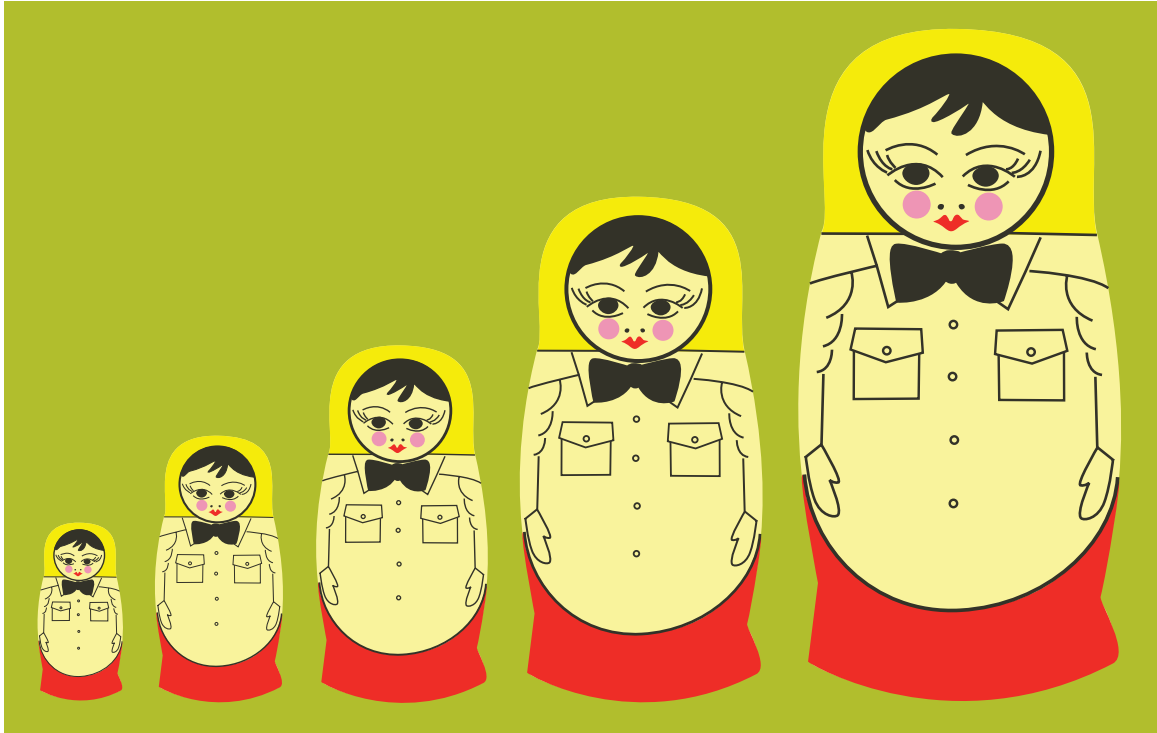


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Claire Livesey • Managing Director



## Consistency, consistency, consistency

### Six rules for creating successful franchise brands

**The recession isn't giving businesses a lot to smile about, yet franchise firms are not only surviving but growing. Circle Managing Director, Claire Livesey, examines what you need to create a successful franchise brand.**

Franchises are hot property. Not only are they growing fast in several sectors, they're also managing to defy the downturn. Franchise firms from fast food to car repairs to homecare are showing remarkable resilience in troubled times. One of the most successful business models in the world, they now account for 4% of US companies. And they're proliferating in every corner of the globe.

Part of the reason for their success is a win-win formula for both franchisor and franchisee. Franchise owners can expand rapidly without

taking on all the risk, while franchisees can start small yet have instant brand recognition.

Creating a successful franchise operation that rewards all parties is not just about having a strong product or service proposition, essential though that is. The key is to create a brand that is robust enough to unite hundreds (or thousands) of franchisees with very different approaches to running a business. That means creating a clear brand positioning, consistent brand behaviour, brand belief, brand 'scalability' and rigorous brand management.

At Circle, we have a lot of experience in creating franchise brands in different parts of the world (see page 4 for our work with Emarat in the United Arab Emirates). Consistency is all – and the brand is the vehicle for developing that consistency. We've developed the following six rules for building successful franchise brands.

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## 1. Brand thinking: create a compelling story

Franchise brands have to work extra hard to attract would-be franchisees as well as loyal customers. So the brand thinking needs to be both engaging and robust. Crucially, you need to know what makes you different. Simply having a good product is not enough – if you're to build mass loyalty, you need to create a compelling story with emotional as well as rational appeal.

Once you have identified who you are targeting, what they need, how often they will buy it, how much they are likely to spend and when, you can start to create a supporting brand framework. In franchise operations this often centres round a core brand idea or ethos. For McDonald's, it's 'simple, easy, enjoyment'. For 7-Eleven, it's being 'the best retailer of convenience'. And for Danish audio systems manufacturer Bang & Olufsen – voted one of the top ten coolest brands in Britain – it's 'the courage to constantly question the ordinary in search of surprising, long-lasting experiences'.

