

RESEARCH REPORT
February 2024



Joe's Deli
City, State
800.123.4567
www.joesdeli.com

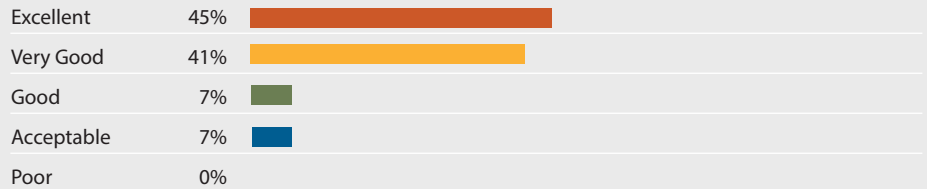
Franchise Opportunity Provided

Overall Quality

100%¹

In one all-encompassing question we ask the franchisee to rate the quality of the franchisor. This question provides insight (without any specifics or qualifiers) about their overall impression of the franchise.

Q: In general, how would you rate the overall quality of your franchisor? (n=206)

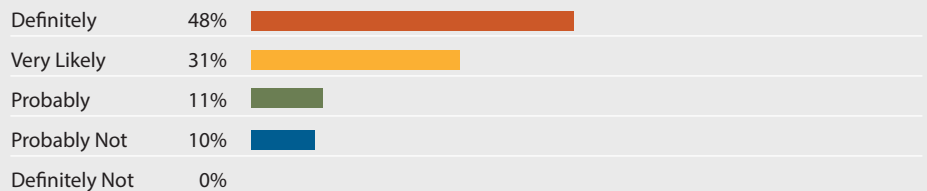


Investment

90%²

This question is extremely important when evaluating a franchise. However, occasionally a franchisee will rate this question low because the concept has changed significantly since they purchased the franchise, or because of personal issues.

Q: Knowing what you know now, and if you had to do it all over again, would you invest in this franchise? (n=206)

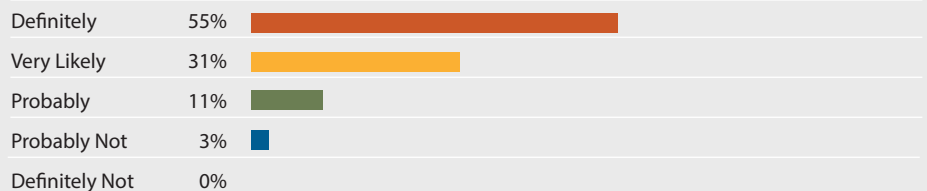


Recommend to Others

97%²

When evaluating franchise investments, it is extremely important that existing franchisees (when asked confidentially) will recommend the franchise to prospective franchisees.

Q: Would you recommend this franchise to a prospective franchisee? (n=205)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

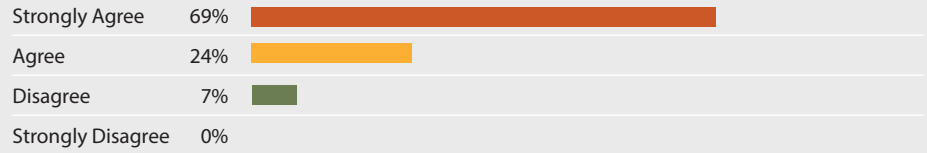
² Combined scores of *Definitely*, *Very Likely*, and *Probably* responses.

Relationship With Franchisor

Long-Term Commitment

93%¹ From the point of view of the franchisee; is there a commitment on the part of the franchisee and the franchisor for a "positive, long-term" franchise relationship?

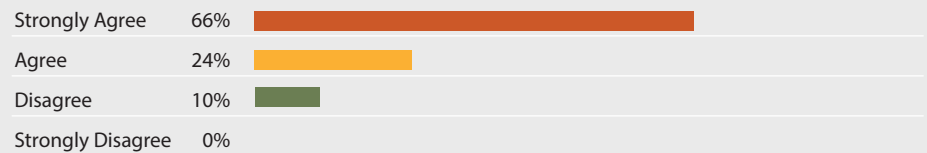
Q: My franchisor and I are committed to a positive, long-term relationship. (n=207)



Joint Success

90%¹ In the most successful franchise systems there is a very clear understanding of the interdependent relationship between the success of the franchisee and the franchisor. This question measures the level of confidence in the understanding of that concept by the franchisor.

