

The Profile of Franchising

Volume III: A Statistical Abstract of
1998 UFOC Data

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8.1

Franchise Population by National Advertising Fee Structure

Description

Pie Chart: Chart 8.1 displays the methodology used by the Franchise Population in structuring their national advertising fees. Each slice of the pie chart represents the percentage of the Franchise Population falling into one of the national advertising fee structures or included as no advertising fee at any level or no national fee but local and/or regional, listed in the legend at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the national advertising fee structure of the Franchise Population, in relation to each system's industry category. Each bar represents the number of franchise systems within each industry category, in one of six fee structure categories.

Methodology

The data for this chart was collected from Item 6 of the UFOC. Because franchisors are only required to list payments made to the franchisor in Item 6, national advertising was the only variable used in this study. In addition, if the franchisor disclosed the national advertising fee in the UFOC as not yet established, they would not be included in the data set. Local and regional advertising can be displayed in Item 6, but may also appear in Item 11 or the Franchise Agreement. FRANDATA's internal database tracks national advertising structures by 13 different categories. Because many of these categories comprised a statistically insignificant percentage of the Franchise Population, they were compressed into the following seven categories:

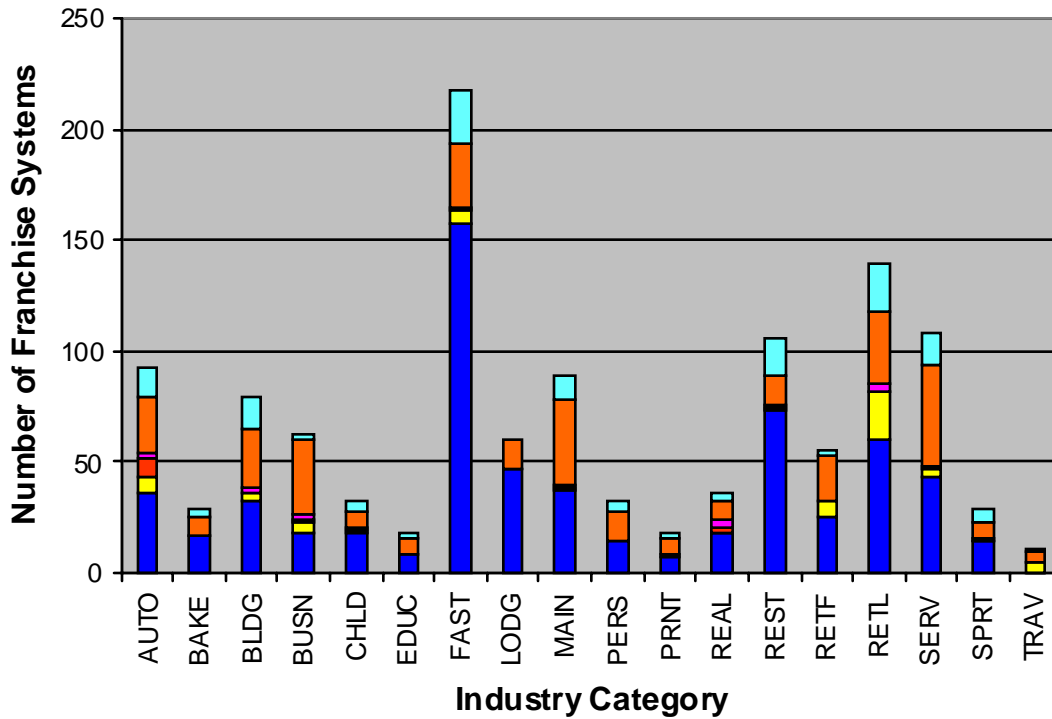
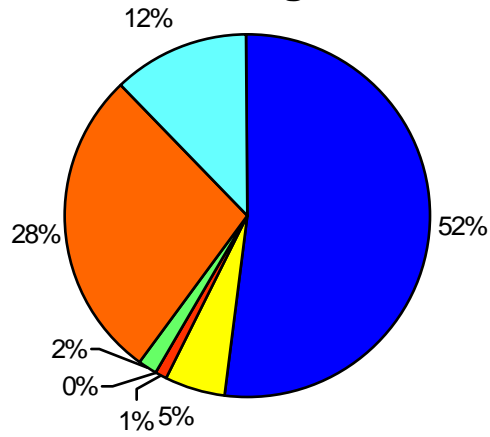
- 1) *Percent:* National advertising fee based on a percentage of sales, revenue, margin or other; includes both flat percentages, and ranges of percentages. It must be noted that some franchisors place a minimum and/or maximum real dollar constraint on these percentages (e.g. 4% of gross sales not to exceed \$5,000 per month or, 4% of gross sales with a minimum of \$2,500 per month). For the purposes of this study, such fees were grouped into this category.
- 2) *Flat Rate:* National advertising fee based on a flat dollar amount.
- 3) *Inventory Related:* National advertising fee based on a dollar amount or percentage of the franchisees' purchases of inventory from the franchisor.
- 4) *Transaction Related:* National advertising fee based on a per transaction charge.
- 5) *Other:* A national advertising fee structure not matching one of the methods listed above.
- 6) *No Advertising Fee:* Franchisor does not charge any advertising fees.
- 7) *Local and/or Regional Fee Only:* Franchisor does not charge a national advertising fee, but does charge a regional and/or local fee.

