



Franchise Management Manual

Section 7:

Marketing

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7.1 About Marketing

Marketing is the process of communicating the value of a product or service to customers for the purpose of selling the ShowerFix services. It is a critical business function for attracting customers.

The focus of marketing efforts is always the customer. The marketing process is important to your business as it identifies and addresses the need for the services that you are offering.

Successful marketing has to capture the attention of the target audience, arouse their interest and encourage them to take some action.

The first step is to identify your target market, focus on their needs and determine a plan to access the target market in the most cost-effective manner.

Key marketing objectives are to:

- ▶ Make prospective customers aware of ShowerFix
- ▶ Make prospective customers aware of the services we offer the benefits to them
- ▶ Address any issues prospective customers may have about the value of ShowerFix services
- ▶ Ensure the services we deliver turns customers into advocates of ShowerFix

Ultimately, we want to:

- ▶ Build an ever-increasing loyal and satisfied customer base
- ▶ Turn one-off customers into repeat customers
- ▶ Have customers refer ShowerFix to people and organisations they know.

During your initial induction and training we will help you develop a business plan which will include a marketing plan. This should also include a period of time for marketing prior to the launch of your business.

Thereafter you will develop the marketing plan on an annual basis.

In this section, we look at how marketing fits in a franchise environment, the marketing assistance provided by ShowerFix as the franchisor, and your marketing responsibilities as a franchisee.

7.2 Marketing Area Protocols

Introduction

ShowerFix provides all franchisees with a defined exclusive operating territory within which you are permitted to market, advertise and promote ShowerFix services.

You are not permitted to actively market, advertise and promote ShowerFix services outside this territory. Franchisor (franchise support office) approval is required for any marketing activity reaching outside the borders of your defined exclusive operating territory.

Customers, of course, are free to go to any business of their choice and you can provide services to them if they approach you. You may not, however, actively prospect and market outside your assigned area.

In order to ensure smooth working relationships between franchisees and with ShowerFix, the following protocols have been established. In the instance that these protocols differ from the Franchise Agreement, the Franchise Agreement shall prevail.

Marketing your operating territory

- ▶ You need to diligently develop your assigned marketing territory through systematic local marketing activities; supplemented by national marketing initiatives organised by the franchise support office.
- ▶ You may not market the brand outside your assigned marketing territory without prior written consent from the franchise support office.
- ▶ If an enquiry is received by the franchise support office, the prospective customer will be provided with contact details for the most appropriate franchisee.

Enquiries received from outside your territory

If an enquiry is received from a prospective customer from with a site outside your operating territory you should mention to the customer that they are outside your franchise operating territory and give them the choice as to which business they wish to deal with. That is with your business or with the franchise whose territory the job is located.

This and encourages co-operation between franchisees and provides an opportunity for a more conveniently located franchisee to complete the job.

The choice of who to deal with will always remain the customers.

Operating outside your territory

You may provide services to customers outside your operating territory where;

- ▶ You have already provided services to the customer, at a site, within your territory
- ▶ They have made a specific, unsolicited request you to provide services outside your operating territory
- ▶ You have notified the franchisor (franchise support office) of your intention to provide services to that customer
- ▶ They are not “national customers” – that is customers that are likely to have multiple site throughout New Zealand. This definition would include customers with a significant portfolio of owned and tenanted residential properties with a national presence.

Note; Housing New Zealand Corporation is an identified national customer.

Service to National Customers

Franchisees may not market, promote or service national customers (national customers) without the franchisors prior written consent.

The franchisor may provide services to national customers and may arrange for a franchisee to provide services to these customers, if you are asked to provide these services you must act strictly within the franchisors instructions.

Unassigned Areas


If an adjoining area is unassigned, the franchise support office may, at its discretion, allow a franchisee to promote their presence within that area until such time as it is assigned.

- ▶ At all times a franchisee’s primary objective should be to fully develop their allocated marketing territory before actively marketing out-of-area.
- ▶ Marketing to unassigned, adjoining areas must be approved by the franchise support Office prior to implementation.
- ▶ When a previously unassigned area is assigned, any franchisee who has previously had permission to market in that area must now refrain from this activity.

Joint Marketing

Where a promotional media overlap with another franchise territory, e.g. a newspaper circulation covers areas assigned to more than franchise territory, the franchisees involved should reach agreement to apportion the costs of the promotion.

