

Franchisee Lead Generation Secrets Revealed

How to
Evaluate &
Select Lead
Generation
Websites



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Franchise Lead Generation - The Secrets *Revealed*...

How to Evaluate and Select Lead Generation Websites

Goals & Objectives

- ▶ How many franchisees does a franchisor want to sign in a 12 month period
- ▶ Work out how many leads they will need to achieve their goal. E.g. a franchisor wanting to sell 10 franchises over a 12 month period knowing that they will find 80% of new franchisees from internet leads will need to close 8 deals from franchise lead generation websites.
- ▶ The current franchise industry average is 150 leads to one sale (this number may be higher or lower depending on many factors, including the uniqueness of the concept, complexity of the business model, skill of the franchisee recruiter, etc). To close 8 deals, the franchisor will need at least 1,200 internet leads over 12 months – an average of 100 leads per month.
- ▶ The average length of time for a franchise lead to become a signed franchisee is 5 months.
- ▶ Therefore, using the above details, a franchisor has to work on a timeframe of 17 months to achieve the 8 new franchisees based on generating 100 leads per month over 12 months.

Lead Generation Budget

Now we know how many leads are required, and the timeframes required, we need to work out the lead generation budget required. This is easy if you follow this simple rule of thumb which I developed over the years, and which has always served me well...

$$\frac{\text{New Franchisees wanted} \times \text{no. Leads to sign 1 Franchisee} \times \text{Franchise Fee}}$$

800

For example: If the franchisor wanting to sign 8 new franchisees has a franchise fee of £20,000 then:

$$\frac{8 \times 150 \times £20,000}{800} = £30,000$$

£30,000 is the realistic budget that needs to be made available to generate the 1,200 leads in order to sign 8 franchisees.

- ▶ This is a cost per lead of £25 (£30,000 / 1,200)
- ▶ The advertising budget required for 1 franchisee is £3,750 (£30,000 / 8)
- ▶ This is a monthly budget of £2,500 spread over 12 months
- ▶ This is a monthly budget of £3,750 spread over 8 months



Allocating the marketing budget

- ▶ There are many websites that generate franchise enquiries for franchisors.
- ▶ They range in content and quality.
- ▶ Some are stand-alone and others part of a partner network.
- ▶ Some offer fixed cost packages and others pay per lead.
- ▶ Some sites guarantee the number of leads delivered per month and others don't.

How does a franchisor determine where they should invest their franchise lead generation budget?

This is the marketing mix...

- ▶ A franchisor should first consider where they want their franchisees to be located.
- ▶ The internet will reach people based anywhere.
- ▶ A franchisor that is initially looking to find franchisees within a certain distance of their headquarters will still pay the same amount for placing an internet ad as a franchisor that is wanting franchisees nationally.
- ▶ Both franchisors will get leads from every location, but the franchisor that is developing in specific markets will only use a handful of the leads.
- ▶ For this reason, the internet may not always be the most cost-effective option.
- ▶ Most franchisors use the internet for lead generation, but franchisors that are developing in specific markets may spend more of their lead gen budgets on local initiatives than franchisors growing nationally.

Where to find franchise leads?

With goals agreed upon, expansion areas and priorities decided and a marketing budget allocated now is the time to select the franchise websites to work with.

Franchisors with a modest budget may select 2-3 sites, while franchisors with greater budgets will often be able to advertise on 8 or more sites. It is vitally important to work out the right combination of sites, the right content to show people, and how visible the brand is across the site.

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|--|--|--|
| ▶ www.FranchiseDirect.co.uk | ▶ www.WhiteCollarFranchise.co.uk | ▶ www.Thebfa.org |
| ▶ www.FranchiseHelp.com | ▶ www.VanFranchise.co.uk | ▶ www.TopFranchise.net |
| ▶ www.FranchiseSupermarket.net | ▶ www.RetailFranchise.co.uk | ▶ www.ReedCommercial.com |
| ▶ www.Businessforsale.com | ▶ www.FemaleFranchise.co.uk | ▶ www.Startups.co.uk |
| ▶ www.Franchisesales.com | ▶ www.The-Franchise-Shop.com | ▶ www.BusinessFranchise.com |
| ▶ www.Franchise-UK.co.uk | ▶ www.Franchiseinfo.co.uk | ▶ www.WorldFranchiseCentre.com |
| ▶ www.WhichFranchise.com | ▶ www.WorkingMums.co.uk | ▶ www.What-Franchise.com |
| ▶ www.TheUKFranchiseDirectory.net | ▶ www.DaltonsBusiness.com | ▶ www.MakingMoney.co.uk |
| ▶ www.TotalFranchise.co.uk | ▶ www.FranchiseExpo.co.uk | ▶ www.ApprovedFranchises.co.uk |

Website selection process

Narrowing down the list of websites to advertise on can be difficult, because most of the information you are able to obtain often comes from sales people trying to sell advertising space.