Selected Findings

- 1) 52% of the franchisors in the Franchise Population structure national advertising as a percentage of sales/revenue.
- 2) 28% of the franchisors in the Franchise Population do not charge advertising fees.
- 3) 12% of the franchisors in the Franchise Population charge a regional and/or local fee but do not charge a national fee.

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

8.1 Franchise Population by National Advertising Fee Structure



8.1

Franchise Population by National Advertising Fee Structure

| | Percent | Flat Rate | Transaction Related | Inventory Related | Other | No Advertising Fee | Local and/or Regional Fee Only | Total |
|-------|---------|-----------|---------------------|-------------------|-------|--------------------|--------------------------------|-------|
| AUTO | 36 | 8 | 8 | 0 | 2 | 26 | 13 | 93 |
| BAKE | 17 | 0 | 0 | 0 | 0 | 8 | 4 | 29 |
| BLDG | 33 | 4 | 0 | 0 | 2 | 27 | 14 | 80 |
| BUSN | 19 | 4 | 1 | 0 | 3 | 33 | 3 | 63 |
| CHLD | 18 | 2 | 0 | 0 | 1 | 7 | 5 | 33 |
| EDUC | 9 | 0 | 0 | 0 | 0 | 7 | 3 | 19 |
| FAST | 158 | 6 | 1 | 0 | 0 | 28 | 25 | 218 |
| LODG | 47 | 0 | 1 | 0 | 0 | 12 | 0 | 60 |
| MAIN | 38 | 1 | 0 | 0 | 1 | 39 | 10 | 89 |
| PERS | 15 | 0 | 0 | 0 | 0 | 13 | 5 | 33 |
| PRNT | 8 | 1 | 0 | 0 | 0 | 7 | 2 | 18 |
| REAL | 18 | 1 | 2 | 0 | 3 | 9 | 3 | 36 |
| REST | 74 | 1 | 0 | 0 | 1 | 13 | 17 | 106 |
| RETF | 26 | 7 | 0 | 0 | 0 | 20 | 3 | 56 |
| RETL | 60 | 22 | 0 | 0 | 3 | 34 | 20 | 139 |
| SERV | 43 | 4 | 0 | 0 | 2 | 45 | 15 | 109 |
| SPRT | 14 | 1 | 0 | 0 | 1 | 7 | 6 | 29 |
| TRAV | 1 | 4 | 0 | 0 | 0 | 5 | 1 | 11 |
| Total | 634 | 66 | 13 | 0 | 19 | 340 | 149 | 1221 |

| | Percent | Flat Rate | Transaction Related | Inventory Related | Other | No Advertising Fee | Local and/or Regional Fee Only | Total |
|-------|---------|-----------|---------------------|-------------------|-------|--------------------|--------------------------------|-------|
| AUTO | 39% | 9% | 9% | 0% | 2% | 28% | 14% | 100% |
| BAKE | 59% | 0% | 0% | 0% | 0% | 28% | 14% | 100% |
| BLDG | 41% | 5% | 0% | 0% | 3% | 34% | 18% | 100% |
| BUSN | 30% | 6% | 2% | 0% | 5% | 52% | 5% | 100% |
| CHLD | 55% | 6% | 0% | 0% | 3% | 21% | 15% | 100% |
| EDUC | 47% | 0% | 0% | 0% | 0% | 37% | 16% | 100% |
| FAST | 72% | 3% | 0% | 0% | 0% | 13% | 11% | 100% |
| LODG | 78% | 0% | 2% | 0% | 0% | 20% | 0% | 100% |
| MAIN | 43% | 1% | 0% | 0% | 1% | 44% | 11% | 100% |
| PERS | 45% | 0% | 0% | 0% | 0% | 39% | 15% | 100% |
| PRNT | 44% | 6% | 0% | 0% | 0% | 39% | 11% | 100% |
| REAL | 50% | 3% | 6% | 0% | 8% | 25% | 8% | 100% |
| REST | 70% | 1% | 0% | 0% | 1% | 12% | 16% | 100% |
| RETF | 46% | 13% | 0% | 0% | 0% | 36% | 5% | 100% |
| RETL | 43% | 16% | 0% | 0% | 2% | 24% | 14% | 100% |
| SERV | 39% | 4% | 0% | 0% | 2% | 41% | 14% | 100% |
| SPRT | 48% | 3% | 0% | 0% | 3% | 24% | 21% | 100% |
| TRAV | 9% | 36% | 0% | 0% | 0% | 45% | 9% | 100% |
| Total | 52% | 5% | 1% | 0% | 2% | 28% | 12% | 100% |

