

THE WORLD FRANCHISING NETWORK'S

Franchisor Database Breakdown

An Exhaustive Analysis of Over 4,000 Active
North American Franchise Systems

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Introduction

The World Franchising Network, through its subsidiary www.FranchisorDatabase.com, maintains an extensive and constantly updated database of over 4,000 active North American franchise systems. The database contains company profiles complete with over 35 data fields of information and lists over 20,000 individual franchise industry professionals with their titles. Our franchisor database serves as an invaluable resource for many individuals and businesses for which the franchising industry represents a significant portion of existing or projected clientele and sales revenues. Because it is constantly refreshed and expanded, our database also represents a virtual goldmine of useful data relating to the franchise industry as a whole. This initial White Paper is the result of our efforts to harness, quantify, and display that data, for the mutual interest and benefit of all those who deal in some way with the industry.

So that you can have a better sense of the underlying dynamics of the industry, we have published a thorough analysis of many of the fields in our database, sorting and measuring them according to various criteria—including number of units, geographic location, industry category, Item 19 availability, and IFA membership, among others—in order to provide our partners, clients, and colleagues in the franchising industry with a meaningful and detailed snapshot of the North American market as it stands today. It is our hope that this White Paper will interest you with its findings, and may also assist you in making informed business decisions

and projections based on the data we have collected. To our knowledge, no other franchise industry survey as exhaustive as this one has been carried out and publicized in the last several years, if ever. Given that we painstakingly update and maintain our database in order to continually provide clients with up-to-the-minute franchise industry information, we are in a uniquely ideal position to conduct this research and achieve the most accurate results. We feel, therefore, that our findings will grant you an exclusive and valuable perspective on the current state of North American franchising.

Our first published White Paper will surely not be our last – in our continual efforts to accurately portray the activity and performance of the franchise industry, the World Franchising Network already has several other White Paper analyses in the works, ranging in topic from Item 19 disclosures to multi-brand franchisors. Stay connected with us to receive updates on and access to all of our future publications. As always, we welcome any feedback or questions, and wish you all the best in your endeavors.

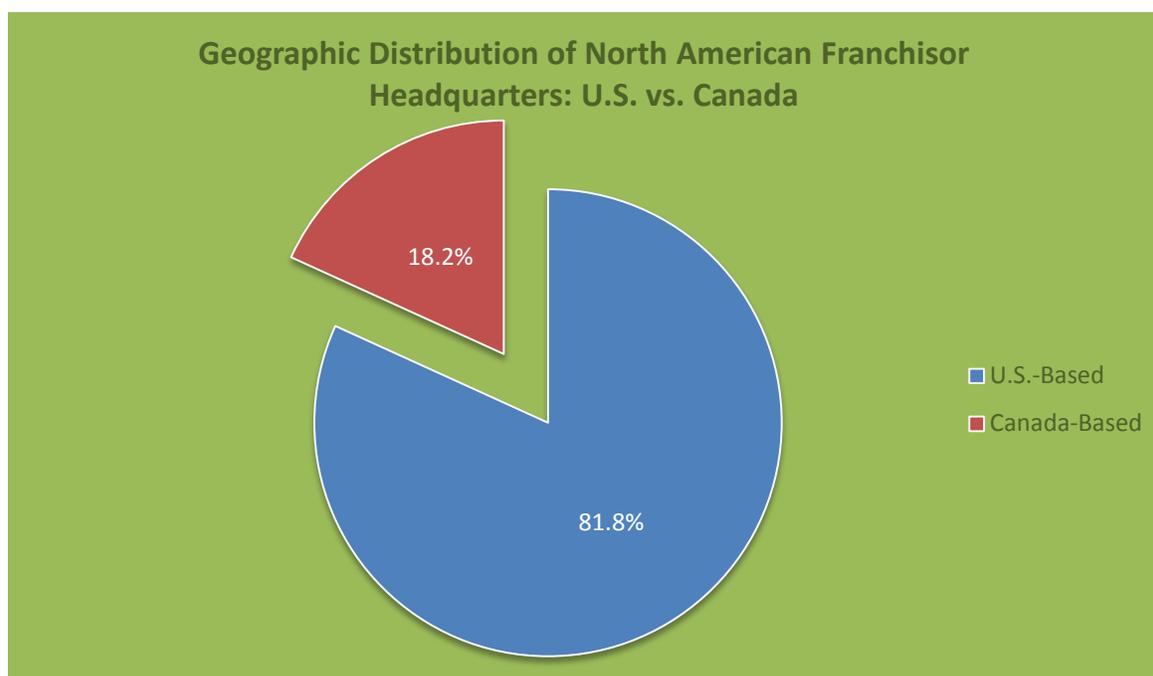
Note:

Before delving into our analyses, we would like to provide the following quick note on the methodology used to obtain our results. Each of the calculations that follow was made with reference to a Total Count of 4,033 active North American franchise concepts in our system at the time of analysis (in early 2016). While there are surely more than 4,033 franchised businesses in the U.S. and Canada, with more businesses being formed or renewed every day, this figure represents our best understanding of the number of active franchisors at this time.

The Analysis

Geographic Distribution of North American Franchisors

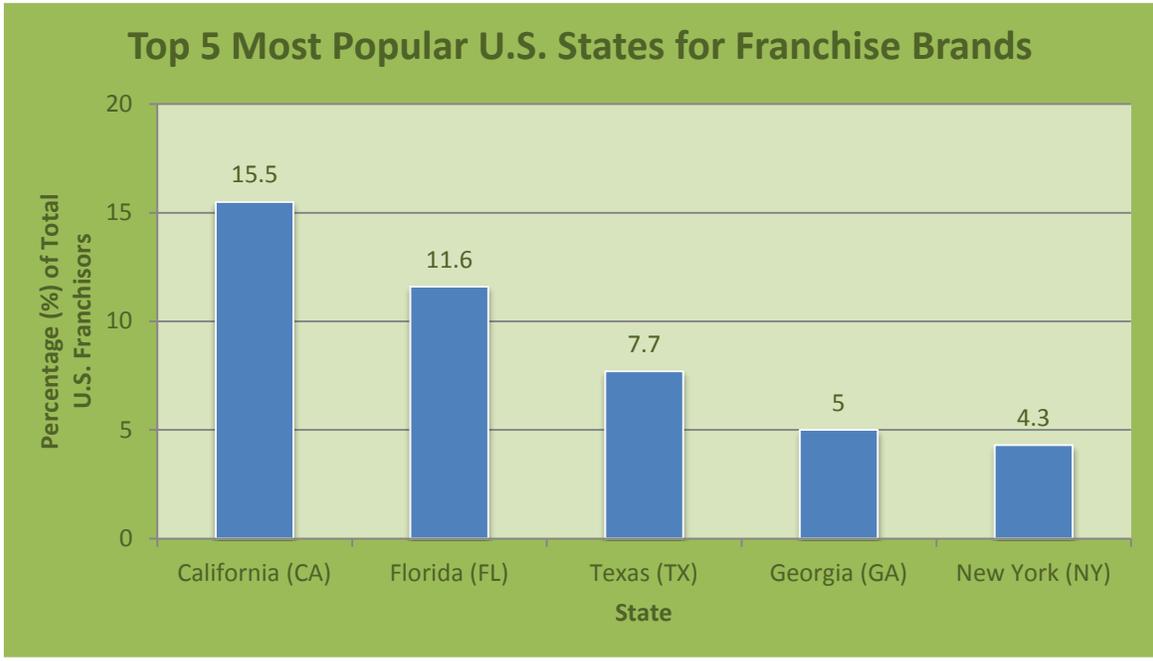
After compiling a master list of 4,033 active franchisors in North America, our first objective was to determine where these businesses are located. As is to be expected, the vast majority of North American franchise systems are headquartered in the United States. Indeed, 81.8% (3,300 out of 4,033) of the headquarters of the businesses in our database are found in the U.S., with the remaining 18.2% (or 733 out of 4,033) of businesses headquartered in Canada.



Within both countries, certain states or provinces—and cities, too—have become natural hubs for franchisor operations. After examining the geographic distribution of North American franchisors by country, we then sought to determine the U.S. states and Canadian provinces that the majority of franchisors call home. Interestingly, the geographic distribution of franchise

headquarters does not simply line up perfectly, as one might expect, with the states or provinces with the highest populations (though population is certainly a crucial factor in where businesses tend to settle and thrive). Instead, we found that the top five U.S. states with the most franchise headquarters are:

- 1. **California** – with 512 franchisors (15.5% of all U.S. franchise headquarters)
- 2. **Florida** – with 382 franchisors (11.6% of all U.S. franchise headquarters)
- 3. **Texas** – with 253 franchisors (7.7% of all U.S. franchise headquarters)
- 4. **Georgia** – with 165 franchisors (5.0% of all U.S. franchise headquarters)
- 5. **New York** – with 141 franchisors (4.3% of all U.S. franchise headquarters)



One interesting result of this analysis was the finding that each of the 50 U.S. states, as well as the District of Columbia and even Puerto Rico, a U.S. territory, contains the headquarters of at least one franchisor.

