

The Profile of Franchising

Volume III: A Statistical Abstract of
1998 UFOC Data

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2.1 Franchise Population by Total Number of Domestic Franchised Units

Description

Pie Chart: Chart 2.1 breaks down the Franchise Population by the total number of domestic franchised units in each system. A 'domestic franchised unit' is a unit located in the U.S. and owned and operated by a franchisee. Each slice of the pie chart represents the percentage of systems within the Franchise Population in each of the six unit ranges listed in the legend at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the number of domestic franchised units of the Franchise Population in relation to each system's industry category. Each bar depicts the total number of franchise systems within each industry category, for each of the six specified numeric ranges of domestic franchised units.

Methodology

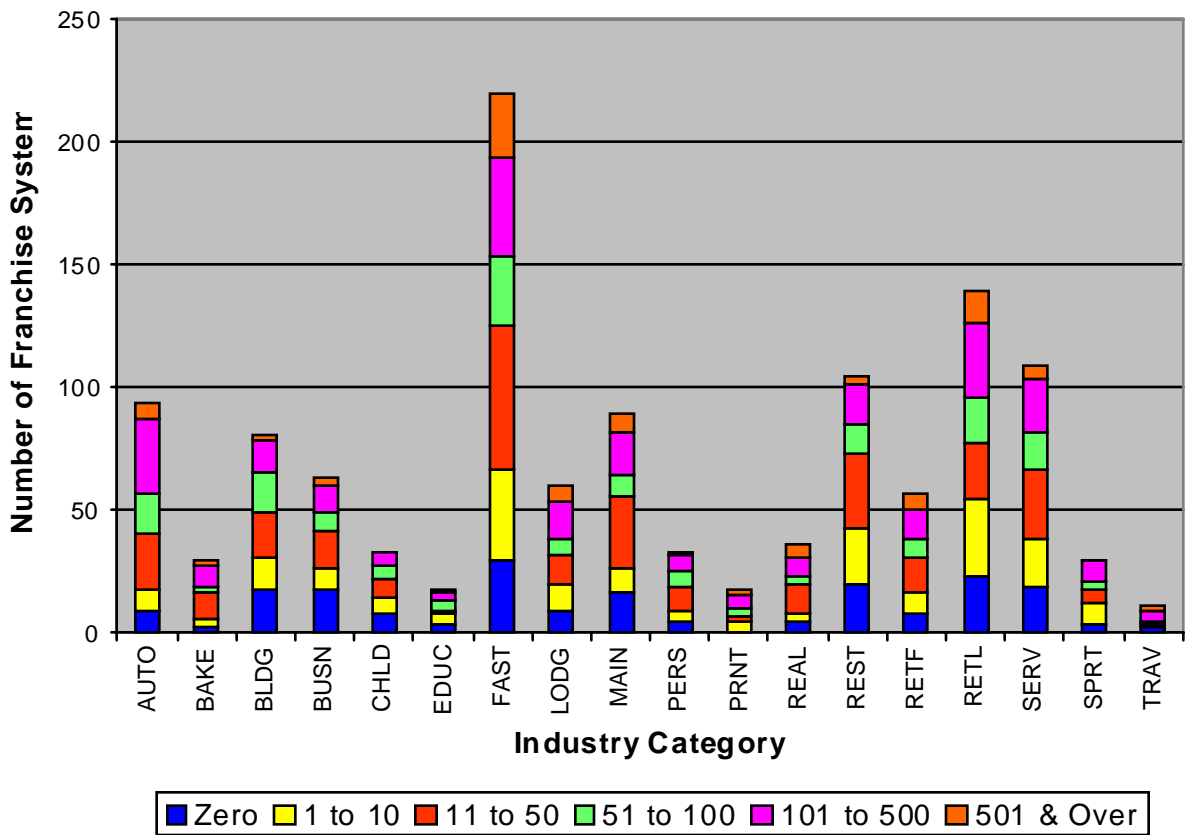
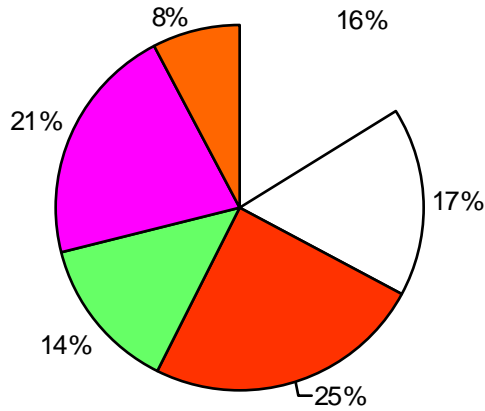
The data for this chart was compiled by extracting the number of franchised units operating at year-end (either fiscal or calendar) as disclosed in Item 20 of the UFOC. Because the data for this study was taken from 1998 UFOCs, the dates relating to this data set usually fall somewhere during calendar year 1997. While FRANDATA tracks historical unit counts, only dates representing the number of franchised units at the year-end closest to the registration date of the UFOC were used to compile the charts.

Selected Findings

- 1) Of the 95 systems included in the "501 & Over" domestic franchised units category, 26 (27%) are in the Fast Food Industry (FAST).
- 2) The largest concentration of systems in the Franchise Population was found in the "11 to 50" domestic franchised units range (25%); the smallest was in the "501 & Over" range (8%).
- 3) Fast Food and Retail combine to account for 41% of all systems with 501 or more domestic franchised locations.

**Note 1: Six systems were excluded from this chart due to omitted variables.
(See Chapter IV, C. for details).**

2.1 Franchise Population by Total Number of Domestic Franchised Units



2.1 Franchise Population by Total Number of Domestic Franchised Units

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	9	9	22	16	31	6	93
BAKE	2	4	10	3	8	2	29
BLDG	17	14	18	16	13	2	80
BUSN	18	8	15	8	11	3	63
CHLD	8	6	8	5	6	0	33
EDUC	3	5	1	4	3	2	18
FAST	30	36	59	28	40	26	219
LODG	9	11	12	6	15	7	60
MAIN	16	10	29	9	18	7	89
PERS	4	5	10	6	7	1	33
PRNT		4	3	3	5	3	18
REAL	5	3	12	3	8	5	36
REST	20	23	30	12	16	3	104
RETF	8	8	15	7	12	7	57
RETL	23	31	23	19	30	13	139
SERV	19	19	28	15	22	5	108
SPRT	3	9	5	4	8	1	30
TRAV	2	0	1	1	5	2	11
Total	196	205	301	165	258	95	1220

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	10%	10%	24%	17%	33%	6%	100%
BAKE	7%	14%	34%	10%	28%	7%	100%
BLDG	21%	18%	23%	20%	16%	3%	100%
BUSN	29%	13%	24%	13%	17%	5%	100%
CHLD	24%	18%	24%	15%	18%	0%	100%
EDUC	17%	28%	6%	22%	17%	11%	100%
FAST	14%	16%	27%	13%	18%	12%	100%
LODG	15%	18%	20%	10%	25%	12%	100%
MAIN	18%	11%	33%	10%	20%	8%	100%
PERS	12%	15%	30%	18%	21%	3%	100%
PRNT	0%	22%	17%	17%	28%	17%	100%
REAL	14%	8%	33%	8%	22%	14%	100%
REST	19%	22%	29%	12%	15%	3%	100%
RETF	14%	14%	26%	12%	21%	12%	100%
RETL	17%	22%	17%	14%	22%	9%	100%
SERV	18%	18%	26%	14%	20%	5%	100%
SPRT	10%	30%	17%	13%	27%	3%	100%
TRAV	18%	0%	9%	9%	45%	18%	100%
Total	16%	17%	25%	14%	21%	8%	100%

2.1
Franchise Population
by Total Number of Domestic Franchised Units

1997

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	12	10	30	15	27	7	101
BAKE	3	10	7	4	8	3	35
BLDG	8	9	24	13	12	3	69
BUSN	8	7	17	6	16	3	57
CHLD	6	6	9	3	6	0	30
EDUC	3	0	4	3	5	2	17
FAST	27	37	51	33	40	25	213
LODG	7	7	9	7	13	8	51
MAIN	4	12	26	4	19	9	74
PERS	2	7	14	3	7	1	34
PRNT	0	2	3	3	5	3	16
REAL	3	3	9	6	8	6	35
REST	12	25	21	11	17	4	90
RETF	6	9	20	6	12	4	57
RETL	22	21	29	13	31	17	133
SERV	15	20	30	19	21	4	109
SPRT	8	6	8	5	7	1	35
TRAV	0	2	1	4	5	2	14
Total	146	193	312	158	259	102	1170

