

MEDIA RELEASE
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Franchisee satisfaction ratings show growing concern of financial downturn

topfranchise.com.au has today released the results of its first quarterly review into the satisfaction of Australia's franchisees, revealing a growing concern in the industry over the impact the financial downturn is likely to have on small business.

Incorporating feedback from over 1,000 franchisees from 65 systems across Australia, the latest results show that the tightening economy is affecting business sentiment, with average ratings for most franchise systems down compared to the previous quarter.

Franchisee satisfaction ratings for financial services businesses have been hardest hit by a loss of confidence in the economy. However, some businesses including those offering healthcare, small luxuries and affordable family dining have been well placed in the current economic environment to maintain and even improve overall franchisee satisfaction.

Ian Krawitz, Head of Intelligence 10 THOUSAND FEET and founder of **topfranchise.com.au**, said the drop in franchisee satisfaction was not surprising given the current economic climate: "This initial dip in franchisee satisfaction is in no way indicative of a loss of confidence in the franchising sector as a whole.

"Our survey takes into account seven different indicators of franchisee satisfaction, and while opinion on financial rewards has obviously dipped, other areas have held steady. For example, passion for the business and interest in renewing franchise agreements have increased significantly as franchisees realise that they are in a good situation compared to those facing redundancy," said Krawitz.

Affordable family dining is one example of a potential growth area in the current economic climate, and Souvlakihut is an operator currently surfing the value wave with a kids eat free offer that started as a trial in Victoria, but will soon be rolled out to other states. However, customer numbers are not the only indicator of success, with Krawitz pointing to Souvlakihut's commitment to high levels of franchisee support as being key in retaining its number one placing.

Heading the list of those chasing Souvlakihut's crown include new comers to the Top 10; aged and disability care franchise Just Better Care, mobile car cleaning and detailing business Car Care, professional equipment supplier Snap-on Tools and appliance rental service Mr Rental.

Drive-through **coffee franchise** Muzz Buzz, and women-only gym chain Fernwood Fitness also broke into the Top 10 for the first time, while gourmet cookie retailer Mrs Fields, Mortgage Choice and ANZ Mobile Lending services all retained Top 10 positions in the new rankings.

"Franchises which offer value driven products or services, such as Souvlakihut and Mr Rental; and those that offer small luxuries such as a Muzz Buzz are doing well in this climate," said Krawitz. "It's also clear that some sectors are relatively immune to an economic downturn, with socio-demographic trends dictating that healthcare businesses like Just Better Care still have room to grow."

topfranchise.com.au launched in October 2008, and is a free online service which rates Australia's best **franchise business opportunities** based on the feedback of their own franchisees.

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Notes to editors:

topfranchise.com.au is a free consumer service, supported by subscription fees paid by franchisors. It allows users to benchmark franchisors against average industry performance across seven categories and provides links to franchisor websites, news articles, video profiles & testimonials. Ratings in each category are updated quarterly, based on the results of 10 THOUSAND FEET's ongoing Franchisee Satisfaction Surveys.

The seven categories taken into account by topfranchise.com.au include;

- **Renewal:** intention of franchisees to renew their agreement beyond the current term
- **Recommendation:** willingness to recommend a franchise to friends and colleagues
- **Rewards:** level of financial & social rewards franchisees feel they receive
- **Lifestyle:** whether franchisees are satisfied with the lifestyle their franchise affords them
- **Passion:** how passionate franchisees are about the brand, product or service they offer
- **Support:** examining levels of support offered by the franchisor
- **Opportunities:** whether franchisees feel there are opportunities to expand their business within the system

The new topfranchise.com.au Top 10 is as follows:

Current Position	Business Name	Previous Position
1	Souvlakihut	1
2	Just Better Care	New Entry
3	Car Care	New Entry
4	Snap-On Tools	New Entry
5	Mr Rental	12
6	Muzz Buzz	13
7	Mrs Fields	9
8	Mortgage Choice	7
9	Fernwood Fitness	11
10	ANZ Mobile Lending	8

For further information or to arrange interviews with Ian Krawitz or spokespeople from the new top 10 please contact:

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