8.1 Franchise Population by National Advertising Fee Structure

| | Percent | Flat Rate | Transaction Related | Inventory Related | Other | No Advertising Fee | Local and/or Regional Fee Only | Total |
|-------|---------|-----------|---------------------|-------------------|-------|--------------------|--------------------------------|-------|
| AUTO | 38 | 9 | 3 | 0 | 0 | 30 | 21 | 101 |
| BAKE | 20 | 2 | 0 | 0 | 0 | 6 | 7 | 35 |
| BLDG | 27 | 3 | 0 | 0 | 2 | 24 | 15 | 71 |
| BUSN | 10 | 6 | 1 | 0 | 2 | 31 | 7 | 57 |
| CHLD | 11 | 4 | 0 | 0 | 0 | 7 | 8 | 30 |
| EDUC | 8 | 0 | 0 | 1 | 0 | 6 | 3 | 18 |
| FAST | 146 | 4 | 3 | 0 | 1 | 23 | 36 | 213 |
| LODG | 42 | 0 | 0 | 0 | 0 | 8 | 1 | 51 |
| MAIN | 27 | 0 | 0 | 0 | 3 | 34 | 10 | 74 |
| PERS | 14 | 0 | 0 | 0 | 0 | 15 | 6 | 35 |
| PRNT | 10 | 0 | 0 | 0 | 0 | 4 | 2 | 16 |
| REAL | 15 | 4 | 1 | 0 | 3 | 6 | 5 | 34 |
| REST | 65 | 2 | 0 | 0 | 0 | 7 | 16 | 90 |
| RETF | 24 | 6 | 0 | 0 | 1 | 19 | 7 | 57 |
| RETL | 55 | 14 | 1 | 0 | 1 | 38 | 25 | 134 |
| SERV | 40 | 5 | 2 | 0 | 4 | 39 | 20 | 110 |
| SPRT | 16 | 2 | 0 | 0 | 0 | 12 | 5 | 35 |
| TRAV | 2 | 6 | 0 | 0 | 0 | 5 | 1 | 14 |
| Total | 570 | 67 | 11 | 1 | 17 | 314 | 195 | 1175 |

| | Percent | Flat Rate | Transaction Related | Inventory Related | Other | No Advertising Fee | Local and/or Regional Fee Only | Total |
|-------|---------|-----------|---------------------|-------------------|-------|--------------------|--------------------------------|-------|
| AUTO | 38% | 9% | 3% | 0% | 0% | 30% | 21% | 100% |
| BAKE | 57% | 6% | 0% | 0% | 0% | 17% | 20% | 100% |
| BLDG | 38% | 4% | 0% | 0% | 3% | 34% | 21% | 100% |
| BUSN | 18% | 11% | 2% | 0% | 4% | 54% | 12% | 100% |
| CHLD | 37% | 13% | 0% | 0% | 0% | 23% | 27% | 100% |
| EDUC | 44% | 0% | 0% | 0% | 0% | 33% | 17% | 100% |
| FAST | 68% | 2% | 1% | 0% | 0% | 11% | 17% | 100% |
| LODG | 82% | 0% | 0% | 0% | 0% | 16% | 2% | 100% |
| MAIN | 36% | 0% | 0% | 0% | 4% | 46% | 14% | 100% |
| PERS | 40% | 0% | 0% | 0% | 0% | 43% | 17% | 100% |
| PRNT | 63% | 0% | 0% | 0% | 0% | 25% | 13% | 100% |
| REAL | 43% | 11% | 3% | 0% | 9% | 17% | 15% | 100% |
| REST | 72% | 2% | 0% | 0% | 0% | 8% | 18% | 100% |
| RETF | 41% | 10% | 0% | 0% | 2% | 33% | 12% | 100% |
| RETL | 41% | 10% | 1% | 0% | 1% | 28% | 19% | 100% |
| SERV | 36% | 5% | 2% | 0% | 4% | 35% | 18% | 100% |
| SPRT | 46% | 6% | 0% | 0% | 0% | 34% | 14% | 100% |
| TRAV | 14% | 43% | 0% | 0% | 0% | 36% | 7% | 100% |
| Total | 48% | 6% | 1% | 0% | 1% | 27% | 17% | 100% |

8.1

Franchise Population by National Advertising Fee Structure

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.