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	12%	10%	30%	15%	27%	7%	100%
BAKE	9%	29%	20%	11%	23%	9%	100%
BLDG	12%	13%	35%	19%	17%	4%	100%
BUSN	14%	12%	30%	11%	28%	5%	100%
CHLD	20%	20%	30%	10%	20%	0%	100%
EDUC	18%	0%	24%	18%	29%	12%	100%
FAST	13%	17%	24%	15%	19%	12%	100%
LODG	14%	14%	18%	14%	25%	16%	100%
MAIN	5%	16%	35%	5%	26%	12%	100%
PERS	6%	21%	41%	9%	21%	3%	100%
PRNT	0%	13%	19%	19%	31%	19%	100%
REAL	9%	9%	26%	17%	23%	17%	100%
REST	13%	28%	23%	12%	19%	4%	100%
RETF	11%	16%	35%	11%	21%	7%	100%
RETL	17%	16%	22%	10%	23%	13%	100%
SERV	14%	18%	28%	17%	19%	4%	100%
SPRT	23%	17%	23%	14%	20%	3%	100%
TRAV	0%	14%	7%	29%	36%	14%	100%
Total	12%	16%	27%	14%	22%	9%	100%

2.1 Franchise Population by Total Number of Domestic Franchised Units

Description

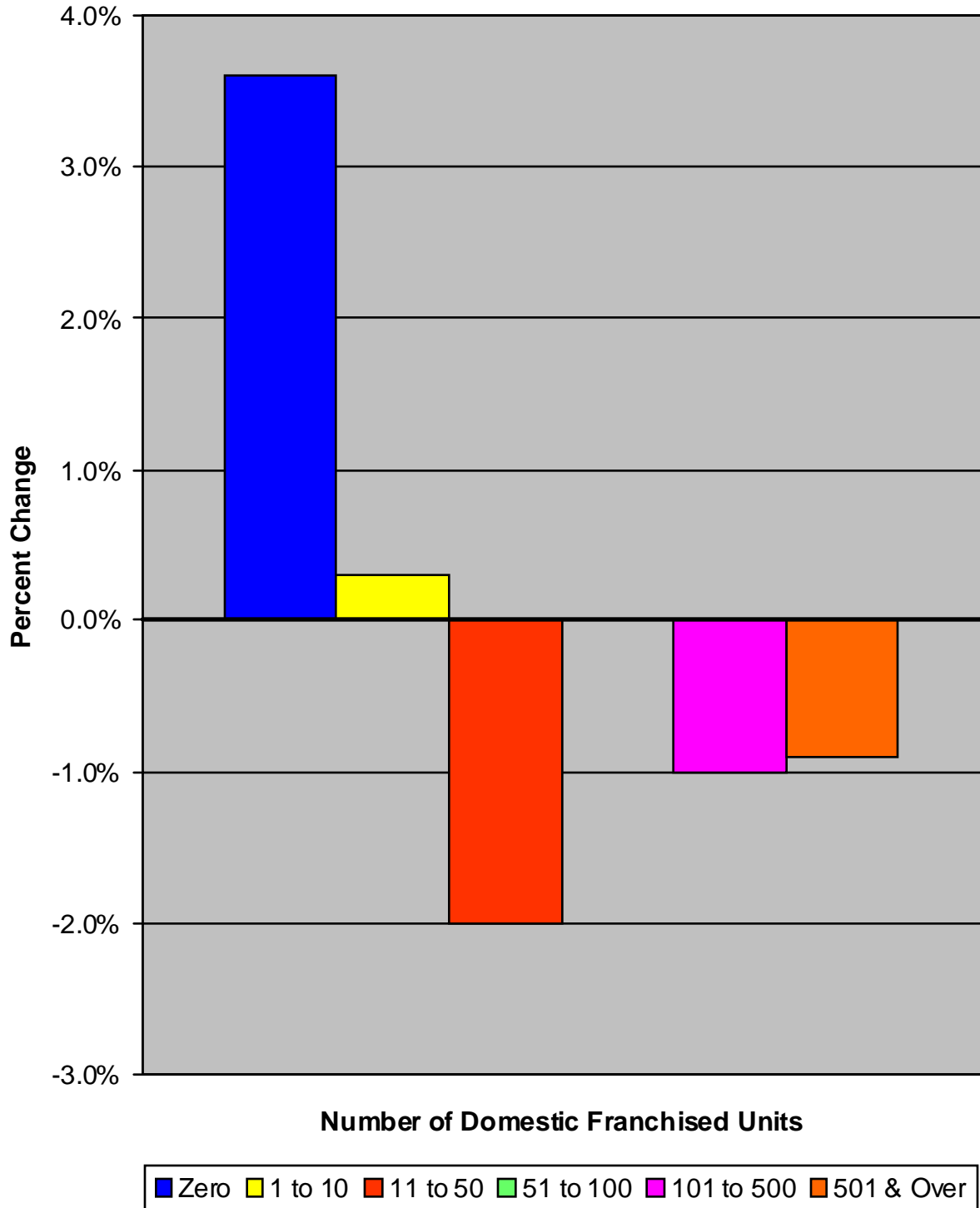
Bar graph: The bar graph on the opposite page depicts the percentage change from 1997 to 1998 in franchise population by total number of domestic franchised units. The chart found below contains the source data from which the graph was created.

Positive percentages represent an increase in the number of systems falling into one of the domestic franchised unit ranges in 1998. Conversely, negative percentages represent a decrease in the number of systems falling into a domestic franchised unit range in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	-2.2%	-0.2%	-6.0%	2.4%	6.6%	-0.5%	0.0%
BAKE	-1.7%	-14.8%	14.5%	-1.1%	4.7%	-1.7%	0.0%
BLDG	9.7%	4.5%	-12.3%	1.2%	-1.1%	-1.8%	0.0%
BUSN	14.5%	0.4%	-6.0%	2.2%	-10.6%	-0.5%	0.0%
CHLD	4.2%	-1.8%	-5.8%	5.2%	-1.8%	0.0%	0.0%
EDUC	-1.0%	27.8%	-18.0%	4.6%	-12.7%	-0.7%	0.0%
FAST	1.0%	-0.9%	3.0%	-2.7%	-0.5%	0.1%	0.0%
LODG	1.3%	4.6%	2.4%	-3.7%	-0.5%	-4.0%	0.0%
MAIN	12.6%	-5.0%	-2.6%	4.7%	-5.5%	-4.3%	0.0%
PERS	6.2%	-5.4%	-10.9%	9.4%	0.6%	0.1%	0.0%
PRNT	0.0%	9.7%	-2.1%	-2.1%	-3.5%	-2.1%	0.0%
REAL	5.3%	-0.2%	7.6%	-8.8%	-0.6%	-3.3%	0.0%
REST	5.9%	-5.7%	5.5%	-0.7%	-3.5%	-1.6%	0.0%
RETF	3.5%	-1.8%	-8.8%	1.8%	0.0%	5.3%	0.0%
RETL	0.0%	6.5%	-5.3%	3.9%	-1.7%	-3.4%	0.0%
SERV	3.8%	-0.8%	-1.6%	-3.5%	1.1%	1.0%	0.0%
SPRT	-12.9%	12.9%	-6.2%	-1.0%	6.7%	0.5%	0.0%
TRAV	18.2%	-14.3%	1.9%	-19.5%	9.7%	3.9%	0.0%
Total	3.6%	0.3%	-2.0%	0.0%	-1.0%	-0.9%	0.0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

**2.1
Franchise Population by Total Number of
Domestic Franchised Units**



2.2 Franchise Population by Total Number of Domestic Company-Owned Units

Description

Pie Chart: Chart 2.2 breaks down the Franchise Population by the total number of domestic company-owned units in each system. A 'domestic company-owned unit' is a unit located in the U.S. and owned and operated by the franchisor. Each slice of the pie chart represents the percentage of systems within the Franchise Population in each of the six unit ranges listed in the legend at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the number of domestic company-owned units of the Franchise Population in relation to each system's industry category. Each bar depicts the total number of franchise systems within each industry category, for each of the six specified numeric ranges of domestic company-owned units.