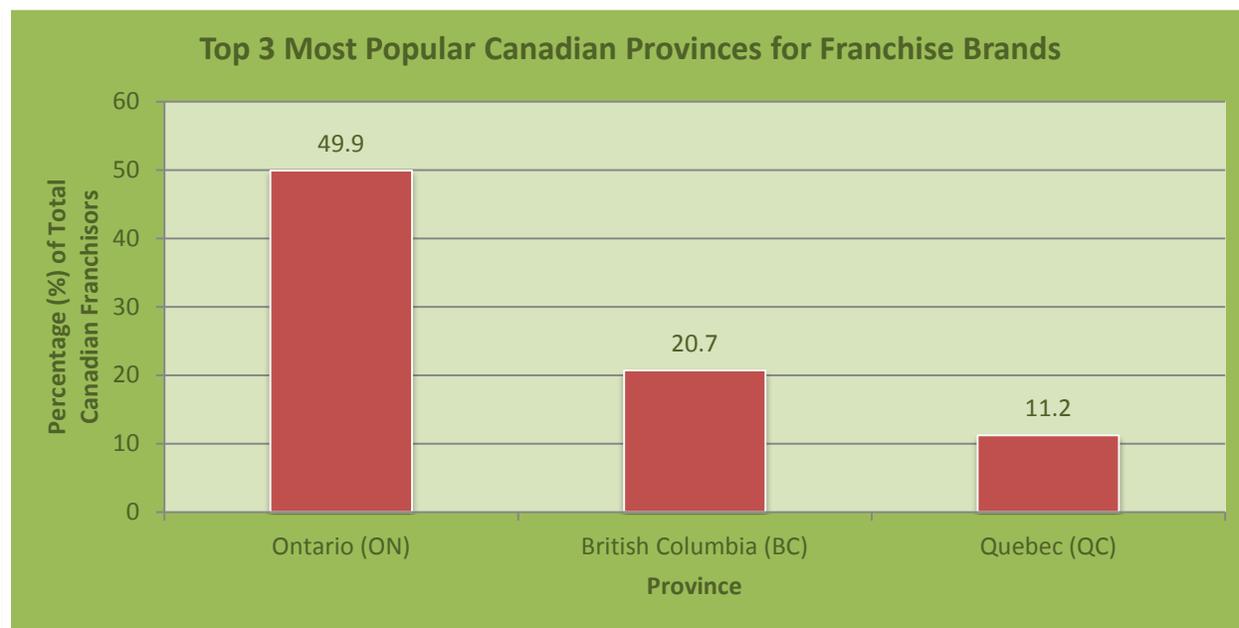
As a matter of general interest, here are the five U.S. states with the lowest number of franchisor headquarters:

1. **Alaska** – with 1 franchisor (tied with Wyoming below)
2. **Wyoming** – with 1 franchisor (tied with Alaska above)
3. **Rhode Island** – with 3 franchisors
4. **Arkansas** – with 4 franchisors (tied with Delaware below)
5. **Delaware** – with 4 franchisors (tied with Arkansas above)

We can infer that a state's population—and all that goes with it, including the availability of jobs and the strength of its consumer base—does, then, play a significant role in determining where franchised businesses are headquartered.

In Canada, where there are fewer provinces to choose from, we examined only the top three provinces with the highest number of franchise headquarters. Our findings were as follows:

1. **Ontario** – with 366 franchisors (49.9% of all Canadian franchise headquarters)
2. **British Columbia** – with 152 franchisors (20.7% of all Canadian franchise headquarters)
3. **Quebec** – with 82 franchisors (11.2% of all Canadian franchise headquarters)



It is interesting to observe that Ontario, the nation's most highly populated province and the location of Ottawa, its capital city, contains fully half of all franchise headquarters in the country, further verifying the correlation between population and number of business headquarters.

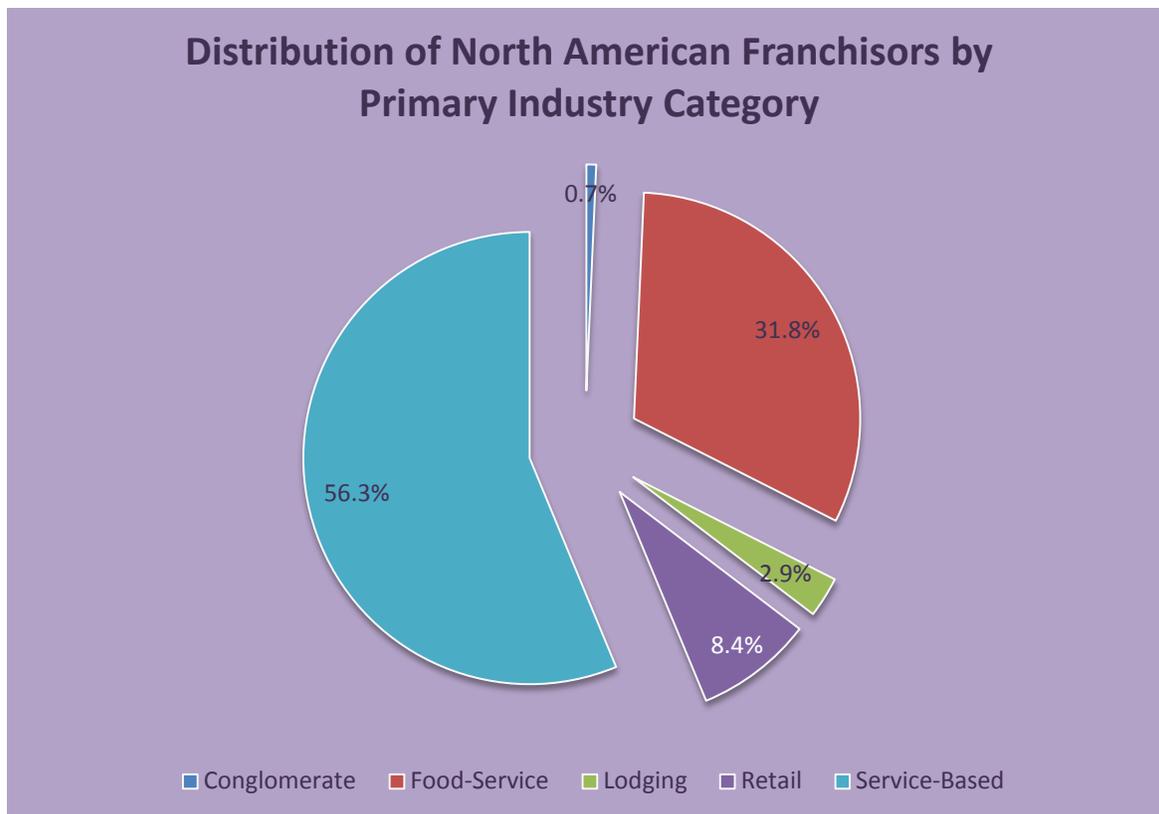
As in real estate, where homeowners are often told that "location is everything," the geographic location of one's business venture can have a significant impact on the early and future success of the business. It is therefore critical to perform your due diligence before selecting new business locations, if you are a franchisor, and before targeting your brands and products to the locations of potential clients, if you are a supplier. Whatever your line of work, it is always important to know where the "action" in your field is taking place—and where it may be moving to next.

Distribution of North American Franchisors by Industry Category

After determining where the 4,033 franchisors in our system are located, the next most obvious inquiry is perhaps to determine which primary industry category they fall in. We divide the companies in our franchisor database into five distinct industry categories, each of which contains many smaller subcategories: **Conglomerate** (including any multi-brand franchise companies), **Food-Service** (including restaurants, cafes, and fast food), **Lodging** (including all hotel chains), **Retail** (including retail shops and non-food-service retail food), and **Service-Based** (including all service providers ranging from fitness centers to maid services to daycare centers to handyman services to tanning salons).

Among today's 4,033 active North American franchisors, Service-Based is by far the most popular (and also the most wide-ranging) category, followed by the Food-Service category. The percentage breakdown into these five industry categories, in descending order, is as follows:

1. **Service-Based** – 2,270 franchisors (56.3% of all North American franchisors)
2. **Food-Service** – 1,283 franchisors (31.8% of all North American franchisors)
3. **Retail** – 337 franchisors (8.4% of all North American franchisors)
4. **Lodging** – 116 franchisors (2.9% of all North American franchisors)
5. **Conglomerate** – 27 franchisors (0.7% of all North American franchisors)



This data reflects historical trends in the industry, since service-based businesses and restaurants have long dominated the franchising market. These two broad industry categories perhaps provide the most room for innovation and diversification, allowing for new brands and concepts to spring up regularly.

