

## Why Large Brands Should Think Small

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***Small markets can hold the key to success for large brands, says Mary Jane Riva, President and CEO of Pizza Factory***



When it comes to franchise expansion, many franchise development executives and regional developers give preference to high population density areas that can drum up a significant amount business for their potential franchisee.

However, with nearly one out of every five Americans growing up within a rural community, smaller markets – bordering on 10,000 residents or less – are an underserved population that could be the perfect next step for your brand's growth strategy.

As you consider how to best expand your franchise's footprint, here are a few reasons why you should keep more remote areas of the country in mind.

### **Advantageous Real Estate**

Depending on where you are growing, many small towns often fall into economic development zones, which can include land grants, tax benefits and other perks — this is common in rural areas in Tennessee, Mississippi and Texas.

Be on the lookout for hidden real estate gems that you wouldn't find in bigger markets: portions of large properties that have been divided for mixed use, vacant commercial properties or even empty parking lots that can be converted into commercial space.

For restaurant brands, specifically quick-service concepts, rural markets may offer a simple additional benefit: more land. It can be challenging to find adequate space in urban areas to accommodate for drive-thrus, free parking or direct road access, let alone space for all three in the same location at an affordable cost.

Smaller markets often have larger plots of vacant commercial land readily available that would allow the local franchisee to develop their restaurant as a destination.

In many cases there may also be opportunities for locations near schools and colleges that can open up to a number of affordable grassroots marketing opportunities, such as fundraising events for youth activities or hosting sports banquets.

Additionally, undeveloped smaller markets can present the option for a franchisee to develop a larger territory, rather than a single market. For example, a franchise partner could sign an agreement to develop your brand throughout an entire rural county, further stretching the brand's reach into new corners.

### **Impactful Community Involvement**

Not only do smaller markets provide better locations, but they also offer the opportunity for franchise partners to have more of an impact on the community. With social gathering options less readily available in many small towns, restaurants often become the local watering holes, offering a safe and comfortable place for community members to converge.

Brands can capitalize on this by ingratiating themselves into these communities offering to be the host location for a local group, hosting a fundraiser for a community organization, sponsoring an area team and other avenues.

This increased visibility and show of support to the community can go a long way in developing fierce brand loyalty with customers. By investing in smaller towns you are investing in the lives of the community members, and that does not go unrecognized.

### **Familiar Local Owners**

In smaller markets, franchisors have a greater opportunity to find local, well connected entrepreneurs. These 'hometown heroes' can be instrumental to the success of launching a new concept into the market. These individuals have the distinct advantage of already knowing everyone in town, which can be beneficial when working with local vendors and contractors.

The local franchisees' familiar face can also help to make the business seem more local versus franchised. This can help to rally local community support since the business will be tied to the franchisees' personal connections before it even opens.

Since these hometown heroes already know the area, they can help to capitalize on different community events that only an insider would know about, such as local festivals or school events.

By utilizing the franchisees' personal connections and knowledge of the area, the business will have a leg up at knowing how to best serve its market where the best opportunities for growth and success lies.

### **Fewer Local Competitors**

In some markets, your brand may be the only one of its type for miles, resulting in surrounding communities flocking to your business to fulfill their needs. Less competition in the area leads to repeat, life-long customers – and more prospective business for franchisees.

When a store opens in a larger city or suburb, it's a blip on the radar of dozens of other openings each day. However, when a store opens in a small town, it is an event that draws the community in and captivates attention.

With less local competitors than you'd find in urban areas, brands are better able to establish themselves as a household name with consumers, rather than just another face in the crowd.

In addition to less business competition, there is also less competition when it comes to the job market. In smaller markets there are fewer jobs, leading job candidates to a more competitive job search and allowing you to be more selective in hiring the areas best talent.

### **Three states with great small market opportunities**

**1. Texas** – With a strong over all economy, Texas has a plentiful work force and offers many tax incentives to those looking to do business in the state. As the state begins to turn from rural to urban, many smaller markets are hungry for new business to grow with in their communities.

**2. Nevada** – There is often less interest in franchising in the western part of the United States, except in Nevada. Franchising remains high in Nevada, which has had huge population growth in the last decade. The predominately rural state leaves many opportunities for franchisors to expand.

**3. Georgia** – Georgia allows potential franchisees looking to grow in smaller markets an abundance of opportunities for success. With the vast majority of the towns in Georgia having populations less than 10,000, the state opens itself up for small market potential.

### **ABOUT THE AUTHOR**

Mary Jane Riva is the CEO of [Pizza Factory](#). Founded 30 years ago, the brand has become well known for serving fresh, high-quality pizza, sandwiches, salads and more. Pizza Factory brand is also widely recognized for its close community connection, which includes its iconic “No Bully Zone” program and impactful fundraising partnerships.