Overlapping promotional activity needs the agreement of all affected parties and approval from the franchise support office.

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|  | STANDARD |
| 7.2.1 | Market proactively and promote the franchise to its full potential in your local area. |
| 7.2.2 | Adhere to all area protocols set out in the Franchise Agreement and this manual. |

7.3 Franchise Support Office Marketing Assistance

Building the brand

The ShowerFix franchisor is primarily responsible for building the brand within New Zealand although all marketing activities performed by franchisees should reinforce the brand and be in keeping with it.

We have:

- ▶ Created and developed the ShowerFix brand – including design and positioning, logo, trademarks, etc
- ▶ Developed and refined the systems, products, service offering and pricing
- ▶ Created promotional material (brochures, etc)
- ▶ Established a website www.ShowerFix.co.nz

It is important to understand that the marketing effort is an ongoing process involving input from all parts of the business. Collaboration between franchisees and the franchise support office will be a key part of this process.

Group Marketing

ShowerFix will co-ordinate and undertake marketing activities to promote our products and services on a state and national basis.

The franchise support office administers the group marketing fund on behalf of the franchise network as a whole. This consists of regular group marketing fund contributions from franchisees as set out in the franchise agreement.

Some of the activities we may undertake are:

- ▶ Developing brand specifications and standards
- ▶ Designing and developing marketing and sales tools (e.g. brochures, sales material, templates, etc)
- ▶ Newspaper and magazine advertising
- ▶ Public Relations development
- ▶ Other advertising (e.g. possible future special campaigns – as determined by the franchise support office)

0800 Number

We provide a 0800 number for prospect inquiries to ShowerFix. Franchisees pay for calls related to their business or prospects in their territory. Franchisees are invoiced monthly, for their share of calls, by the franchise support office.

Local Marketing Assistance

We will work with you and provide advice on the most effective local marketing methods for your area.

The Franchise Support Office will:

- ▶ Provide you with local marketing tools (e.g. Marketing Plan template as part of the Business Plan, standard advertising templates).
- ▶ Help you develop your “launch” marketing activities during the pre-commencement phase.
- ▶ Help you plan your local area marketing as part of your annual business plan and review this with you at regular intervals to ensure it meets the marketing requirements for your area.
- ▶ Discuss local marketing with you during phone communication and field visits; and provide assistance as required.
- ▶ Approve non-standard local marketing initiatives that meet our standards.

7.4 Franchisee Marketing Responsibilities

Introduction

Under the terms of the Franchise Agreement you are responsible for the marketing and promotion of the ShowerFix brand in your territory.

Local area marketing is valuable because it:

- ▶ communicates your offer to customers and potential customers in your area
- ▶ ensures ShowerFix has a 'local' flavour and creates goodwill with your community
- ▶ can be used to communicate something specific about your individual business which cannot be done with national marketing
- ▶ increases awareness of your business in the community.

Local Marketing Planning

Planning for local area marketing is an integral part of owning and running a successful franchise business. A marketing plan is incorporated into the Business and Marketing Plan (FMM-007) template is an integral part of the annual planning process. Use the marketing plan to schedule your initiatives by month for the year ahead. You will complete these plans (for the first time as a part of your initial training, induction and pre-launch activities).

See also Section 10 – Business and Marketing plan.

Initial Local Marketing Amount

Your Franchise Agreement specifies an initial local marketing amount that needs to be spent on marketing activities in your assigned area during the launch of your franchise.

Typically this will be over an intensive period of up to 8 weeks (4 weeks prior to launch and 4 weeks after).

You will complete an Initial (Franchise Launch) Marketing Plan (FMM-015) as a part of your initial training that covers this 8 week period.

It is essential that you quickly establish a presence in the local market, hence the need to start advertising before you open, and the requirement to invest in pre launch and launch advertising.

We will work with you to assist you in planning activities for this period. Activities and budgeted costs will be captured in the marketing plan section of your Business Plan.

Annual Local Marketing Amount

The franchise agreement sets out an annual local marketing amount. This is an expected minimum spend on marketing initiatives in your area.


The local marketing amount is used to attract new customers and drive the business in accordance with your business plan objectives.

Evidence of the amount spent such as invoices or proof of placement may be requested by the franchise support office from time to time.