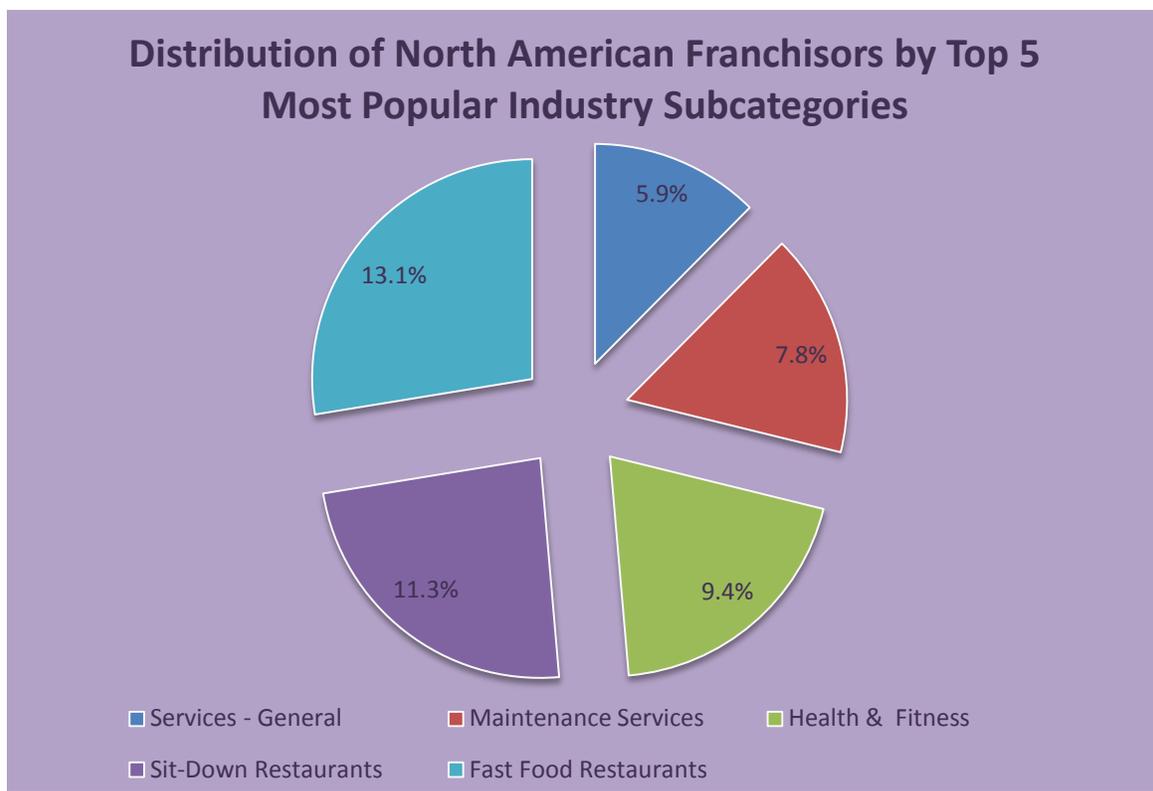
Within the five general industry categories, many subcategories exist. Examining these subcategories allows us to determine, for example, which types of restaurants or which types of service providers are most popular in the industry. For your reference, the complete list of 30 possible industry subcategories is as follows:

- **Automotive**
- **Baked Goods**
- **Beauty-Related**
- **Building & Construction**

- **Business-Related**
- **Child-Related**
- **Clothing & Accessories**
- **Computer Products & Services**
- **Decorating & Home Design**
- **Education-Related**
- **Fast Food Restaurants**
- **Frozen Desserts**
- **Health & Fitness**
- **Lodging**
- **Maintenance Services**
- **Party-Related Goods & Services**
- **Personnel Services**
- **Pet-Related Products & Services**
- **Photographic Products & Services**
- **Printing**
- **Publications**
- **Real Estate**
- **Restaurants (Sit-Down)**
- **Retail Food**
- **Retail Stores**
- **Security-Related**
- **Services-General**
- **Sports & Recreation**
- **Travel**
- **Video**

Of these, the top five most popular industry subcategories among North American franchisors are:

1. **Fast Food Restaurants** – 528 franchisors (13.1% of all North American franchisors)
2. **Restaurants (Sit-Down)** – 456 franchisors (11.3% of all North American franchisors)
3. **Health & Fitness** – 380 franchisors (9.4% of all North American franchisors)
4. **Maintenance Services** – 313 franchisors (7.8% of all North American franchisors)
5. **Services-General** – 238 franchisors (5.9% of all North American franchisors)



These most popular industry subcategories again demonstrate the prevalence and popularity of service-based and food-service brands. It will come as no surprise that restaurants, both sit-down and fast-food, are found at the top of the list. Eating establishments clearly continue to thrive across North America.

What is noteworthy, however, is that the Health & Fitness subcategory ranks third on the list. While this subcategory embraces many different types of brands, by far the two most common types of Health & Fitness brands are fitness centers and in-home health care companies. The popularity of these business concepts across North America seems to speak to various lifestyle and health-related trends: namely, the spread of health and exercise trends, leading more and more people to seek out gym memberships and fitness classes, and the aging of the “baby boom” generation, resulting in a growing need for alternative senior-care options.

The fourth and fifth most popular subcategories, Maintenance Services and Services-General, attest to the strength of service-based franchise brands. Maintenance companies—offering house painting, pool cleaning, handyman services, maid services, mold removal, yard care, waste removal, and many other services—make up a significant portion of the service industry, with nearly 8% of all franchisors across the North American continent. It is no surprise that the Services-General subcategory also makes this top 5 list, since this subcategory encompasses many various types of service brands that don't easily fit into a more specific grouping (these include moving box rental companies, purified drinking water suppliers, jewelry engraving services, and professional organizers, among many others).

After sorting each company into one of the 30 subcategories mentioned above, we then further categorize the brands within each subcategory by labeling each with an even more specific designation, which we call the “subsector.” There are several hundreds of subsector labels to choose from, which help us to identify with one additional level of specificity what it is a given franchise company offers. As an example, a Food-Service company in the Restaurants (Sit-Down) subcategory might then be designated as belonging to the Seafood Restaurants, Italian Restaurants, or Family Style Restaurants subsector, while a Service-Based company in the Child-Related subcategory might be further identified as a Child Care Center or Children's Educational Program. Because we list several hundred subsector options, it would be impractical to list them all here or to quantify the distribution of subsectors in a table or chart. However, visitors to our website can search for franchisors by subcategory, and then filter these results by the corresponding subsectors. This will give an idea of the various subsector designations we use, as well as how many brands tend to fall within each category.

While it is already quite useful to know which industry categories currently make up the majority of North American franchisors, we feel that it is even more telling to find out which industry categories and subcategories are growing. In other words, what categories do this year's brand new franchisors fall into? Which industries are attracting the highest number of brand new franchisees? And where are the majority of new brands based? We took it upon ourselves to find out, and share our findings with you below.

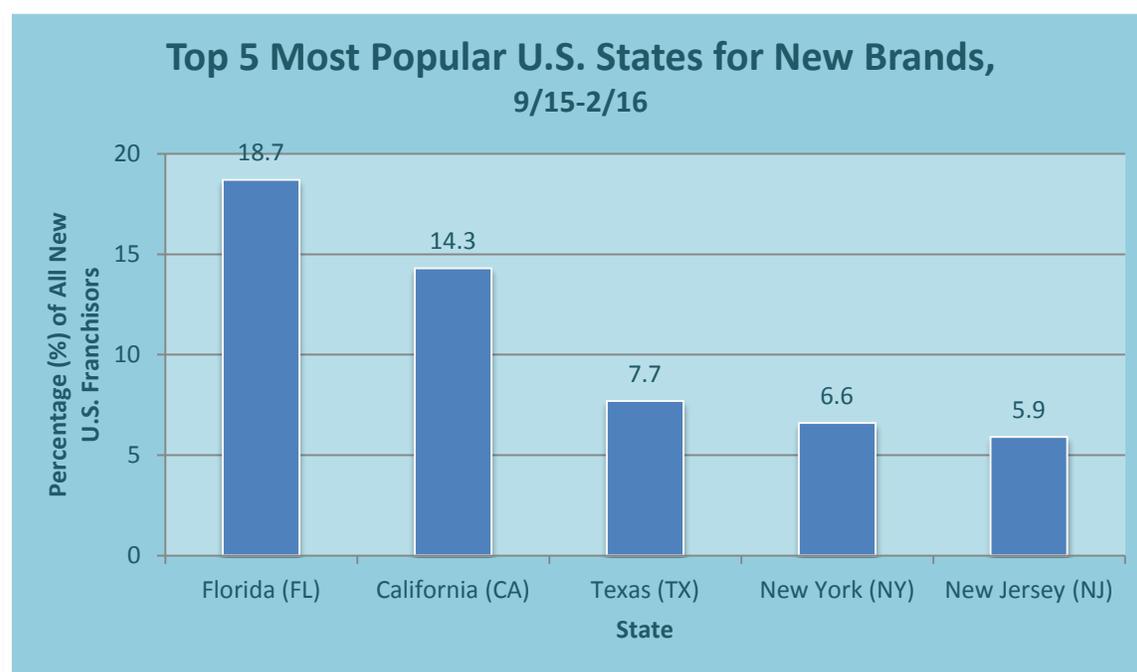
This Year's New Brands

The World Franchising Network made a concentrated effort in this past year to identify *all* active franchisors in North America, and to compile in our database as much detailed information on them as we could find. Consequently, many new franchised concepts were introduced into our system this year—a grand **total of 427 new companies** as of September 1, 2015. If this number seems overly large, it is worth noting that some of the companies we discovered this year may in fact have been in existence before but did not make themselves known to the greater franchise community until more recently. And, certainly there must be additional franchised companies starting up each and every day that we are not yet aware of; accordingly, the figure will never be perfectly accurate. Even so, we have sorted and analyzed our list of 427 new franchisors added into our system between Fall 2015 and Winter 2016, and the results are compelling.

In terms of geography, the year's new franchisors seem to follow most of the general industry trends. For instance, the vast majority of new brands are headquartered in the United States. Specifically, of the 427 new brands added to our database this past year, 410 of them (or 96.0%) are based in the United States while the remaining 17 brands (4.0%) are based in Canada.