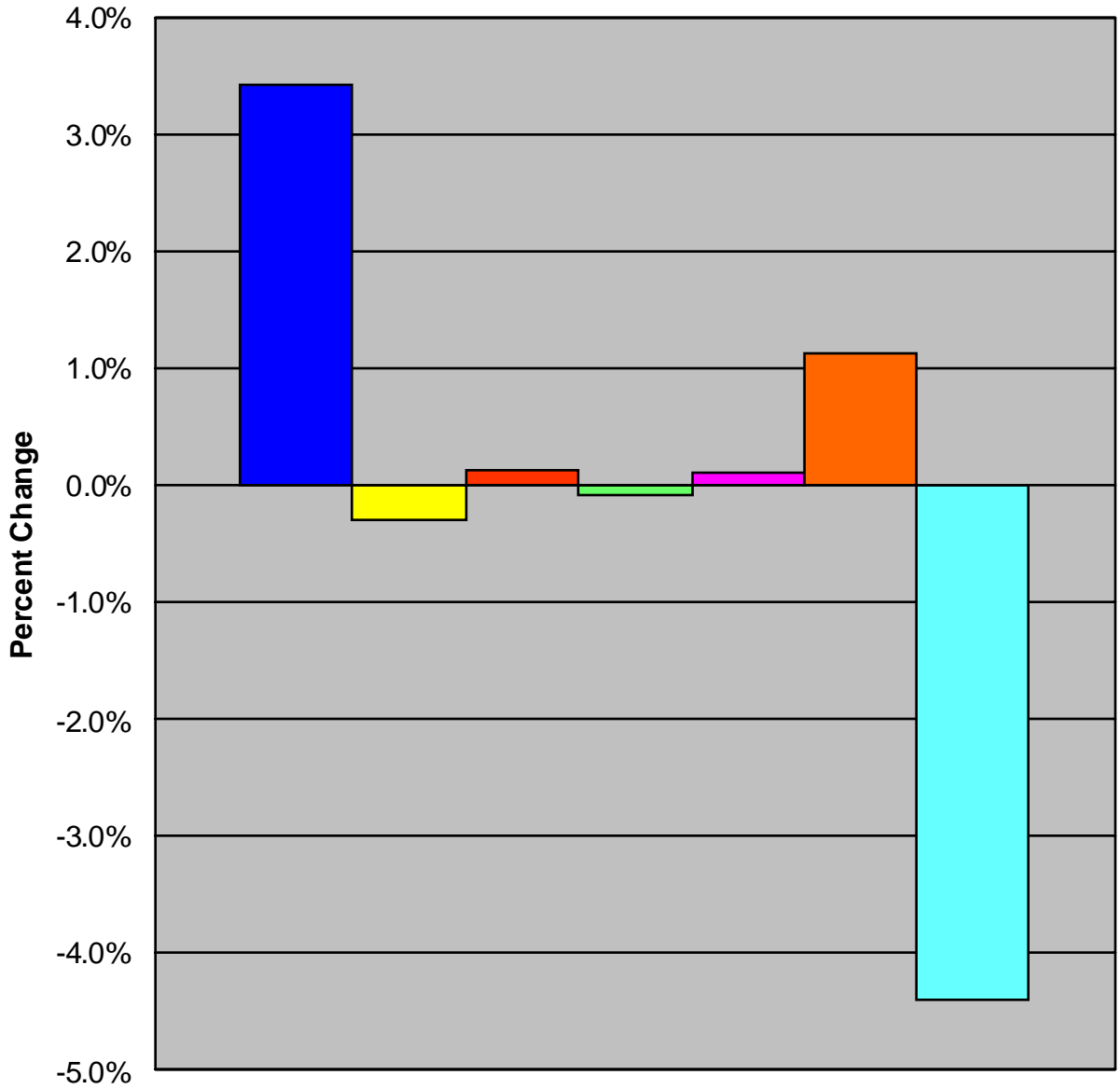
Positive percentages represent an increase in the number of systems that charge a national advertising fee based upon the stated fee structures in 1998. Conversely, negative percentages represent a decrease in the number of systems that charge a national advertising fee based upon the stated fee structures in 1998. Data is presented by the 18 Industry Categories and by the total Franchise Population (delineated in the "Total" category).

| | Percent | Flat Rate | Transaction Related | Inventory Related | No Advertising Fee | Other | Local and/or Regional Fee Only | Total |
|-------|---------|-----------|---------------------|-------------------|--------------------|-------|--------------------------------|-------|
| AUTO | 1% | 0% | 6% | 0% | 2% | -2% | -7% | 0% |
| BAKE | 1% | -6% | 0% | 0% | 0% | 10% | -6% | 0% |
| BLDG | 3% | 1% | 0% | 0% | 0% | 0% | -4% | 0% |
| BUSN | 13% | -4% | 0% | 0% | 1% | -2% | -8% | 0% |
| CHLD | 18% | -7% | 0% | 0% | 3% | -2% | -12% | 0% |
| EDUC | 3% | 0% | 0% | -6% | 0% | 4% | -1% | 0% |
| FAST | 4% | 1% | -1% | 0% | 0% | 2% | -5% | 0% |
| LODG | -4% | 0% | 2% | 0% | 0% | 4% | -2% | 0% |
| MAIN | 6% | 1% | 0% | 0% | -3% | -2% | -2% | 0% |
| PERS | 5% | 0% | 0% | 0% | 0% | -3% | -2% | 0% |
| PRNT | -18% | 6% | 0% | 0% | 0% | 14% | -1% | 0% |
| REAL | 6% | -9% | 3% | 0% | 0% | 7% | -6% | 0% |
| REST | -2% | -1% | 0% | 0% | 1% | 4% | -2% | 0% |
| RETF | 4% | 2% | 0% | 0% | -2% | 2% | -7% | 0% |
| RETL | 2% | 5% | -1% | 0% | 1% | -4% | -4% | 0% |
| SERV | 3% | -1% | -2% | 0% | -2% | 6% | -4% | 0% |
| SPRT | 3% | -2% | 0% | 0% | 3% | -10% | 6% | 0% |
| TRAV | -5% | -6% | 0% | 0% | 0% | 10% | 2% | 0% |
| Total | 3% | 0% | 0% | 0% | 0% | 1% | -4% | 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.

