

RESEARCH REPORT

August 2016



Arby's
Atlanta, GA
www.Arbys.com



When you're looking at a franchise opportunity,
how can you tell the good from the not so good...
and find one which is extraordinary?

The answer lies in how
existing franchisees rate their franchise as a
business investment!

**Arby's is World-Class
because their franchisees say they are!**

World-Class Certification
is research-based documentation of
High Franchisee Validation.

To be considered, a franchisor must be **transparent**
and offer access to every franchisee.
The results must be **comprehensive** (70%+ participation)
and responses must remain **confidential**...
no risk for negative and no reward for positive ratings.



Get the research, it's **FREE!**
www.WorldClassFranchise.com/ArbysReport



SURVEY REPORT

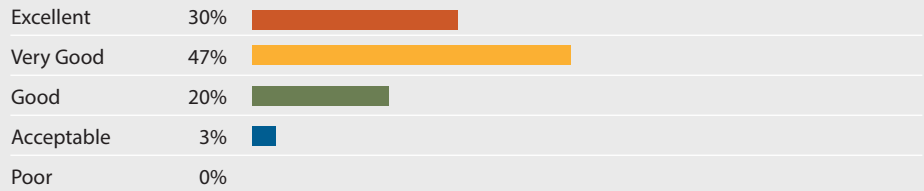
Franchise Opportunity Provided

Overall Quality

100%¹

In one all-encompassing question we ask the franchisee to rate the quality of the franchisor. This question provides insight (without any specifics or qualifiers) about their overall impression of the franchise.

Q: In general, how would you rate the overall quality of your franchisor? (n=215)

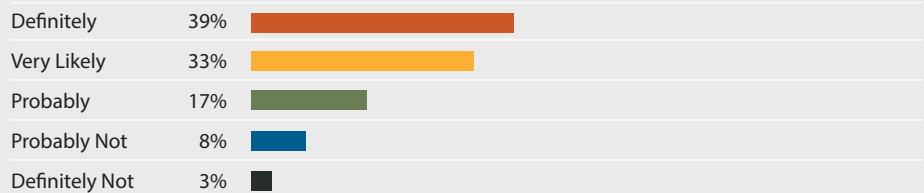


Investment

89%²

This question is extremely important when evaluating a franchise. However, occasionally a franchisee will rate this question low because the concept has changed significantly since they purchased the franchise, or because of personal issues.

Q: Knowing what you know now, and if you had to do it all over again, would you invest in this franchise? (n=216)

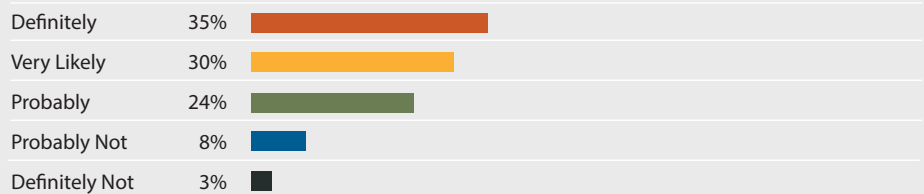


Recommend to Others

89%²

When evaluating franchise investments, it is extremely important that existing franchisees (when asked confidentially) will recommend the franchise to prospective franchisees.

Q: Would you recommend this franchise to a prospective franchisee? (n=215)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.

² Combined scores of *Definitely*, *Very Likely*, and *Probably* responses.

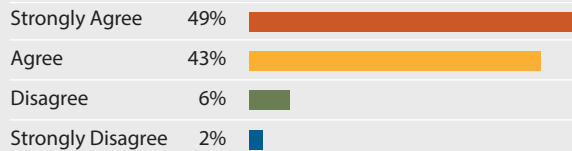


Relationship With Franchisor

Long-Term Commitment

92%¹ From the point of view of the franchisee; is there a commitment on the part of the franchisee and the franchisor for a "positive, long-term" franchise relationship?

