

NATION'S Restaurant News

Restaurants using social media to recruit franchisees

By Mark Brandau

NEW YORK (May 5, 2010) Since its formation in 2007, multiconcept franchisor Trufoods LLC has sought brands with unrealized potential and looked to restart their growth. Now the holding company for Wall Street Deli, Pudgie's Famous Chicken, Arthur Treacher's Fish and Chips, and Ritter's Frozen Custard, Trufoods is back on the hunt, this time for franchise operators.

Increasingly, Trufoods and other restaurant franchisors are turning to social media to attract potential operating partners as a way to supplement traditional efforts like online classifieds, trade shows or franchise brokers.

The push to recruit franchisees through social media started with the diminishing returns New York-based Trufoods saw with classified Web portals and franchise trade shows, said chief development officer Gary Occhiogrosso.

"As those vehicles work less and less or bring more unqualified buyers to the table, we needed to look at other forms of getting the word out," he said. "Where do those people exist? They're reading the trade publications, and they're on executive groups on Facebook or LinkedIn."

Trufoods hasn't found one platform to be necessarily better than the others, Occhiogrosso said, noting that it depends on the type of person the company wants to reach.

"There are different groups of people in different social media," he said. "What we've discovered is that the consumer side is easily met on Facebook, and it tends to be more recreational. LinkedIn has been more for the professional side, where we can go into a networking group and put a post up there seeking out individuals that have been in other QSR brands or are looking for new opportunities in specific markets."

The majority of inquiries from online classifieds for Trufoods came from would-be operators with less than \$50,000 to invest, Occhiogrosso said, and while the company's brands have varied turnkey costs, they weren't suitable to many of those franchise seekers. Wall Street Deli's startup costs are about \$300,000, he said, while Pudgie's requires between \$75,000 and \$180,000, Ritter's needs between \$250,000 and \$300,000, and Arthur Treacher's requires between \$150,000 and \$180,000.

Online networking groups have put Trufoods on the radar of potential operators who are more capable of meeting the financial requirements, but who may not be receptive to a pitch or cold call, Occhiogrosso said.

"It's like a cocktail party," he said. "You wouldn't enter a small group and start pitching a deal, but you might engage in a conversation that would lead to discussing what you do, what I do and where there are synergies. Through that conversation you begin to network with operators who have an interest in the franchise brands we offer."

On the consumer side of social media, Trufoods gets more credibility for pitching its appeal to franchisees with every new fan or follower, Occhiogrosso added.

Likewise for Naked Pizza in New Orleans, which currently has one restaurant but has development agreements for more than 300 franchise units, building a successful social-media following, primarily on Twitter, has been fundamental to driving franchisee interest.

"One of the ways to do that when you're a company with few locations is by engaging with people via social media in many ways to provide the living, breathing focus group of what people are interested in talking about," said Robbie Vitano, one of Naked Pizza's co-founders. "On so many levels our social-media presence has been a way of validating consumer and public interest around the concept itself, so it's been a useful tool for demonstrating a real interest in the company."

Naked Pizza, a concept built on all-natural and healthful pizza, also finds the different platforms to serve different but complementary ends.

"We like Twitter a lot because it's very dialogue-oriented and immediate," Vitano said, "but Facebook is equally important because it has a larger audience. No less important is the ability to expand our point of view via our 'LivNaked' blog, and we'll continue to develop our entire website."

He added that in the era of Skype and e-mail, as well as greater access to information than ever, individual operators and companies are capable of connecting to one another and identifying opportunities in new or far-flung markets.

"The type of people succeeding in that new business environment are the ones comfortable with these tools," he said, "so they tend to be the ones that find [brands suited to them]."

To that end, he added, Naked Pizza has fielded more than 4,000 franchise inquiries since its founding in late 2006. Prospects come from many places, Vitano said, from multiunit operators to technology professionals to film stars and professional athletes. The brand welcomes first-time restaurateurs to the system, Vitano said, so long as they meet financial requirements and adhere to Naked Pizza's mission to reposition pizza as a healthful solution to rampant obesity in the United States.

The company, which has the financial backing of The Kraft Group and billionaire Mark Cuban, expects the first 20 to 30 franchised units to open in 2010, beginning this summer. The first markets to debut Naked Pizza franchises reportedly will be New York, Colorado, New England, Florida, Kentucky, Arkansas, Las Vegas and Washington, D.C.

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