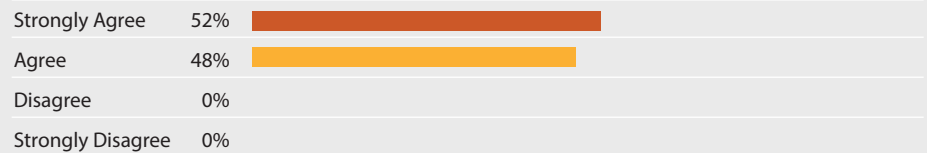
Q: My franchisor understands that if I am successful, they will be successful. (n=201)



Franchisor Competence

100%¹ Does the franchisee believe that the franchisor has the talent and skills necessary to assist the franchisee in succeeding? It is important that the franchisor not only have this ability, but also that their franchisees look to it for guidance and expertise.

Q: My franchisor is a competent, skillful organization which I can rely on for help. (n=205)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Strongly Agree* and *Agree* responses.

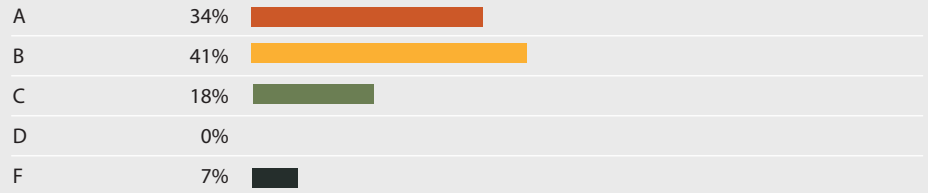
Training and Support

Initial Training

93%¹

The initial training provided by the franchisor is crucial to the success of new franchisees. Every franchise provides some form of initial training, and the quality of this training is of tremendous importance to high-quality franchise companies.

Q: How would you grade the initial training supplied by the franchisor? (n=208)

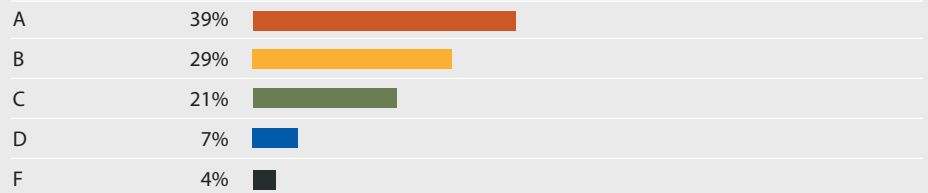


Opening Support

89%¹

Opening support can be incredibly important in creating a customer's positive first impression of your business. However, this depends on the franchisee category and product or service offered. In many cases, the franchisor may be required to offer little or no opening support.

Q: How would you grade the initial opening support supplied by the franchisor? (n=206)

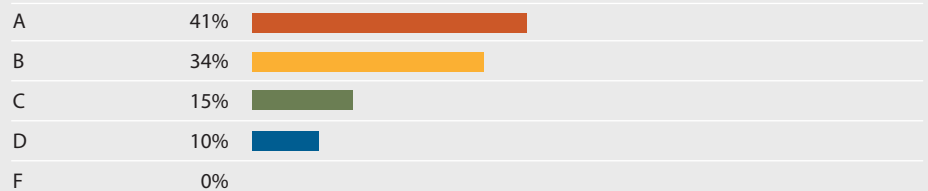


Ongoing Training and Support

90%¹

While the importance of opening support can vary with the franchise category, the post-opening training and support provided by the franchisor is extremely important to franchisees' long-term success.

Q: How would you grade the ongoing training and support supplied by the franchisor? (n=206)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of A, B, and C responses.

Helpfulness, Communication and Products/Services

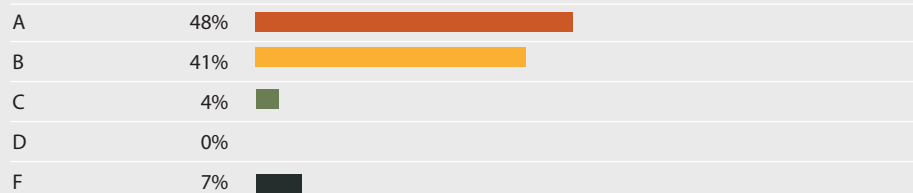
Field Representatives

93%¹

Almost every franchise system has individuals that are responsible

for assisting franchisees when they have questions and/or problems. This question is designed to measure the helpfulness of these individuals.