8.1 Franchise Population by National Advertising Fee Structure

Change 97/98



National Advertising Fee



8.2

Breakdown of National Advertising Fee

Description

Pie Chart: Chart 8.2 displays the percentage fee franchisors assess for national advertising when the national advertising fee structure is reflected as a percentage of sales/revenue. Each slice of the pie chart represents the percentage of franchisors that charge a percentage fee falling into one of the ten fee ranges listed in the legend at the bottom of the opposite page.

Bar Graph: The bar graph breaks down the percentage fee franchisors assess for national advertising when the fee structure is reflected as a percentage of sales/revenue for the Franchise Population, in relation to each system's industry category. Each bar represents the number of franchise systems within each industry category, in one of ten percentage ranges.

Methodology

The data for this chart was collected from Item 6 of the UFOC. If the franchisor presented their national advertising fee as a range (e.g., 2-4% of sales), the low and high figures were added together, and divided by two. The resulting mean score was used for the computation chart. This chart is not reflective of the entire Franchise Population. Only those systems charging a national advertising fee based on a percentage of sales/revenue were queried to create this chart. By referencing chart 8.1, we can see that 634 of the systems comprising the Franchise Population are represented in this chart.

Selected Findings

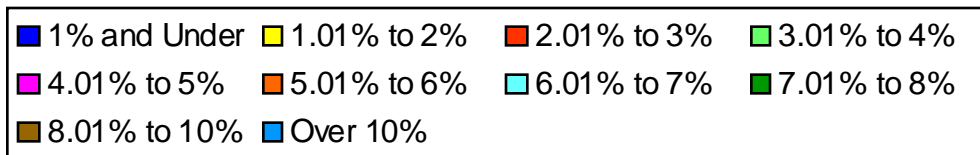
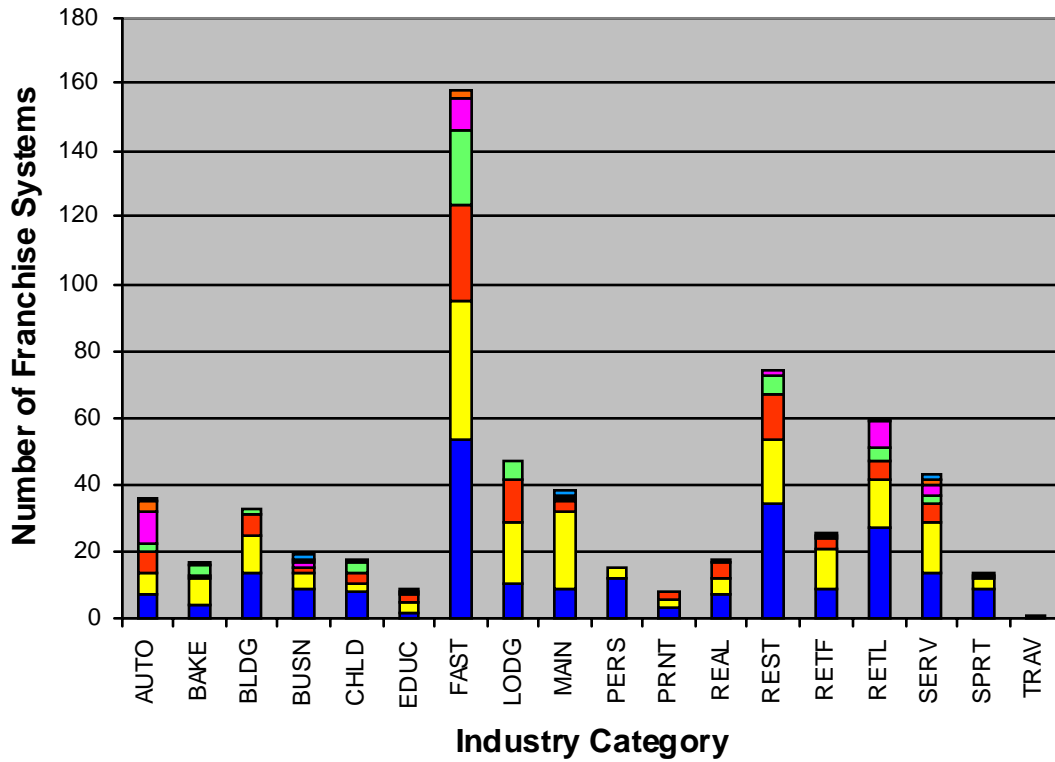
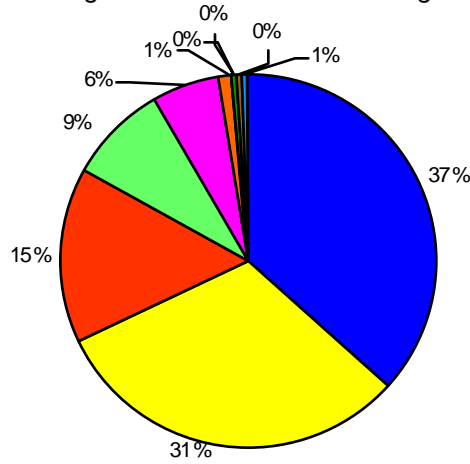
- 1) Of the 634 franchisors that charge a national advertising fee based on percentage of sales/revenue, 429 (or 68%) of them charge a fee ranging from 0.01%-2%.
- 2) Only 4 systems charge a national advertising fee based on percentage of sales/revenue exceeding 10%.
- 3) Only 2% of the franchisors that charge a national advertising fee based on percentage of sales/revenue charge a fee greater than 5%.