This is then built up into a 'brand story' that helps explain how the brand lives and breathes and defines the experience the brand should deliver.

Clearly defined brand thinking helps sell the ambition of the company to your franchisees and their employees as well as to your customers. It provides a focus for decision-making and is vital in ensuring that all marketing messages are truly consistent.

## 2. Brand identity: make the look consistent

Successful franchises are rigorous in their application of a brand identity. The logo and visual toolkit act as a quality stamp, reassuring consumers that their experience of the brand will be broadly consistent regardless of the outlet or the ownership.

For retail franchise operations the brand identity is much more than just the graphic elements. It means consistency of store layouts, architecture, materials and finishes through to signage and uniforms. Every detail serves to create an engaging and consistent experience that brings together different franchises as a single whole.

## 3. Brand behaviour: set standards for day-to-day behaviour

The biggest challenge in building a franchise brand is putting the theory into practice and delivering the right product and the right service levels day after day. If customers are going to be loyal to a brand, they need to know it delivers time after time, wherever they are. Achieving this across different franchisee operations is never easy – but it's essential to set the tone for behaviour that all franchisees will follow.

From the attitude of staff to the cleanliness of toilets, the speed of delivery or the ease of parking, every detail says something about the brand. Your brand

behaviour standards need to embrace all of these. At the same time you need to develop one or two distinguishing forms of behaviour that set you apart from the competition – for example, a special greeting, or a particular way of dealing with problems.

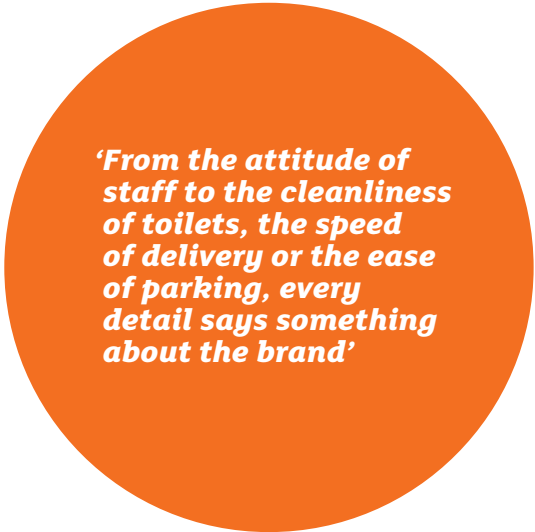
United Arab Emirates petrol retailer Emarat (see page 4) sets the standards for brand behaviour through its staff academy. Employees of its three franchise brands undergo four to six week training courses where they focus on Emarat's service philosophy and a host of other subjects from teamwork to individual accountability. Part of the training is conducted through the academy while the rest is delivered through mentoring, coaching, shadowing, open learning and simulations.

## 4. Brand belief: make sure franchisees share the vision

Given the need for consistency, much depends on the people who deliver the brand. If the franchisees don't understand what the brand stands for and how it should come across, what hope do they have of realising it successfully?

The only way to ensure consistency is to put the brand right at the heart of every franchise. From the start, franchisees need to embrace the brand actively (rather than simply being indoctrinated).

Franchise owners should invest time and effort in helping franchisees understand how the brand will support their business and why they shouldn't deviate from brand behaviour. Franchise owners who fail to do this will pay for it later.



*'From the attitude of staff to the cleanliness of toilets, the speed of delivery or the ease of parking, every detail says something about the brand'*

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## 5. Brand scalability: allow for local variations

As we've seen, consistency is paramount. But that doesn't mean franchises have to follow the 'one size fits all' rules of traditional branding. Franchisors need to build in flexibility in order to compete in specific local market conditions, for example by creating targeted promotional campaigns, or by catering for local customs and festivals.

McDonald's, for instance, is expanding fast in India. Not being able to offer a Big Mac, in fact offering no beef or pork products at all, it created locally targeted products, including a special blend of Indian spices. The latest product to launch in 2009 was the 'Chatpata McAloo Tikki Burger'. Meanwhile in Japan, McDonald's has a Koroke Burger (mashed potato, cabbage and katsu sauce) and a green-tea-flavoured milkshake.

Many franchise brands are also introducing variations at a local level as well as a national one. Franchisees are given the freedom to interpret the brand for their particular clientele, and to customise as appropriate within the overall brand guidelines.

One way is through selective product innovation, with local specials or site-specific deals and offers (for example, Spar's new supermarket brand, Eurospar, allows individual stores to stock locally produced foods and drinks alongside its Spar Value range).

Many franchises also allow franchisees to adapt the interiors of their premises, either creating customised areas within a given template, or following a particular brand theme, such as the Starbucks coffee lounge.