Q: How would you grade the helpfulness of the franchisor's field representatives? (n=202)



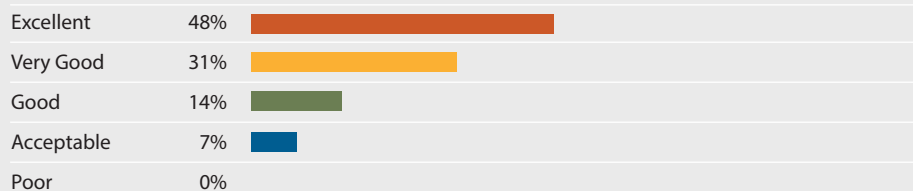
Overall Communication

100%²

We believe that quality communication is a critical aspect of

successful franchising.

Q: How would you rate the overall communication between home office personnel and franchisees? (n=206)



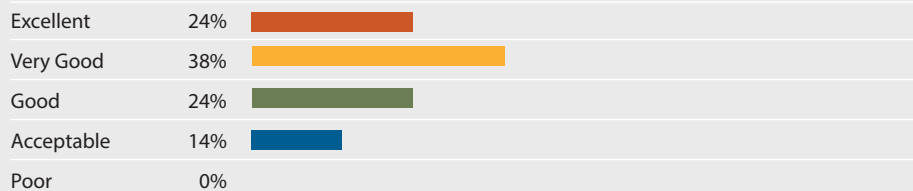
Product/Service Quality

100%²

In most systems, franchisees receive some type of products

and/or services directly from the franchisor. This question asks the current franchisees to rate the quality of these products and/or services.

Q: How would you rate the quality of products and/or services received from your franchisor? (n=207)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of A, B, and C responses.

² Combined scores of Excellent, Very Good, Good, and Acceptable responses.

Management

Problem Solving

97%¹ This question measures the franchisee's perception of the effectiveness of the franchisor's ability to solve questions and problems in a timely manner.

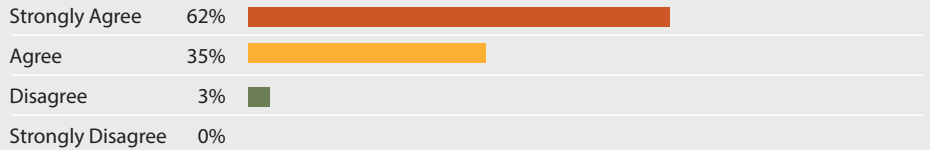
Communication with Senior Management

97%¹ As we measure high-quality franchise organizations, one thing always stands out - the ability of franchisees to feel that they can directly interact with senior decision makers.

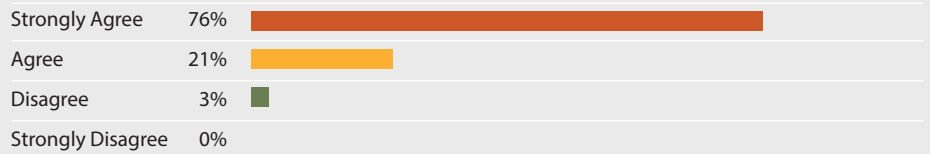
Performance Standards

100%¹ High-quality franchising requires high standards throughout the system. Leadership for these standards starts at the top.

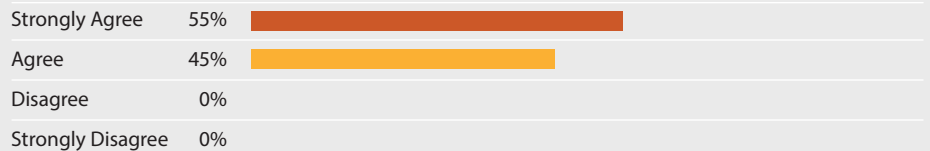
Q: My franchisor responds in a timely way to my questions and minor problems. (n=206)



Q: I am able to communicate directly and effectively with senior management. (n=208)



Q: My franchisor encourages high standards of quality performance throughout the organization. (n=202)



(n=#) represents the total respondents that answered each specific question.

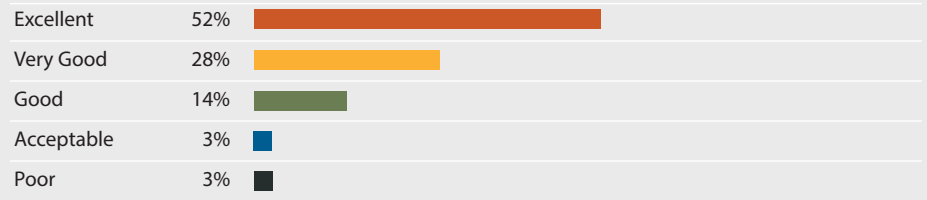
¹ Combined scores of *Strong Agree* and *Agree* responses.