Note 1: Since the chart was based on only those systems with a national advertising fee charged as a percentage of sales/revenue, it contains only 634 systems.

8.2

Breakdown of National Advertising Fee

(includes only portion of population which charges a percentage based National Advertising Fee)



8.2 Breakdown of National Advertising Fee

| | 1% and Under | 1.01% to 2% | 2.01% to 3% | 3.01% to 4% | 4.01% to 5% | 5.01% to 6% | 6.01% to 7% | 7.01% to 8% | 8.01% to 10% | Over 10% | Total |
|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|----------|-------|
| AUTO | 7 | 7 | 6 | 3 | 9 | 3 | 0 | 0 | 1 | 0 | 36 |
| BAKE | 4 | 8 | 1 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 17 |
| BLDG | 14 | 11 | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 33 |
| BUSN | 9 | 5 | 1 | 00 | 2 | 1 | 0 | 0 | 0 | 1 | 19 |
| CHLD | 8 | 3 | 3 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 18 |
| EDUC | 2 | 3 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 9 |
| FAST | 53 | 42 | 29 | 22 | 10 | 2 | 0 | 0 | 0 | 0 | 158 |
| LODG | 11 | 18 | 13 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 47 |
| MAIN | 9 | 23 | 3 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 38 |
| PERS | 12 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| PRNT | 3 | 3 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| REAL | 7 | 5 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 18 |
| REST | 34 | 20 | 13 | 6 | 1 | 0 | 0 | 0 | 0 | 0 | 74 |
| RETF | 9 | 12 | 3 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 26 |
| RETL | 27 | 15 | 5 | 4 | 8 | 0 | 0 | 0 | 0 | 1 | 60 |
| SERV | 14 | 15 | 5 | 3 | 3 | 1 | 0 | 1 | 0 | 1 | 43 |
| SPRT | 9 | 3 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 14 |
| TRAV | 1 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 233 | 196 | 98 | 54 | 38 | 7 | 0 | 1 | 3 | 4 | 634 |

| | 1% and Under | 1.01% to 2% | 2.01% to 3% | 3.01% to 4% | 4.01% to 5% | 5.01% to 6% | 6.01% to 7% | 7.01% to 8% | 8.01% to 10% | Over 10% | Total |
|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|----------|-------|
| AUTO | 19% | 19% | 17% | 8% | 25% | 8% | 0% | 0% | 3% | 0% | 100% |
| BAKE | 24% | 47% | 6% | 18% | 6% | 0% | 0% | 0% | 0% | 0% | 100% |
| BLDG | 42% | 33% | 18% | 6% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| BUSN | 47% | 26% | 5% | 0% | 11% | 5% | 0% | 0% | 0% | 5% | 100% |
| CHLD | 44% | 17% | 17% | 17% | 6% | 0% | 0% | 0% | 0% | 0% | 100% |
| EDUC | 22% | 33% | 22% | 11% | 11% | 0% | 0% | 0% | 0% | 0% | 100% |
| FAST | 34% | 27% | 18% | 14% | 6% | 1% | 0% | 0% | 0% | 0% | 100% |
| LODG | 23% | 38% | 28% | 11% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| MAIN | 24% | 61% | 8% | 0% | 3% | 0% | 0% | 0% | 3% | 3% | 100% |
| PERS | 80% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| PRNT | 38% | 38% | 25% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| REAL | 39% | 28% | 28% | 6% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| REST | 46% | 27% | 18% | 8% | 1% | 0% | 0% | 0% | 0% | 0% | 100% |
| RETF | 35% | 46% | 12% | 4% | 0% | 0% | 0% | 0% | 4% | 0% | 100% |
| RETL | 45% | 25% | 8% | 7% | 13% | 0% | 0% | 0% | 0% | 2% | 100% |
| SERV | 33% | 35% | 12% | 7% | 7% | 2% | 0% | 2% | 0% | 2% | 100% |
| SPRT | 64% | 21% | 7% | 0% | 7% | 0% | 0% | 0% | 0% | 0% | 100% |
| TRAV | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| Total | 37% | 31% | 15% | 9% | 6% | 1% | 0% | 0% | 0% | 1% | 100% |

