



# CUSTOMER SATISFACTION: THE PATH TO FRANCHISEE SUCCESS

Superior customer service is the foundation on which a great business is built. Competition is fierce and customers are sophisticated, seeking instant gratification. South African consumers are well known for being brand conscious, which means that franchise owners, who benefit from customer loyalty through a ready-made brand, have the time to focus on delivering exceptional service and additional value-adds.



**'Franchisees have a 70% reliance on the brand-prescribed business format but 30% of the business strategy is dependent on the franchise owner going the extra mile for the customer to ensure longevity'**

Lindy Barbour, Director, Franchise Directions

## WHY A FRANCHISE MODEL WORKS

If a true entrepreneur sits on one side of the spectrum and a true employer on the other, an aspirational franchisee sits in the middle, having the drive of an entrepreneur and the willingness to comply of an employer. A franchise model works for several reasons:



Product development increases the selling power of a known brand that is already established.



It is a big business with small-business principles, where franchisees tap into the advantages of a supply chain, national marketing and training.



Access to new trends and marketing dynamics allows franchisees to focus on customer service.

Source: <http://www.bizcommunity.com/Article/196/173/179332.html>

## INTERNAL-CUSTOMER FOCUS

There is a sentiment that satisfied internal customers – the employees hired and retained by the franchisee – is vital for the success of the business. Employees need to be well trained, happy and incentivised to go the extra mile for external customers. Without the buy-in of your internal stakeholders, an amazing brand means nothing. To enhance the external customer experience, employees need to be engaged, friendly and efficient. This is where the franchisee's selection, training and treatment of staff come into play – to ensure that staff members are able to meet the expectations of external customers.

# PLACING EXTERNAL CUSTOMERS ON A PEDESTAL

The external customer has a plethora of options and in this highly competitive environment franchisees need to ensure that their business stands out. The most iconic brands don't have profits as their main focus, but the real interests of their customers.

If customers are acknowledged from the outset, are offered courteous services and see staff going the extra mile, they'd be more inclined to frequent the

same establishment. Also, a hands-on owner – one who forges personal relationships – is held in high regard by customers.

The reality for franchisees is that marketing initiatives to enhance customer engagement cannot be done in isolation. These need to form part of the national marketing strategies, with approvals from the franchisor. The following has proved to be successful:

# 1

Local-area marketing is much better than national marketing. Franchisees need to get involved with their communities and constantly have ears to the ground for events they can support, following approval by the franchisor, to increase brand visibility. In most cases franchisors support these initiatives and get on board, offering brand merchandise as a value-add.

# 2

Franchisees need to be diligent with material received from the franchisor and use all campaign opportunities, keeping careful financial records of their partnership with the franchisor and tracking the return on investment so they can give feedback to the franchisor.

With the right mindset and planning, franchisees have the power to uphold the brand promise, ensuring the success of the business through consistent attention to customer experience. If the franchisee can provide the franchisor with on-the-ground insight into its target market and consequent customer segmentations, the franchisee–franchisor relationship can become a fruitful, reciprocal exercise in brand growth for both parties.

## GET IN TOUCH

To find out more about Nedbank's Specialist Franchise Unit contact the local franchising manager or send an email to [franchising@nedbank.co.za](mailto:franchising@nedbank.co.za).

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