

F R A N C O R P C O N S U L T I N G

The Franchising Leader

SELLING FRANCHISES AT TRADE SHOWS

USING TRADE SHOWS AS PART OF YOUR MARKETING STRATEGY

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Selling Franchises at Trade Shows

What is Special about Trade Shows?

Trade shows can be powerful weapons in a growing franchisor's arsenal for generating leads and, more importantly, sales. Unlike other avenues of marketing, like the Internet, print, press releases, and direct mail, trade shows offer a unique level of direct interaction one-on-one with your prospective franchisees and a dynamic where all around you, there is competition. As a franchisor, trade shows are a time for you to show your best material, in hopes of finding leads and showing them why you are the best company to become a part of their future.

Trade Show Trends

After September 11, trade show attendance dropped significantly. Since then, it has been climbing steadily. According to Tradeshow Weekly, professional attendance has risen in five of the last six quarters over the previous year.

According to a study by Veronis, Suhler, & Stevenson, trade shows are predicted to continue to grow at 4.6% over the next four years. Also messages communicated well at a trade shows have a memorability of 77%, ten weeks after the show.

Larger international franchise shows, such as the IFE and the new West Coast Franchise Expo, are drawing attendance in the thousands.

- WCFE (October, 2004) 8,000 attendees
- IFE (April, 2005) over 10,000 attendees

Franchise Sales Opportunity

These trends for growth have presented new franchisors with an opportunity to gain exposure, get leads, and make sales at these industry trade shows. Many Francorp clients have been successful in their trade show activity at the last few major franchise events. However, exhibiting at these shows may not be for all franchisors. They must take into account a number of critical factors including:

- Growth Plans: Are their buyers going to be at this trades show? Is this a region that the franchise company should be targeting for expansion
- Budgetary Constraints: Exhibiting at a trade show can be costly when starting up a franchise program.
- Staffing: You will need to bring a team of people to the trade show to properly man your booth.

Deciding if a Particular Trade Show is right for your business.

Where is the show held? Is it geographically located in an area where you are looking to expand? Will it be attracting the type of franchisee you are looking for? Trade shows often offer an exhibitor prospectus that will give you an idea of the attendee profile. You will need to examine this to see if these profile buyers are the ones you are looking for.

For example, in looking at the West Coast Franchise Expo below, the majority of the attendees are from California.

RESIDENT OF	# OF WCFE ATTENDEES
California	5863
Surrounding States (AZ, CO, NV, WA, & UT)	1622
Rest of USA	332
International	119

Based upon these attendance levels, this makes the WCFE an excellent show for a franchise that is seeking to expand in California. An East Coast franchisor would have to be in a West Coast expansion to make the show viable and be sure to have their state registrations in order, and be prepared to handle the support costs involved with the new franchisees that could be sold.

Look over the exhibitor lists to see if your competitors are exhibiting. If they are, it is a good indication that you may want to be there, as well. Also look at the caliber of the companies that are exhibiting at the show. If it is mostly business opportunities and not many franchises in your investment level, then perhaps this is not the right show for you to be involved in. Going to a show that is a mixture of business opportunities and franchises can be difficult, if you are trying to get a \$35,000 franchise fee, when the booth across from you is selling a \$1,500 vending business and the types of companies exhibiting will give you another indication of what kind of crowd to expect at the show.

How much will it cost to exhibit? Take a look at what floor space costs. As a general rule of thumb, you can multiply the cost of the floor space you would need to rent by three to get an idea of what the overall costs of exhibiting would be. This takes into account the travel, the staffing, material costs, booth construction, and shipping costs of going to a trade show.

ITEMS	ESTIMATED COSTS
Cost per sq. ft	\$40
100 Sq. Ft Booth (10 by 10)	\$4000
Estimated Show Budget (x3)	\$12,000

Trade Show Leads are Different

Trade show leads are often different than other types of leads. Their exposure to you at the trade show may be the first time they have heard of your concept, if you are a newer franchisor. This means that for a newer franchisor the sales cycle may be a little longer on these leads, as you have to build the emotional bridge or connection between the prospect and your concept. For more mature franchisors in later phases of their growth, being at a trade show re-affirms to the lead their status in the industry. It is important that they look and appear in line with the brand image. Trade show leads will react differently, depending on where your concept is in its growth cycle. In essence, if you are a newer franchise, you are starting the process of having them considering your opportunity. If you are an established franchise, you are confirming what is special and different about your concept. Although established franchises are often making their first introduction to a marketplace at a show and have the same reaction from the trade show leads. The key to success at a trade show often lies in the follow-up.