## 6. Brand management: be rigorous about policing

Subway was voted the number one global franchise opportunity for 2009 in Entrepreneur magazine, with a staggering 30,500 locations in 87 countries. Just imagine the implications of introducing a new product range, altering the design of stores or introducing a new global advertising campaign across this many sites. Yet change is important, and like any other retail brand, franchises cannot afford to stand still.

The solution is rigorous brand management and enforcement. Many global franchise brands create a regional as well as central brand management structure in order to support these activities.

Franchisees benefit from the franchisor's investment in creating the brand and providing online brand resource centres. They also benefit from economies of scale provided through large-scale commissioning of bespoke shopfitting, advertising, communications and promotional tools.

To ensure that this investment isn't wasted, the franchisor often builds a requirement for adherence to the brand guidelines into the franchise agreement, and follows up with measurement and reward systems to ensure that these tools are used effectively and consistently.

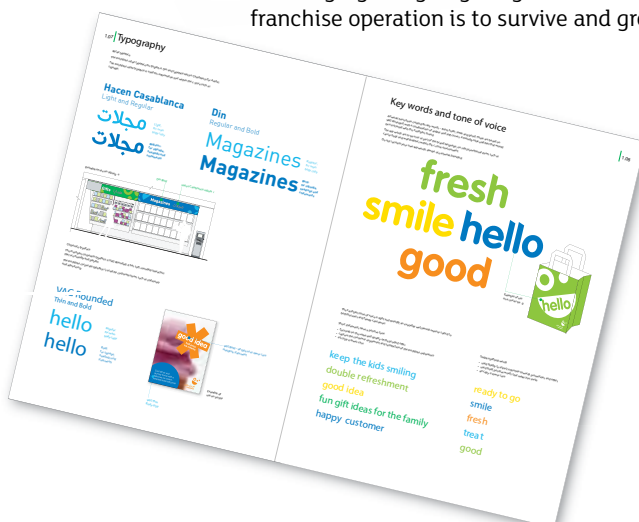
### A final word

The best franchises offer a ready-made business philosophy, a strong identity, and a way of behaving that is distinctly theirs. They make sure franchisees understand and share their vision and way of working, and they police it ruthlessly. Above all, they demand consistency – with room for agreed local variations – so that customers don't notice the different owners, but view every outlet as part of a single brand.

That consistency of experience is the key to building customer loyalty. You might eat a Koroke burger in a Japanese McDonald's or a McArabia grilled kofta in the Middle East, but the experience is recognisably McDonald's regardless of the product. And that is entirely down to the brand. A franchise brand is a challenging thing to get right, but it's essential if the franchise operation is to survive and grow.



Policing the brand: Circle has developed comprehensive guidelines for Emarat's franchises to ensure consistency of message and design.



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## Emarat: a Middle Eastern franchise takes off

Franchises are booming in the Middle East. According to Sary Hamwy, CEO of Franexcel, ‘home grown franchises are increasing by the month and have a great potential in the rest of the Middle East and some of them even on a global level’. One of those success stories is UAE petrol retailer Emarat.

Circle has worked with Emarat over several years to develop its central brand and to introduce three standalone franchise brands – Fresh Plus, Bakeria and Café Arabicca. These have their origins in convenience stores on Emarat petrol forecourts, but now have a life of their own in shopping malls and business districts around the UAE.

The three new brands clearly resonate with customers. But their success is also underpinned by the quality of their systems, supply chain management and customer service delivered via their in-house staff training academy. There’s also a mystery shopper programme to ensure consistency of brand behaviour everywhere.

**“We had a business model and a set of tried and tested processes. Circle has a track record in creating successful brands for Emarat; they are instrumental in our strategy of developing a portfolio of brands that support our brand idea of ‘making life better’. Offering these brands as a franchise model is an important part of widening out our reach beyond the forecourt and responding to consumer’s needs in the UAE and beyond.”**

*Darren Smith, Manager Retail Marketing Support, Emarat*



Fresh Plus – a standalone convenience store offer, offering a range of fresh food offers, essential grocery and household items for shoppers with busy lifestyles.



Bakeria – a food-to-go bakery concept, with fresh baked goods and gourmet sandwiches. With a wide range of nationalities living in the UAE, it caters to all cultures, offering a selection of pastries, donuts, pizzas, sandwiches, Arabian and Indian food.



Café Arabicca – a fresh coffee concession offering three ranges: ‘Hot Classics’, ‘On the Rocks’ and ‘Laccino Blends’ served by professional baristas.



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**Circle is a brand and design consultancy that brings a fresh perspective to brands.**

*If you'd like to know more about how we can add value to your retail operation, email us at [lush.kumar@circlebrands.co.uk](mailto:lush.kumar@circlebrands.co.uk) or phone us on +44 (0)20 7251 4687.*

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**360° brand  
thinking**