



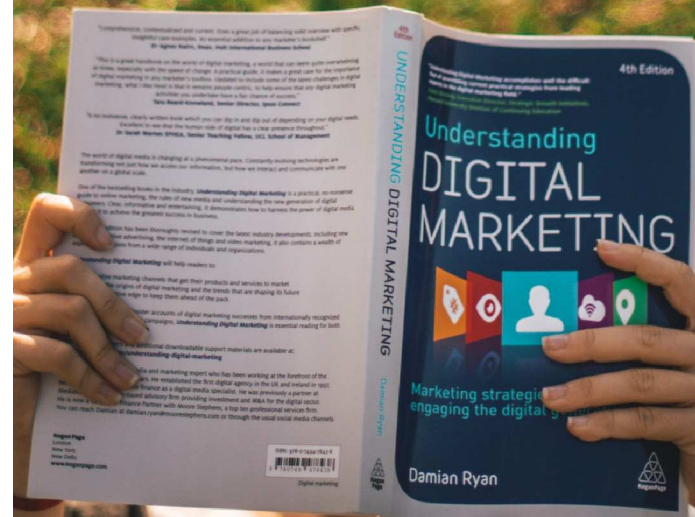
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How a Digital Agency Can Help Your Franchise Marketing Team Leap (and Sleep)

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INTRODUCTION

If you are like other marketing leaders, your role is ever-expanding. Whether you are developing new strategies to create revenue-generating leads, reviewing new marketing software tools, executing a new initiative launch, or communicating last months results to ownership, you likely have a limited number of supporting team members, and limited funds to hire and train additional people. While no one on the outside will know your business as well as you and your internal team know it, working with external marketing agencies can quickly extend your team's bandwidth, and as importantly, their knowledge and expertise. One type of external partner – a digital marketing agency – can actually provide quicker, more measurable results than many other types of agencies because digital campaign components can be tracked – with results available in real time and often viewable in shared portals. A digital marketing agency that understands franchising and understands the roles of Franchisor and Franchisee, can add even more value.

Most digital marketing agencies offer a variety of solutions from strategy development to data science, to media planning and technology consultation, with fee structures (ex: project fees, fixed monthly retainers or percentage of spend fees) based on the specific contracted engagement, making it easier to prioritize efforts based on strategic initiatives and extend to more as the needs, budgets and relationships grow. Here are the ten important ways the right digital marketing agency can help you move your franchise business forward (and allow you and your team to get some sleep).



Strategy Development and Extension

Most Franchisors have a big picture plan, but some lack clearly defined strategies and tactics needed to achieve success and prevent siloed departmental executions. The strategy should contain components for both brand and local Franchisee marketing, as well as for selling franchises (although the budget sources and executors are often different for brand/local marketing vs. selling franchises).

For example, how will the company increase royalty sales by 10%? How will a decrease in Franchisee satisfaction be addressed by cross-departmental initiatives? How will new legislation in your industry impact how Franchisees serve their customers or how you support them?

Tactically, what happens when growth opportunities are targeted for certain regions, but cost-per-leads are less in other regions? Do we pause spending marketing dollars to make the phone ring in certain areas if the wait time for call pick up is causing prospects to hang up, be angry, and post negative comments in social media? Does the Ad Fund even allow for non-pro-rata spending?

A strong digital marketing agency will help you look at both your corporate and marketing objectives to see where digital marketing can contribute to their achievement, as well as create new areas of opportunity. If an integrated strategic plan doesn't exist, a proven agency will help you create one that is specific to digital marketing (or can take it up a level and help you create a full-blown marketing plan covering broader objectives, mediums and initiatives).

Competitive Analysis

While it's relatively easy to gather basic information about your competitors by doing website searches and leveraging some standard third-party toolsets, it takes time and digging to find and read reviews and articles, search social media sites and to experience the process of being a prospect of a competitor. What is even harder to learn without the proper tools is how those competitors are performing online. How much money are they spending on online marketing? What is their share of search space? What search terms are they outranking you on and where do you overlap? What is driving ad costs up in specific local Franchisee's markets? How much should you be spending to be up 24/7 on certain terms? What could you be doing to improve your online presence against specific competitors? Is their website loading faster than yours?