Your Trade Show Objective

The objective for attending a trade show as a franchisor may be different, depending on the growth stage you are at in your growth. In the first stage of franchise growth, your objectives are very simple; you are exhibiting to generate leads and create sales. As you progress in your franchise growth to maturity, you will move from just making sales to looking at international expansion and branding as reasons to exhibit as well.

Objectives

- Generate Leads (early and later)
- Create Sales (early and later)
- Branding (later)
- International Expansion (later)

You must keep this objective in mind, as you go through the entire trade show process. It is the core of why you are exhibiting and should dictate how you plan the show, execute, and follow-up.

Trade Show Timeline

Phase 1 - Research and Decision-- At this point in the process, you want to look over the shows options. You will want to do this several months out to allow time for development of collateral materials and your booth, if you do not have one. Also, you will want to check to make sure that your franchise is legally registered in the state where the show is held and the states where most of the attendees will be from.

Phase 2 - Planning - Once you have opted to go to a particular show and signed the contracts, you have entered the planning phase. During this phase, you will be looking at developing your booth (this can take about eight weeks) and print materials, booking travel and hotels to capture discounted rates, and picking out the promotion you want to do. Also in this phase, you should be planning your follow-up to the trade show. Planning your follow-up here will make it easier to make it a success, once the storm of the show has cleared. Also, be sure to focus on your objectives as you make decisions during this phase.

Phase 3 - Execution - Two weeks prior to the show, your booth will typically ship (if you are not bringing it yourself). To reduce on shipping and drayage (the costs to bring materials to your space on the floor), it is recommended to ship it all together on one pallet. Staff should be rehearsed of their duties on the trade show floor and be reminded of what the show objectives are.

Phase 4 - Post Show Follow-up - Perhaps the most critical phase. This is where the show really is determined a success. Often the sales cycle on a franchise show may be a little longer than average. Planning how you are going to follow-up with the leads and brand messaging ahead of time is important.

In all, the trade show process can take several months from its planning to its execution to stay ahead of the game. A franchisor needs to be aware of the potential time it may take to create an exciting exhibit and the issues that are involved with state registrations and filings. There have been successful trade show exhibits planned and executed within a month; but by taking your time to plan and execute will greatly increase your chances for success.

Getting Booth Space

When a trade show is selected, the next important decision is booth space. A trade shows floor is just like any other situation in real estate, so location is critical. If possible, spend the extra money for a corner location. This will provide you with extra frontage to attendees and, thus, provide you with more opportunities to get leads. When trying to pick a spot on the trade show floor, look where the entrance is, then imagine a triangle point pulling away from that entrance, this is the most heavily trafficked area. Try to get booth space in this area, if possible. Try to avoid being next to the cafeteria, the restrooms, or a booth with a big food giveaway. These things will distract from your booth, as people will be thinking about bodily needs rather than their futures.

If you do end up against a back wall, ask the trade show sales person for a height restriction waiver. Typically, trade shows have a limit to how tall a booth can be. If your booth is against a wall, there is no one behind you, and the sales clerk is often more likely to give you extra space for more signage and standout.

Purchase or Rent

Another major determination to make about the trade show is your exhibit. If you plan to exhibit with a booth more than three times in a given year, then you should probably look to purchase the booth, as it will be more cost effective. Otherwise, you can rent the booth structure and purchase our graphics for the booth to save on costs, if you are only going to do one or two shows.

Selecting a Company to Design Your Booth

There are a number of companies involved with trade show booth design and services. It is recommended that you visit their showrooms to see the booth possibilities and to get a feel for the organization you would be working with in the development and installation of your booth at the trade show. These companies can be a tremendous help in getting you ready for a trade show, especially if they offer other trade show services, such as handling the paperwork for shipping, drayage, installation and dismantle, furniture, booth cleaning, etc. This paperwork can be complicated and time-consuming, and using a trade show partner can reduce mistakes and save a franchisor time.

Show Staffing

As a rule of thumb, an exhibitor should have one person for every 50 feet of space in the booth; this will create a good balance of looking active but not too crowded.