Methodology

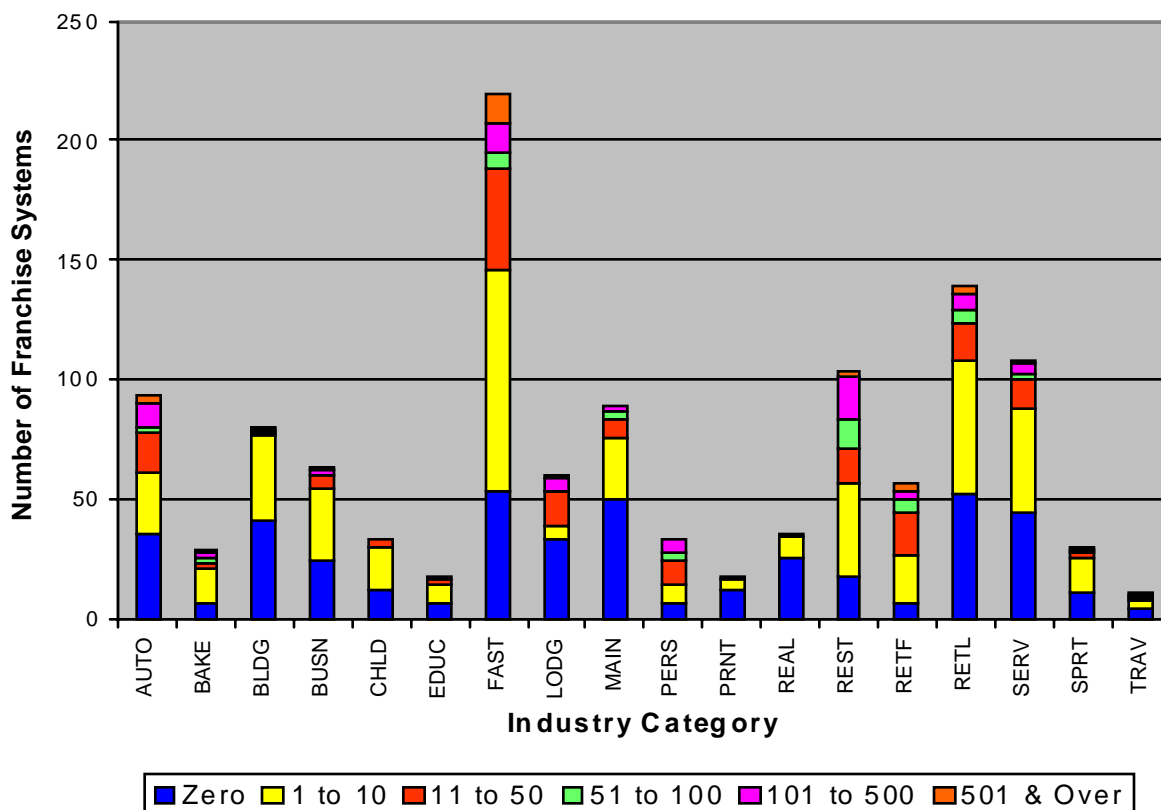
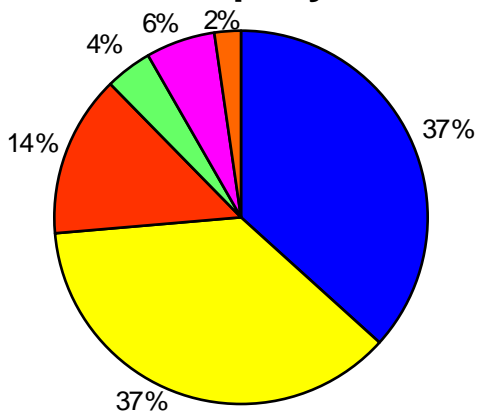
The data for this chart was compiled by extracting the number of company-owned units operating at year-end (either fiscal or calendar) as disclosed in Item 20 of the UFOC. Because the data for this study was taken from 1998 UFOCs, the dates relating to this data set usually fall somewhere during calendar year 1997. While FRANDATA tracks historical unit counts, only dates representing the number of company-owned units at the year-end closest to the registration date of the UFOC were used to compile the charts.

Selected Findings

- 1) 74 % of the Franchise Population have 10 or fewer company-owned units.
- 2) Child-Related (CHLD), Printing (PRNT), and Real Estate (REAL) industries have no systems with more than 50 company-owned locations.
- 3) The Fast Food (FAST) Industry accounts for 43% of all systems that have more than 501 domestic company-owned units.

**Note 1: Six systems were excluded from this chart due to omitted variables.
(See Chapter IV, C. for details).**

2.2 Franchise Population by Total Number of Domestic Company-Owned Units



2.2 Franchise Population by Total Number of Domestic Company-Owned Units

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	36	25	17	2	10	3	93
BAKE	7	14	2	3	2	1	29
BLDG	41	36	1	1	1	0	80
BUSN	25	30	5	0	2	1	63
CHLD	12	18	3	0	0	0	33
EDUC	7	7	3	1	0	0	18
FAST	54	92	42	7	12	12	219
LODG	33	6	14	1	5	1	60
MAIN	50	26	8	3	2	0	89
PERS	7	8	10	3	5	0	33
PRNT	12	5	1	0	0	0	18
REAL	26	8	2	0	0	0	36
REST	18	39	14	12	18	3	104
RETF	7	20	18	5	4	3	57
RETL	52	56	16	5	7	3	139
SERV	45	43	12	3	4	1	108
SPRT	11	15	2	1	1		30
TRAV	5	3	1	1	1		11
Total	448	451	171	48	74	28	1220

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	39%	27%	18%	2%	11%	3%	100%
BAKE	24%	48%	7%	10%	7%	3%	100%
BLDG	51%	45%	1%	1%	1%	0%	100%
BUSN	40%	48%	8%	0%	3%	2%	100%
CHLD	36%	55%	9%	0%	0%	0%	100%
EDUC	39%	39%	17%	6%	0%	0%	100%
FAST	25%	42%	19%	3%	5%	5%	100%
LODG	55%	10%	23%	2%	8%	2%	100%
MAIN	56%	29%	9%	3%	2%	0%	100%
PERS	21%	24%	30%	9%	15%	0%	100%
PRNT	67%	28%	6%	0%	0%	0%	100%
REAL	72%	22%	6%	0%	0%	0%	100%
REST	17%	38%	13%	12%	17%	3%	100%
RETF	12%	35%	32%	9%	7%	5%	100%
RETL	37%	40%	12%	4%	5%	2%	100%
SERV	42%	40%	11%	3%	4%	1%	100%
SPRT	37%	50%	7%	3%	3%	0%	100%
TRAV	45%	27%	9%	9%	9%	0%	100%
Total	37%	37%	14%	4%	6%	2%	100%

2.2 Franchise Population by Total Number of Domestic Company-Owned Units

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	36	32	23	1	7	2	101
BAKE	11	15	3	3	3	0	35
BLDG	36	29	3	0	1	0	69
BUSN	29	20	5	1	1	1	57
CHLD	11	17	2	0	0	0	30
EDUC	8	5	3	1	0	0	17
FAST	62	86	32	7	14	12	213
LODG	19	11	12	5	3	1	51
MAIN	40	25	7	1	1	0	74
PERS	6	9	13	1	5	0	34
PRNT	10	5	1	0	0	0	16
REAL	28	3	4	0	0	0	35
REST	14	36	10	10	17	3	90
RETF	9	25	11	7	2	3	57
RETL	51	51	18	7	4	2	133
SERV	47	48	8	3	3	0	109
SPRT	15	17	2	0	1	0	35
TRAV	9	2	1	1	1	0	14
Total	441	436	158	48	63	24	1170

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	36%	32%	23%	1%	7%	2%	100%
BAKE	31%	43%	9%	9%	9%	0%	100%
BLDG	52%	42%	4%	0%	1%	0%	100%
BUSN	51%	35%	9%	2%	2%	2%	100%
CHLD	37%	57%	7%	0%	0%	0%	100%
EDUC	47%	29%	18%	6%	0%	0%	100%
FAST	29%	40%	15%	3%	7%	6%	100%
LODG	37%	22%	24%	10%	6%	2%	100%
MAIN	54%	34%	9%	1%	1%	0%	100%
PERS	18%	26%	38%	3%	15%	0%	100%
PRNT	63%	31%	6%	0%	0%	0%	100%
REAL	80%	9%	11%	0%	0%	0%	100%
REST	16%	40%	11%	11%	19%	3%	100%
RETF	16%	44%	19%	12%	4%	5%	100%
RETL	38%	38%	14%	5%	3%	2%	100%
SERV	43%	44%	7%	3%	3%	0%	100%
SPRT	43%	49%	6%	0%	3%	0%	100%
TRAV	64%	14%	7%	7%	7%	0%	100%
Total	38%	37%	14%	4%	5%	2%	100%

