

HOW MUCH YOU NEED TO SPEND ON FRANCHISE DEVELOPMENT

2024

in

HINT! IT'S MORE THAN THAT.
WAY, WAY MORE.



MADELEINE ZOOK
netsertive®

LET'S GROW!
Franchise Sales & Development Assembly





- LOCALIZED DIGITAL MARKETING: PAID MEDIA, ORGANIC/SEO & WEB SOLUTIONS



- FACILITATED NEARLY \$2 BILLION IN MEDIA SPEND THROUGH PROPRIETARY SOFTWARE



- AWARD-WINNING BRAND & LOCATION SUPPORT



- DRIVING SUCCESS FOR OVER 100 MULTI-LOCATION BRANDS



ANSWERING

1

How much does/should it cost to acquire new franchise locations?

2

How should you build your budget for maximum location growth?



Cost Per Acquisition (CPA)

CPA = TOTAL MKT SPEND ÷ # NET NEW ACQUISITIONS

\$28,500 AVERAGE CPA w/ CONSULTANTS

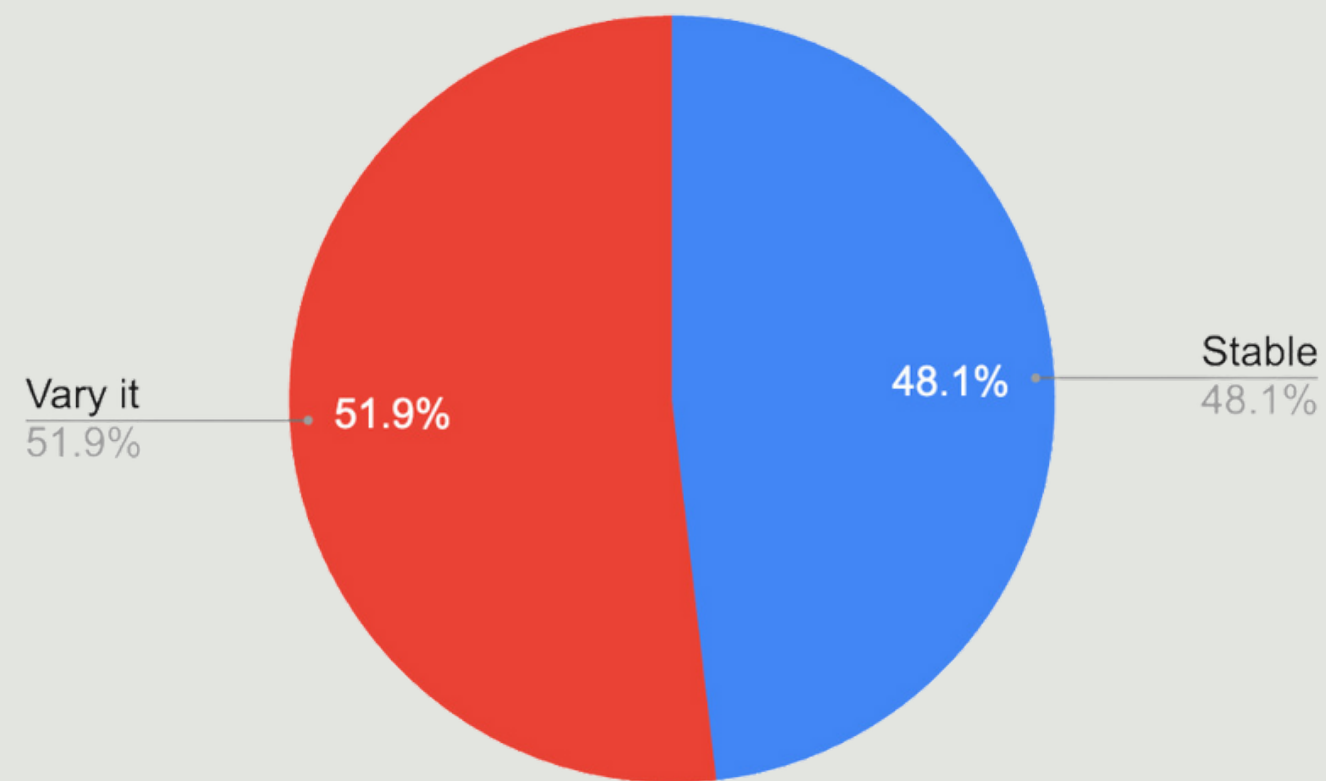
\$15,930 AVERAGE CPA w/o CONSULTANTS



Building Your Budget

ANNUAL BUDGET = CPA x LOCATION GOAL

MONTHLY SPEND = ANNUAL BUDGET ÷ 12



51.1% OF BRANDS VARY THEIR SPEND
BASED ON SEASONALITY.