Local Marketing Responsibilities

You need to undertake the following;

- ▶ Spend the initial local marketing amount specified in the franchise agreement on marketing in your assigned area. We will work with you to assist you in planning these activities.
- ▶ As part of your annual business planning process, complete a local area market plan. This covers planned marketing activity for your area and how the local marketing amount will be apportioned over the year.
- ▶ Submit your plan to the franchise support office for approval in accordance with the requirement set out in section 10 –business planning.
- ▶ Implement promotional activities in your area based on your marketing plan, evaluate their effectiveness, and adjust your plan accordingly.
- ▶ Obtain approval prior to implementation for non-standard marketing material and initiatives using the Marketing Pre-Approval Request (FMM-008) form to request approval.
- ▶ Purchase business cards, brochures and other promotional material through the ShowerFix approved supplier.
- ▶ Be open to new marketing initiatives recommended by ShowerFix
- ▶ Uphold the image of the ShowerFix brand to a high standard in all elements of your business (premises, vehicle, yourself, staff and communications with customers and local media).
- ▶ Act at all times in a manner consistent with the image of the ShowerFix brand.
- ▶ Evaluate the effectiveness of your marketing initiatives. Ask customers how they heard about you.

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|  | STANDARD |
| 7.4.1 | Meet all local marketing responsibilities as specified in the Franchise Agreement and this manual. |

7.5 Local Marketing Initiatives

Introduction

You need to consider other methods of marketing that are most suitable for your local area. We have provided a list of methods of marketing that have typically been effective for our type of business.

Sales and marketing tools such as brochures and templates will be provided to assist franchisees.


Remember that the most powerful and vital marketing tool is 'word of mouth' referrals – one customer having a great experience and telling their friends about it.

Local Marketing Methods

| | Local Marketing Method | Description |
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| 1 | Face to face prospecting | Direct approaches to high value sources of business. e.g. Property management business's |
| 2 | Word of mouth referrals | Encouraging satisfied customers to spread the word. Word of mouth referrals is one of the best forms of promotion for a business. <ul style="list-style-type: none"> • It is the result of services provided for existing customers and is extremely powerful. • It is the cheapest form of advertising, but it is one over which you have the least control. • It is very important that every encounter your customers have with ShowerFix is a positive one. <p>Customer satisfaction levels directly drive word of mouth business. The better you satisfy customer needs, the more they will talk positively about you.</p> |

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| 3 | Relationships with other trades | Building working relationships with trade people who have the same prospects and customers as you have. This provides mutual benefits such as two way referral of regular work. Including membership of a local business networking groups. |
| 4 | Letter box drops | Promotional material in letterboxes highlighting what service you provide, that you are currently working in the area and that you are available. |
| 5 | Sign written vehicle | Your vehicles act as mobile billboards and must be sign written with branding and contact details. |
| 6 | Marketing material | <p>You need to maintain supplies of ShowerFix marketing material (brochures, business cards etc.) and keep a supply on hand (in your vehicle).</p> <p>This may also include other promotional material developed by ShowerFix from time to time.</p> |
| 7 | Non business networking | Community and/or sports groups can provide the opportunity to network less formally. In particular where you are already a member of the group. |
| 8 | Directory listings | <p>Discuss size and type with the franchise support office and consider the cost in relation to other forms of advertising and (once you are established), the number of referrals received via this method.</p> <p>Franchisees are responsible for placement costs (shared by region as appropriate).</p> <p>Franchise support office will provide a template and co-ordinate the placement of these listings in larger areas.</p> |

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| 9 | <p>Local newspapers magazines and community newsletters and websites</p> | <p>Franchise support office can provide assistance with a standard advertisement template.</p> <p>Consider advertising in daily newspapers and community newspapers.</p> <p>Ask your local newspaper rep about circulation figures and the best days and placement position for your type of business. You should be able to obtain a discount for multiple insertions.</p> <p>Typically a run of advertisements (e.g. once a week in a daily local newspaper or a weekly community newspaper) is better than ad hoc advertisements.</p> <p>Consider advertorials.</p> <p>Franchisees may wish to combine and share costs.</p> |
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|  | STANDARD |
| 7.5.1 | Discuss your local marketing requirements with Franchise Support Office. We will be able to provide information on which methods have been found most effective by other franchisees in the network. |
| 7.5.2 | Develop, action and review regularly an annual marketing plan |