2.2 Franchise Population by Total Number of Domestic Company-Owned Units

Description

Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

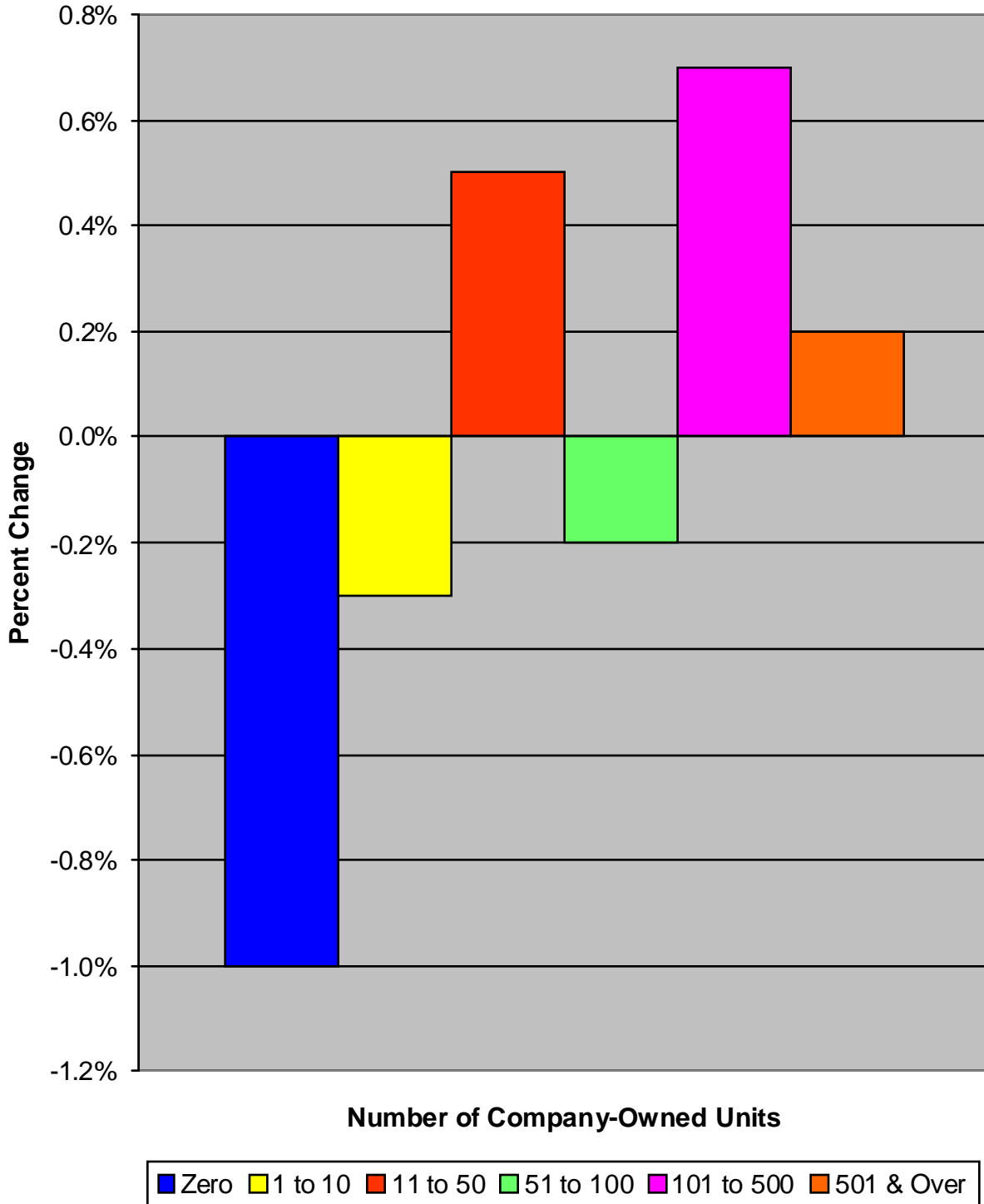
Positive percentages represent an increase in the number of systems falling into one of the domestic company-owned unit ranges in 1998. Conversely, negative percentages represent a decrease in the number of systems falling into a domestic company-owned unit range in 1998. Data is presented by the 18 Industry Categories and by the total company-owned Population (delineated in the "Total" category).

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	3.1%	-4.8%	-4.5%	1.2%	3.8%	1.2%	0.0%
BAKE	-7.3%	5.4%	-1.7%	1.8%	-1.7%	3.4%	0.0%
BLDG	-0.9%	3.0%	-3.1%	1.3%	-0.2%	0.0%	0.0%
BUSN	-11.2%	12.5%	-0.8%	-1.8%	1.4%	-0.2%	0.0%
CHLD	-0.3%	-2.1%	2.4%	0.0%	0.0%	0.0%	0.0%
EDUC	-8.2%	9.5%	-1.0%	-0.3%	0.0%	0.0%	0.0%
FAST	-4.5%	1.6%	4.2%	-0.1%	-1.1%	-0.2%	0.0%
LODG	17.7%	-11.6%	-0.2%	-8.1%	2.5%	-0.3%	0.0%
MAIN	2.1%	-4.6%	-0.5%	2.0%	0.9%	0.0%	0.0%
PERS	3.6%	-2.2%	-7.9%	6.1%	0.4%	0.0%	0.0%
PRNT	4.2%	-3.5%	-0.7%	0.0%	0.0%	0.0%	0.0%
REAL	-7.8%	13.7%	-5.9%	0.0%	0.0%	0.0%	0.0%
REST	1.8%	-2.5%	2.4%	0.4%	-1.6%	-0.4%	0.0%
RETF	-3.5%	-8.8%	12.3%	-3.5%	3.5%	0.0%	0.0%
RETL	-0.9%	1.9%	-2.0%	-1.7%	2.0%	0.7%	0.0%
SERV	-1.5%	-4.2%	3.8%	0.0%	1.0%	0.9%	0.0%
SPRT	-6.2%	1.4%	1.0%	3.3%	0.5%	0.0%	0.0%
TRAV	-18.8%	13.0%	1.9%	1.9%	1.9%	0.0%	0.0%
Total	-1.0%	-0.3%	0.5%	-0.2%	0.7%	0.2%	0.0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

2.2 Franchise Population by Total Number of Domestic Company-Owned Units

Change 97/98



2.3

Franchise Population by Total Number of Domestic Units

Description

Chart: Chart 2.3 breaks down the Franchise Population by the total number of domestic units in each system. 'Total domestic units' includes both domestic franchised units and domestic company-owned units. Each slice of the pie chart represents the percentage of systems within the Franchise Population in each of the six unit ranges listed in the legend at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the number of total domestic units of the Franchise Population in relation to each system's industry category. Each bar depicts the total number of franchise systems within each industry category, for each of the six specified numeric ranges of total domestic units.

Methodology

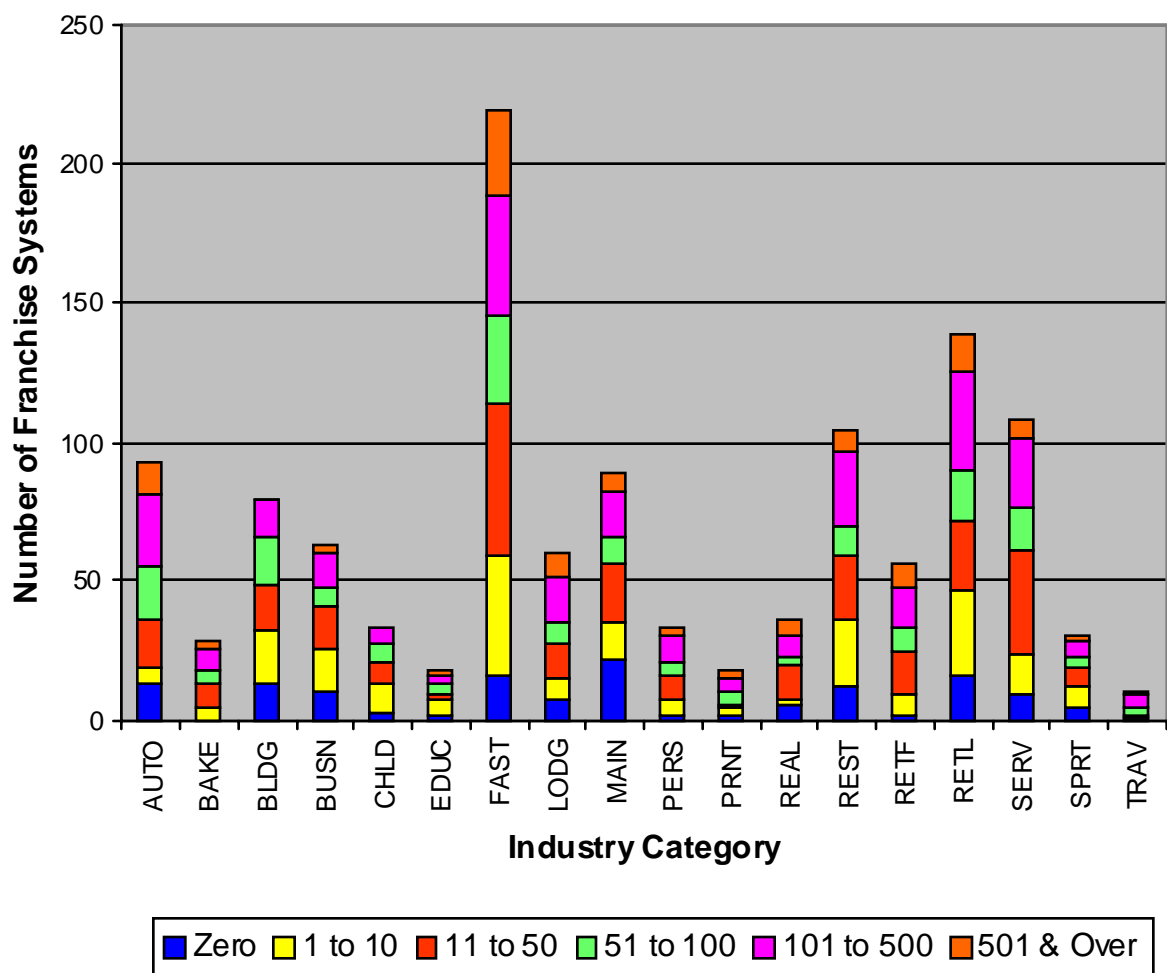
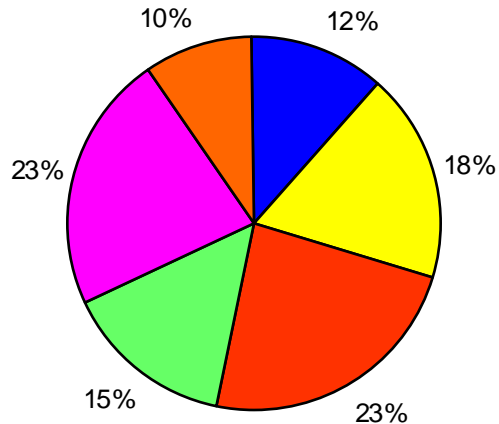
The data for this chart was compiled by extracting the number of domestically owned franchised units, and the number of domestically owned company units (those units owned by the franchisor) operating at year-end (either fiscal or calendar) as disclosed in Item 20 of the UFOC. Those two numbers were then added together in order to give the total number of domestic units operating within each system. Because the data for this study was taken from 1998 UFOCs, the dates relating to this data set usually fall somewhere during calendar year 1997. While FRANDATA tracks historical unit counts, only dates representing the number of units at the year-end closest to the registration date of the UFOC were used to compile the charts.