BUDGET ACCOUNTABILITY

TOTAL SPEND ÷ # OF LOCATIONS = CPA

TOTAL SPEND ÷ TOTAL QUALIFIED LEADS = CPQL

TOTAL SPEND ÷ TOTAL LEADS = CPL

TOTAL SPEND ÷ TOTAL CLICKS = CPC

TOTAL QUALIFIED LEADS ÷ TOTAL # ACQUISITIONS = QL:A

TOTAL LEADS ÷ TOTAL QUALIFIED LEADS = L:QL

TOTAL CLICKS ÷ TOTAL LEADS = C:L

***MAKE SURE TO TRACK THIS BY EACH LEAD GENERATION OUTLET**

ACQUISITIONS

SALES PROBLEM

QUALIFIED LEADS

PLACEMENT PROBLEM

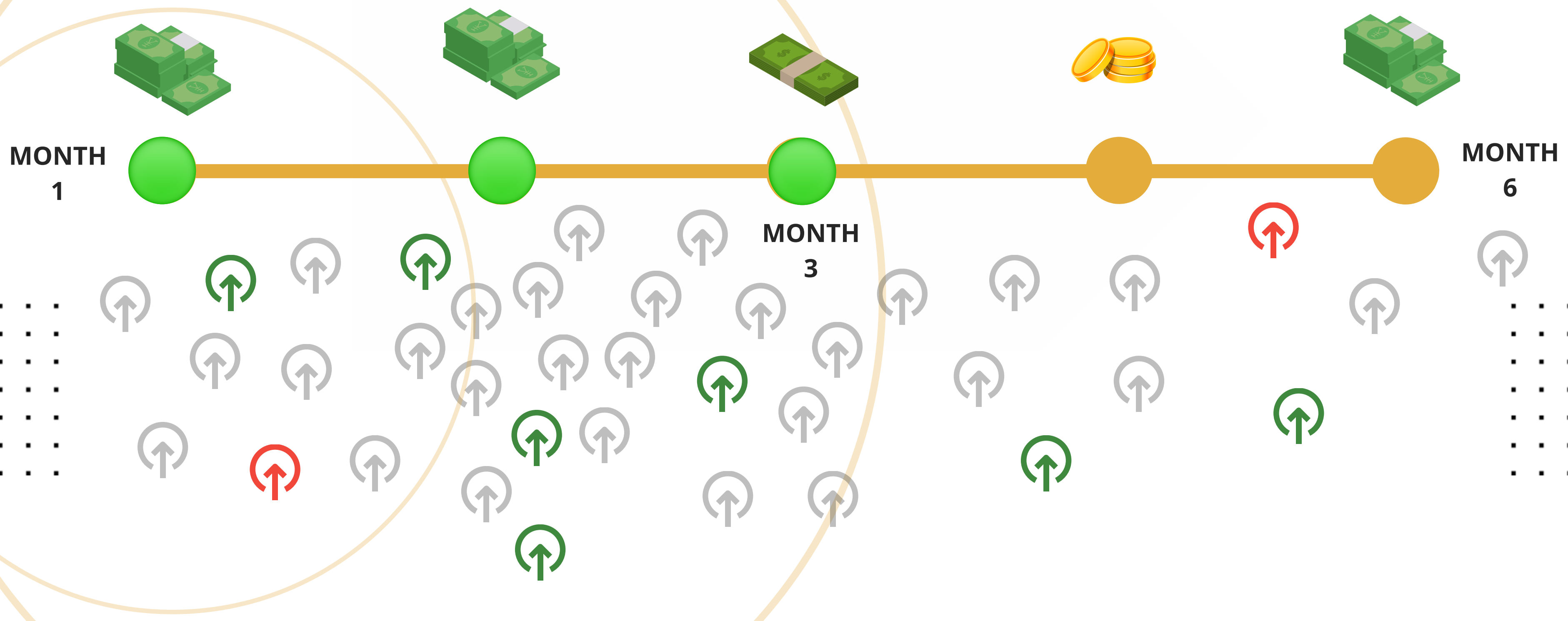
LEADS

CONVERSION PROBLEM

CLICKS

CREATIVE PROBLEM

IMPRESSIONS



MONTH 1

MONTH 3

MONTH 6