Opportunity and Growth

Opportunity

97%¹ Without any qualification, how the franchisee rates the overall opportunity of the franchise they have chosen tells us a great deal; especially when considered along with the next two questions.

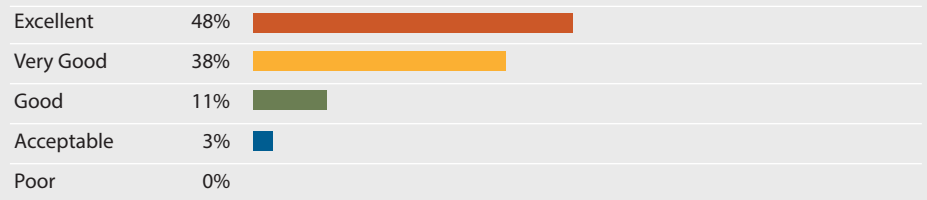
Q: In general, how would you rate the opportunity provided by this franchise system? (n=207)



Growth Potential

100%¹ Now we ask about the franchise opportunity, but qualify the question by focusing on long-term growth potential. This offers insight as to the franchisees' perspective on this very important topic.

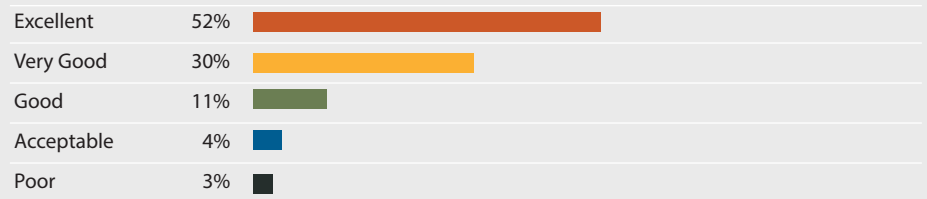
Q: How would you rate the long-term growth potential for your franchise business? (n=206)



Local Competition

97%¹ Once again, we focus on the opportunity provided by the franchise, asking the franchisees to rate their franchise business compared to local competition.

Q: How would you rate your franchise business compared to the local competition? (n=208)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

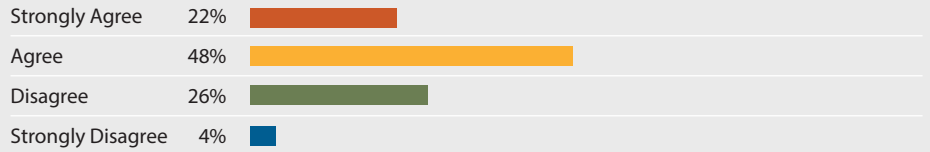
Marketing, Social Media and Technology

Franchisor-Sponsored Promotion

70%¹

This question seeks to measure the positive impact of franchisor-sponsored advertising, marketing, and promotional efforts.

Q: My franchisor-sponsored advertising, marketing and promotional programs help improve my sales and profits. (n=207)

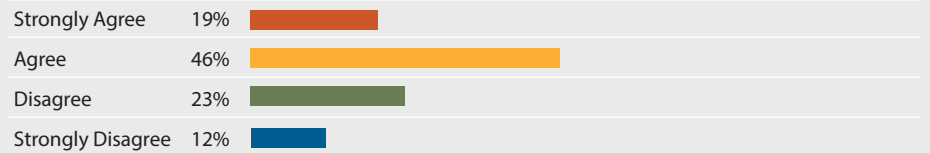


Social Media

65%¹

Does the franchisor use social media in a manner which benefits franchisees?

Q: My franchisor effectively uses social media to help me promote my business. (n=206)

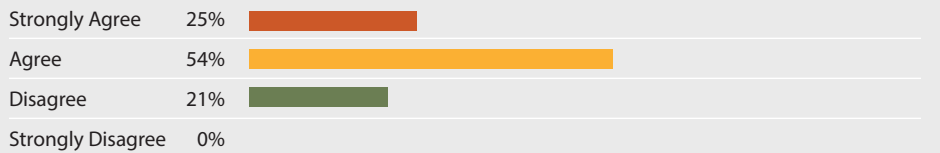


Technology

79%¹

Does the franchisor's use of technology effectively support franchisees?

Q: My franchisor effectively uses technology to help me manage and improve my business. (n=208)



(n=#) represents the total respondents that answered each specific question.