Selected Findings

- 1) The Franchise Population is almost evenly divided between those with more than 50 total units (48%), and those with 50 or fewer total units (53%).
- 2) Of the 11 systems in the Travel Industry (TRAV), 81% have 51 units or more.

Note 1: Six systems were excluded from this chart due to omitted variables. (See Chapter IV, C. for details).

2.3 Franchise Population by Total Number of Domestic Units



2.3 Franchise Population by Total Number of Domestic Units

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	14	5	17	19	26	12	93
BAKE		5	9	4	8	3	29
BLDG	14	18	17	17	13	1	80
BUSN	10	16	15	7	12	3	63
CHLD	3	11	7	7	5	0	33
EDUC	2	6	1	4	3	2	18
FAST	16	43	55	32	42	31	219
LODG	7	8	12	8	17	8	60
MAIN	22	13	21	10	16	7	89
PERS	2	6	8	5	10	2	33
PRNT	2	2	2	4	5	3	18
REAL	6	2	12	3	8	5	36
REST	12	24	23	11	26	8	104
RETF	2	7	16	8	15	9	57
RETL	16	31	25	18	35	14	139
SERV	9	15	37	16	24	7	108
SPRT	4	8	7	4	6	1	30
TRAV	1	1	0	2	5	2	11
Total	142	221	284	179	276	118	1220

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	15%	5%	18%	20%	28%	13%	100%
BAKE	0%	17%	31%	14%	28%	10%	100%
BLDG	18%	23%	21%	21%	16%	1%	100%
BUSN	16%	25%	24%	11%	19%	5%	100%
CHLD	9%	33%	21%	21%	15%	0%	100%
EDUC	11%	33%	6%	22%	17%	11%	100%
FAST	7%	20%	25%	15%	19%	14%	100%
LODG	12%	13%	20%	13%	28%	13%	100%
MAIN	25%	15%	24%	11%	18%	8%	100%
PERS	6%	18%	24%	15%	30%	6%	100%
PRNT	11%	11%	11%	22%	28%	17%	100%
REAL	17%	6%	33%	8%	22%	14%	100%
REST	12%	23%	22%	11%	25%	8%	100%
RETF	4%	12%	28%	14%	26%	16%	100%
RETL	12%	22%	18%	13%	25%	10%	100%
SERV	8%	14%	34%	15%	22%	6%	100%
SPRT	13%	27%	23%	13%	20%	3%	100%
TRAV	9%	9%	0%	18%	45%	18%	100%
Total	12%	18%	23%	15%	23%	10%	100%

2.3 Franchise Population by Total Number of Domestic Units

1997

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	6	10	29	21	26	9	101
BAKE	1	8	10	4	9	3	35
BLDG	6	10	24	11	15	3	69
BUSN	4	8	19	6	17	3	57
CHLD	4	8	9	2	7	0	30
EDUC	0	2	4	4	5	2	17
FAST	10	41	55	32	44	31	213
LODG	3	4	13	4	18	9	51
MAIN	3	11	25	7	18	10	74
PERS	0	5	14	4	9	2	34
PRNT	0	1	3	4	5	3	16
REAL	3	3	8	7	8	6	35
REST	3	17	24	12	24	10	90
RETF	0	10	18	7	16	6	57
RETL	10	22	33	17	34	17	133
SERV	9	17	36	19	22	6	109
SPRT	5	8	9	5	7	1	35
TRAV	0	2	0	5	5	2	14
Total	67	187	333	171	289	123	1170

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	6%	10%	29%	21%	26%	9%	100%
BAKE	3%	23%	29%	11%	26%	9%	100%
BLDG	9%	14%	35%	16%	22%	4%	100%
BUSN	7%	14%	33%	11%	30%	5%	100%
CHLD	13%	27%	30%	7%	23%	0%	100%
EDUC	0%	12%	24%	24%	29%	12%	100%
FAST	5%	19%	26%	15%	21%	15%	100%
LODG	6%	8%	25%	8%	35%	18%	100%
MAIN	4%	15%	34%	9%	24%	14%	100%
PERS	0%	15%	41%	12%	26%	6%	100%
PRNT	0%	6%	19%	25%	31%	19%	100%
REAL	9%	9%	23%	20%	23%	17%	100%
REST	3%	19%	27%	13%	27%	11%	100%
RETF	0%	18%	32%	12%	28%	11%	100%
RETL	8%	17%	25%	13%	26%	13%	100%
SERV	8%	16%	33%	17%	20%	6%	100%
SPRT	14%	23%	26%	14%	20%	3%	100%
TRAV	0%	14%	0%	36%	36%	14%	100%
Total	6%	16%	28%	15%	25%	11%	100%

2.3 Franchise Population by Total Number of Domestic Units

Description

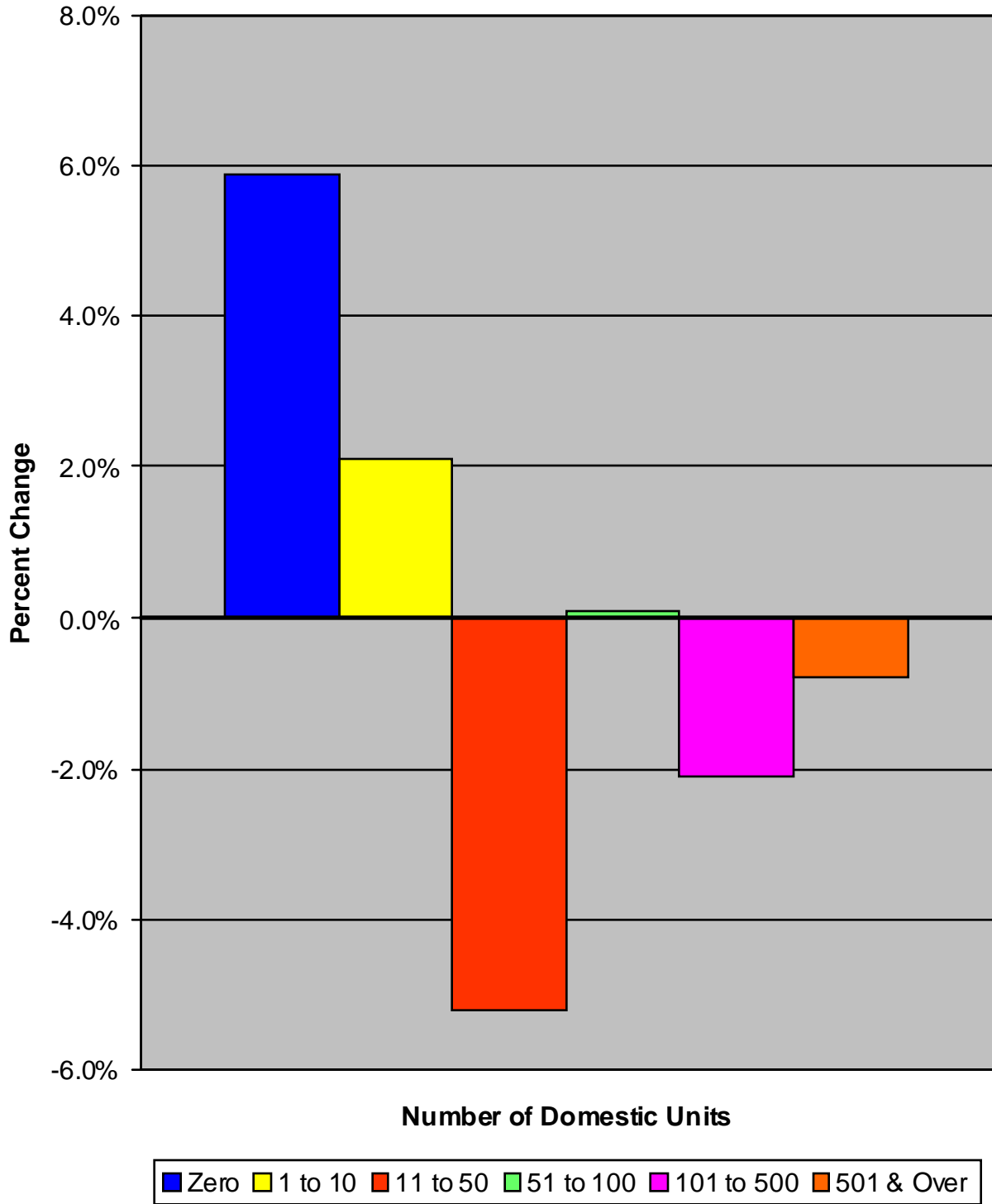
Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