Your digital marketing agency offers the advantage of access to many different tools and resources to create a competitive profile that can help you understand competitors better, and puts you in a better position to develop or modify your marketing strategy, tweak messaging in content or maybe even test new mediums or ad formats.

Budget Planning & Recommendations

If you are like the majority of Franchisors, most – if not all – of your non-Franchise recruitment dollars (meaning dollars spent on brand and corporate-level marketing tools and initiatives to help Franchisee's grow and support their local business), comes from the required marketing and advertising fund contributions paid by each Franchisee as outlined in their Franchise Agreement. Some Franchisors also require Franchisees to spend a specific percentage of sales or a monthly dollar amount on local marketing activities.

While the combination of these two types of funding may appear to create a large budget to a franchising outsider, an experienced digital marketing agency understands how far those dollars must go, covering things like the website and app upkeep, data management and analysis, email marketing enterprise platforms, marketing research, creative development, brand advertising and more from the corporate ad fee side, along with local marketing and advertising expenses that could include a variety of mediums such broadcast media, outdoor media, digital media, promotional media, social media, networking, and others.

Budget Planning & Recommendations Continued

In addition to knowing the corporate and marketing objectives, and understanding the sources of revenue, your franchise digital marketing agency should consider two other important financial factors – the Average Unit Volume (AUV) of start-up, growing, mature and other classifications of Franchisees, and the number of locations to help inform budgets and provide specific spend recommendations and tactics.

A Franchisor with 200 locations and an average AUV of \$600,000 that collects 2% of gross sales annually will have a total marketing budget of \$2.4 million dollars. A Franchise in this same system has an additional 3% local spend requirement, so achieving \$600,000 in annual sales creates a local Franchise spend requirement of \$18,000 for this particular Franchisee, in addition to their required \$12,000 Ad Fund contribution in this example.

An experienced digital marketing agency will ask the right questions and understand that recommending a local digital marketing spend of \$1,000 - \$1,500 a month will not be reasonable for a large part of this franchise system unless the corporate budget is adding dollars to individual Franchisee campaigns, paying for all of the brand marketing, or paying for the agency fees, AND the Franchisee has no other local marketing expenditures needed in other areas. Bottom line: only a portion of the Franchisor plus Franchisee marketing budget can be allocated to digital marketing, and there are a lot of initiatives vying for those funds.

Setting reasonable budgets for both the corporate campaigns and the local Franchisee campaigns helps your team and the agency gain credibility with the Franchisees, as well as helps ensure that paying for digital marketing won't be a burden for a Franchisee who might then cut back important spending in other areas. Corporately funded campaigns can be incrementally increased as more locations are sold and begin contributing to the Ad Fund, and Franchisees can choose to increase their spend as their AUV's increase and they see tangible results from the campaigns.



Media Planning and Buying

Once a feasible marketing budget is determined, your digital marketing agency should begin the process of developing a written media plan. Leveraging data that ensures your media plan is tailored to your customer persona(s) and their corresponding journey(s), your agency should take a data-driven approach to identifying the right mix of media, placements, campaign flights, and the expected resulting metrics (i.e., audience reach, total volume, cost per desired action, return on ad spend). This applies to both brand marketing and local Franchisee marketing.

Everyone on the marketing team – and every outside organization you work with – should clearly understand everything about your target audience(s). An informed digital marketing agency will also ask for data you have regarding products sold, industries purchasing, buying seasonality, buyer demographics, your competitive landscape and key revenue drivers.

Sharing this confidential information with your agency will help them make better media recommendations, which can lead to faster plan approval and implementation, higher goal achievement, better cost and campaign optimization, and happier constituents (Franchisees and the CEO/Ownership).

Creative Content Planning & Development

Everyone on the marketing team – and every outside organization you work with – should also understand everything about your brand positioning, voice tone, and visual brand elements.

A proven digital marketing agency will either work with your established creative and content team and resources, or create content and other creative pieces for you by following your Brand Guidelines in all the size, copy, format, and other variations needed. Brands should also provide approved content to Franchisees to be used in local marketing executions, provided they have the resources to do so. In addition to content production and content optimization, it's also important to leverage your digital agency in creating a Content Calendar (with you or for you) that incorporates historical content performance data, visually depicting by day, week, month, or quarter where your campaigns are running, which creative and ad formats are being used, and key metrics associated with each.

