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Denise Hart

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Contact: Denise Hart
603-862-1462
UNH Media Relations

November 20, 2003

DURHAM, N.H. – The University of New Hampshire’s William Rosenberg International Center of Franchising announces the creation of a new stock market index that tracks the market performance of the top 50 public franchisors in the United States.

“This is an important step in advancing the Rosenberg Center’s mission of studying and enabling the franchising industry,” says Steve Bolander, Dean of the Whittemore School of Business and Economics. “This index will give researchers a tool for analyzing the performance of the top franchisors, and it will lead others to turn to the Rosenberg Center as the leading authority on the industry.”

The 50 franchise companies represent over 98 percent of the market capitalization of all U.S. public companies engaged in franchising.

Researchers at the center, which is part of the university’s Whittemore School, identified the 50 franchisors from approximately 140 public franchisors listed in the Global Franchisor Database developed at the center. A methodology mirroring the one used by the Standard and Poor’s 500 Index was created to develop a monthly franchise index that tracks the aggregate stock market performance of the top 50. One aspect of the research is to measure the franchisor’s performance against the Standard and Poor’s 500 Index. The data is updated every month and is available at the center’s website: http://franchising.unh.edu.

Franchises put the muscle and expertise of tried and tested business practices behind the investor/entrepreneur who decides to become a franchisee. According to the International Franchise Association (IFA), in 2000 analysts estimated that franchises were responsible for $1 trillion in UNH’s annual retail sales in the United States from 320,000 franchised small businesses in 75 industries.

The IFA reports that more than 40 percent of U.S. retail sales take place through franchised small businesses. It is estimated that franchises employ more than 8 million people and new franchise opens in the nation every eight minutes.

Development of the Franchise 50 Index was made possible by the generosity of Ann M. Rosenberg and a grant from the William Rosenberg Family Foundation, Inc. The project is headed up by Udo Schlentrich, associate professor of hospitality and director of the William Rosenberg International Center of Franchising.
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Rosenberg Center of Franchising, and E. Hachemi Aliouche, research fellow at the center.

“The Franchise 50 Index is the first measure of its kind for evaluating on a monthly basis the financial performance of franchise companies. The database will allow the center’s researchers to investigate in greater detail, not only the global franchising industry, but its different sectors,” Schlentrich says.

The William Rosenberg International Center for Franchising is named for William Rosenberg, founder of the successful Dunkin’ Donuts worldwide franchise, whose vision made the center possible. It is believed to be the first center established to study the economic impact of the multibillion dollar international franchise industry. Rosenberg made a gift of Wilrose Farms, his horse breeding complex in East Kingston, to UNH in 1980; proceeds from its sale were used to establish the Rosenberg Center.

In the eleven months since the center was founded, the school has also launched a senior-level undergraduate course that teaches the history and evolution of franchising and provides students with opportunities to visit leading New England franchisors.