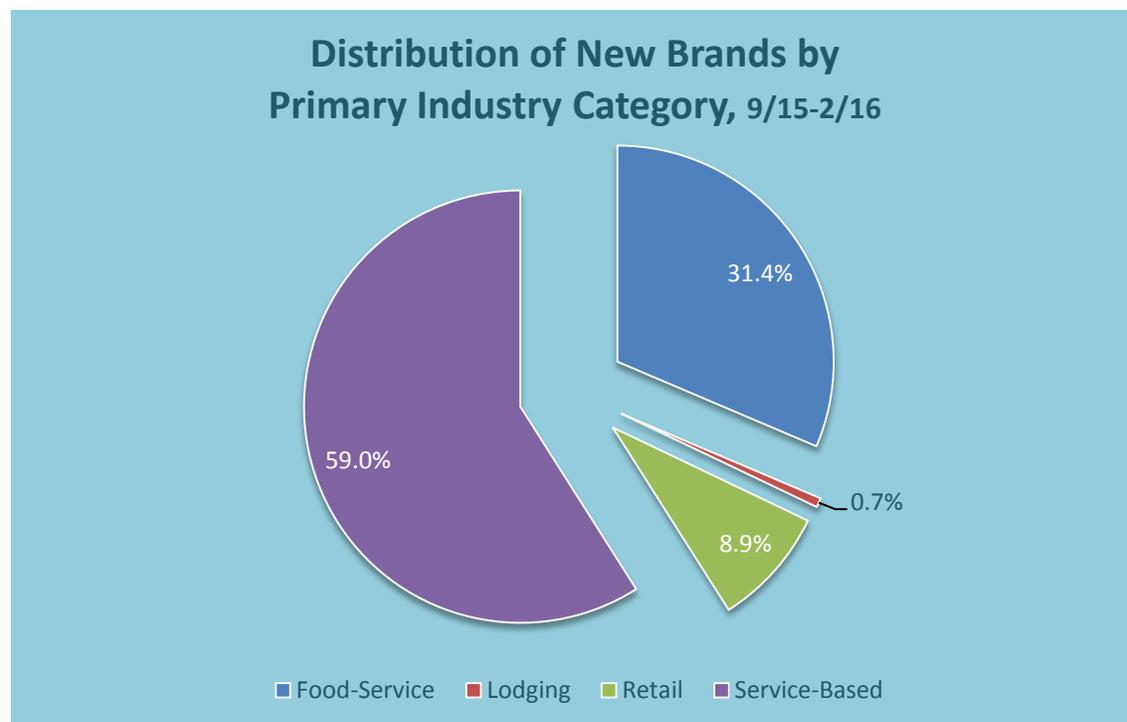
Of the 17 new Canadian franchise companies, eight (or 47.1%) are based in the province of Ontario, where the majority of Canadian franchisors are located (as previously detailed above). The year's new American franchised brands do not strictly follow the general trends for state distribution laid out above. As a refresher, in analyzing our database as a whole, we found that the top five U.S. states with the most franchisor headquarters are: California, Florida, Texas, Georgia, and New York, in that order. The breakdown of states with the most brand new franchised brands this year is as follows:

1. **Florida** – with 80 new franchisors (18.7% of all new North American brands)
2. **California** – with 61 new franchisors (14.3% of all new North American brands)
3. **Texas** – with 33 new franchisors (7.7% of all new North American brands)
4. **New York** – with 28 franchisors (6.6% of all new North American brands)
5. **New Jersey** – with 25 franchisors (5.9% of all new North American brands)



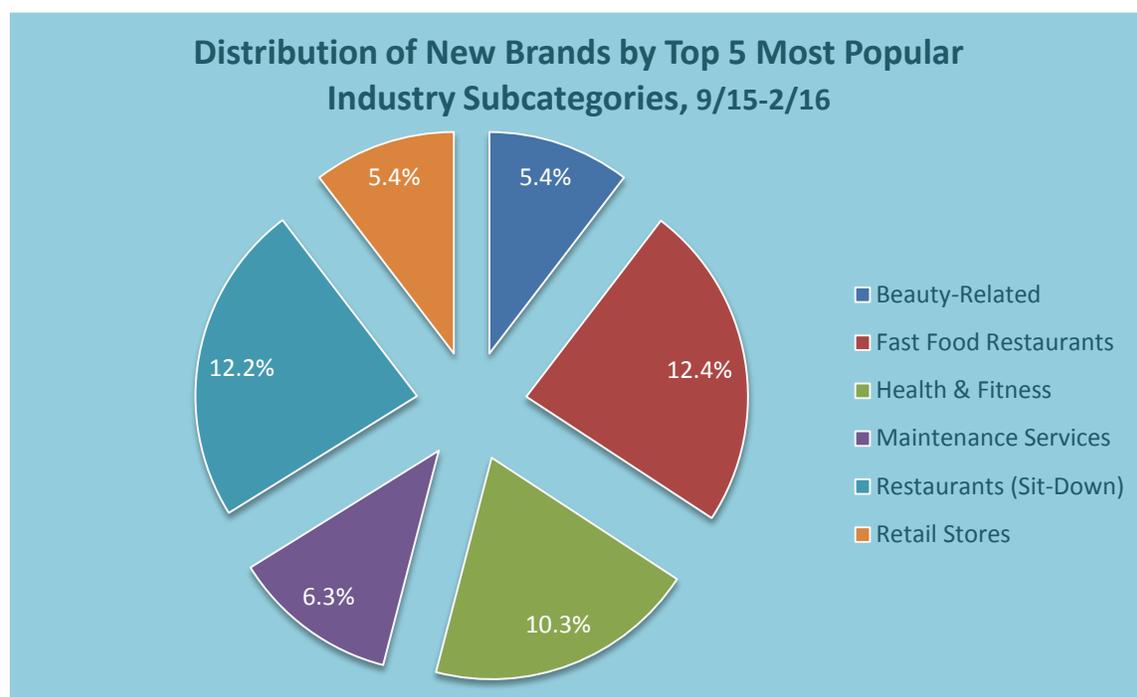
New Jersey, the only state listed that did not make it onto the top five list for overall franchisors, appears to be growing in popularity for new franchised businesses, as do other states such as Georgia, Ohio, and Colorado, which added 22, 15, and 11 new franchisors this year, respectively. While it follows that states that are already well-established in the business world, such as California, Florida, Texas and New York, continue to see a growth in new businesses, it is worth noting that other less obvious locations—New Jersey, Ohio, and Colorado among them—are also showing significant growth in franchisor operations statewide. These states may become new hubs for franchising as time goes on.

After examining the geographic distribution of this year's 427 new franchisors, we next studied their distribution across industry categories. By far, the most popular primary industry category for these new businesses is Service-Based. In fact, over half of all the new franchises established in North America this year, 134 franchisors or 59.0%, are service-based companies. Unsurprisingly, the next most popular primary industry was Food-Service, with 134 new companies or 31.4% of all new brands. Third most popular was Retail, with 38 brands or 8.9% of the total. Three new Lodging franchises were established this year, representing just 0.7% of the total, and no new Conglomerates were formed.



When breaking down the data to the more specific subcategory level, we found that the top four most popular subcategories for new franchises reflect the four most popular subcategories across North America—that is to say, Fast Food Restaurants, Restaurants (Sit-Down), Health & Fitness, and Maintenance Services. The fifth most popular subcategory, however, which is Services-General for all North American franchises, is different amongst this year's new brands; the two categories tying for the fifth place spot are Retail Stores and Beauty-Related brands. Here is the detailed subcategory breakdown:

1. **Fast Food Restaurants** – with 53 franchisors (12.4% of all new North American brands)
2. **Restaurants (Sit-Down)** – with 52 franchisors (12.2% of all new North American brands)
3. **Health & Fitness** – with 44 franchisors (10.3% of all new North American brands)
4. **Maintenance Services** – with 27 franchisors (6.3% of all new North American brands)
5. **Retail Stores** and **Beauty-Related** – with 23 franchisors each (each 5.4% of all new North American brands)