Some Tips:

- ▶ Find out where the competition advertises. Some websites do a better job at generating leads for food franchises or man-and-van franchises. Others may be better at home-based or business services franchises. Find out where direct competitors advertise by running a search for their company on Google. All listings will come up if you go through the first few pages.
- ▶ Ask other Franchisors what is working for them. Franchisors can be a great source for finding out which franchise portals are successful. However, it can also be very misleading, because they all have different ways of handling leads, which often means that whilst some franchisors may talk positively about one site, the next franchisor says it is a waste of money!

- Speak to the websites you already spend money on. Since franchisors are vocal about where they are getting their leads, the websites always know which sites are doing well and which sites are struggling. Ask the for referrals to other sites.
- Carry out a simple Google search. If YOU can find a website on Google then a franchisee prospect will also find the website. The easier the site is to find online, the better the chances of getting more leads from that site.

Questions to ask lead gen websites

Build a list of franchise websites to collect information from. Here are the main questions to ask:

What affiliations does the website have to the franchise industry?

- Do they often attend franchise shows, conferences and events?
- Work out if the company has shown a commitment to the franchise sector and also clearly understands the needs and challenges of a franchisor.

How long has the website been going?

- Many of these websites come and go all the time.
- Don't pay too far in advance to websites that have only been around a short time.

What is the average number of unique visitors per month?

- This is important to know to get an idea of how many people will see the brand profile
- Page views are irrelevant and don't provide a fair comparison of traffic count
- If a site cannot provide this information there better be a good reason why!

Where does site traffic come from?

- Before asking this question, you should know if the website appears in the search results for keywords related to the opportunity.
- Some websites don't rely on Google search results to be found, and may pay for traffic through partner sites or email marketing.
- Make sure that the kind of people the website attracts is consistent with the profile of the franchisee being advertised for. e.g. if the ideal franchisee profile is a part-time work-from-home parent, then no good being on a full-time business site.

How does the website drive traffic to the brand's profile page on the site?

- ▶ How many mouse clicks or touches to get to the brand profile page?
- ▶ Any other ways to reach the profile page? Does the site utilise the specific brand profile page to target search engine traffic or is all the traffic being driven straight to the homepage?

What is the package?

- ▶ Do they offer a range of packages?
- ▶ What's included in each package?
- ▶ What are the rates?
- ▶ Ask for a walkthrough of the web portal, and understand what every package includes.
- ▶ Compare the rates for each package and look at the visibility each one gives.
- ▶ Ask which package is most popular and which package offers best value.
- ▶ If it is a Pay-Per-Lead (PPL) site, what is their definition of a lead?

What is the process a site user goes through to become a lead?

- ▶ How easy does the site make it for someone to enquire about a brand? The easier someone can enquire, the lower the quality of that lead...
- ▶ some sites fully pre-qualify the leads first before matching and showing them any franchise brands (For the USA and UK, see www.franchisehelp.com)

Does the site offer any free exposure? for first time advertisers?

- ▶ Ask if there are additional ways to increase exposure with free opportunities.
- ▶ What does the site do to promote new advertisers?
- ▶ Do they host and post press releases?
- ▶ Can you submit articles?
- ▶ Do they offer link swapping?

Do they offer screens or filters?

- ▶ Can you eliminate leads that do not meet specific criteria (location, financial qualification, timeframe, etc.)?
- ▶ Can you add additional questions to a lead form? Be careful with this or the lead numbers may be heavily reduced. Also bear in mind that many people may not want to answer personal questions on a generic form.

How many leads should be expected?