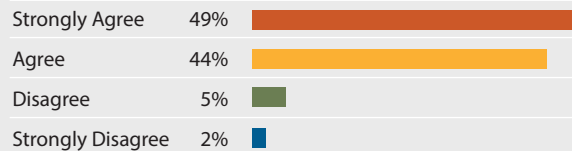
Q: My franchisor and I are committed to a positive, long-term relationship. (n=209)



Joint Success

93%¹ In the most successful franchise systems there is a very clear understanding of the interdependent relationship between the success of the franchisee and the franchisor. This question measures the level of confidence in the understanding of that concept by the franchisor.

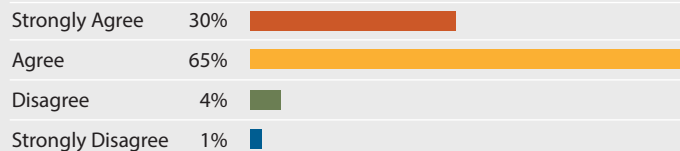
Q: My franchisor understands that if I am successful, they will be successful. (n=213)



Franchisor Competence

95%¹ Does the franchisee believe that the franchisor has the talent and skills necessary to assist the franchisee in succeeding? It is important that the franchisor not only have this ability, but also that their franchisees look to it for guidance and expertise.

Q: ARG is a competent, skillful organization which I can rely on for help. (n=203)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of Strongly Agree and Agree responses.



SURVEY REPORT

Training and Support

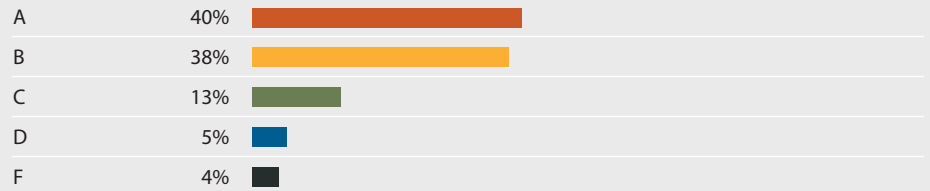
Initial Training

91%¹

The initial training provided by the franchisor is crucial to

the success of new franchisees. Every franchise provides some form of initial training, and the quality of this training is of tremendous importance to high-quality franchise companies.

Q: How would you grade the initial training supplied by the franchisor? (n=167)



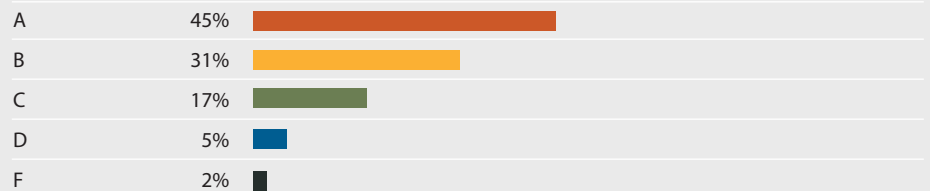
Opening Support

93%¹

Opening support can be incredibly important in creating

a customer's positive first impression of your business. However, this depends on the franchisee category and product or service offered. In many cases, the franchisor may be required to offer little or no opening support.

Q: How would you grade the initial opening support supplied by the franchisor? (n=166)



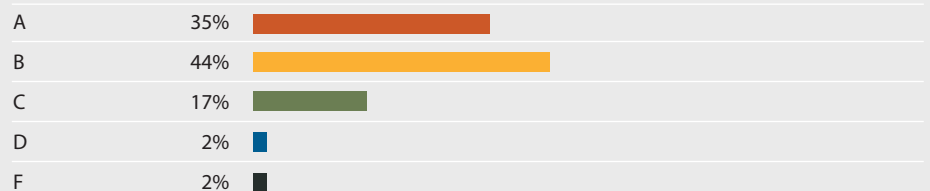
Ongoing Training and Support

96%¹

While the importance of opening support can vary with the

franchise category, the post-opening training and support provided by the franchisor is extremely important to franchisees' long-term success.

Q: How would you grade the ongoing training and leadership development support supplied by the franchisor? (n=212)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of A, B, and C responses.