8.2 Breakdown of National Advertising Fee

1997

| | 1% and Under | 1.01% to 2% | 2.01% to 3% | 3.01% to 4% | 4.01% to 5% | 5.01% to 6% | 6.01% to 7% | 7.01% to 8% | 8.01% to 10% | Over 10% | Total |
|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|----------|-------|
| AUTO | 11 | 8 | 4 | 1 | 8 | 2 | 0 | 3 | 1 | 0 | 38 |
| BAKE | 7 | 8 | 1 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 20 |
| BLDG | 10 | 11 | 3 | 1 | 0 | 0 | 0 | 0 | 2 | 0 | 27 |
| BUSN | 6 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| CHLD | 7 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 11 |
| EDUC | 4 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| FAST | 50 | 39 | 26 | 22 | 8 | 0 | 1 | 0 | 0 | 0 | 146 |
| LODG | 9 | 12 | 12 | 7 | 1 | 0 | 1 | 0 | 0 | 0 | 42 |
| MAIN | 6 | 18 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 27 |
| PERS | 11 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |
| PRNT | 4 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| REAL | 6 | 3 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| REST | 30 | 22 | 8 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 65 |
| RETF | 8 | 11 | 2 | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 24 |
| RETL | 23 | 21 | 4 | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 55 |
| SERV | 19 | 11 | 4 | 0 | 2 | 3 | 1 | 0 | 0 | 0 | 40 |
| SPRT | 8 | 3 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 |
| TRAV | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 |
| Total | 220 | 185 | 79 | 45 | 24 | 5 | 3 | 3 | 4 | 2 | 570 |

| | 1% and Under | 1.01% to 2% | 2.01% to 3% | 3.01% to 4% | 4.01% to 5% | 5.01% to 6% | 6.01% to 7% | 7.01% to 8% | 8.01% to 10% | Over 10% | Total |
|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|----------|-------|
| AUTO | 29% | 21% | 11% | 3% | 21% | 5% | 0% | 8% | 3% | 0% | 100% |
| BAKE | 35% | 40% | 5% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| BLDG | 37% | 41% | 11% | 4% | 0% | 0% | 0% | 0% | 7% | 0% | 100% |
| BUSN | 60% | 40% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| CHLD | 64% | 18% | 9% | 9% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| EDUC | 50% | 38% | 13% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| FAST | 34% | 27% | 18% | 15% | 5% | 0% | 1% | 0% | 0% | 0% | 100% |
| LODG | 21% | 29% | 29% | 17% | 2% | 0% | 2% | 0% | 0% | 0% | 100% |
| MAIN | 22% | 67% | 7% | 0% | 0% | 0% | 0% | 0% | 0% | 4% | 100% |
| PERS | 79% | 21% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| PRNT | 40% | 60% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| REAL | 40% | 20% | 40% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| REST | 46% | 34% | 12% | 6% | 2% | 0% | 0% | 0% | 0% | 0% | 100% |
| RETF | 33% | 46% | 8% | 8% | 0% | 0% | 0% | 0% | 4% | 0% | 100% |
| RETL | 42% | 38% | 7% | 5% | 7% | 0% | 0% | 0% | 0% | 0% | 100% |
| SERV | 48% | 28% | 10% | 0% | 5% | 8% | 3% | 0% | 0% | 0% | 100% |
| SPRT | 50% | 19% | 31% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| TRAV | 50% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 50% | 100% |
| Total | 39% | 32% | 14% | 8% | 4% | 1% | 1% | 1% | 1% | 0% | 100% |