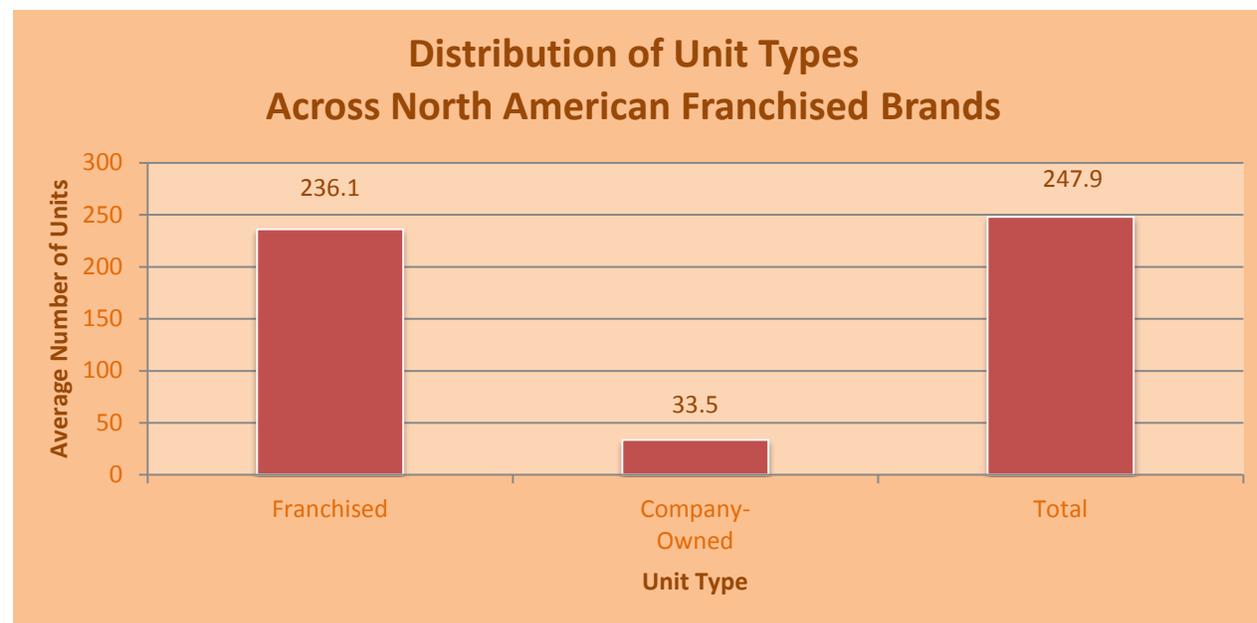
In sum, this year's new brands generally fall into the industry categories that are most popular across North America: restaurants (both fast food and sit-down), health and fitness companies (including gyms, fitness clubs, and in-home health care), and maintenance services of

all sorts. However, the year's brand new franchisors also demonstrate the growing popularity of retail franchises (including clothing shops and a significant number of new vape and smoke shops) and beauty-related franchises (including spas, barbershops, and nail or tanning salons). The growth of both retail brands and beauty brands may indicate a stronger sense of economic security and greater disposable income amongst North American residents. In any case, it will prove interesting to observe the popularity and success of these industries in the coming years.

Distribution of North American Franchisors by Number of Units

Franchised brands run the gamut from massive, international concepts with thousands of units—such as 7-Eleven, Domino's Pizza, and Great Clips—to smaller, family-owned businesses with a much more local market in mind. This wide range in size brings great variety to the franchise industry. In an industry with such size disparity, we felt it could be interesting to determine the size of an “average” North American franchise concept. On average, how many franchised, company-owned, and total units does a North American franchisor possess? We studied the unit data for the 4,033 active franchisors in our system and came up with an answer.

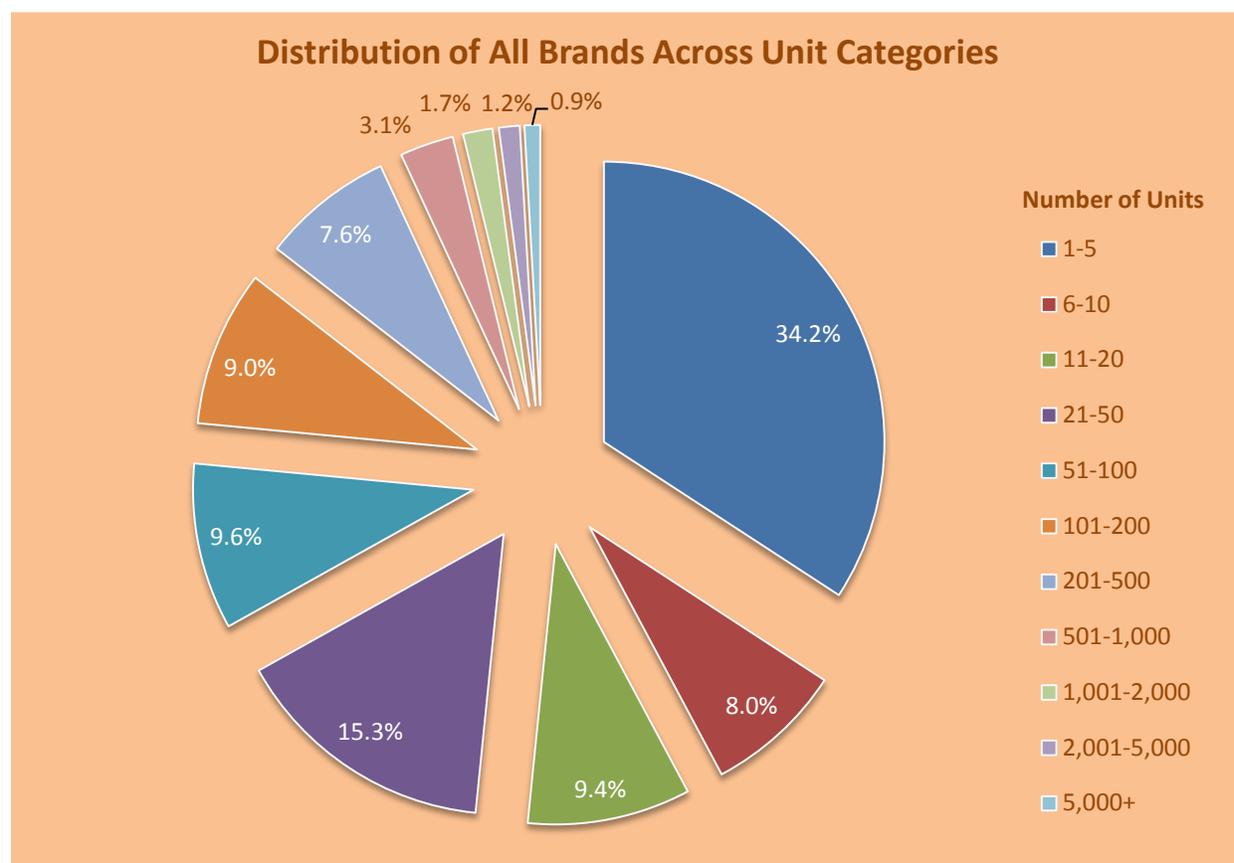
Among active franchisors in North America, the average number of **franchised** units is 236.1; the average number of **company-owned** units is 33.5; and the average number of **total** units is 247.9.



These numbers may surprise some seasoned franchise industry experts who are aware of the considerable number of brand new or slow-growing franchise businesses with five and fewer total units. Indeed, as you will see in the following chart, the percentage of North American franchisors with 1-5 total units is over eight times that of franchisors with over 1,000 units. Still, the above data clearly shows that the huge number of very small franchises does not accurately represent the size of the average franchised business in North America, which would be moderately sized with over 240 total units.

Here is a more detailed breakdown of our unit data, divided into incremental unit categories and showing the percentage of North American franchisors that fall into each size category. Note that this chart considers total unit counts.

- **1-5 units:** 1,378 franchisors (34.2% of all North American franchisors)
- **6-10 units:** 323 franchisors (8.0%)
- **11-20 units:** 380 franchisors (9.4%)
- **21-50 units:** 617 franchisors (15.3%)
- **51-100 units:** 389 franchisors (9.6%)
- **101-200 units:** 362 franchisors (9.0%)
- **201-500 units:** 305 franchisors (7.6%)
- **501-1,000 units:** 127 fran. (3.1%)
- **1,001-2,000 units:** 67 fran. (1.7%)
- **2,001-5,000 units:** 49 fran. (1.2%)
- **5,001 + units:** 36 franchisors (0.9%)



As is distinctly shown in the chart, the vast majority of North American franchisors—over 1,000 individual systems—possess between one and five total units. While this number may seem shockingly high, it is important to keep in mind that brand new franchises are created every

day—hundreds each year. This inevitably influences the data. And, of course, all business professionals know that achieving business growth often requires years of hard work, the right market, and a unique and captivating business concept. Only the best of the best—less than 4% of all franchisors in North America—will achieve that astronomic growth of over 1,000 units. Many others may stay small, and never attain their full potential.

Interestingly, the chart also shows a near equal distribution of franchisors with 6-10, 11-20, 51-100, 101-200, and 201-500 total units—in other words, the growing but small franchises and the well-established, larger franchises (each of these categories contains between 300 and 400 franchisors). The second highest distribution of all, though, is the middle-ground size, with between 21 and 50 total units. There are 617 North American franchisors in this category, representing over 15% of the grand total. The smallest categories are, of course, those representing franchisors with over 1,000 total units. Taken together, these categories compose only 3.8% of the North American franchise industry.

Overall, while the average number of total units for a North American franchisor is 247.9, industry data shows us that the overwhelming majority of franchisors are exceedingly small in size, with five units or less. The overarching general trend is, as the number of total units increases, the number of franchised businesses with that many units decreases.

Prevalence of Company-Owned Units among Large Brands

We have always felt that franchisors (smaller ones especially) should have some “skin in the game” in the form of company-owned units. A willingness to put their money where their mouth is, as they say, is an indication that the franchisor is willing to invest its own assets in the system it promotes to prospective franchisee investors.

Smaller franchisors tend to start with a few company-owned operating units, if for no other reason than to demonstrate the viability of their brand. As franchisors grow, however, the focus on company-owned units drops precipitously.

We evaluated 928 franchisors that have 100 or more total operating units. Of these, we were surprised to find how few franchisors have more than 50% of their total operating units in the form of company-owned units. Of the 928 franchisors included in analysis, only 104 (or 11.2%) have over 50% company-owned units, 37 (or 4.0%) have greater than 80% company-owned units, and 6 franchisors (or 0.6%) have 100% company-owned units.

