

# Franchise Developer

## Expanding into the Unknown

**W**hen you're ready to expand into a new territory—especially one with little or no brand awareness—what's the best way to proceed? Dan Rowe, founder and CEO of Fransmart, an Alexandria, Va.-based franchise development company, offers these suggestions:

- **Do your research before approving locations.** Get a good local real-estate broker. "Go find the guy who worked with all the Starbucks in the area," suggests Rowe. That broker will have already done much of the research you're looking for and should be familiar with the best sites. Ask your broker to fill out a SWOT report (Strengths, Weaknesses, Opportunities and Threats) for proposed trading areas, to help you identify and map out all the schools, offices and competition in the new territory. "You can do enough analysis about a market within 60 to 90 days to see if the market is right for your brand and be ready to start approving sites," he says.



In a new territory, Newport Beach, Calif.-based zpizza generates trial by bringing free pizza to local businesses, along with magnets, menus and free-slice coupons.

everything you do should be geared toward getting people in your front door so they can experience your product," says Rowe. Set up tastings. Offer sponsorships for local sports teams and events. Get permission to stand in front of the grocery store and give out samples. Invite the local media to come in and try your food. Bring nearby businesses a free lunch, and leave menus and coupons for a free item. "It's all about giving an offer so good they can't pass it up," says Rowe.

- **Pay keen attention to your unit-level execution.** "In a new place, it's so important to give people a fantastic experience right off the bat," says Rowe. "The new buzzword is 'four-walls marketing,' which speaks to the entire guest experience that occurs inside your four walls." Even in the best location, if customers have a poor experience in your grand opening phase, they won't come back.

- **Import your culture.** An opening team that's in and out in a few weeks is not enough, says Rowe: "Ideally you want to give some young people a chance to relocate to the new location. Then you know you have key employees at the unit level that really understand the culture."
- **Generate trial.** "In the three-mile radius around a new location,