

What Do Franchise Expo Attendees Really Know?



They have researched opportunities for more than a year. They often have already visited various store locations. In some cases they have already met with executives. Today, the average prospect attending a franchise expo arrives having really done his homework.

By Joel Goldstein

That's what MFV Expositions found after surveying attendees at the recent franchise expos in Miami, Los Angeles and Washington, D.C. that are sponsored by the International Franchise Association and produced MFV. Utilizing the services of FRANdata, MFV was able to compile a profile of sorts about franchise trade show visitors.

The company wanted to find out what prospects have on their minds and the type of research that goes into the decision-making process. The results give exhibitors a read on thousands of attendees before they even step through the expo door. They show that, in many cases, expo prospects are much more sophisticated today, which means exhibitors have a terrific opportunity to spend more time on the benefits of their franchise system rather than having to explain the basics.

Here's a look at some of the data:

They know what they want

Before attending a franchise expo, nearly one-third or 31 percent of those surveyed had visited actual locations of the franchise brand they were interested in, and one-in-four had spoken with a franchise executive.

In other words, attendees arrive at the show prepared and serious about investing.

Raymond Hivoral, CEO of Concerto Networks, an international computer and information technology franchise business, prefers to meet with prospects who do research beforehand because it can be an asset.

"There is no better place to meet with a highly-qualified prospect," said Hivoral. "I appreciate that they want to take their time and review other opportunities and then speak with us. It's good they filter out other concepts and then choose the company

that suits them best."

Steven Krolak, vice president of franchise development with The Taco Maker, a Mexican quick-service restaurant, agreed the quality of prospects can lead to more deals.

"As far as lead generation goes, expos provide the best quality leads," said Krolak. "We have more than 150 units open and operating and it's a result of exhibiting at the franchise expo events that we have more than 500 units under contract at different stages of development right now."

They are serious

Seventy-two percent of visitors attending franchise expos are in the process of investigating an opportunity with 43 percent serious or nearing a decision to purchase.

In other words, nearly half of franchise trade show attendees who walk through the doors are close to a decision. With so many minds almost made up, how do exhibitors approach prospects?

Brad Roselle is director of trade show operations at InfoUSA, a company that provides business and consumer information products, database marketing and processing services and marketing solutions. Roselle suggests focusing on how your concept is different from competitors and working your niche.

"You can't be everything to everyone, so know what you do best and cater to that market," said Roselle. "You have to make sure your marketing message targets your strengths and differentiates you from competitors."

Mike Schlegel, vice president of franchise development for dog daycare and boarding provider Dogtopia, agrees. He knows from first-hand experience that Expo attendees show up prepared.

(Continued on page 60)

(Continued from page 59)

“Over the past several years we’ve met highly-qualified individuals,” said Schlegel. “That’s why it’s important for us to exhibit at the IFE. It’s the maximum exposure for our many brands and we meet a new pool of franchise candidates each time we exhibit.”

Ralph Montone, director of franchising for Glamour Secrets, a growing beauty and cosmetics franchise company, has also noticed a change in the level of visitors that attend franchise expos.

“One of the changes I’ve seen is that attendees that visit are more serious about the opportunities available,” said Montone. “I’ve seen a slight reduction in the amount of attendees at various expos, but quality over quantity is much more important.”

They have read all about it

More than half or 55 percent of attendees visited franchise opportunity Web sites and read books or magazines related to franchising.

Because of online capabilities, today’s expo attendees are more informed about franchising than ever before.

“Franchise show attendees come better prepared than in the past,” said Roselle. “Most have done their own research on you or your competitors and are less likely to engage you in a discussion if they are not truly considering doing business with you. Much of this change can be attributed to the availability of related information on Web sites or industry publications such as *Franchising World*.”

Montone embraces this well-informed prospect.

“I welcome the opportunity to discuss legalities with respect to franchise disclosure,” said Montone. “It’s refreshing to know that the consumer has access to valuable information to help them make a sound decision.”

With the knowledge and sophistication of the average attendee increasing greatly over the years, however, have franchise companies have been forced to update their approach to deal with a changing industry?

In many cases, there are details that a prospect just can’t find online or in a magazine. Granite Transformations, a company that manufactures stone and granite countertops, uses expos to give

prospects a chance to view its product in person.

“It’s important for us to exhibit at trade shows because it’s a quicker way to get our message out,” said Granite Transformations CEO Mark Johnson. “We have a product that needs to be touched and there’s no better way to do that than meeting thousands of people in one weekend.”

They take their time

Prospective franchisees serious about investing have typically done research for a year and 36 percent of West Coast Franchise Expo attendees researched for more than a year.

After months and months of research, prospects attending the expos often arrive with their minds made up about a specific industry. This can be a big plus for franchise companies seeking out serious investors.

“Most of the visitors we’ve spoken with seem to understand the fundamentals of franchising, which gives us a great opportunity to spend time focusing specifically on our concept,” said Johnson. “The people we’ve spoken with at the IFE seemed to be very qualified and know what they want which makes it very easy to discover whether our concept is right for them.”

Roselle believes that the more advance research a prospect can do the better.

“Information helps everyone, said Roselle. “Being straightforward with the potential franchisee and knowing they have done their homework means your prospects are better qualified from the start.”

They are specific

The vast majority of visitors have narrowed their research to a specific brand (25 percent) or short list of brands (46 percent).

It’s not uncommon for exhibitors to sign franchisees either at the expo or immediately after the event. When prospects attend with an idea or concept already in mind it makes the decision-making process quicker and therefore franchisors have less wait-time when it comes to signing.

“We’ve actually already signed a franchisee from the previous Expo,”

Hivoral said just weeks after the 2007 event. “I personally attend all expos because it’s more important to meet with the people who could be potential franchisees with my concept. I want a franchisee that is a reflection of me as I want myself to be a reflection of them.”

“I have initiated more of an aggressive approach to branding our company at the expos,” adds Montone. “I find that if you stand out a little more than other franchisors, you leave a lasting impression in the attendee’s mind.”

Putting the information to use

Looking at this data, do exhibitors believe the education level and sophistication of prospects actually make them more business savvy when it comes to investing?

Roselle says “absolutely.”

“You get fewer questions about start-up costs and net-worth requirements these days,” said Roselle. “Most of this information is readily available so we hear more questions geared to territory protection, marketing support and training.”

Ultimately, with today’s expo visitors seemingly more serious about investing, it is the quality face time that only an opportunity like a franchise expo can provide. And that is important regardless of the level of sophistication.

“I believe that, for the most part, the prospects do have more business acumen,” added Montone. “But this can range dramatically from area to area, which is why we attend these shows: to better inform our prospects.” ■

Joel Goldstein is the director of marketing for MFV Expositions, producers of the International Franchise Expo, the West Coast Franchise Expo and Franchise Expo South. He can be reached at jgoldstein@mfvexpo.com.

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