***THE MORE YOU GEOTARGET THE LIGHTER AND SLOWER YOUR PIPELINE WILL BE.**

ANSWERING

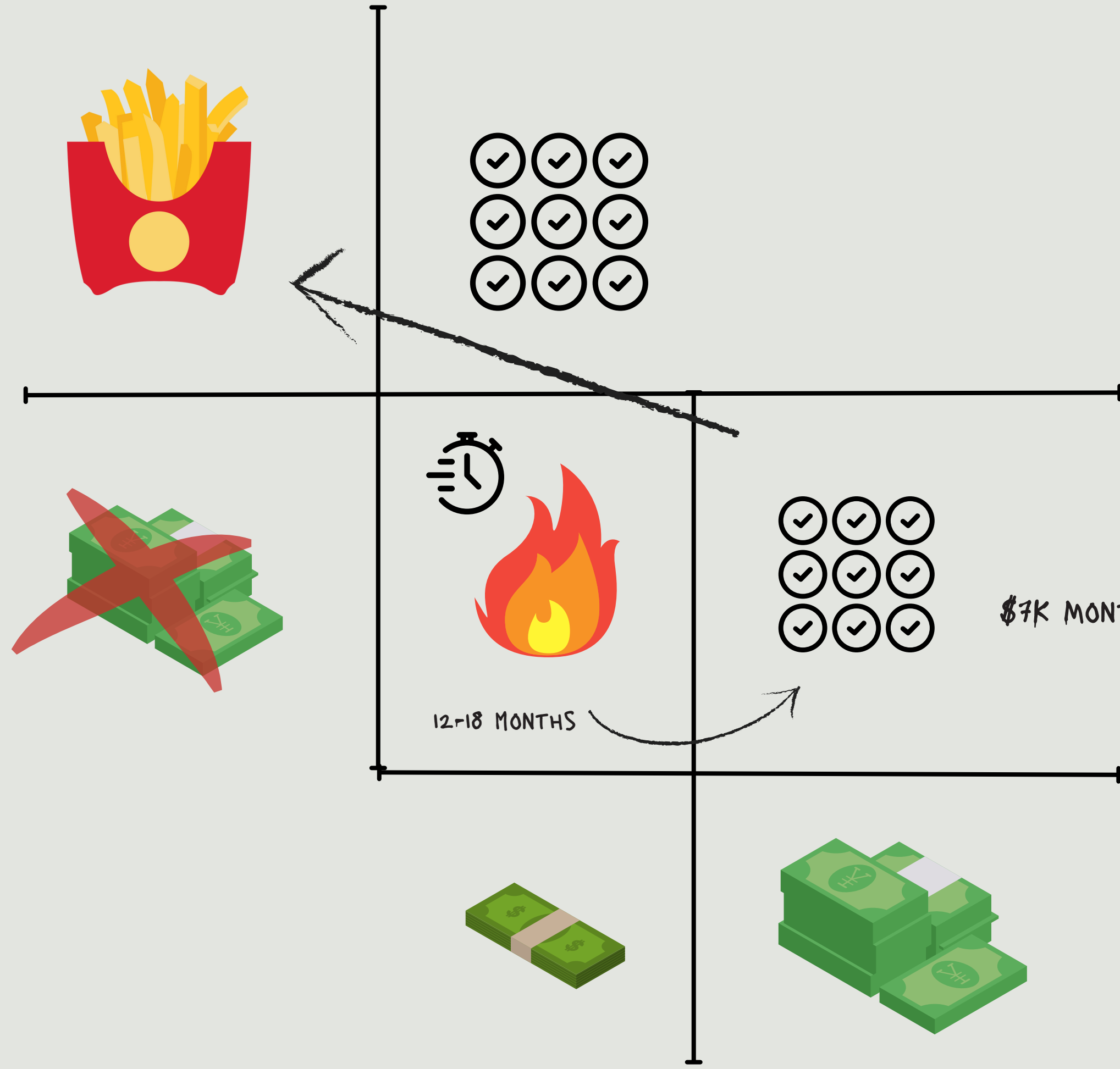
1

What to expect in lead volume for your brand?

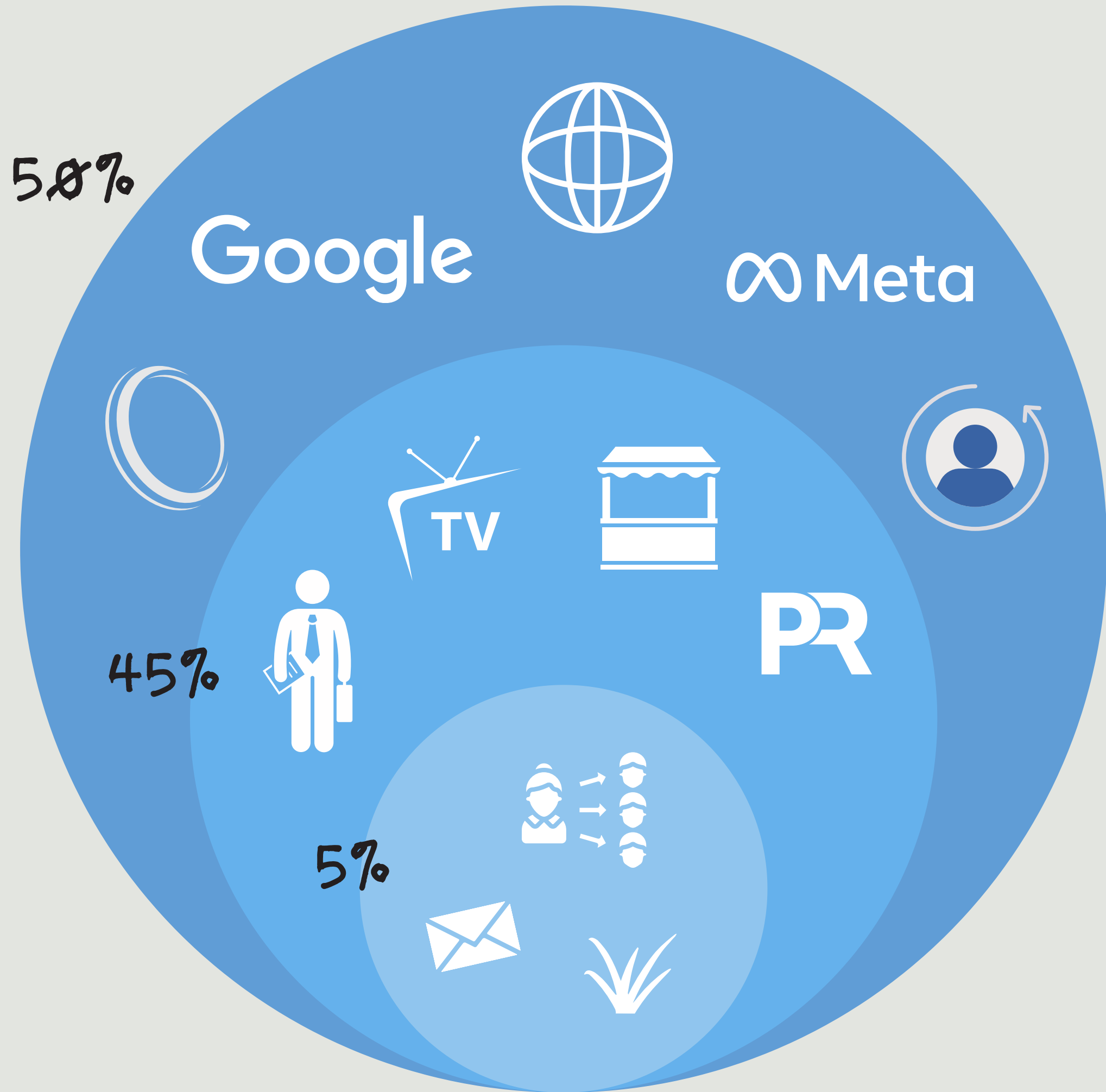
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Where to allocate your budget for maximum qualified lead volume?