On the other end of the spectrum, 352 franchisors with 100+ total operating units have 0% company-owned, owning no units whatsoever themselves. Fifty-nine of these brands have in excess of 1,000 total operating units. This group includes some of the very biggest names in franchising, including Subway, Jazzercise, Baskin-Robbins, Super 8, Jiffy Lube, Century 21, Great Clips, UPS, and dozens of other household names. One would intuitively think that it might make sense for a franchisor to maintain a handful of company-owned units in different demographic areas, in order to get a better first-hand sense of the challenges that their franchisees face on a daily basis. Though their various rationales are unknown, it is apparent that many hugely successful franchisors do not consider this a necessary practice.

Clearly, there is no obvious reason why some firms would choose to have the majority of their units be company-owned and why others would choose to have no company-owned units at all once they have grown and proven their success.

Distribution of North American Franchisors by Number of Years in Business

To verify our sense that a significant portion of all active franchises in North America are relatively new and still developing, we next examined the business history of each of the 4,033 franchisors in our study, specifically the year each business was founded and the year it began franchising. By subtracting the year of founding and then the year of franchising from the current year, 2016, and taking an average of each of these results, it was found that, among active North American franchisors:

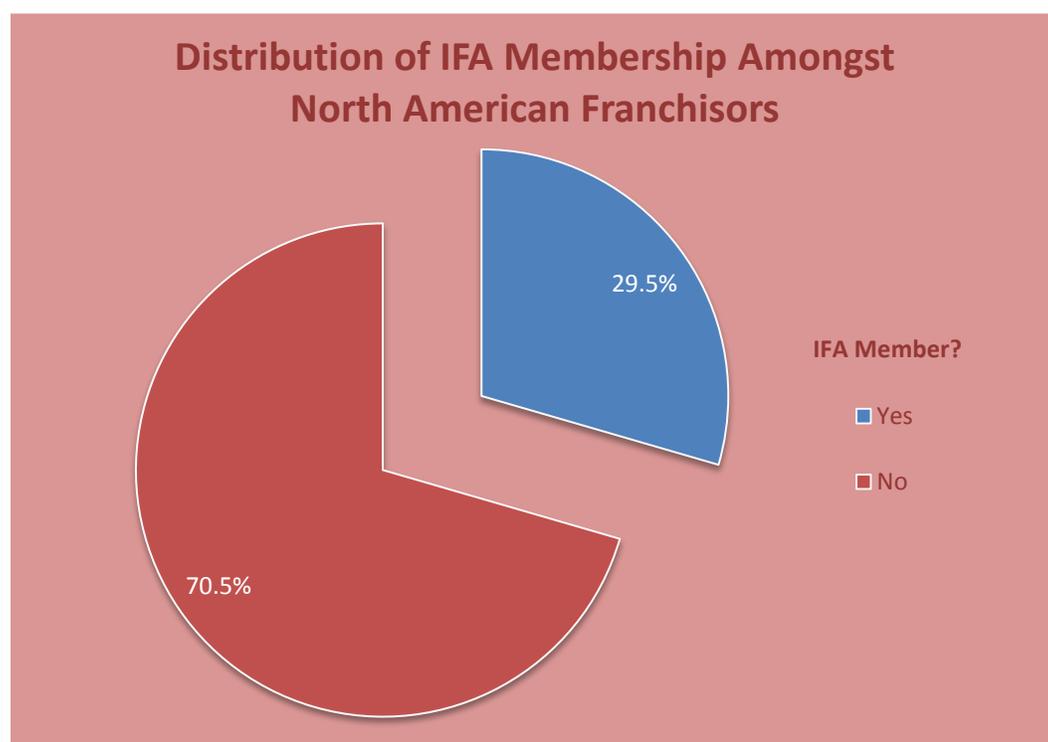
- The average number of **years in business** = 21.8 years
- The average number of **years franchising** = 14.8 years
- Accordingly, the average number of **years between starting business and launching a franchise system** = 7.0 years

These figures do indeed confirm the supposition that, on average, North American franchisors are still fairly new to the industry, with less than 15 years' experience in franchising. This could help explain why the vast majority of all North American franchisors are still in the early stages of unit growth.

Distribution of North American Franchisors by IFA Membership Status

An additional factor we measure is IFA membership, or whether or not the franchisors in our system are active members of the International Franchise Association. Membership in the IFA connotes dedication to the industry, knowledge, and experience, and thus serves as a good

indicator that a particular franchisor is well-connected and well-established. Despite this, we found that the majority of active North American franchisors are not active IFA members; of the 4,033 franchisors studied, only 1,188 or 29.5% hold IFA membership.



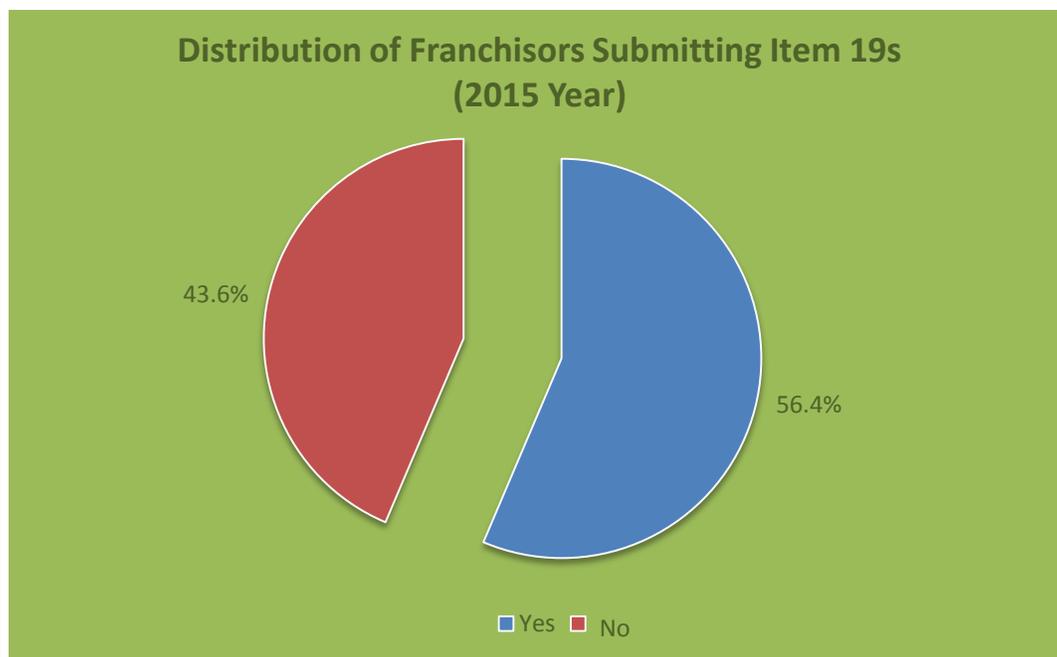
Given the prestige connoted by IFA membership within the greater franchise community, this data is somewhat surprising. The low percentage of IFA members may reflect recent strains on the economy and franchisors' need to cut back on certain nonessential costs, though we feel that this can only be a detriment to those brands that choose not to associate themselves with the representative body of their industry.

Distribution of North American Franchisors by Item 19 Submission

It is our feeling that the inclusion of financial performance data in the Item 19 segment of a company's Franchise Disclosure Document (FDD) demonstrates that a company is forthright and transparent, proud of its growth and performance, and eager to assist potential franchisees in the making of significant business decisions. We have noticed that the inclusion of Item 19s has been on the rise in recent years—a trend that we view as a very positive one.

In an effort to better understand the franchise industry at large, we surveyed a major segment of the industry—1,618 current-year (2015) FDDs to be exact—in order to determine what percentage of those companies chose to publish financial performance information in their Item 19s. It should be noted that this analysis applies only to U.S.-based franchisors, as we do not have access to the Canadian equivalent of FDDs. Here are our findings:

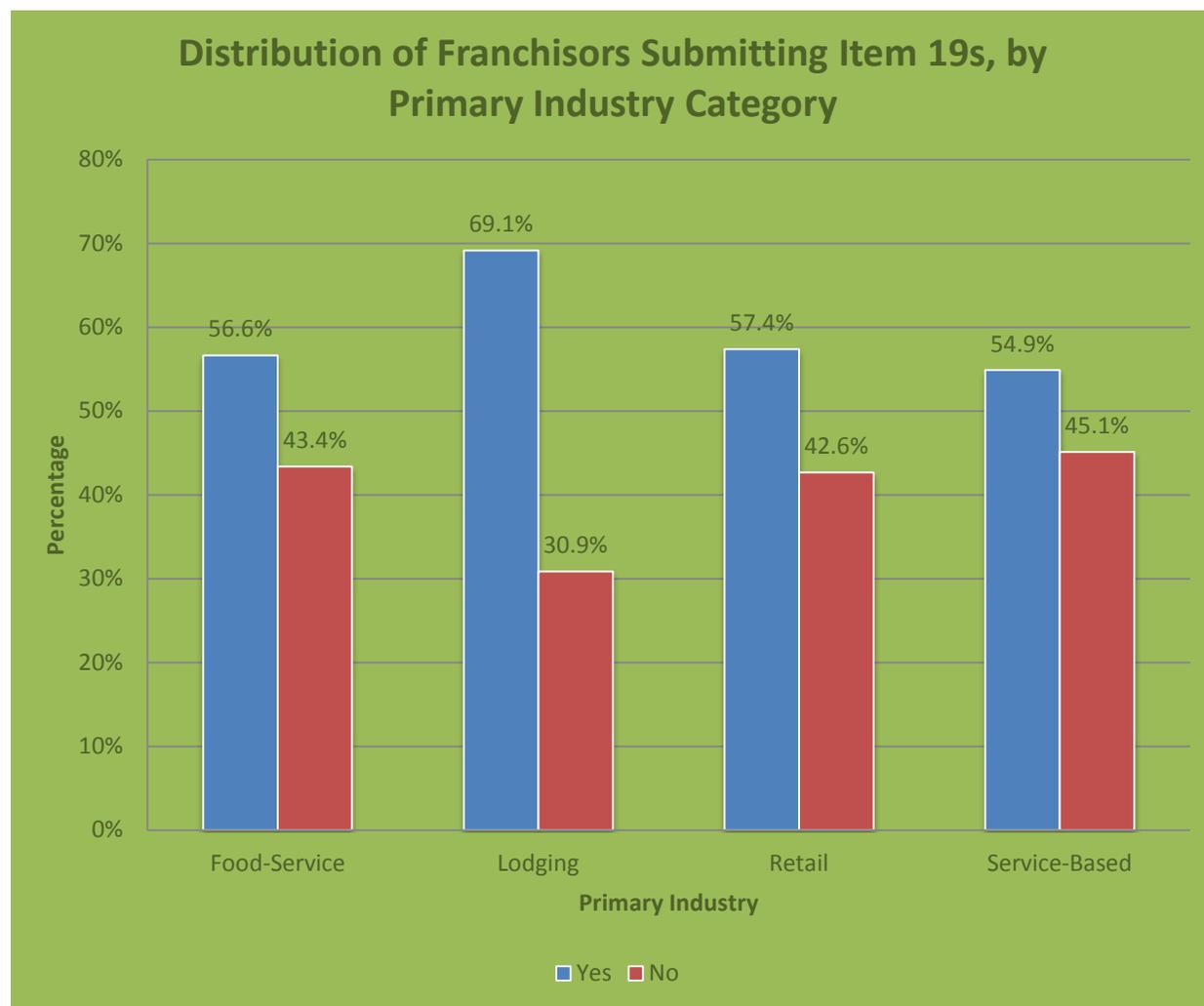
- **Yes** – 913 franchisors out of the 1,618 companies surveyed (56.4%) did publish Item 19s in 2015
- **No** – 705 franchisors out of the 1,618 companies surveyed (43.6%) did not publish Item 19s in 2015



As we expected, the majority of U.S. franchisors did make the effort to publish an Item 19 within their FDD in 2015. Looking at this data further, we conducted a breakdown of companies publishing Item 19 disclosures separated out by primary industry category (note: the “Conglomerate” category is not included, as conglomerate brands do not typically publish their own FDDs). We consistently found that the majority of franchisors, within each of the four categories, do in fact publish an Item 19. The breakdown, by primary industry, of those companies that do publish (“Yes”) and do not publish (“No”) an Item 19 is below.

- **Food-Service** – 56.6% Yes (265 brands / 468 total), 43.4% No (203 brands / 468 total)
- **Lodging** – 69.1% Yes (65 brands / 94 total), 30.9% No (29 brands / 94 total)
- **Retail** – 57.4% Yes (78 brands / 136 total), 42.6% No (58 brands / 136 total)

- **Service-Based** – 54.9% Yes (518 brands / 944 total), 45.1% No (426 brands / 944 total)¹



While the Lodging industry demonstrates the largest percentage of Item 19 inclusion amongst the four different categories, it is encouraging to note that Item 19 inclusion is common practice across all four industry categories. As a company's Item 19 (currently known as the

¹ By the time we conducted this particular section of our study, we had surveyed an additional 24 brands' FDDs. This means that, instead of the 1,618 brands' FDDs we referred to before, the totals in this study add up to 1,642.

Financial Performance Representation and previously known as the Earnings Claim Statement) provides the only reliable source of in-depth information related to a franchisor's financial history and (hopefully) future prosperity, we applaud those brands that do choose to provide prospective franchisees with a thorough and transparent picture of their financials. Should the percentage of Item 19 inclusion continue to grow, the only result can be greater awareness, more sound business decisions, and better-prepared franchisees.

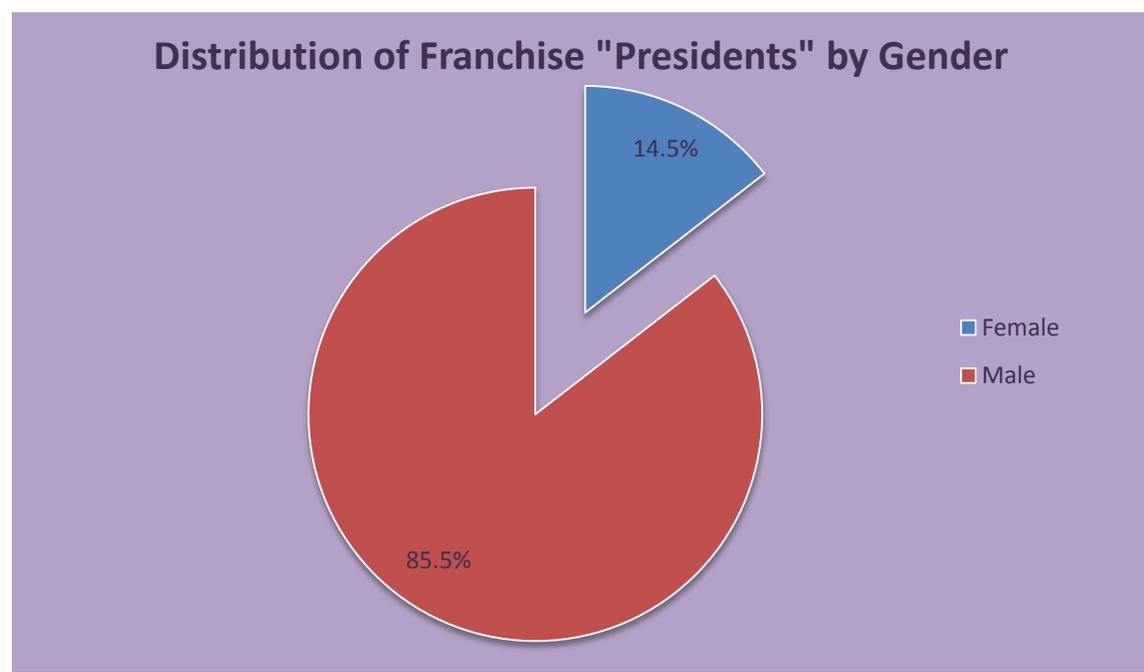
Distribution of Women in Leadership in the Franchise Industry

Our extensive franchisor database not only contains dozens of data fields on over 4,000 franchisors; it also contains the contact information (including names, titles, email addresses, and phone numbers) for over 20,000 individual industry professionals. The World Franchising Network is therefore uniquely situated to conduct analyses and make projections about key players involved in franchising, as well as about the state of the industry as a whole. We thought it would be most compelling to perform a study of women in franchising—specifically the distribution of women in top leadership roles, such as President and Chief Executive Officer.

To this end, we compiled a list of all the contact people in our system who have been tagged with a “President” designation. This includes individuals with any of the following titles: Chief Executive Officer, President or Co-President, Founder or Co-Founder, Chairman or Co-Chairman, Owner or Co-Owner, and Director, depending on how each company allots its leadership titles. For the purposes of our survey, we refer to all of these individuals as company “Presidents.” Our search yielded a total of 4,582 individual company leaders, both women and men, drawn from a total of 3,216 individual franchise companies in North America. The results

of our analyses are as follows. Among the 4,582 individual company “Presidents,” we observed a gender breakdown of:

- **Female** – 664 “Presidents,” or 14.5% of all North American franchise “Presidents”
- **Male** – 3,918 “Presidents,” or 85.5% of all North American franchise “Presidents”