- ▶ This question is merely to find out what an average listing, similar to yours, with the same amount of exposure should expect to get.
- ▶ This is not meant to be a guarantee, but by having an idea in the first place, and setting an expectation knowing what the average cost per lead should be, allows for future discussion with the website to ensure targets are met
- ▶ It all goes back to identifying how many leads per month you will need.
- ▶ Be careful if a web portal will actually guarantee a specific number of leads on a pay-per-lead or fixed cost basis. If they do, make sure you have had answers to all the other questions asked. It may be a sign that the website sends leads to more than just the franchisor that was intended, because maybe the enquirer didn't untick a box!

Does the site lead-share or farm leads?

- ▶ This is a controversial topic that is either a good or bad thing depending on your viewpoint. Lead-sharing or farming means that one lead may be sent to multiple franchisors, even if the prospect only requested franchise information from just one company.
- ▶ It's not illegal, but many consider it unethical and if you run marketing automation to handle leads, it may have an adverse effect on your spam rating. Remember, it can also mean the franchisor is paying to generate leads that are also sent to your competitor. Similarly your competitor is paying to generate leads that are also sent to you.
- ▶ Keep in mind that these days, most people are not in favour of being contacted by salespeople unless they request it.

Making the final decision

- ▶ Create a competitive matrix to review all the data.
- ▶ Decide what information is most important and prioritise.
- ▶ If budget needs to be tightly controlled, pay-per-lead sites may be favoured.
- ▶ If high traffic sites are targeted, eliminate the low traffic sites.
- ▶ Then start looking at sites that will provide the best value. This could be a combination of exposure, demographics and price. Or, it may be flexible terms, price and expectations.

Select the sites you want to establish a relationship with. If it takes 150 leads to result in a sale and your average sales cycle is 20 weeks, it may take 3 months to generate 150 leads and another 5 months to generate a sale. Franchisors should invest in at least a 9-12 month campaign to give adequate time to evaluate the quality of the leads.

Establish a strong and trusting relationship with the website

- ▶ The relationship and understanding between you and the website is vital
- ▶ Give and get the feeling that a long term relationship is a must
- ▶ Without this relationship, you will have a much more difficult time tweaking the campaign to get the most out of your spend in the future.

One of the hardest decisions is whether a franchisor should spend less on each website and advertise on more sites or spend more per site and advertise on fewer websites. The answer to this will depend on many factors.

After you have managed campaigns for a while, you will know which websites are doing the best and how many sites are needed to reach the goals set. Sites that produce the best quality leads should eventually get a larger share of the advertising budget.

To start with, it makes sense to select advertising campaigns that offer similar so that ongoing site evaluations are comparable.

Analyse. Review. Evaluate. *(or are they the same thing?)*

Perhaps the most important step in the whole lead generation process, is evaluating the website performance.

Set up weekly, monthly quarterly, six-monthly and annual reports to understand what is happening with leads that come from each site. After each six-month period, franchisors should re-evaluate each sites performance in detail. These should include:

- | | |
|---------------------------|-----------------------------------|
| ▶ Leads per month | ▶ Cost per lead qualified |
| ▶ Cost per lead | ▶ Leads attending Discovery Day |
| ▶ Leads contacted | ▶ Cost per attended Discovery Day |
| ▶ Cost per lead contacted | ▶ Leads converting to franchisees |
| ▶ Leads qualified | ▶ Overall cost per franchisee |

Contract renewal should be earned based on the quality, not quantity, of leads delivered, and this becomes apparent if the above reporting is carried out.

Quantity versus Quality

- ▶ If one website generates 500 leads over 6 months, but none of the leads progress beyond the first step of the sales process, the site is delivering quantity but no quality.
- ▶ If another site delivers only 300 leads over the same 6 months, resulting in 20 qualified leads, 5 attended Discovery Days and 1 converts to a sale, the site is delivering quality instead of quantity.
- ▶ In most cases, the more leads a franchisor gets, the more time the recruiter spends following up. Is it better to receive 300 leads and get one franchisee or 600 leads and no franchisee?

Onward, ever onward!

Contract renewal should be earned based on the quality, not quantity, of leads delivered, and this becomes Every 6 months replace 1 or 2 sites that are not performing based on the reports, and where the relationship is possibly difficult to manage and start the process over again.

It can take time to fine the right combo and then you can increase the spend on the websites that are producing quality leads.

Excellent communication and relationships are key. Talk about what is working and what isn't working with your account manager. Providing great feedback and, if results are good, testimonials will make the relationship stronger.

It is then in the interest of both parties to see the lead generation campaign succeed.