SURVEY REPORT

Helpfulness, Communication and Products/Services

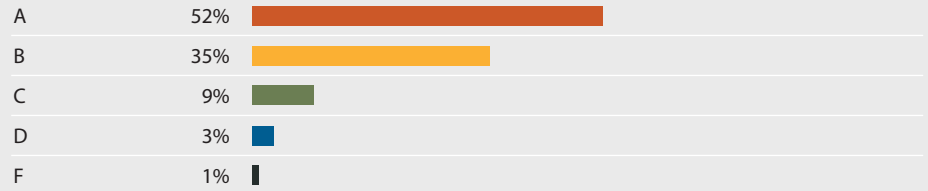
Field Representatives

96%¹

Almost every franchise system has individuals that are responsible

for assisting franchisees when they have questions and/or problems. This question is designed to measure the helpfulness of these individuals.

Q: How would you grade the helpfulness of your franchisor's field representatives? (n=216)



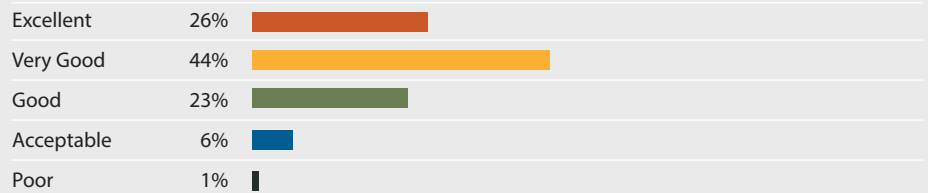
Overall Communication

99%²

We believe that quality communication is a critical aspect of

successful franchising.

Q: How would you rate the overall communication between support center personnel and franchisees? (n=209)



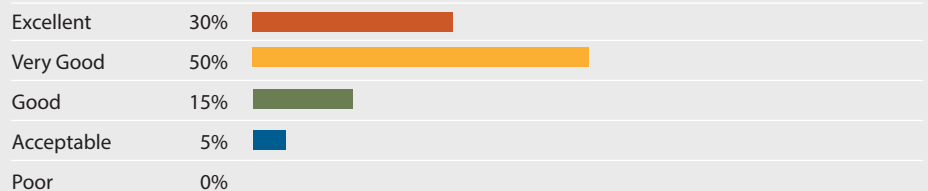
Product/Service Quality

100%²

In most systems, franchisees receive some type of products

and/or services directly from the franchisor. This question asks the current franchisees to rate the quality of these products and/or services.

Q: How would you rate the quality of products and/or services received from your franchisor? (n=212)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of A, B, and C responses.

² Combined scores of Excellent, Very Good, Good, and Acceptable responses.



Management

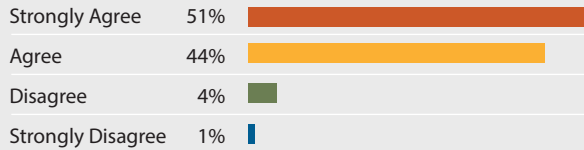
Problem Solving

95%¹

This question measures the franchisee's perception

of the effectiveness of the franchisor's ability to solve questions and problems in a timely manner.

Q: My franchisor responds in a timely way to my questions and minor problems. (n=216)



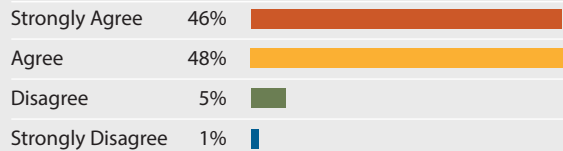
Communication with Senior Management

94%¹

As we measure high-quality franchise organizations, one

thing always stands out - the ability of franchisees to feel that they can directly interact with senior decision makers.

Q: I am able to communicate directly and effectively with senior management. (n=204)



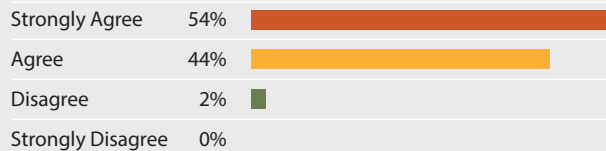
Performance Standards

98%¹

High-quality franchising requires high standards

throughout the system. Leadership for these standards starts at the top.