Positive percentages represent an increase in the number of systems falling into one of the total domestic unit ranges in 1998. Conversely, negative percentages represent a decrease in the number of systems falling into a total domestic unit range in 1998. Data is presented by the 18 Industry Categories and by the total company-owned Population (delineated in the "Total" category).

	Zero	1 to 10	11 to 50	51 to 100	101 to 500	501 & Over	Total
AUTO	9.1%	-4.5%	-10.4%	-0.4%	2.2%	4.0%	0.0%
BAKE	-2.9%	-5.6%	2.5%	2.4%	1.9%	1.8%	0.0%
BLDG	8.8%	8.0%	-13.5%	5.3%	-5.5%	-3.1%	0.0%
BUSN	8.9%	11.4%	-9.5%	0.6%	-10.8%	-0.5%	0.0%
CHLD	-4.2%	6.7%	-8.8%	14.5%	-8.2%	0.0%	0.0%
EDUC	11.1%	21.6%	-18.0%	-1.3%	-12.7%	-0.7%	0.0%
FAST	2.6%	0.4%	-0.7%	-0.4%	-1.5%	-0.4%	0.0%
LODG	5.8%	5.5%	-5.5%	5.5%	-7.0%	-4.3%	0.0%
MAIN	20.7%	-0.3%	-10.2%	1.8%	-6.3%	-5.6%	0.0%
PERS	6.1%	3.5%	-16.9%	3.4%	3.8%	0.2%	0.0%
PRNT	11.1%	4.9%	-7.6%	-2.8%	-3.5%	-2.1%	0.0%
REAL	8.1%	-3.0%	10.5%	-11.7%	-0.6%	-3.3%	0.0%
REST	8.2%	4.2%	-4.6%	-2.8%	-1.7%	-3.4%	0.0%
RETF	3.5%	-5.3%	-3.5%	1.8%	-1.8%	5.3%	0.0%
RETL	4.0%	5.8%	-6.8%	0.2%	-0.4%	-2.7%	0.0%
SERV	0.1%	-1.7%	1.2%	-2.6%	2.0%	1.0%	0.0%
SPRT	-1.0%	3.8%	-2.4%	-1.0%	0.0%	0.5%	0.0%
TRAV	9.1%	-5.2%	0.0%	-17.5%	9.7%	3.9%	0.0%
Total	5.9%	2.1%	-5.2%	0.1%	-2.1%	-0.8%	0.0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

2.3 Franchise Population by Total Number of Domestic Units



2.4 Ratio of Franchised Versus Total Units

Description

Pie Chart: Chart 2.4 depicts the percentage of domestic franchised versus total domestic units of the Franchise Population. Each slice of the pie chart represents the percentage of franchise systems in the Franchise Population in one of the eleven percentage ranges, listed in the legend, at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the percentage of franchised versus total units of the Franchise Population, in relation to each system's industry category. Each bar depicts the total number of franchise systems within each category, for each of the eleven specified percentage ranges.

Methodology

The data for this chart was compiled by extracting the number of franchised units operating at year-end (either fiscal or calendar) as disclosed in Item 20 of the UFOC, and dividing it by the total number of domestic units. Because the data for this study was taken from 1998 UFOCs, the dates relating to this data set usually fall somewhere during the year 1997. While FRANDATA tracks historical unit counts, only dates representing the number of franchised units at the year-end closest to the registration date of the UFOC were used to compile the charts. **It should be noted that the "0%" category means that the system had zero franchised units but did have company-owned units and the "N/A" category means that the system did not have any franchised or company-owned units as of the date of their UFOC.**

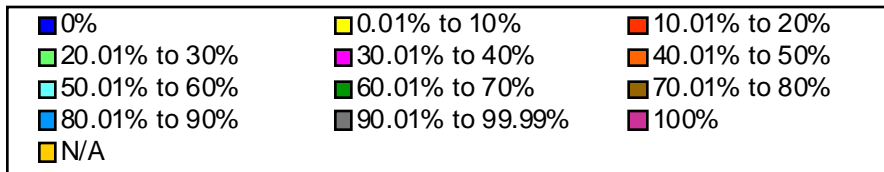
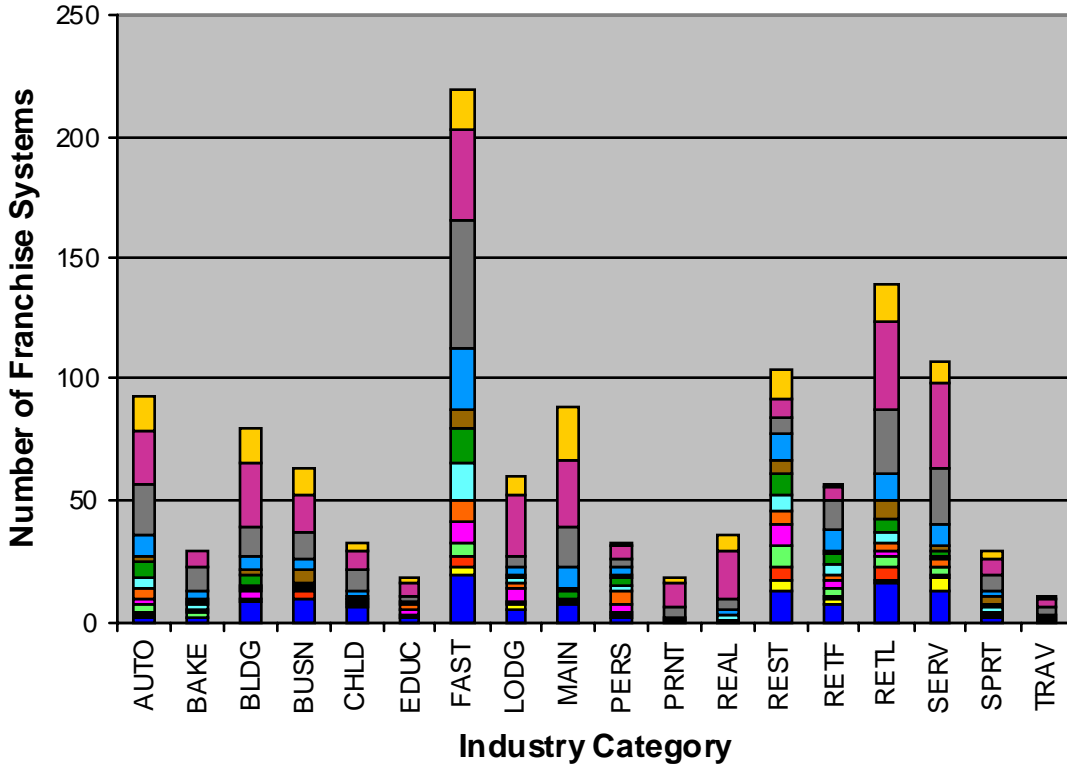
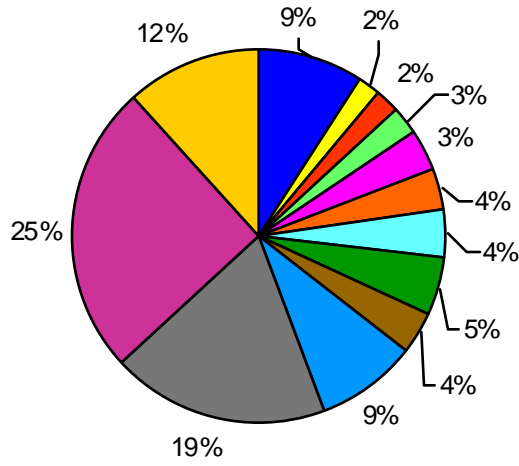
Selected Findings

- 1) 44% of the companies comprising the Franchise Population have over 90% of their total units owned by franchisees.
- 2) 78% of the 18 systems in the Printing Industry (PRNT) have over 90% of their units owned by franchisees.
- 3) 9% of the companies comprising the Franchise Population have only company-owned units.