\$7K MONTHLY MINIMUM TO ACQUIRE LEADS
~ \$300/LEAD
~ \$1,200/QUALIFIED LEAD

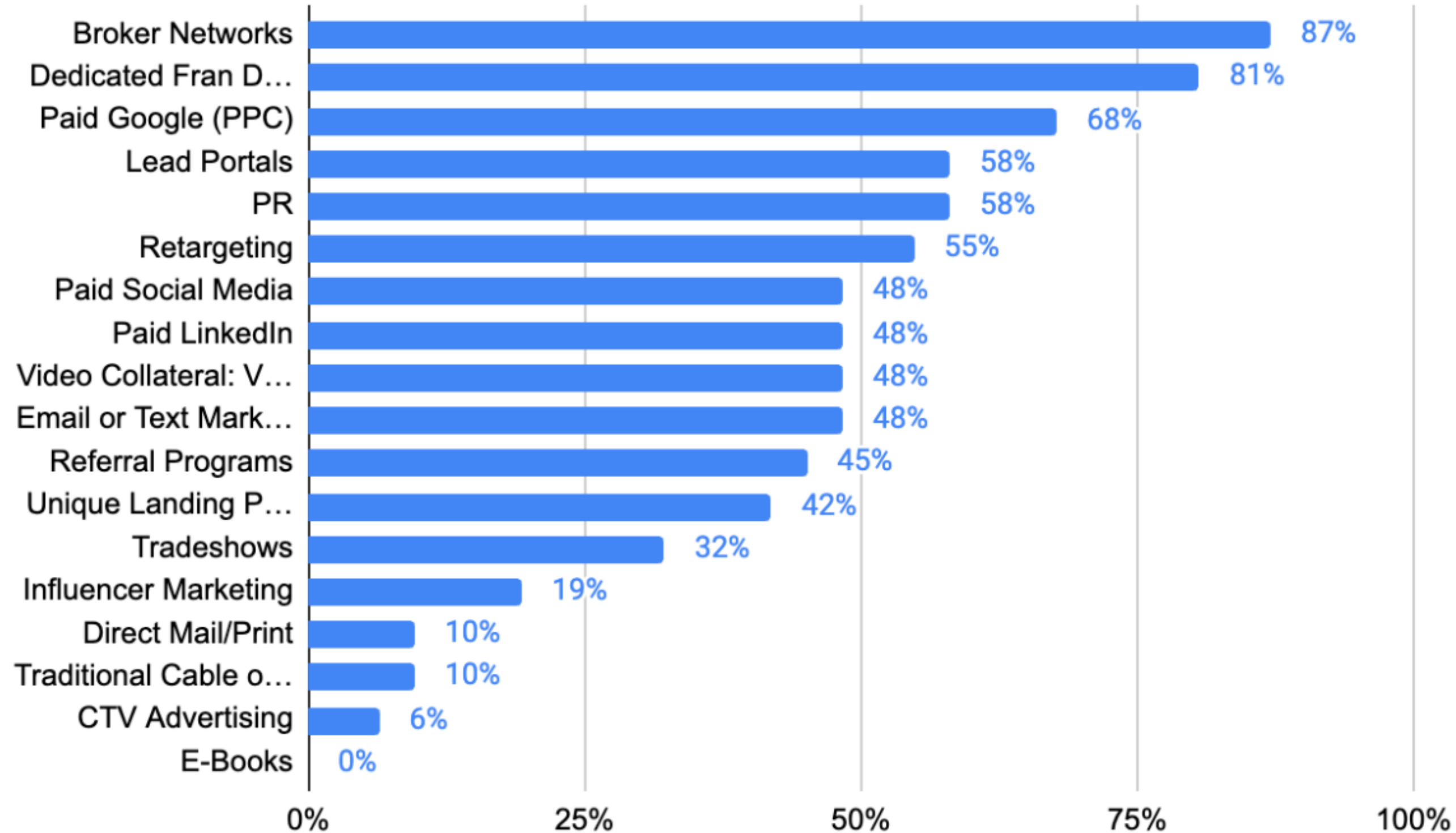


W/O BROKERS

• 88-98% DIGITAL

• 18-28% EVERYTHING ELSE

Marketing channels that you use to attract new candidates



2024 FRANCHISE DEVELOPMENT BUDGETING PACKET



1

New Location Goals

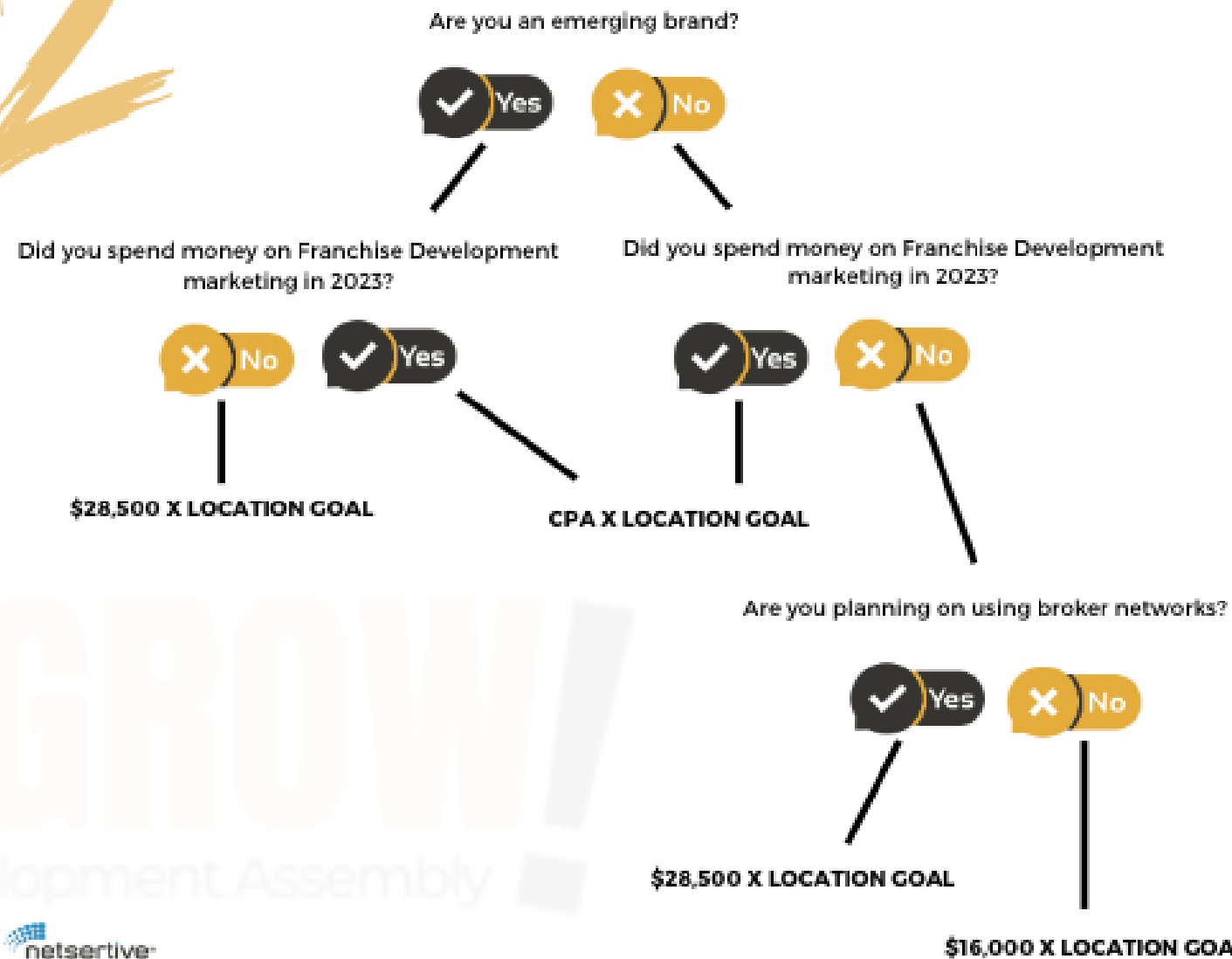
	ROOM TO GROW	OR	WOULD NEED TO HIRE
Current Ratio - Owners to Support Staff	INCREASE	OR	DECREASE
Current Ratio - New Owners to Training Staff	INCREASE	OR	DECREASE
Current Positive Validations	INCREASE	OR	DECREASE
Current Franchisee Culture	INCREASE	OR	DECREASE

LOCATIONS OPENED IN 2023 _____ 2024 GOAL _____

If this chart tells you to decrease but financially you "need" to increase then you should pivot from fran dev and focus on your operations.
*The standard process is for the franchise fees to cover your fran dev marketing costs. If they are needed elsewhere you risk stressing your system and culture.