BOOTH SIZE	STAFF
100 Sq. Feet (10 x 10)	2 to 3
200 Sq. Feet (10 x 20)	3 to 5
400 Sq. Feet (20 x 20)	7 to 8

Important staff qualities:

- Outgoing
- Enthusiastic
- High energy level
- Ability to stand all day
- Good listening skills
- Ability to make a fast connection with prospects

After selecting the staff, plan a couple of meetings with them to go over the trade show objectives. Tell them who the target buyers are and how to handle them. Rehearse with the staff the ways you want to engage prospects, qualify them, and capture their information.

Pre-Show and Show Promotions

There are a number of pre-show opportunities to promote yourself at a trade show. The promotions that a franchisor does depend on their show objectives.

Since the objective of a new franchisor is to obtain leads and generate sales, most of the pre-show promotions and marketing do not apply to them. They do not want to be spending marketing dollars to drive traffic that might otherwise not come to the show, and then see all the competition. For this reason, doing pre-show press releases, direct mailings to contact lists, and other forms of marketing to your lists is discouraged. These franchisors may elect to sponsor or do an email or direct mail piece to the attendee list prior to the show. This is one way to draw attention to your booth from the potential buyers already coming to the show. To do this, you will need to speak to the show organizers several weeks before the show to give yourself enough time to do the mailing.

More established franchisors, whose goal is not only lead generation but overall brand awareness, can look to add to their promotional materials. Sponsoring the trade show bags, having a banner in the entrance, and larger ads can be effective in creating more brand awareness at the show.

Make sure that your promotional pieces are hitting your target franchise buyers. Putting a flier under the door at the hotel, for example, is not an effective way to reach attendees.

Trade Show Marketing Items

Your handouts for a trade show are dictated by your goals. The key items you must have at your booth are:

- Mini Brochures
- Flier Handouts

These are inexpensive and easy to hand out items. Your full brochure and expensive marketing materials need to be kept back and not easily grabbed by attendees who are passing by. These items should only be given out after you have engaged a prospect and determined if they are qualified.

Other Marketing Items:

Full Brochures & other Marketing Materials - After qualification

Promotional Items (keychains, toys, etc.) - Appropriate for branding and awareness goals

Food Giveaways

Some franchisors elect to do elaborate food giveaways at their booths, like giving out slices of pizza. This is usually not recommended for a trade show. This is typically a bad idea for lead generation. You will end up with plenty of booth traffic, but a large portion of it will be other exhibitors looking for a free bite to eat. Unless the food product is extremely tied to the sale of the franchise, then you probably should not be handing out samples on a large scale. If you have to hand out food, be sure to have adequate staffing to engage all of the people heading through your line to identify prospects, begin dialogue for sales, and capture their lead information.

At Show Sales Seminar

A model that has been successful is to conduct a short sales seminar during the show. This requires getting space in the exhibit hall or very close by. While qualifying prospects, staff should sign them up to attend an informational session.

In the seminar room, additional materials like brochures, copies of your legal documents with disclosures, and perhaps a short exciting video presentation with testimonials will be needed. At the beginning of the presentation, the speaker should have the disclosures signed before proceeding and going through building value and excitement in the franchise.

This seminar option requires bringing additional staff and planning to do well, as staff will be needed at the booth at the same time as the seminar.

Engaging Prospects

Before going to a trade show, staff should be rehearsed on how the prospects should be engaged, how to quickly qualify them, and how to capture their information. A pre-show meeting every morning and a debriefing after the show should be conducted to again go over what is expected and how the day went.

After engaging a prospect with an open-ended question, staff should quickly begin to qualify the prospect, determine their level of interest, capital availability, and their interest in other franchises.

At the trade show, the staff should be outgoing, friendly, and a little aggressive. The trade show lasts for only a few days. Trade show attendees do not stop at every booth, and if they walk by; they are probably gone. Marketing and sales are numbers driven; the more people you meet at the show, the more leads and more sales will happen as a result.

If the person is unqualified and does not match the buyer profile, staff should end the conversation politely and quickly, so they can move on to a better prospect.

If a prospect appears qualified, the staff should engage further, and ask to scan their badge so that they can send more information. They should then look at perhaps giving the larger more expensive marketing pieces to them and try to schedule them for a meeting, as well.

It is important to remember and be aware of the franchise disclosure laws. Franchisors need to be sure to follow the best practices that are given at Francorp's franchise sales training class. In this way, you will avoid making erroneous claims or talking about salient points, before a franchise buyer is presented with the UFOC and signs the disclosure documents. Booth staff also needs be aware of what can and cannot be discussed.