**Note 1: Six systems were excluded from this chart due to omitted variables.
(See Chapter IV, C. for details)**

Note 2: 11% of the Franchise Population (142 systems) do not have any units and were therefore classified as "N/A".

2.4 Ratio of Franchised Versus Total Units



2.4 Ratio of Franchised Versus Total Units

	0%	0.01% to 10%	10.01% to 20%	20.01% to 30%	30.01% to 40%	40.01% to 50%	50.01% to 60%	60.01% to 70%	70.01% to 80%	80.01% to 90%	90.01% to 99.99%	100%	N/A	Total
AUTO	2	1	1	3	3	4	4	7	2	8	22	22	14	93
BAKE	2	0	0	2	0	1	2	1	1	4	9	7		29
BLDG	8	0	0	1	3	2	1	4	2	6	12	27	14	80
BUSN	10	0	2	0	0	2	1	1	5	5	11	16	10	63
CHLD	6	0	1	0	1	0	1	1	1	2	8	9	3	33
EDUC	2	1	0	0	2	2	0	0	0	1	3	5	2	18
FAST	19	3	5	6	8	9	15	15	8	25	52	38	16	219
LODG	5	2	1	0	6	2	2	0	1	4	4	26	7	60
MAIN	7	0	1	0	0	1	0	4	1	9	16	28	22	89
PERS	2	1	1	0	3	5	3	3	2	3	3	5	2	33
PRNT	0	0	0	0	1	0	0	1	0	0	4	10	2	18
REAL	0	0	0	0	0	1	2	0	0	2	5	20	6	36
REST	12	5	5	9	9	5	8	8	6	10	8	7	12	104
RETF	7	2	2	3	3	2	5	4	2	8	12	5	2	57
RETL	16	1	5	5	2	4	4	6	7	11	26	36	16	139
SERV	12	6	2	2	1	3	1	3	1	9	23	36	9	108
SPRT	2	1	0	0	0	1	2	1	4	1	7	7	4	30
TRAV	1	0	0	0	0	0	0	1	1	0	3	4	1	11
Total	113	23	26	31	42	44	51	60	44	108	228	308	142	1220

	0%	0.01% to 10%	10.01% to 20%	20.01% to 30%	30.01% to 40%	40.01% to 50%	50.01% to 60%	60.01% to 70%	70.01% to 80%	80.01% to 90%	90.01% to 99.99%	100%	N/A	Total
AUTO	2%	1%	1%	3%	3%	4%	4%	8%	2%	9%	24%	24%	15%	100%
BAKE	7%	0%	0%	7%	0%	3%	7%	3%	3%	14%	31%	24%	0%	100%
BLDG	10%	0%	0%	1%	4%	3%	1%	5%	3%	8%	15%	34%	18%	100%
BUSN	16%	0%	3%	0%	0%	3%	2%	2%	8%	8%	17%	25%	16%	100%
CHLD	18%	0%	3%	0%	3%	0%	3%	3%	3%	6%	24%	27%	9%	100%
EDUC	11%	6%	0%	0%	11%	11%	0%	0%	0%	6%	17%	28%	11%	100%
FAST	9%	1%	2%	3%	4%	4%	7%	7%	4%	11%	24%	17%	7%	100%
LODG	8%	3%	2%	0%	10%	3%	3%	0%	2%	7%	7%	43%	12%	100%
MAIN	8%	0%	1%	0%	0%	1%	0%	4%	1%	10%	18%	31%	25%	100%
PERS	6%	3%	3%	0%	9%	15%	9%	9%	6%	9%	9%	15%	6%	100%
PRNT	0%	0%	0%	0%	6%	0%	0%	6%	0%	0%	22%	56%	11%	100%
REAL	0%	0%	0%	0%	0%	3%	6%	0%	0%	6%	14%	56%	17%	100%
REST	12%	5%	5%	9%	9%	5%	8%	8%	6%	10%	8%	7%	12%	100%
RETF	12%	4%	4%	5%	5%	4%	9%	7%	4%	14%	21%	9%	4%	100%
RETL	12%	1%	4%	4%	1%	3%	3%	4%	5%	8%	19%	26%	12%	100%
SERV	11%	6%	2%	2%	1%	3%	1%	3%	1%	8%	21%	33%	8%	100%
SPRT	7%	3%	0%	0%	0%	3%	7%	3%	13%	3%	23%	23%	13%	100%
TRAV	9%	0%	0%	0%	0%	0%	0%	9%	9%	0%	27%	36%	9%	100%
Total	9%	2%	2%	3%	3%	4%	4%	5%	4%	9%	19%	25%	12%	100%

2.4

Ratio of Franchised Versus Total Units

1997

	0%	0.01% to 10%	10.01% to 20%	20.01% to 30%	30.01% to 40%	40.01% to 50%	50.01% to 60%	60.01% to 70%	70.01% to 80%	80.01% to 90%	90.01% to 99.99%	100%	N/A	Total
AUTO	6	0	1	3	3	5	3	6	6	8	24	30	6	101
BAKE	2	0	2	0	2	0	2	0	5	6	5	10	1	35
BLDG	2	0	0	1	1	1	1	3	4	5	15	30	6	69
BUSN	4	0	1	0	0	6	0	1	2	2	12	25	4	57
CHLD	2	0	0	0	0	0	0	2	4	1	10	7	4	30
EDUC	3	0	0	0	0	0	0	0	0	1	5	8	0	17
FAST	17	2	5	8	6	8	8	9	15	27	46	52	10	213
LODG	4	1	1	2	2	3	1	1	4	3	10	16	3	51
MAIN	1	0	1	0	0	1	1	2	2	8	18	37	3	74
PERS	2	1	1	1	1	8	4	1	3	2	4	6	0	34
PRNT	0	0	0	0	1	0	0	0	0	0	5	10	0	16
REAL	0	0	0	0	0	1	0	2	0	1	3	25	3	35
REST	9	6	1	9	8	3	7	9	4	9	11	11	3	90
RETF	6	1	3	2	4	3	3	2	5	9	10	9	0	57
RETL	12	2	5	3	4	3	4	2	10	7	30	41	10	133
SERV	6	1	2	2	2	2	2	6	5	9	25	38	9	109
SPRT	3	0	1	0	0	1	0	1	3	5	6	10	5	35
TRAV	0	0	0	0	0	0	0	2	0	0	3	9	0	14
Total	79	14	24	31	34	45	36	49	72	103	242	374	67	1170
	0%	0.01% to 10%	10.01% to 20%	20.01% to 30%	30.01% to 40%	40.01% to 50%	50.01% to 60%	60.01% to 70%	70.01% to 80%	80.01% to 90%	90.01% to 99.99%	100%	N/A	Total
AUTO	6%	0%	1%	3%	3%	5%	3%	6%	6%	8%	24%	30%	6%	100%
BAKE	6%	0%	6%	0%	6%	0%	6%	0%	14%	17%	14%	29%	3%	100%
BLDG	3%	0%	0%	1%	1%	1%	1%	4%	6%	7%	22%	43%	9%	100%
BUSN	7%	0%	2%	0%	0%	11%	0%	2%	4%	4%	21%	44%	7%	100%
CHLD	7%	0%	0%	0%	0%	0%	0%	7%	13%	3%	33%	23%	13%	100%
EDUC	18%	0%	0%	0%	0%	0%	0%	0%	0%	6%	29%	47%	0%	100%
FAST	8%	1%	2%	4%	3%	4%	4%	4%	7%	13%	22%	24%	5%	100%
LODG	8%	2%	2%	4%	4%	6%	2%	2%	8%	6%	20%	31%	6%	100%
MAIN	1%	0%	1%	0%	0%	1%	1%	3%	3%	11%	24%	50%	4%	100%
PERS	6%	3%	3%	3%	3%	24%	12%	3%	9%	6%	12%	18%	0%	100%
PRNT	0%	0%	0%	0%	6%	0%	0%	0%	0%	0%	31%	63%	0%	100%
REAL	0%	0%	0%	0%	0%	3%	0%	6%	0%	3%	9%	71%	9%	100%
REST	10%	7%	1%	10%	9%	3%	8%	10%	4%	10%	12%	12%	3%	100%
RETF	11%	2%	5%	4%	7%	5%	5%	4%	9%	16%	18%	16%	0%	100%
RETL	9%	2%	4%	2%	3%	2%	3%	2%	8%	5%	23%	31%	8%	100%
SERV	6%	1%	2%	2%	2%	2%	2%	6%	5%	8%	23%	35%	8%	100%
SPRT	9%	0%	3%	0%	0%	3%	0%	3%	9%	14%	17%	29%	14%	100%
TRAV	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	21%	64%	0%	100%
Total	7%	1%	2%	3%	3%	4%	3%	4%	6%	9%	21%	32%	6%	100%