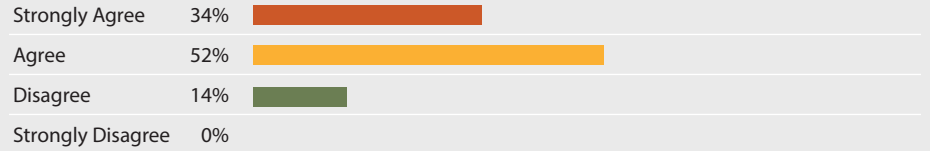
¹ Combined scores of *Strongly Agree* and *Agree* responses.

Websites and Innovation

Public Website

86%¹ Is the franchisor's public website helpful and useful in promoting the franchise brand?

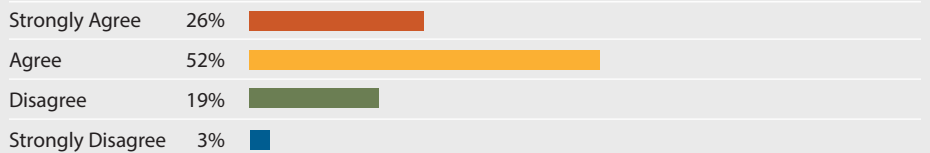
Q: My franchisor maintains a helpful and useful public website. (n=204)



Internal Website

78%¹ Is the franchisor's internal website user-friendly and does it provide helpful information to franchisees?

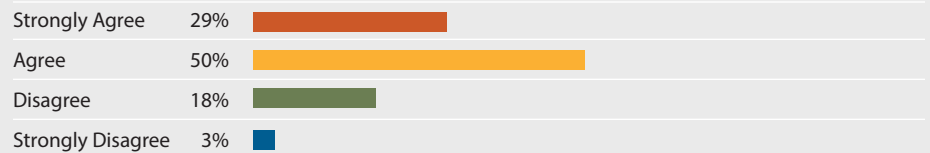
Q: My franchisor maintains a helpful and useful internal website. (n=200)



Innovation

79%¹ In the best franchise systems, franchisors look to the future and make innovation a priority.

Q: My franchisor's research and development (innovation) efforts help us to be competitive in the marketplace. (n=203)



(n=#) represents the total respondents that answered each specific question.

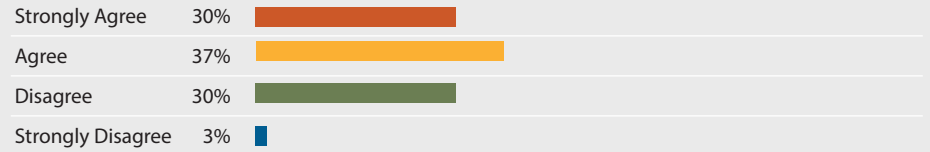
¹ Combined scores of *Strongly Agree* and *Agree* responses.

Vendors, Success and Conflict Resolution

Vendor Programs

67%¹ How beneficial are the franchisor's vendor programs for franchisees?

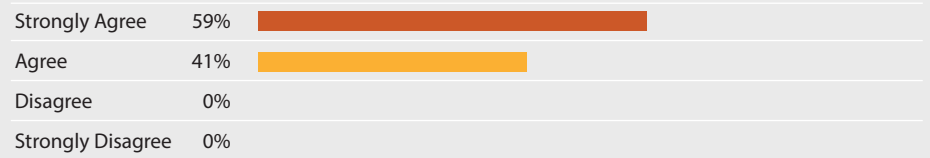
Q: The vendor programs facilitated by my franchisor are valuable to my business. (n=207)



Franchisee Success

100%¹ Does the franchisee believe that their success is a major concern on the part of the franchisor?

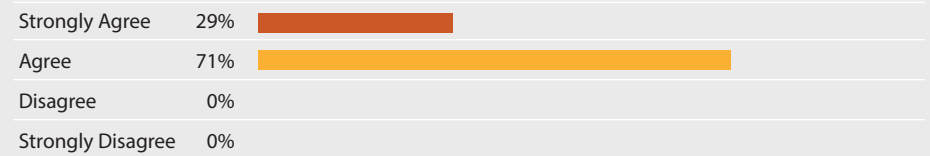
Q: My franchisor cares about franchisee profitability and success. (n=207)



Conflict Resolution

100%² Disagreements between franchisors and franchisees are not uncommon; the most effective franchisors resolve these conflicts quickly.

Q: My franchisor is effective in resolving disagreements with franchisees. (n=201)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Strongly Agree* and *Agree* responses.

