

Why Your Franchisor Hates You.

By David Chapman

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As a result of working with many of the leading franchise brands around the country, we interact with more than 20,000 franchisees in the U.S. and worldwide. This puts our agency right in the middle of the inevitable tension that exists and often escalates between the two parties as the brand expands its geographical footprint with more and more franchisees coming on board.

Consequently, we often find ourselves in the position of being phone psychologists, listening to franchisors speak about their growing frustrations managing the franchisee network.

Here's the unwelcome news first: Your franchisor hates you.

Don't worry. Your franchisor knows that without you — and the other franchisees — the business would at best consist of a few company owned locations. Your franchisor knows that you're the backbone of the business and whatever else you'd like to hear that would massage your ego. But, yes, your franchisor hates you, too.

Now, of course, you're thinking. How can that be? And didn't you just write an essay about franchisees hating franchisors?

Yes. Yes, I did. That's right. You all hate each other. Sorry.

So, if you're looking to improve your working relationship with your franchisor, here are some of the reasons they aren't too thrilled with you.

You bought into the model — and immediately bucked the system.

You spent a lot of hard-earned money to embark on this adventure. Maybe you see holes in the operational approach, or you've got your own ideas about pricing strategies or you've got ideas to improve the products or services offered.

But here's what your franchisor sees: Your franchisor spent a fortune in money and time creating a proven business model that has worked for both company stores and the entire system. And now, you are bucking the system and being vocal about your dissatisfaction with other franchisees.

The point of investing in a franchise is that you are following a proven “cookbook” to ensure that the customer consistently enjoys the same brand experience anywhere in the world. The franchisees and the franchisor work together to deliver on the brand promise as a team. But right off the bat, even if it’s unintentional, you’re showing that you are going to be a distraction and detractor.

You’re constantly complaining about the royalty and marketing fees.

You feel like you’re constantly sending a healthy percentage of the gross to corporate without so much as a thank you. So, yes, you’re inevitably going to complain.

But here’s what your franchisor sees: Nobody put a gun to your head and told you that you had to buy into this franchise. In fact, you seemed pretty excited to join it when you first came aboard.

Franchise royalty and marketing fees, as you know, are kind of like a tax, only instead of going to pay for roads and your local library or school, that money is going to corporate to hire the best support people, build the brand nationally and in your local market, and to ensure you are supported by the best marketing programs and technologies in the world.

Nobody likes paying taxes, and nobody likes paying royalty fees, and every franchisor knows that. However, if you are constantly bitching to fellow franchisees and to corporate, you’re not exactly going to create a lot of goodwill.

You aren’t spending the local marketing funds you agreed to in the FDD.

You signed a franchise disclosure document, and odds are, the FDD mandates that a certain amount of money should be spent locally, to help market your business. It’s your role to have a smart plan for how that money should be spent, and, um, you’re not doing it.



You have your reasons. You’re swamped, and can’t quite see investing funds to build your brand over time in the local community when you’re worried about real-time business issues.

But here’s what your franchisor sees: A lot of franchisee owners complain that franchisors don’t market the brand enough, and so when the franchisee doesn’t do their part to implement local marketing programs that could accelerate their business growth... well, I needn’t say more. It seems self-defeating, especially if you, say, complain loudly that the franchisor needs to be doing more marketing.

You aren’t promoting nor protecting the brand on social media.

The chances are high that your franchisor has established a social media strategy and protocol for promoting the brand locally on social media platforms. If you are inactive on social channels you are hurting yourself by being conspicuously absent, and even worse, missing out on powerful marketing opportunities. If you are socially active but going against the brand guidelines that the entire system follows, you are destroying the essence of the brand that everyone paid dearly to be a part of when they became a franchisee.

Lastly, if you aren't monitoring your online presence and responding to negative online reviews, you're killing the credibility of your brand locally – and not helping the brand nationally either.

You have real life customers and employees to tend to; you don't want to think about that cranky troll who said something mean on a Yelp review or think about posting photos of your place on Instagram.

But here's what your franchisor sees: They are seeing exactly what the public is seeing – a business with terrible reviews going unchallenged by the owner or management and a franchisee that apparently has stopped caring. It may be the opposite of how you feel, but the reality is that not monitoring your business online is a little like having a storefront and letting mud, dust and litter collect around the door and on your sign. Many of your customers live on the internet, practically. You need to meet them halfway – that is, online – and spruce up the joint.

You're territorial.

New owners are coming into the system, and some of them are a little too close for comfort. You're letting your franchisor know that you are not pleased – and where you can, you're undermining their efforts to add locations in the same market.

You spent a lot of money to buy into the franchise. Maybe you were on board early, and now that things are going great, the last thing you want is some newbie nearby who is going to cannibalize your sales.

But here's what your franchisor sees: Your franchisor gets that you don't want to see your market share drop. Your franchisor is befuddled, though, because as a franchise grows, generally, market share and average sales per unit climbs. After all, many of the biggest and best franchises are everywhere – and that is often how they get to be the biggest and best. Take Chick-fil-A as an example – I almost don't even have to write any more – you should be able to see where I'm going.

When a brand is seemingly everywhere, people have a sense that it must be good, and they'll try it eventually. In other words, the locations that are popping up near you – that's a good thing. It's good for you, just as your presence is good for a new fellow franchise owner.

Franchising is hard, and especially if you're new to this, or your franchise hasn't quite taken off yet. If you want to blow off steam and gripe about how hard running a franchise is, vent to a spouse, a sibling, your best friend, your therapist, your dental hygienist – anyone but your franchisor.

If you want to maintain a healthy business relationship with your franchisor, one that will help you grow your business, be an active team player. You may think of yourself as a righteous franchisee, but your franchisor will just see a cranky old guy who doesn't want kids stepping on his lawn.



Written by David Chapman

To learn more about [Why Your Franchisor Hates You](#), feel free to email David Chapman, CEO, Founder, at dchapman@919marketing.com