

Incentives can unlock the potential of franchises

An incentive is defined as 'something that motivates or encourages one to take action'. Taste Holdings has recognised the significant potential of incentives to achieve a variety of positive outcomes within its franchisees' businesses, both in terms of increasing brand visibility and sales, and strengthening, retaining and motivating the employee body. Lindy Taoushiani, Divisional Marketing Executive of Taste Holdings, says that incentives can also reward customers for their loyalty to the brand.

Retaining trained staff and encouraging their loyalty are key objectives for franchise owners. The cost and inconvenience of continuously replacing staff members pushes up direct costs because of the recruitment process and can occupy valuable time management, and lower productivity in the store, while the new employee is shown the ropes, as other employees as well as supervisors need to invest time into this process to ensure everyone is up to speed. It can take weeks before a new recruit is able to perform at the level of an experienced employee.

With our brands, we have therefore put thought and energy into creating the kind of environment in our franchises that encourages employees to remain with their stores for the long haul. Human nature is such that the promise of a reward tends to motivate us to perform better, and it's a proven fact that employees at any level will put in extra effort if they believe it will advance their careers, attract recognition, help them retain their jobs, or allow them to obtain some kind of monetary reward.



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Success with non-monetary incentives

Staff incentives definitely work for Taste Holdings' brands. While monetary incentives, just as performance bonuses or the opportunity to win prizes, have been recognised as a chief source of satisfying people's needs, we've also had success with non-monetary incentives, such as personal praise and recognition for good performance, job enrichment by being given an important job designation or increased responsibility and, of course, opportunities for promotion in the franchise environment.

However, it needs to be said that there is no substitute for fostering a mutually respectful employer/employee relationship. Franchise owners need to respect their employees as individuals who have a life outside of work and ensure that they feel that what they're doing today is something they can handle years into the future with our support.

Incentives are also useful instruments to attract and retain customer loyalty. We regularly run promotions offering value-for-money meals beyond our basic value-for-money offering. We also run competitions from time to time, which offer our customers the opportunity to win prizes of various values. For example, at the moment, two of our franchises - The Fish & Chip Co. and Zebro's - are running a competition in which customers can win generators. On the back of this, cashiers in these stores are also eligible to win a generator for themselves by up-selling the most meals offered in this time-sensitive promotion.

Incentives like competitions also help to raise the visibility of the franchise brand and establish positive connections in the minds of our customers. At the same time, having access to customer contact details allows us to create a valuable database to keep communication channels open with these customers.

At the end of the day, incentives are positive vehicles that can raise the tone of the business in different ways. But they are just one tool in the arsenal of the franchise industry and must be kept in perspective.

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