Q: My franchisor encourages high standards of quality performance throughout the organization. (n=214)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of Strong Agree and Agree responses.



SURVEY REPORT

Opportunity and Growth

Opportunity

99%¹

Without any qualification, how the franchisee rates the overall opportunity of the franchise they have chosen tells us a great deal; especially when considered along with the next two questions.

Growth Potential

97%¹

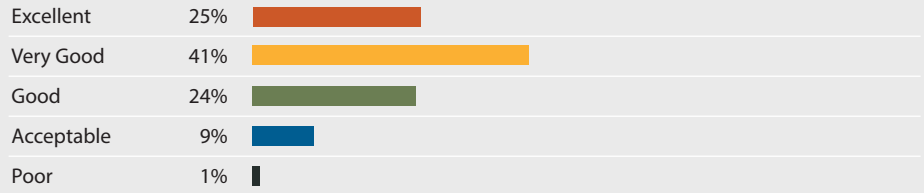
Now we ask about the franchise opportunity, but qualify the question by focusing on long-term growth potential. This offers insight as to the franchisees' perspective on this very important topic.

Local Competition

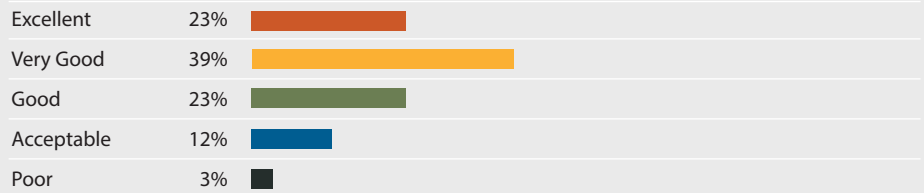
98%¹

Once again, we focus on the opportunity provided by the franchise, asking the franchisees to rate their franchise business compared to local competition.

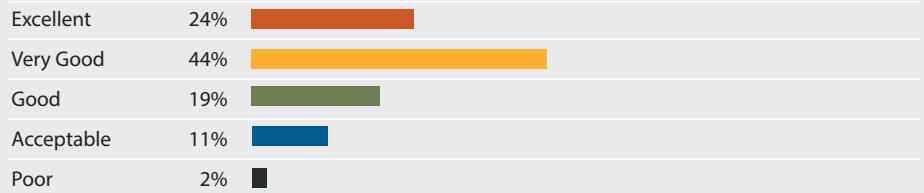
Q: In general, how would you rate the opportunity provided by this franchise system? (n=209)



Q: How would you rate the long-term growth potential for your franchise business? (n=206)



Q: How would you rate your franchise business compared to the local competition? (n=206)



(n=#) represents the total respondents that answered each specific question.

¹ Combined scores of *Excellent*, *Very Good*, *Good*, and *Acceptable* responses.



SURVEY REPORT

Personal Profile

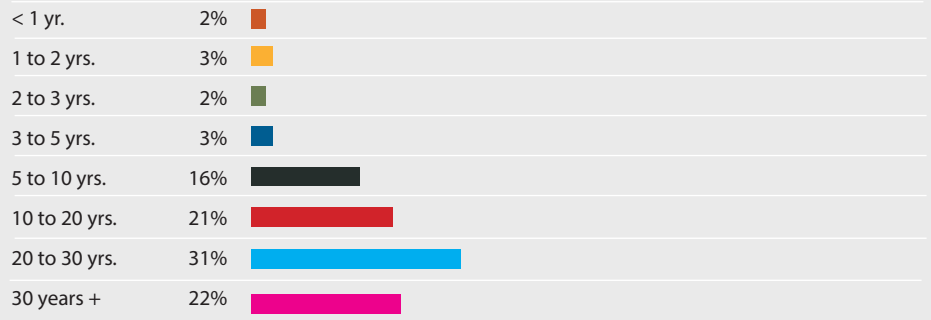
We ask five franchisee demographic profile questions. These five questions are intended to give the prospective franchise investor an overview of what the franchisees of this system “look like.”