2.4 Ratio of Franchised Versus Total Units

Description

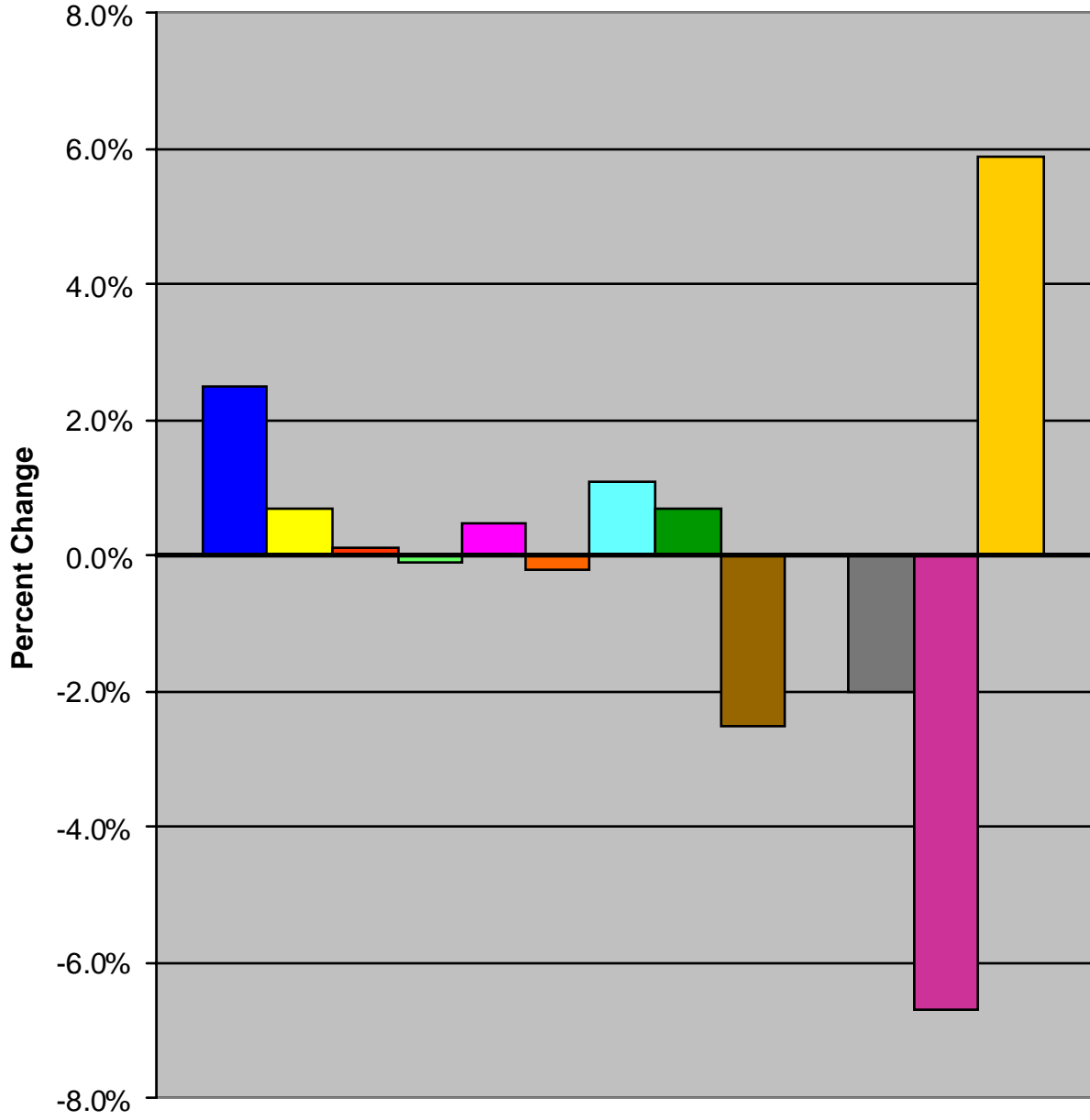
Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

Positive percentages represent an increase in the number of systems that have a ratio of franchised versus total domestic units falling into one of the percentage ratio columns in 1998. Conversely, negative percentages represent a decrease in the number of systems that have a ratio of franchised versus total domestic units falling into one of the percentage ratio columns in 1998. Data is presented by the 18 Industry Categories and by the total company-owned Population (delineated in the "Total" category).

	0%	0.01% to 10%	10.01% to 20%	20.01% to 30%	30.01% to 40%	40.01% to 50%	50.01% to 60%	60.01% to 70%	70.01% to 80%	80.01% to 90%	90.01% to 99.99%	100%	N/A	Total
AUTO	-3.8%	1.1%	0.1%	0.3%	0.3%	-0.6%	1.3%	1.6%	-3.8%	0.7%	-0.1%	-6.0%	9.1%	0.0%
BAKE	1.2%	0.0%	-5.7%	6.9%	-5.7%	3.4%	1.2%	3.4%	-10.8%	-3.3%	16.7%	-4.4%	-2.9%	0.0%
BLDG	7.1%	0.0%	0.0%	-0.2%	2.3%	1.1%	-0.2%	0.7%	-3.3%	0.3%	-6.7%	-9.7%	8.8%	0.0%
BUSN	8.9%	0.0%	1.4%	0.0%	0.0%	-7.4%	1.6%	-0.2%	4.4%	4.4%	-3.6%	-18.5%	8.9%	0.0%
CHLD	11.5%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	-3.6%	-10.3%	2.7%	-9.1%	3.9%	-4.2%	0.0%
EDUC	-6.5%	5.6%	0.0%	0.0%	11.1%	11.1%	0.0%	0.0%	0.0%	-0.3%	-12.7%	-19.3%	11.1%	0.0%
FAST	0.7%	0.4%	-0.1%	-1.0%	0.8%	0.4%	3.1%	2.6%	-3.4%	-1.3%	2.1%	-7.1%	2.6%	0.0%
LODG	0.5%	1.4%	-0.3%	-3.9%	6.1%	-2.5%	1.4%	-2.0%	-6.2%	0.8%	-12.9%	12.0%	5.8%	0.0%
MAIN	6.5%	0.0%	-0.2%	0.0%	0.0%	-0.2%	-1.4%	1.8%	-1.6%	-0.7%	-6.3%	-18.5%	20.7%	0.0%
PERS	0.2%	0.1%	0.1%	-2.9%	6.1%	-8.4%	-2.7%	6.1%	-2.8%	3.2%	-2.7%	-2.5%	6.1%	0.0%
PRNT	0.0%	0.0%	0.0%	0.0%	-0.7%	0.0%	0.0%	5.6%	0.0%	0.0%	-9.0%	-6.9%	11.1%	0.0%
REAL	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	5.6%	-5.7%	0.0%	2.7%	5.3%	-15.9%	8.1%	0.0%
REST	1.5%	-1.9%	3.7%	-1.3%	-0.2%	1.5%	-0.1%	-2.3%	1.3%	-0.4%	-4.5%	-5.5%	8.2%	0.0%
RETF	1.8%	1.8%	-1.8%	1.8%	-1.8%	-1.8%	3.5%	3.5%	-5.3%	-1.8%	3.5%	-7.0%	3.5%	0.0%
RETL	2.5%	-0.8%	-0.2%	1.3%	-1.6%	0.6%	-0.1%	2.8%	-2.5%	2.7%	-3.9%	-4.9%	4.0%	0.0%
SERV	5.6%	4.6%	0.0%	0.0%	-0.9%	0.9%	-0.9%	-2.7%	-3.7%	0.1%	-1.6%	-1.5%	0.1%	0.0%
SPRT	-1.9%	3.3%	-2.9%	0.0%	0.0%	0.5%	6.7%	0.5%	4.8%	-11.0%	6.2%	-5.2%	-1.0%	0.0%
TRAV	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-5.2%	9.1%	0.0%	5.8%	-27.9%	9.1%	0.0%
Total	2.5%	0.7%	0.1%	-0.1%	0.5%	-0.2%	1.1%	0.7%	-2.5%	0.0%	-2.0%	-6.7%	5.9%	0.0%

In reviewing this data, it is important to understand that the Franchise Population from which the data was drawn in Volume III of the **Profile** is not identical to the Franchise Population which was used to collect data for Volume II of the **Profile** (see Chapter V and Appendix B). In fact, only 75% of the systems in Volume III of **Profile** were also in Volume II of the **Profile**. Therefore, large fluctuations in variances may be directly attributable to a change in population within a particular industry group, rather than to any real change in that industry. Please use caution when drawing conclusions from these results.

**2.4
Ratio of Franchised Versus Total Units**



0%	0.01% to 10%	10.01% to 20%	20.01% to 30%
30.01% to 40%	40.01% to 50%	50.01% to 60%	60.01% to 70%
70.01% to 80%	80.01% to 90%	90.01% to 99.99%	100%
N/A			