8.2 Breakdown of National Advertising Fee

Description

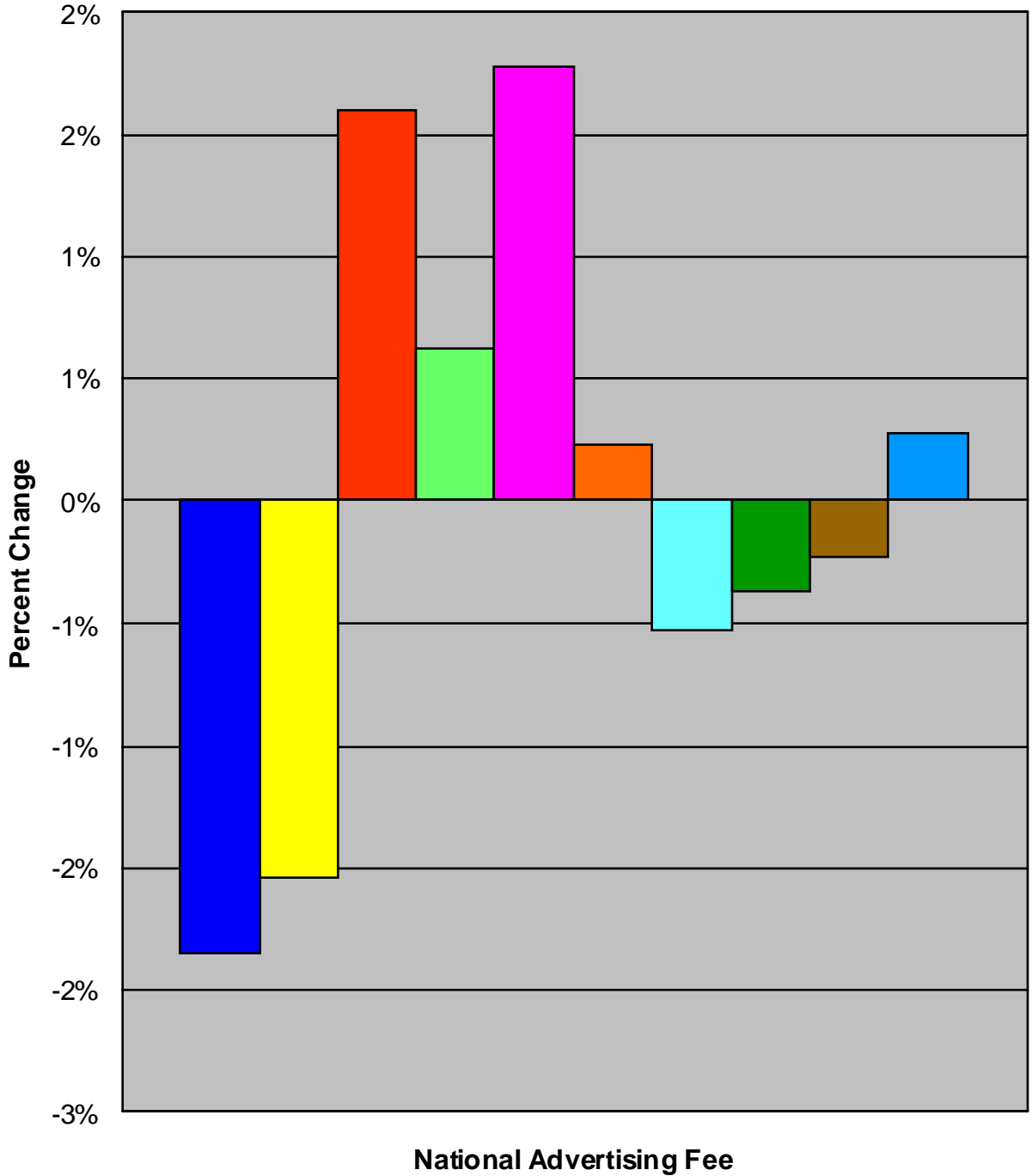
Bar graph: The bar graph on the opposite page depicts the percentage change in franchise population from 1997 to 1998 by industry category. The chart found below contains the source data from which the graph was created.

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

| | 1% and Under | 1.01% to 2% | 2.01% to 3% | 3.01% to 4% | 4.01% to 5% | 5.01% to 6% | 6.01% to 7% | 7.01% to 8% | 8.01% to 10% | Over 10% | Total |
|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|----------|-------|
| AUTO | -10% | -2% | 6% | 6% | 4% | 3% | 0% | -8% | 0% | 0% | 0% |
| BAKE | -11% | 7% | 1% | -2% | 6% | 0% | 0% | 0% | 0% | 0% | 0% |
| BLDG | 5% | -7% | 7% | 2% | 0% | 0% | 0% | 0% | -7% | 0% | 0% |
| BUSN | -13% | -14% | 5% | 0% | 11% | 5% | 0% | 0% | 0% | 5% | 0% |
| CHLD | -19% | -2% | 8% | 8% | 6% | 0% | 0% | 0% | 0% | 0% | 0% |
| EDUC | -28% | -4% | 10% | 11% | 11% | 0% | 0% | 0% | 0% | 0% | 0% |
| FAST | -1% | 0% | 1% | -1% | 1% | 1% | -1% | 0% | 0% | 0% | 0% |
| LODG | 2% | 10% | -1% | -6% | -2% | 0% | -2% | 0% | 0% | 0% | 0% |
| MAIN | 1% | -6% | 0% | 0% | 3% | 0% | 0% | 0% | 3% | -1% | 0% |
| PERS | 1% | -1% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| PRNT | -3% | -23% | 25% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| REAL | -1% | 8% | -12% | 6% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| REST | 0% | -7% | 5% | 2% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| RETF | 1% | 0% | 3% | -4% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| RETL | 3% | -13% | 1% | 1% | 6% | 0% | 0% | 0% | 0% | 2% | 0% |
| SERV | -15% | 7% | 2% | 7% | 2% | -5% | -3% | 2% | 0% | 2% | 0% |
| SPRT | 14% | 3% | -24% | 0% | 7% | 0% | 0% | 0% | 0% | 0% | 0% |
| TRAV | 50% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | -50% | 0% |
| Total | -2% | -2% | 2% | 1% | 2% | 0% | -1% | 0% | 0% | 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.

8.2 Breakdown of National Advertising Fee



| | | | | |
|----------------|---------------|---------------|----------------|---------------|
| ■ 1% and Under | ■ 1.01% to 2% | ■ 2.01% to 3% | ■ 3.01% to 4% | ■ 4.01% to 5% |
| ■ 5.01% to 6% | ■ 6.01% to 7% | ■ 7.01% to 8% | ■ 8.01% to 10% | ■ Over 10% |