If you are fortunate to have in-house content marketing resources at your disposal, supporting them with additional efforts from your agency team to execute the plan provides more brains, eyes and hands helping to ensure that the messaging, creative specs, pixels, tracking, legal language, and other details required of each placement are correct and scheduled on time. Simply put, extending your team with agency resources adds valuable expertise and efficiency to your content marketing strategy and process.



Communication & Education

Education begins with communication, and your digital marketing agency can help you with both, however this is often one of the biggest efforts Franchisors overlook when it comes to vetting proper partners. Whether it is preparing educational webinars for Franchisees, jumping on a call with the operations team to arm them with information in case they are asked marketing questions in the field, explaining to the executive team why certain tactics are valuable while others may represent a poor strategy (however trendy) that could actually increase costs unnecessarily and waste valuable budget, or informing all parties what kind of messaging results in favorable interactions on social media, an experienced digital marketing agency will live and breathe these scenarios every day, ideally with multiple franchise clients.

As a result, they can provide enhanced training for your marketing team, helping team members add more value to the franchise system and aiding in their own career development. Keeping up with the impact of the latest updates and product advancements from leaders like Google and Meta, to knowing what data analytics will no longer be available in which social media channels, to keeping track of new audience options and content ranking tips is exhausting – and not always possible – for a brand marketing team that has many responsibilities beyond digital marketing.

Ensuring that your internal marketing team understands the overall goals, supports the initiatives, and can explain them to Franchisees goes a long way to creating digital marketing credibility, resulting in more successful campaigns and more confident, happier marketing team members.

Testing & Optimization

If you are like most marketers, you have limited time and budget, so testing and optimizing new tactics and campaigns becomes very important to maximizing spend and delivering good results. Testing is critically important, and it is often hard to justify pulling funds from existing programs to test other channels, platforms or creative. Allocating a portion of your media budget – even if it's just 5% of the total – is a great way to ensure that you are routinely staying ahead of your competition and fostering a mindset of “testing, learning, innovating” among your own teams. Some of the best tests involve a small number of local markets, with Franchisees contributing at least a share of the cost, as it increases their interest in the process and their willingness to implement changes if the test results are favorable.

Knowing what to test, how to set up goals and KPIs, what media or campaign components to modify, how much time is needed to garner trusted results and what the cost vs. benefit of implementing the resulting changes might be, are all things that an experienced digital agency can bring to the table.

Sharing test results with impacted audiences (ex: CEO, Ad Council, Franchisees) will let them know that you are informed, on top of evolving trends, and trying to make the most of the budget, as well as that the team is learning and optimizing campaigns to better reach the audience and achieve more organizational goals.



Measurement Optimization & Data Analysis

Knowing what you want to measure – and how it impacts your KPI's – is critical to the success of your marketing programs and to the growth of your business.

When it comes to digital marketing, you can measure almost anything. However, digging into volumes and volumes of campaign and analytics data is time-consuming, often siloed in different marketing tools, technology stacks or corporate databases, and formatted in ways that make comparisons and general analysis difficult for key stakeholders. Creating a closed-loop reporting environment (or data dashboard) can take hours of time on behalf of multiple people, and it can often incur human error when juggling different data environments (or even spreadsheets).

An experienced digital marketing agency should provide your team with a structured data dashboard with real-time (or almost real-time) results across all campaigns and digital marketing tactics (i.e., paid and non-paid search, local listing data, organic and paid social media, programmatic, reputation management) for both brand campaigns and individual local Franchisee campaigns. Having both brand data and location-level data integrate in a meaningful way can provide great value to both the Franchisor's marketing team and individual Franchisees. Not only can this data be used in other internal reporting in a "roll up" system view, it can also be used to help support individual Franchisees in understanding how their marketing investment is translating to real business outcomes and results. Having this wealth of information also serves as a permanent record of activity for future resale franchise buyers, new team members (corporate team and agency) and future "look back" corporate needs.