Expectations

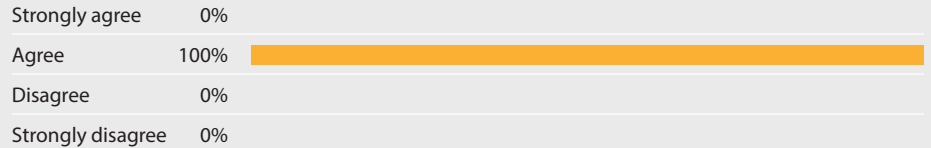
Expectations Established

100%¹

As a new franchisee, (less than two years) it is crucial that the

franchisor helps to establish realistic expectations.

Q: My franchisor helped me establish realistic expectations prior to my becoming a franchisee. (n=206)

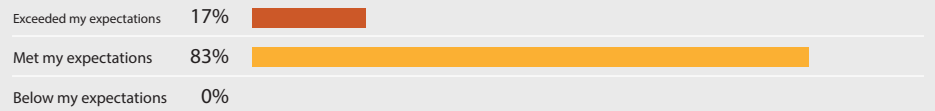


Expectations Met

100%²

This question asks new franchisees (less than two years) if their original expectations have been met.

Q: My franchise experience has met or exceeded my original expectations. (n=206)



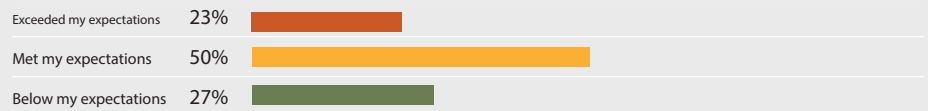
Financial Results

73%²

This question looks specifically at the financial expectations

of experienced franchisees (two years or more).

Q: The financial results provided by this franchise opportunity have met or exceeded my original expectations. (n=202)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Strongly Agree* and *Agree* responses.

² Combined scores of *Exceeded my expectations* and *Met my expectations* responses.

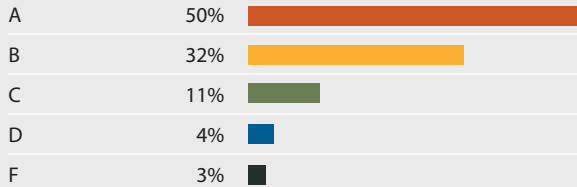
Communication and Convention

Franchisee Communication

93%¹

Healthy franchise systems have franchisees that work well with one another. They don't look to the franchisor to have all the answers, and they feel comfortable communicating with one another, sharing information and assisting their fellow franchisees.

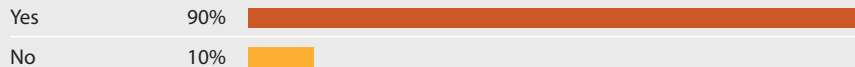
Q: How would you grade the helpfulness and communication between fellow franchisees? (n=204)



Convention Attendance

90%

Q: I have attended a national franchise convention in the last two years. (n=200)

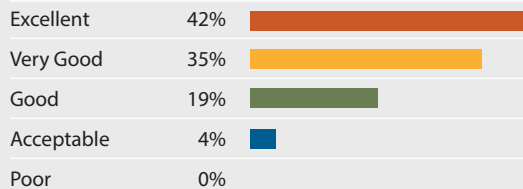


Convention Quality

100%²

Only those that had attended a convention in the last two years were asked this quality question.

Q: How would you rate the quality of the convention? (n=200)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of A, B, and C responses.

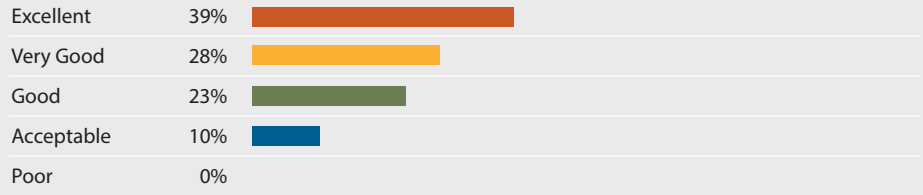
² Combined scores of Excellent, Very Good, Good, and Acceptable responses.

Convention

Networking

100%¹ Conventions often provide opportunities for franchisees to network with one another; do franchisees think that there was enough?