2

Annual Budget

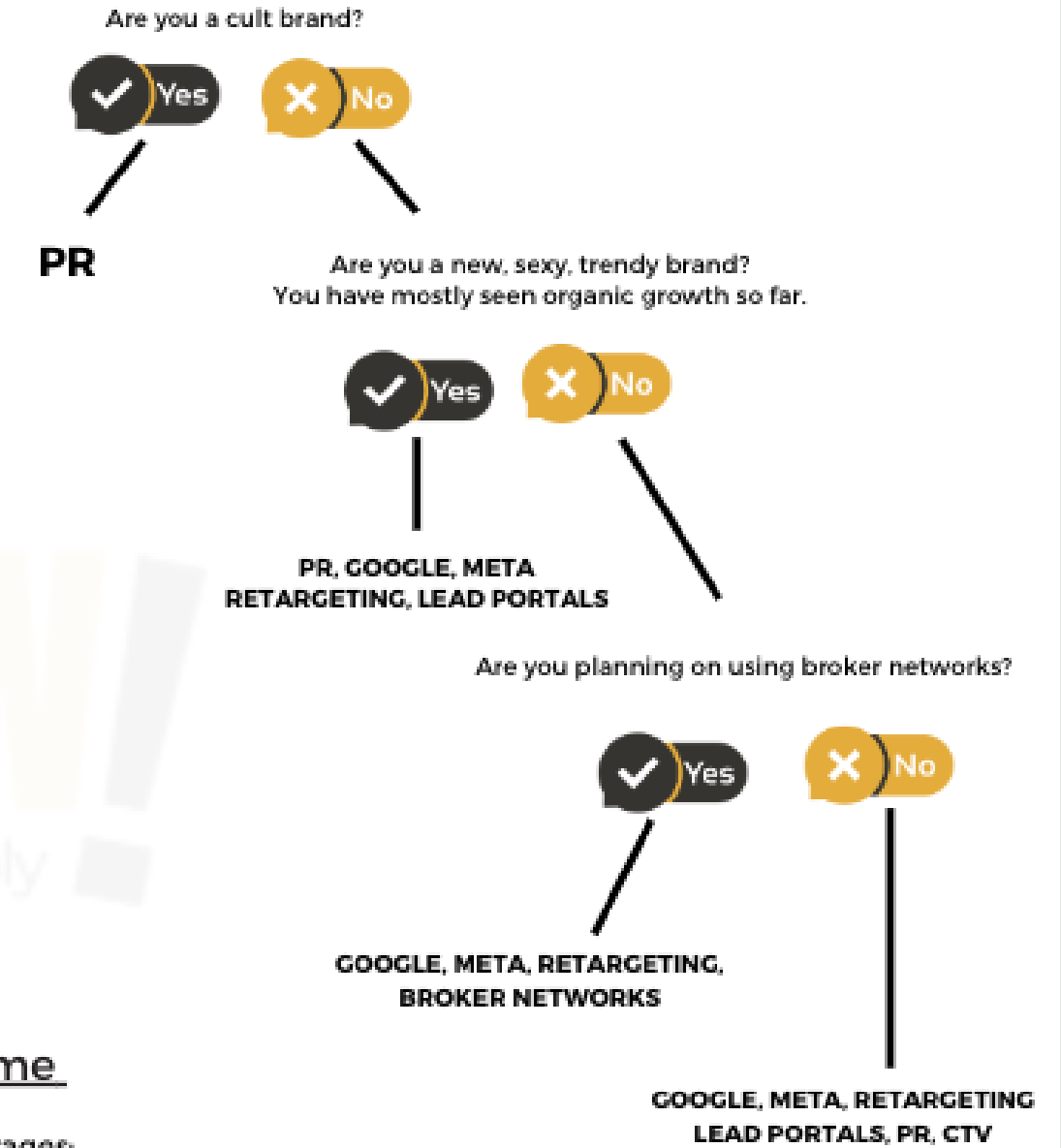


2024 FRANCHISE DEVELOPMENT BUDGETING PACKET



3

Allocation



4

Lead Volume

Industry Averages:

- \$50/lead - Portal (Catch-All & Can Have Budget Cap)
- \$300/lead - Google/Meta/Retargeting (Higher Quality)
-
- \$1,200/Qualified Lead (After Lead Ratio Calculations)

\$7,000/Month Minimum:	\$16,000 CPA Minimum:	\$28,500 CPA Minimum:
• 20-30 Leads	• 50-60 Leads	• 90-100 Leads
• 5-7 Qualified Leads	• 10-13 Qualified Leads	• 20-23 Qualified Leads
• 0-1 Acquisitions	• 1 Acquisition	• 1-2 Acquisitions

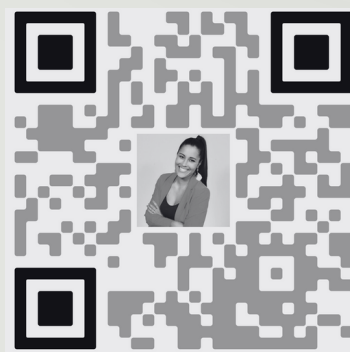
*Excluding Portal Leads
*Emerging Brands will see less lead volume until SEO & awareness increase



NEXT STEPS → NURTURE & VALIDATION

SESSION

Q&A



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