Having data is only one part of the equation; someone also needs to understand how to interpret the data by looking for trends and anomalies, and then be able to turn insights into actions. This can be accomplished in tandem with a data-driven digital marketing agency and your corporate team, ideally with a data strategist helping to merge data and provide valuable quantitative analysis.



Governance

How often do you hear from a Franchisee that another Franchisee is running local marketing in too many competing areas or running old or unapproved creative messaging? How about finding a competitor buying your brand name and using it illegally in ad copy, or worse yet, infringing on your brand by copying your logo or picking up copy directly from your website or app?

Are you confident you are as knowledgeable as you should be about consumer privacy requirements, ADA compliance or laws regarding advertising certain products?

Franchisors that truly view their digital agency as an extension of their team that lives and breathes “all things digital” often benefit from strategic consultation that goes above and beyond simple marketing execution. A digital partner that is aware of the specifics of your Franchise Agreement regarding advertising “do’s and don’ts”, territory requirements, and online policies can also be another set of eyes and ears that help you enforce brand marketing guidelines with Franchisees and support owners in ensuring best practices for local marketing are followed, maximizing visibility and opportunity without creating unnecessary competition and wasting precious marketing spend. Franchisors that simply view their agency as a “vendor” or “supplier”, only focused on marketing execution, are missing out on a tremendous opportunity to integrate marketing with operations, compliance, and more, to the benefit of the brand and business.

Ramp New Locations for Grand Openings

A digital marketing agency should go beyond your “always on” brand and local marketing programs to also develop specific marketing programs and campaigns designed to help you launch newly opened locations. These can be targeted to very specific areas or they can span regions, and be executed across a variety of online media including search, websites, social media, and more, so that when your newest franchise location opens for business you already have an established local digital presence and a built in prospective customer base to tap into.

Once a new local territory is sold, decisions can be made regarding timing for the Franchisee to begin running local “Coming Soon” campaigns, designed to drive both location/brand awareness, launch promotional efforts and establish direct response from local prospective customers out of the gate. Too often, many Franchisors assume that the equity behind their brand will deliver customers upon opening a new location but having a mapped out “grand opening” strategy in place at least 90 days in advance can provide significant incremental lift in new customers and loyal brand advocates.



Summary

Digital marketing continues to be big business, and it continues to take budget dollars away from traditional marketing, media and tactics. Why? Because we have become such a connected society through the power of innovative technology and digital media, and we can literally do almost anything on our personal phones, tablets and computers when it comes to finding information about a brand, business, product or service. While there are countless agencies and vendors that offer digital marketing services, a great deal of them do not provide value in terms of strategic thinking, data analysis and technology integration, franchise owner support or thoughtful innovation that helps your brand and business stay ahead of the competition in an increasingly complex landscape.

I've been a marketing and franchising executive for more than 30 years, and have worked for, consulted with, and been exposed to a variety of great brands, Franchisors, and Franchisees. I've worked with Location3 in various capacities - as a long-term client and as a strategic consultant - for more than 15 years. They are a gem in the world of franchise marketing, and I encourage you to have an exploratory conversation with their leadership team if you find yourself longing for the type of relationship that they provide while reading this whitepaper.

By working with the right digital marketing agency, you are setting both your team and your franchise system up for success. Not only will the team be more knowledgeable and create more effective initiatives, they will also have more professional time for their other marketing and industry responsibilities...as well as more personal time for important mental health needs such as exercise and sleep.

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About Us:

At Location3, we help our partners drive growth through digital transformation.

We focus on driving business outcomes

Our team of digital experts and data analysts help you transform your brand and business by developing robust strategic roadmaps that go beyond marketing to drive critical business outcomes.

Optimizing for today's customer journey

We work with you to break down barriers between your technology stack, data sets, media plans, creative and more, to create holistic full-funnel strategies that align with today's customer journey.

Innovation and future-proofing

From identifying new opportunities in media and technology, to developing closed-loop reporting systems and marketing attribution models, we make sure you stay ahead of the competition and your brand stays top-of-mind in the marketplace.

We've been helping brands and businesses successfully connect the dots between strategy, data, creative, media and technology since 1999. We can help you too. Contact us directly if you'd like to speak with someone on our team.

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