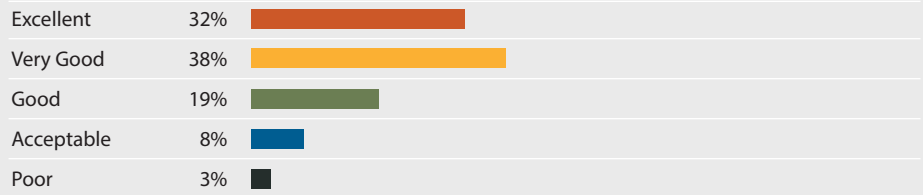
Q: Please rate the quantity of the networking opportunities available at the convention? (n=39)



Networking

97%¹ Do franchisees feel that they had high-quality opportunities to network with one another?

Q: Please rate the quality of the networking opportunities available at the convention? (n=37)



(n=#) represents the total respondents that answered each specific question.

Franchise Investment Decision

Q: Rank the following items in order of importance when you made your franchise investment decision: (1 = Most Important, 6 = Least Important) (n=200)

1st	Return on Investment
2nd	Quality of the end product / service sold to customers
3rd	Availability fo the franchise in your desired location
4th	Positive validation from existing franchisees
5th	The background / experience of the franchise executives
6th	Positive unit growth of the franchise

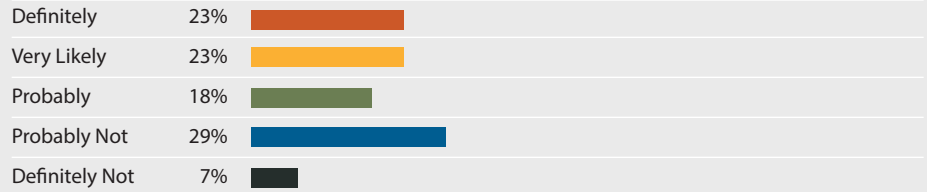
¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

Expansion Plans/Veteran/Net Promoter Score

Additional Franchises

64%

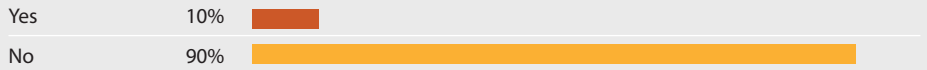
Q: Do you plan to open additional stores, outlets or territories of this franchise? (n=40)



Veteran

10%

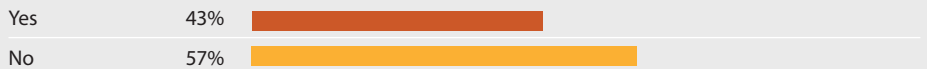
Q: Are you a Veteran? (n=42)



Franchisee Satisfaction Report

10%

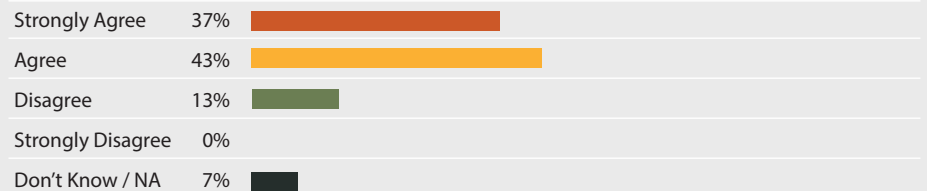
Q: Did you receive a copy of a franchisee satisfaction report prior to becoming a franchisee? (n=208)



Franchisee Satisfaction Report

80%

Q: The franchisee satisfaction report significantly impacted my decision to invest in this franchise. (n=90)



(n=#) represents the total respondents that answered each specific question.

Personal Profile

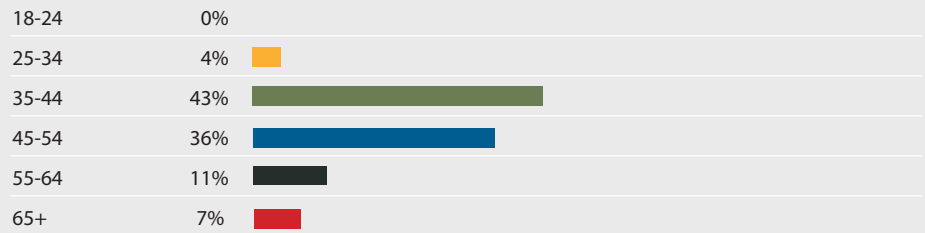
We ask five franchisee demographic profile questions. These five questions are intended to give the prospective franchise investor an overview of what the franchisees of this system “look like.”

1. How many franchisees fall into the different age groups?
2. How long have franchisees owned their franchises?
3. How many stores, outlets or locations of this franchise do these franchisees own?
4. Prior to opening this franchise, how much business experience (not business ownership experience) did the individual have?
5. What level of education has the individual franchisee obtained?