1. How many franchisees fall into the different age groups? 2. How long have franchisees owned their franchises? 3. How many stores, outlets or locations of this franchise do these franchisees own? 4. Prior to opening this franchise, how much business experience (not business ownership experience) did the individual have? 5. What level of education has the individual franchisee obtained?

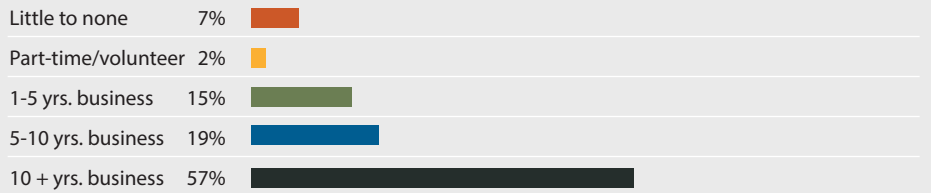
We understand that there are a huge number of questions that could be asked of franchisees in this area. However, our mission is to obtain the most useful information, certify the best franchise opportunities based on the experience and opinions of the franchisees and not bury the franchise investor with useless information.

This report is only one very important step in the due diligence process. If existing franchisees are supportive of the current franchise relationship and the support services provided by the company, and are excited about the future of their franchise business...you have found an opportunity definitely worth further investigation.

Q: How long have you owned this franchise? (n=214)



Q: Prior to opening my first franchise, my business experience could best be described as: (n=212)



(n=#) represents the total respondents that answered each specific question.

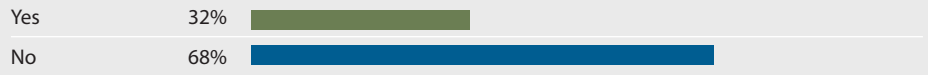


Personal Profile

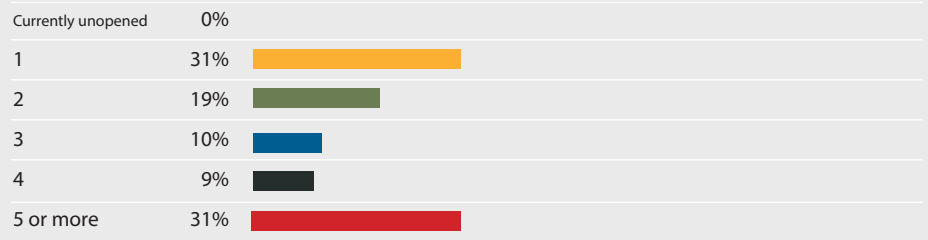
Other Franchise Brands

32%

Q: Do you plan to open additional stores, outlets or territories of other franchise brands? (n=148)



Q: How many stores, outlets, or territories of THIS franchise do you own? (n=213)



(n=#) represents the total respondents that answered each specific question.



The Franchise Research Institute® sent a study solicitation notification to all three hundred eight (308) Domestic Arby's franchise owners. The study was completed in August 2016. Arby's personnel gave franchisee contact information to the Franchise Research Institute. The notification included the URL (web address) of the Franchise Research Institute franchisee satisfaction online survey and a numeric "pass code" to insure no duplication of responses.

Franchise owners were encouraged by Arby's and by the Franchise Research Institute to complete the survey, and were assured that their individual responses to the questionnaire would never be revealed to anyone outside of the Franchise Research Institute (including Arby's management).

Franchisees logged on to the online survey questionnaire, entered their individual "pass code," completed and submitted the survey. Two hundred eighteen (218) of the three hundred eight (308) total franchisees, or 70.8%, responded and took the survey. The Franchise Research Institute has no reason to believe that non-respondents' answers would vary substantially from those respondents.

The maximum error range on this study is plus or minus (\pm) 2.2% at the ninety-five percent confidence level.

*Note: The Franchise Research Institute® does not endorse any franchise companies. Investing in a franchise is an important decision. Franchise Research Institute research services are intended to provide basic, high-level information about franchise opportunities from current franchisees, and should not replace the standard due diligence performed by any investor. The Franchise Research Institute recommends that prospective franchise buyers consult a lawyer, accountant, and/or other professionals before signing any franchise agreement. See terms and conditions on www.FranchiseResearchInstitute.com for more information.