ONLINE REPUTATION MANAGEMENT FOR FRANCHISORS

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INTRODUCTION

According to digital marketing publication CMSWire,
avoiding damage to brand reputation

"is now the number one concern for business executives around the world."

Learn More

As a business category, franchisors have a particular need to protect their brand's reputation.

Unlike standalone and owner-operated businesses, a franchisor's value proposition for its individual franchisees is the strength of its brand among consumers, suppliers, advertisers and the media.

Damage to a brand by an individual franchisee or from a negative customer review can inflict lasting harm on a franchisor's business interests.

To mitigate this risk of brand reputation damage, franchisors should focus efforts on managing brand reputation in two areas.

1. **The first** is ensuring the consistency and appropriateness of brand messaging among franchisees.

2. **The second** is exercising control over local conditions and perceptions that can become magnified and affect brand reputation.

In this white paper, we discuss both areas of focus and make recommendations for how franchisors can leverage digital tools to protect brand reputation.
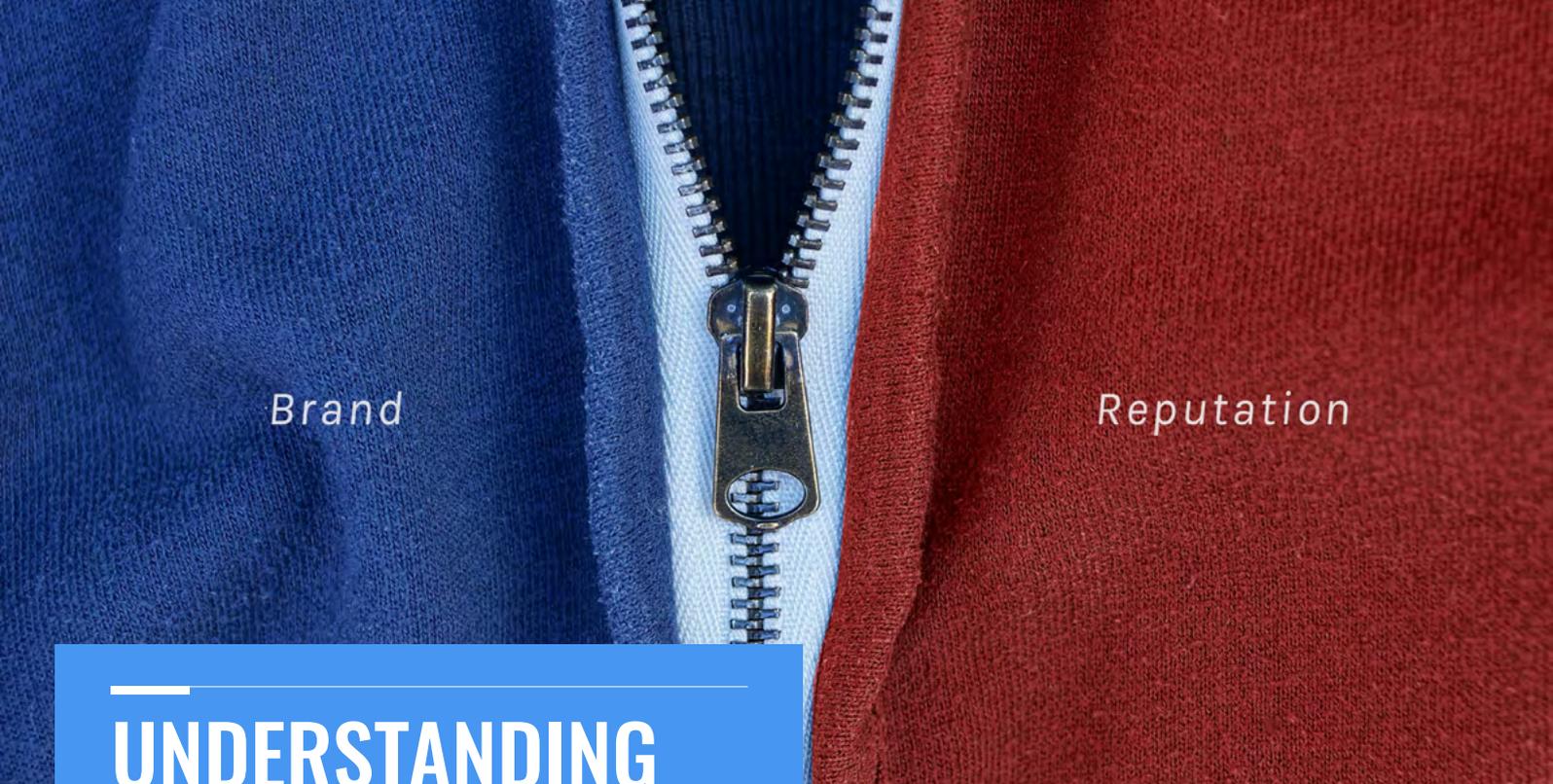
Brand