Capturing Information

Since the goal for most franchisors is to obtain leads and make sales, it is recommended that they have a badge scanner, as well as a sign-up form at the trade show. Having a scanner will save time and energy, while the show goes on. When a badge is scanned, verify with the prospect the information on the print out for accuracy. Having a back-up form is important, as sometimes, technical malfunctions occur and either badges are not created or, perhaps, the scanner breaks. When this occurs, the information form becomes a lifesaver.

After scanning a prospect's badge, staff should, if possible, take a moment and write down any pertinent information about the prospect on the form/print out or fill out a prospect information form and staple it to the form.

Trade Show Staff Mistakes

There are some common trade show mistakes that you will want to avoid. Typically, they have to do with making sure that staff is available and open to franchise prospects.

Eating food in the booth - Eating food in the booth appears very unprofessional and may make you look otherwise busy to someone walking past your booth.

Staff talking among themselves - This makes the staff appear to be busy, unavailable, or unwelcoming to a potential buyer.

Sitting down - Having chairs and taking breaks is a good idea, but remaining seated looks less dynamic. The booth staff needs to remain alert and engaging to passing prospects.

Handling Vendors

While at the trade show, vendors and service companies will often walk the show and approach the staff in the booth. Since you are not there to buy services but to sell franchises, politely and quickly take their card and ask them to follow-up with you at a later time.

Trade Show Follow-up

Many trade show operations fail, due to lack of planning or execution on follow-up. Most leads from trade shows are never followed-up. This is a bad mistake, considering the fact that the retention level of a well-communicated message at a trade show is very strong. Before going to the trade show, have a plan on how to handle the leads afterwards.

Options for targets, many of these are identified and elaborated on in Francorp's Franchise Sales Training classes.

Informational Session

Follow-up Meeting

Discovery Day Visit at the Unit

Many franchisors have been successful scheduling a follow-up seminar within the two weeks post show. This gives the follow-up calls and emails a target to work for. This type of seminar brings together a large number of prospects for a given market and can show the level of interest in the business in the area to create more urgency on the part of the buyers.

If a seminar or informational session is not planned, there should be a target for scheduling follow-up sit down meetings with qualified prospects. Franchisors should start calling on them as soon as possible. Upon returning to the office, an email should be sent to each prospect, telling them it was a pleasure to meet them, offering some more information on the Website, (perhaps, an online video presentation or an adobe acrobat file) and setting an expectation that you will be calling to talk to them (but leave it as an option to be contacted). Try to avoid having the email appear like a form letter, have the user addressed individually. This can be done through a number of email programs. Ahead of the trade show, plan a small series of three to five emails with information to keep them in the pipeline, while the sales staff works to engage them further. Planning them ahead of time will help keep order when returning to the office with the leads.

It is very important to begin responses to the leads as quickly as possible. Each passing day makes the trade show experience a little more of a distant memory. You may even want to send out an email the night of the trade show meeting to show how serious you are about them.

Leads that cool off should still be followed-up with in the future. Franchisors should plan to send ongoing communication, via email, to prospects. Some of them may heat up in the future.

Floor Communications

With mobile phones now widely available, the need to rent a phone for your booth has been eliminated. You may want to explore renting an Internet connection, if it is vital to quickly upload results from your booth or communicate via email. However, those connections are typically expensive and unless truly integral to your trade show operation, should probably be skipped.

Trade Show Supply Kit

When getting ready to go to a trade show, you should have a supply kit of items that can handle almost any situation -- almost like an office away from your office.

- Aspirin
- Notepads
- Sticky Post-it Notes
- Extra Pens and Pencils
- Small Portable Stapler (with extra staples)
- Shipping Tape
- Scissors
- Tissues
- Envelopes to put Lead Forms in
- Lead Forms
- Band Aids
- Paper Clips
- Safety Pins
- Folders for Paperwork

Booth Furniture

In working with your booth designer, you will get an idea of the tables and chairs you will need for your booth. Your booth furniture will depend on your show needs. You will need counter space for literature and handouts, so you may want a standing rack for these items. Will you be having sit-down meetings with people in your booth? Of course, you will need chairs. **Form Follows Function!** One good recommendation is to add padding to your carpeting. Trade show staff will be on their feet for several days, spending the extra money for padding will be appreciated.