in order to sustain and grow the number of units as well as unit economics.

Fact #5: Future of franchise brokers and franchise consultants requires serious consideration.

As fees for franchise consultants and franchise brokers continue to rise, franchisors are realizing that they are dealing with disappearing margins from the franchise fee, and over time this may negatively impact a cash-strapped franchisor’s ability to train and support new franchisees while they are waiting for royalties to ramp up to acceptable and profitable levels. If franchisors re-learn how to

generate their own leads and crack the code for lead generation through social media and organic searches, more and more franchisors will be equipped to be self-reliant, sever broker relationships or refuse pressure to increase commissions.

Fact #6: A shift is happening, going from franchisors looking past lead count and moving toward lead engagement.

Franchisors are making strategic investments in creating content to keep leads engaged throughout the franchise development process. We can expect some franchisors to crack the code in how to use social media and targeted PR to drive traffic and improve search positions in order to fill their pipeline. Therefore, the leads derived from "Content Marketing Strategies"™ will be more qualified and targeted.

Fact #7: Franchise development specific websites are more important then ever.

A shockingly small number of franchisors maintain a consistent franchise sales blog or post content designed to keep engaged franchise development leads coming back during the sales process even though this is the easiest way to improve the important website metrics.

Fact #8: The greatest source of internet leads, that are targeted and qualified, will be through organic search results and NOT portals.

Franchisors who want to have an increase in their franchise development and obtain the coveted "Glengarry leads"™ will invest more in smart organic SEO lead generation and content marketing strategies. Furthermore, they must change their perception of social media from "it doesn't work to recruit franchisees" to "my current strategy doesn't work."

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A serial entrepreneur with extensive background in franchising and interests in multiple online business channels, Jamshaid (Jam) Hashmi has played an instrumental role in the franchise development and success of a renowned international franchise company. His most recent entrepreneurial interests include launching ClickTecs, a Digital Marketing company specializing in Search Engine and Social Media Marketing as well as Website and Mobile Application development.

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