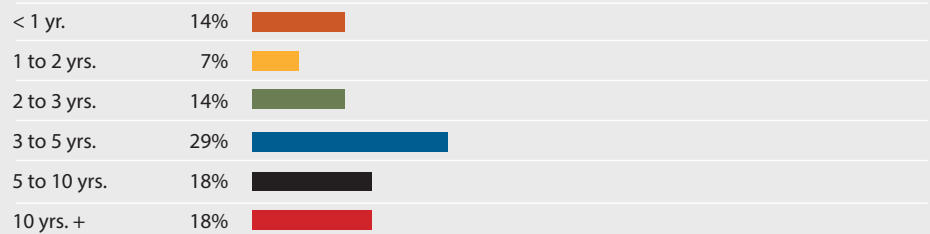
We understand that there are a huge number of questions that could be asked of franchisees in this area. However, our mission is to obtain the most useful information, certify the best franchise opportunities based on the experience and opinions of the franchisees and not bury the franchise investor with useless information.

This report is only one very important step in the due diligence process. If existing franchisees are supportive of the current franchise relationship and the support services provided by the company, and are excited about the future of their franchise business...you have found an opportunity definitely worth further investigation.

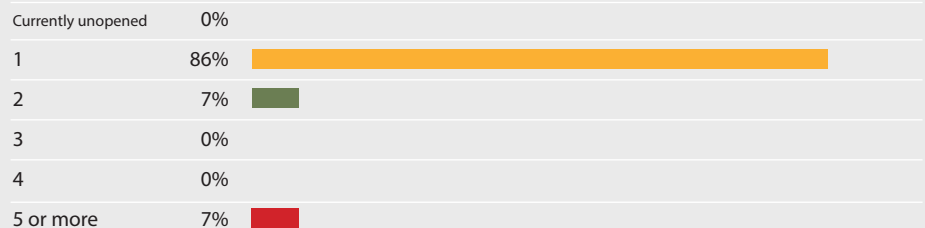
Q: Which age group do you fit in? (n=208)



Q: How long have you owned this franchise? (n=206)



Q: How many stores, outlets, or territories of THIS franchise do you own? (n=208)



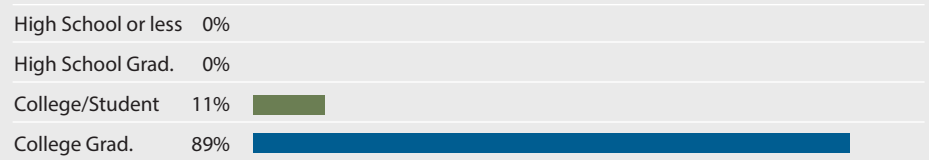
(n=#) represents the total respondents that answered each specific question.

Personal Profile

Q: Prior to opening my first franchise, my business experience could best be described as: (n=207)



Q: What was the last level of school you completed? (n=207)



(n=#) represents the total respondents that answered each specific question.

Methodology

Franchise Research Institute® sent a study-solicitation notification, to all two hundred fifty-four (254) Joe's DELI franchise owners. The study was completed in February 2024. Joe's DELI personnel gave franchisee contact information to Franchise Research Institute. The notification included the URL (web address) of the Franchise Research Institute franchisee satisfaction online survey as well as a numeric "pass code" to insure no duplication of responses.

Franchise owners were encouraged by the company and by Franchise Research Institute to complete the survey and were assured that their individual responses to the questionnaire would never be revealed to anyone outside of Franchise Research Institute, including Joe's DELI management.

Franchisees logged on to the online survey questionnaire, entered their individual "pass code", completed and submitted the survey. Two hundred and eight (208) of the two hundred fifty-four (254) total franchisees, or 82%, responded and took the survey. Franchise Research Institute has no reason to believe that non-respondents answers would vary substantially from those respondents.

The maximum error range on this study is plus or minus (\pm) .9% at the ninety five percent confidence level.

*Note: Franchise Research Institute® does not endorse any franchise companies. Investing in a franchise is an important decision. Franchise Research Institute research services are intended to provide basic, high-level information about franchise opportunities from current franchisees and should not replace the standard due diligence performed by any investor. Franchise Research Institute recommends that prospective franchise buyers consult a lawyer, accountant, and/or other professionals before signing any franchise agreement. See terms and conditions on www.FranchiseResearchInstitute.com for more information.