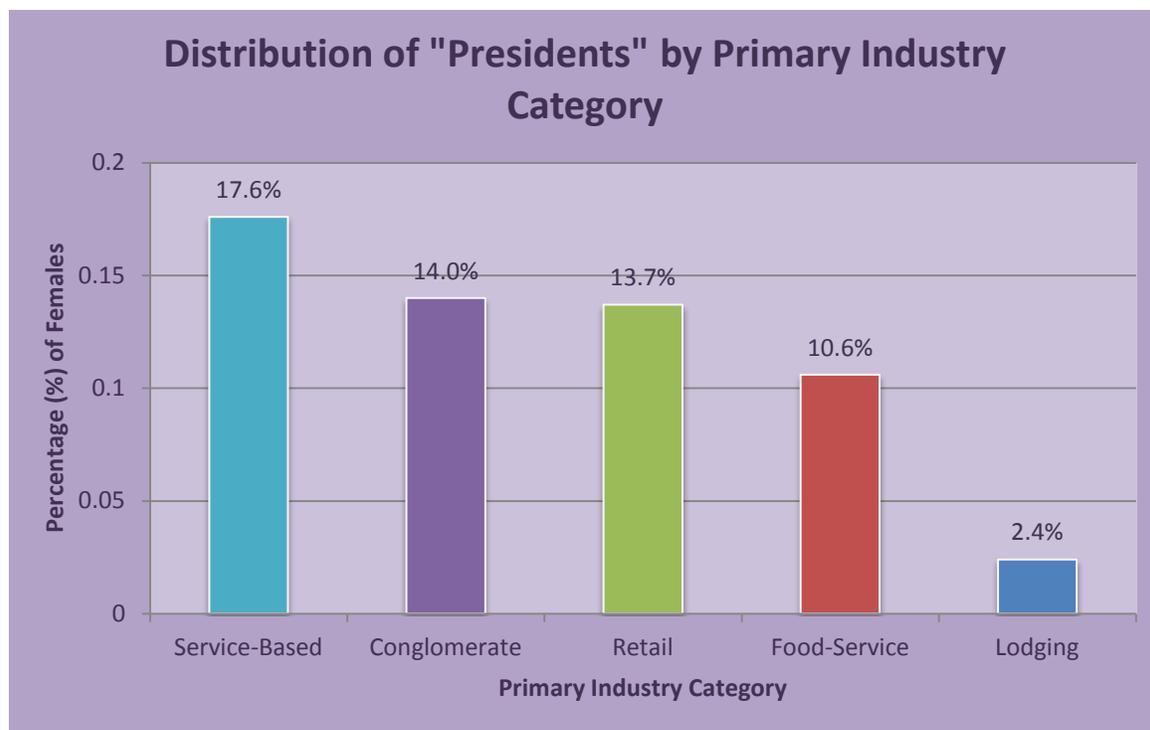
Unsurprisingly, the distribution of females in “President” roles in the franchising industry is significantly lower than that of males in these roles. This is unsurprising because it reflects both national and worldwide trends relating to women in leadership positions; in the United States for example, where women make up a slight majority of the overall population and the overall workforce, they make up only 14.6% of all executive officers, 8.1% of top earners, and

4.6% of Fortune 500 CEOs.² The distribution of female “Presidents” within the world of franchising, then, matches up almost exactly with the U.S. nationwide distribution. While there is surely room for improvement, it is at least encouraging to learn that the franchising industry is in line with national averages.

If we next examine each of the five primary industry categories—Conglomerate, Food-Service, Lodging, Retail, and Service-Based—what percentage of all the “Presidents” in each category will be women? Here is what our data displayed, in order from highest to lowest percentages of women:

1. **Service-Based** – 455 female “Presidents” out of 2,584 total “Presidents” (17.6%)
2. **Conglomerate** – 8 female “Presidents” out of 57 total “Presidents” (14.0%)
3. **Retail** – 43 female “Presidents” out of 315 total “Presidents” (13.7%)
4. **Food-Service** – 154 female “Presidents” out of 1,456 total “Presidents” (10.6%)
5. **Lodging** – 4 female “Presidents” out of 170 total “Presidents” (2.4%)

² According to Fortune 500 and the Center for American Progress.

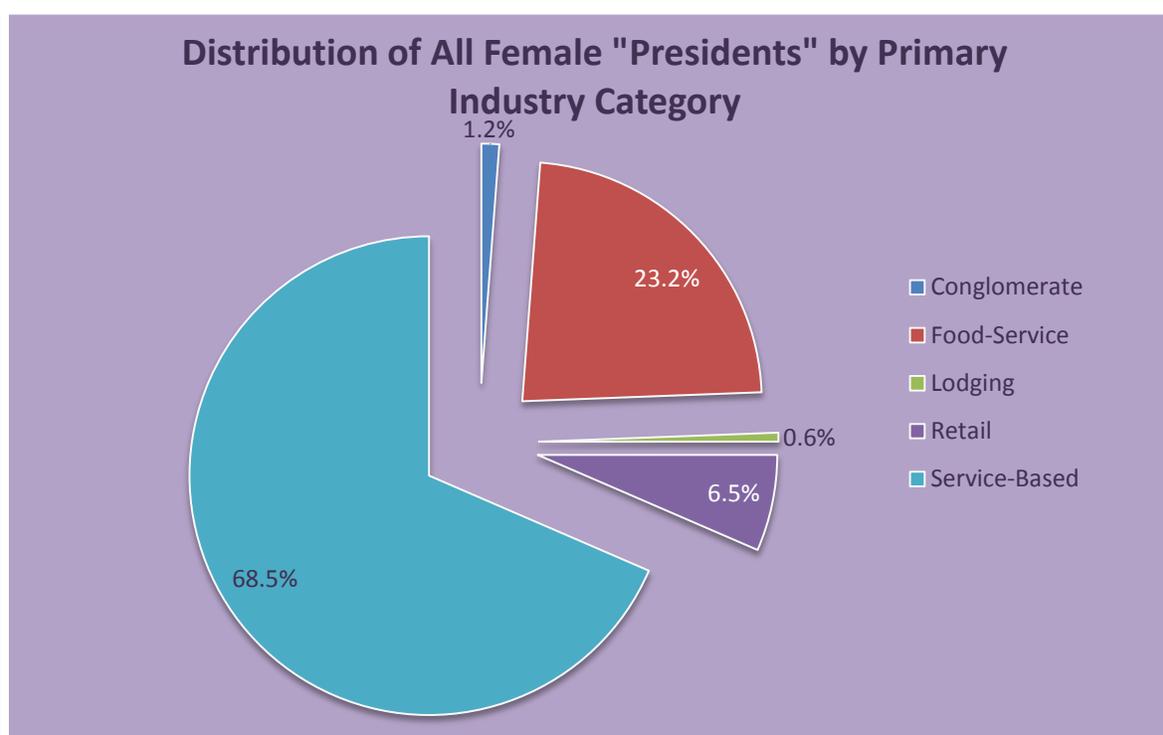


The fact that the highest percentage of female “Presidents” is in the Service-Based category is not so unexpected, given that this is the largest category of franchisors overall. However, it is certainly interesting to see that Conglomerates boast the second highest percentage of female “Presidents”—especially since the total number of conglomerate brands is low and because their “Presidents” take on the tremendous duty of simultaneously managing multiple franchise brands. This is certainly a promising statistic for women in franchising.

Another way of breaking down this data is as follows: what percentage of the 664 women “Presidents” in franchising work in each industry? While the previous breakdown looked at distributions of women versus men within each primary industry category, this breakdown will examine the entire group of female “Presidents” as its overall total and divide them into their respective industry categories from there. An analysis of the data in this way demonstrated that the vast majority of women “Presidents” in franchising work in Service-Based industries,

echoing our previous finding that, of all the five categories, Service-Based has the most women in its leadership. Here is the data breakdown, by each primary industry category:

1. **Service-Based** – 455 female “Presidents,” or 68.5% of all female franchise “Presidents”
2. **Food-Service** – 154 female “Presidents,” or 23.2% of all female franchise “Presidents”
3. **Retail** – 43 female “Presidents,” or 6.5% of all female franchise “Presidents”
4. **Conglomerate** – 8 female “Presidents,” or 1.2% of all female franchise “Presidents”
5. **Lodging** – 4 female “Presidents,” or 0.6% of all female franchise “Presidents”



Because 56.3% of all North American franchisors are in Service-Based industries, as we determined above, this breakdown is to be expected—the majority of female franchise “Presidents” are also involved in running Service-Based brands. Indeed, the breakdown of

women “Presidents” in franchising follows the general industry breakdown for North America almost exactly—the only slight difference is that the positions of Lodging and Conglomerate have been switched.

As women are increasingly moving into management and leadership roles in companies, governments, and institutions all over the world, we thought it would be telling to determine how the franchise industry measures up. While there are still numerous strides to be made before women are spread equally throughout the industry’s highest leadership positions, it is encouraging to see that the world of franchising is not falling behind national averages, and in fact exceeds them in some ways. We hope that the increase in “President” roles for women in franchising will be a continuing trend.

Popular Trends for Franchisor Company Names

Less in the service of serious analysis and more for mere personal curiosity, we thought it could be interesting to determine certain trends in the way franchisors name their businesses. We thus came up with a list of appealing adjectives that are commonly found in the names of franchise businesses. We then searched through our list of 4,033 active North American franchisors to discover how many franchisors currently use each adjective in their business title. Here is a (by no means exhaustive) list of terms that franchisors often use in their business names:

Adjective	Number of Uses
Pro	97
Top	27
American	20
Big	18
Fast	17
Great	16
Famous	13
Best	9
Better	7

Conclusion

FranchisorDatabase.com maintains and makes available to clients the industry's most comprehensive database of over 4,000 active North American franchisors. The database consists of over 35 data fields of information and also includes the names and titles of over 20,000 senior executives within the industry. This data is drawn from various source materials, including over 1,600 2105 FDDs, trade shows, directories, and direct contacts that relate to our annual publications and over 10 websites on the franchising industry. We rent the database to pre-qualified clients who wish to reach the industry with their products and/or services. After initial rental, clients have unlimited use of the database and are not required to purchase subsequent quarterly updates. We also offer custom database sorts to meet specific client needs.

If you would like to know more about renting our database, please visit www.FranchisorDatabase.com, or give us a call at (888) 612-9908.