



HOW A START-UP DIGITAL AGENCY HELPED A \$500M FRANCHISE SOLVE LOCAL MARKETING CHALLENGES

Anyone who has ever worked in, with, or for a franchise company knows that the franchisee-franchisor relationship can be complex. From operations to finance, the franchisor is expected to provide independent owners with the tools they need to be successful, while franchisees are expected to be top-notch owner operators. The level of support varies from system to system, but one department that is consistently a hot-button topic is Marketing.

Understanding a franchise's Marketing fund collection and distribution requires a degree in economics, especially with buckets for national, regional, and local advertising. *How much is paid in? How are funds distributed? What are the roles and responsibilities for each side of the franchise equation?*

It's complicated.

I should know. Before I founded Bee Local Marketing in September 2018, I spent 4-years as Senior Director of eCommerce at the corporate headquarters of the Edible Arrangements® franchise.

Fast-forward to April 2019: Bee Local Marketing had over two dozen clients and was profitable but still small. That's when I got a surprise call from four Edible® franchise owners and Marketing Co-op presidents from Dallas, Austin, Houston and Detroit -- *"Hey Drew, we heard you're doing your own thing and we want to talk about how we can work together..."*

Eight months later, Bee Local had signed 27 Edible® DMAs or market groups, totaling over 400 store locations; nearly half the franchise system.

The speed of partnership growth was surprising to some, the corporate office included. *Who is Bee Local Marketing and why are franchise owners flocking to them? What is Bee Local doing that's so special? Is it actually working?*

Who is Bee Local Marketing and why are franchise owners flocking to them?

By that time my wife and partner, Kelley, had joined Bee Local full-time. She was formerly employed by Edible® corporate as a Senior Director of Brand Marketing. Our first full-time hire was Caitlin, who was previously Email Marketing Coordinator at Edible® corporate. Our familiarity with the brand was certainly an advantage, but more important was the equity our team had with franchisees.

Anyone who says referral marketing has been killed by the world of impersonal, automated digital advertising can take a look at Bee Local's Y1/2019 P&L: 100+ clients, \$1.3M+ in revenue, \$0 spent on prospecting. To date, 100% of Bee Local business has been word of mouth.

So, to answer the question of *why* -- it's because franchisees trusted the Bee Local team. They believed the connection and our unique expertise was more important than agency size or client roster.

We agree. Pitches don't matter. Relationships and experience do.

What is Bee Local doing that's so special?

Bee Local Marketing provides paid digital campaign management, particularly Google and Facebook Ads. Nothing fancy or proprietary. Thousands of agencies do the same thing with varying degrees of success. What we bring to the table is a maniacal focus on effort, value, and transparency

In the case of Edible®, we didn't just take creative from corporate and push the boost button; we created a concept ideation process for every holiday, occasion, and time period. We executed thousands of campaigns each month.

In doing so, we addressed a few critical issues --

1. **We kept it simple.** Digital Marketing can be scary to a small business operator with limited experience in the space. We focused on 2 or 3 tactics where we saw the best opportunity for impression efficiency. In this case, it was namely Facebook/Instagram Ads and YouTube pre-roll ads. To work more of the funnel and create more holistic campaigns for specific holidays and occasions, we introduced tactics like Local Streaming TV and Radio.

Our model was consistent, easy to understand, and easy to measure.

2. **We satisfied an appetite for localized creative.** One of the first things we heard from Edible® franchisees was that they wanted more custom, localized creative support which can be difficult for the corporate office to execute.

At Bee Local, Kelley drives campaign ideation, messaging, and creative. Caitlin and I are the digital nerds who focus on campaign execution and optimization. This combination allows us to leverage market-specific consumer research and trends, identify appropriate digital marketing targeting personas, and create localized assets to execute against that vision.

3. **We addressed impression inequity.** Algorithm-based bidding platforms like Google or Facebook ads stay within targeting guardrails you put in place and optimize ad delivery to the overarching objective. For example: If you tell Google to optimize for conversion, it will show ads more often to audience segments, device types, locations, etc. that are most likely to convert. When you give that algorithm a lot of physical room to work-- say, the Continental U.S. -- it will almost always result in impressions favoring larger DMAs. So, even though a single-unit franchise owner in Pittsburgh may contribute the same amount to the National Advertising Fund as one of the locations in NYC, they won't necessarily receive the same volume of impressions.

To address this, Bee Local created campaigns at the individual location level, complete with targeting, unique messaging, and equitable budgets. This helped make sure every franchise owner got a fair share by addressing spend and impression equity. All while not decreasing overall efficiency.

4. **We made it local.** Trying to sell "wicked awesome smoothies" makes sense in Boston, but maybe not Detroit. In A/B testing, we found that localization of the creative, along with dynamic, location-specific ad copy made a positive difference.
5. **We introduced an omnichannel approach.** Many retailers struggle to make online and offline sales channels work together. Some, like Best Buy and Walmart, are doing it right. Others, such as Pier 1, not so much. With franchises in particular, there can be a store vs. web mentality instead of a store + web mantra.

While we couldn't control the national advertising activity and how various digital touchpoints were leveraged to drive store location awareness, our ads and content provided consumers the information and methods to easily purchase in any available channel -- Click, Call or Visit. We were careful to include dynamic store location information, call now CTAs or post copy, sometimes a map card, and almost always a way to buy online.

Is it actually working?

In short: YES.

Our overall performance was so strong that parallels can be drawn between our activity and the ENTIRE franchise system's sales. Confidentiality prevents us from getting too deep into specific numbers, but one of the more astonishing learnings is that campaigns designed to drive location awareness and store channel sales, generated significant eCommerce sales. We saw return on ad spend as high as 15x for web sales (meaning, just sales attributed to ecommerce purchases). These campaigns were essentially paying for themselves with happenstance web sales attribution while maintaining the primary focus of location awareness store channel conversions.

Creating a high volume of campaigns for so many different markets has given us a massive volume of data and learnings. Here are some of our findings:

1. Ads delivered in historically underserved markets performed exceptionally well. Conventional thinking might suggest that areas lacking high-arching brand campaigns would deliver lesser results down the funnel, but this was not the case.
2. Major performance differences within markets were not tied to demographic targeting, but product diversification. For example: In “sports towns”, a local team-inspired message did not perform well enough to beat Edible(R) key occasion messaging. Performance around new products (like cheesecakes and cookies) varied considerably from market to market.
3. The right creative type for the right campaign objective is critical. For Facebook Ads, the campaign objective sets the tone for ad delivery and using short-form videos with a conversion objective may miss the mark; Views or Reach are a better match. With endless combinations of ad types and objectives, it took some time to build the right matrix. Now that we have it, we can typically predict campaign performance with surgical accuracy.

In addition to these insights, here are a few things other franchisors might learn from the Bee Local Marketing and Edible® partnership:

1. **Outline who does what.** Have clearly defined roles and responsibilities for national, local and regional marketing. This will help streamline everyone’s efforts. What does the corporate office do? What does the agency do? What can you both do?
2. **Align on plans:** Define and communicate clear messaging and creative strategies for each period to franchise owners and their local agencies.
3. **Embrace collaboration.** Allow agencies to be the boots on the ground in each market, test and learn, and try new tactics.
4. **Take an omnichannel approach.** The web can drive store performance and vice versa. There is rarely a reason to separate channels and have them compete against each other.

There are countless other learnings from our continued work with Edible®. The partnership has generated important insights and results that Bee Local Marketing can apply to other franchise systems willing to take a shot on our small agency that is capable of solving big problems.