Reputation

UNDERSTANDING THREATS TO BRAND REPUTATION

In the digital age, brand managers for franchisors have more channels to monitor than ever to ensure their brand remains valuable. Threats come from all corners.

Below we discuss the most salient threat vectors brand managers must consider.

THREATS FROM NON-COMPLIANCE AMONG FRANCHISEES

Franchisee brand compliance is at the core of any franchise business model. When franchisees adhere to company standards, policies, and procedures the business has a strong chance of success.

If they are allowed to avoid obligations and cut corners so as to undermine brand consistency, the business will suffer.

One important category of franchisee brand compliance is marketing compliance: the consistency and coordination of franchisee marketing efforts so as not to appear disorganised to the consumer and to avoid tension within the franchise organisation.

Franchisees who feel a lack of support from the top or perceive an erosion of the brand they've invested in may try to take matters into their own hands.

To distinguish themselves from other local franchisees or from the national office, they may engage in **"rogue"** marketing campaigns, create their own marketing collateral, and even insinuate to their customer base that they are somehow independent of the larger brand.

These **"self-help"** efforts, understandable as they might be from the perspective of the individual franchisee, can inflict lasting damage on the brand's broader reputation.

Customers notice everything. If they see one franchise location **"going rogue,"** they will likely conclude a brand is weak, unreliable, and unworthy of their loyalty.

THREATS FROM INATTENTION TO LOCAL REPUTATION

The proliferation of online channels where consumers, employees and even business partners can discuss, dissect and criticise a brand seems never ending.

Today, brand managers must contend with a seemingly overwhelming and constant flow of direct feedback from the marketplace in the form of Twitter/Instagram/Facebook posts, reviews on Yellow Pages and online forums, and anonymous employee tales on GlassDoor, to name just a few.

The public, unfortunately, tends to produce and gravitate toward the most negative forms of this content.

Far fewer people post and share stories on social media about a great customer service interaction than do people who use the platform to spread tales of perceived mistreatment.

Likewise, the stories on employee forums that generate the most discussion are the ones about bad bosses and poor working conditions.

Every one of these pieces of content constitutes an arrow aimed at the heart of every franchisor's brand management division and it's difficulty to predict which one will pierce the toughest brand armour.

A challenging corollary to the threats posed by social media and similar platforms is the follow-on threat of media picking up one of those posts and running with it. The terrifying reality of these stories is that brand managers never know when they will appear or whether they will go viral. Consider for instance, the difficulty KFC encountered recently after two separate incidents of customers sharing photos on social media of apparently-unsafe food purchased at their restaurants.

No restaurant ever wants to be accused of unsanitary conditions, but in the case of a franchisor a single story amplified by a major media outlet can affect the perception of a brand worldwide.

NEGATIVE ONLINE REVIEWS

It isn't just bad stories amplified by major news outlets that can explode a single poor customer experience into a global brand crisis.

Negative reviews that never catch fire in such a spectacular fashion may still burn down a brand's reputation through prolonged inattention and inaction of local franchisees.

It generally is not within an individual franchisee's remit to monitor and respond to every single negative review their particular location receives from a customer. Indeed, in many cases, that kind of vigilance may be asking too much of franchisees.

Unfortunately, if local franchisees lack the incentive and resources to police their local reputations, a negative local perception can grow and undermine brand reputation on a broader scale.

