

Where Franchise Sales Portals Are Headed in the Franchising Space

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For franchisors, acquiring quality leads for their candidate pipeline is a top-tier priority and a line item of every brand's marketing spend. For more than a decade now, franchise sales portals have become an increasingly popular avenue for prospective franchisees looking to find the right concept.

The online directories that make up these franchise – or web – portals include multiple for-profit entities and the candidate data they maintain is considered non-exclusive. Compared to other strategies and tactics for reaching this valuable target audience, portals can be an economical and affordable solution. However, the information these directories have to offer often raises a healthy debate about the quality of these leads.

Love 'em or hate 'em, franchise portals have their own set of pros and cons. Here's what the future may hold for these directory sites.

Who are the major players?

If you've spent any length of time Googling your way through franchise industries, categories and concepts, some of the names of the more popular franchise portals should be recognizable.

Brands including Entrepreneur, Franchising.com, Franchise

Opportunities, Franchise Direct, BizBuySell and Franchise Gator regularly appear among the top sites returned as part of the search results. These are the “portals” that draw in prospective franchisees for advanced searches that include listings of individual concepts, typically categorized by industry and business type.

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Effective, but flawed?

In 2019, it's estimated that one out of every seven franchise leads came from portal sites, equal to just over 13%. This data is attributed to one of the providers, Franchising.com. According to the same source, portal leads were responsible for 38% of all lead sources in the first half of 2020. But many detractors point to the fact that portals have somewhat of an inherent conflict of interest, providing data for franchisors who've listed their brands on the site and, in some cases, place targeted ads to attract franchisee candidates.

Portal popularity

According to some recent research from Franchise Insights, portals may still have a large cross-section of the target audience to capture. In a January 2022 survey of prospective franchisees, almost a third of all respondents were unfamiliar with the concept of portals. Another third was “vaguely” familiar, and a final third were “somewhat” or “very” familiar with these online franchise directories.

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Who's benefitting the most?

Among the deals originating from franchise portals, the larger, enterprise brands have the lion's share of wins (84%), according to Franchise Update Media. Mid-market brands accounted for 9%, emerging brands 7% and micro-emerging brands came in at 1%.

The future of franchise portals

For several consecutive years, these online franchise directories have produced the No. 1 source of franchise-buying prospects for franchise brands. And they're likely to maintain their spot at the top, thanks in part to an ever-increasing target audience.

The Great Resignation has demonstrated how the will of employees can overcome Corporate America's stranglehold on the labor market. Tens of millions have evaluated their circumstances and decided to chart a new course. Obviously, many may be angling for better pay and benefits within their industry specialty, but a great deal of the former workforce seem to have decided that a path more entrepreneurial is preferable.

This means a whole new segment of the population who want to become their own boss will continue to visit Google and type, "how to buy a franchise." And it's these types of inquiries that will keep franchise portals at the top of the lead-generation game.

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