Consider the not-uncommon case of a franchise location that has earned a local reputation – perhaps unfair but nevertheless intransigent – as the **"dirty"** or **"dodgy"** store.

Earning this reputation may simply be a matter of the geographic setting, or of franchisee non-compliance with standards, or of outright disinformation perpetuated online by a dissatisfied or malicious customer or competitor.

Whatever the cause, once a franchise location earns a negative reputation, the damaging perception of the brand as a whole has a tendency to propagate upward. One **"dodgy"** store, in essence, becomes a symbol for the franchisor's willingness to embrace dodgy-ness across its entire business.
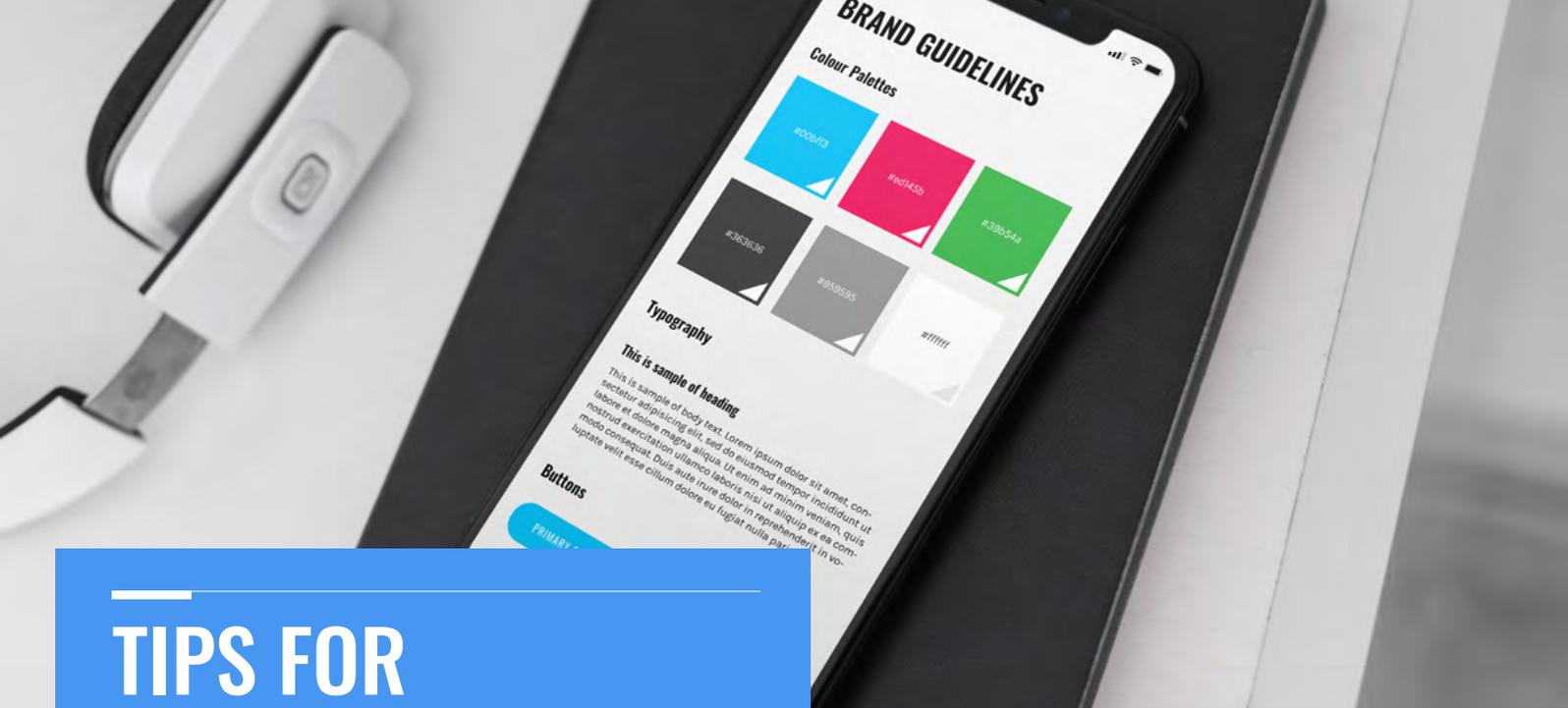
TIPS FOR EFFECTIVE BRAND COMPLIANCE

Brand compliance remains the best defence franchisors have against these threats. As mentioned earlier, it is the crux of the entire business model. The more on-brand every franchisee is, the better the chances of the public dismissing a bad review or unsettling story as an anomaly rather than a reflection of the brand as a whole.

Brand marketing by individual franchisees, when properly executed, can facilitate a consistent, strong brand message and act as a bulwark against damaging stories.

To encourage franchisees to stay on-message, franchisors should try to make it easy for franchisees to market themselves in a brand-appropriate fashion and to empower them to do so.

Franchisors may accomplish this by, for example:

✔ Centralising marketing assets and collateral for the brand and individual marketing campaigns. A one-stop location, either online or through a marketing agency, makes it simple and easy for franchisees to find approved marketing materials to use. A home for marketing materials online could be something as simple a shared Google Drive or Dropbox account, or as sophisticated as an Asset Management Platform (costing more than $4,000 per month).

✔ Creating a workflow for franchisee marketing requests and management-level approvals. We encourage franchisors to stop using email chains and instead use online tools or third-party services to implement custom workflows for franchisees. Once created, franchisees can use these workflows over and over, instead of re-inventing the wheel each time they have a request to make.

✔ Use a social media portal that allows franchisees to create and pay for local marketing campaigns. Franchisors can populate these portals with pre-approved marketing campaign templates and materials that meet predefined brand guidelines.

TIPS FOR EFFECTIVE LOCAL REVIEW MANAGEMENT

Reviews of local franchise locations posted to social media and elsewhere may pose a threat to a brand, but they also constitute a virtual goldmine of information for brand managers who can them into a huge asset if managed effectively. After all, every review constitutes a data point that may reflect areas in which the business needs to focus its attention

SO, HOW TO LEVERAGE THEM?

First, franchisors must take time to learn the ins-and-outs of how to respond to negative reviews. The proper response to a negative review can turn a disaster into a win and boost a brand's reputation just as strongly as a negative review can pull it down.

Second, treat reviews as **"big data"** to be aggregated, parsed, and analysed. Heat maps, word clouds, and other data visualisations can help draw quick, useful conclusions from large numbers of reviews, to help focus a brand manager on the core topics that arise repeatedly. Reviews should also receive classifications according to a predetermined metric, to ensure particularly good or bad reviews receive attention. And remember, every response to a review, good or bad, is free advertising! If a review is getting attention, so will what you say in a reply.

Third, instead of leaving customers with no choice but to post reviews on a variety of social media platforms, create a centralised review location and encourage customers to give feedback there.

> *Not only does this give franchisors the ability to exercise some control over how and where reviews appear, it also allows them to leverage their CRM solution to gather data and encourage customers to submit positive reviews of good customer experiences. (Never offer something in exchange for a review, however. This tends not to be well-received.)*

SUMMARY

The free flow and amplification of information online poses challenges for brand managers of franchise businesses, for whom the strength of a brand is the make or break determinant of success.

Protecting a brand from unexpected and damaging crises requires vigilance and attention to managing the worst impulses of franchisees and customers alike.

Although it is never possible to anticipate when the next "nightmare" story might appear and grow, franchisors can protect themselves by investing in brand compliance (particularly franchisee marketing compliance) and local review management.

ABOUT CBO

Complete Business Online is a full service digital marketing agency.

We help franchisors improve revenue, attract more customers and grow their franchise network.

If you want to protect your brand's online brand reputation, contact us today to find out how we can help.

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Complete Business Online

FRANCHISE DIGITAL MARKETING

📞 1300 660 285

✉️ hello@cbo.me

🔗 www.cbo.me

SYDNEY, AUSTRALIA

Level 13, 333 George Street Sydney NSW 2000 Australia

MELBOURNE, AUSTRALIA

Level 3, 534 Church Street Cremorne VIC 3121 Australia

MANILA, PHILIPPINES

Unit A 27/F BPI-Philam Life Assurance Corporation (BPLAC), 6811 Ayala Avenue, Makati City 1209 Philippines