

CHARLOTTE BUSINESS JOURNAL

A welcome return to business world

Direct-mail franchise a national leader in revenue



Our Town America franchise owner Jane McElhaney at the location of a key customer, Dilworth Neighborhood Grille

photo NANCY PIERCE

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Q&A

In 2007, after 12 years as a stay-at-home mom, Jane McElhaney was looking to re-enter the job market. But she didn't want to go back to the corporate world.

So she turned to her big brother, Mike Fisher, for some advice. He was

operating a successful Our Town America direct-mail franchise that markets services to newcomers in Tampa, Fla. He urged her to follow in his footsteps by purchasing an Our Town franchise in Charlotte.

"He told me to come down and see what it was about," McElhaney recalls. "The whole concept made sense to me, as they had been operating since 1972 and had everything down to a science. I also visited the

corporate office in Pinellas Park, Fla., and was very impressed. After just two years, my brother was doing well with it. I didn't even investigate any other franchises.

"I remember going along when he visited one of his sponsors, a veterinarian office. It had just moved across town, and the vet held a handful of Our Town gift certificates that showed all the new customers they had gotten. And I said, 'Wow!'"

There was already a franchise in the Queen City area, but it covered only 10 ZIP codes in southeast Charlotte. So McElhaney bought a franchise that covered everything else in the area, from Rock Hill to Mooresville. Then in 2011, she purchased the rights to the remaining ZIP codes from the original franchisee — and business immediately doubled.

“I knew those southeast ZIP codes — Ballantyne, SouthPark, Matthews — were the hot ones. I told the owner whenever he was ready to sell, to please come to me first. I wanted them. It was an opportunity to grow more, and after I made the purchase, I made the effort to visit all the existing sponsors.” (One of them, New York Pizza & Pasta in Indian Land, has been using Our Town America services since 2002.)

McElhaney declines to disclose how much she paid for her original franchise or the pre-existing one later on. She says most franchisees today pay around \$40,000. She dipped into her family’s savings to make the initial purchase.

Business has continued to grow. McElhaney was recently honored at the Our Town America national franchise convention with an award for greatest market growth in 2012. Her July mailing generated the highest level of revenue of any Our Town franchise in the country. She’s now working out of an office at N.C. Highway 51 and Johnston Road and has four employees, one a graphic artist.

McElhaney recently spoke with the *Charlotte Business Journal* about the success she has achieved by following her brother’s lead.

What is Our Town America?

It’s a national new-mover welcoming organization with about 40 franchises that uses a direct-mail program to market by ZIP code to target people close to the businesses included in our monthly mailings. They can use as few ZIP codes as they want. We generally recommend starting in a 3- to 5-mile radius of their location.

Our Town mails gift certificates — in one envelope — that drive the recipients to places like auto repair shops, hair salons, dry cleaners, veterinarians and restaurants. Our

sponsors are able to reach a specific target market that gets results. The mailings reach new people every month, which, at the very least, replace the customers they’ve lost because they moved. It is constantly driving new customers to their doors.

When people move to an area, they have no idea where to go for what. People still want to be welcomed into their new neighborhood, and it’s often hard to meet new neighbors. It’s a nice gesture and also helps small businesses grow.

And we feature only one business (in a particular sector) per ZIP code.

Are you involved after the mailing?

Each gift certificate has a bar code so we can track who used it, as well as when it was mailed and when it was redeemed. We then send them a follow-up thank you for visiting the business. Many of our sponsors continue to market to these new customers. We can also provide targeted postcard mailings as a follow-up.

Besides your brother’s success, what attracted you to an Our Town America franchise?

I was in sales my entire working life, but I didn’t want to go work in a cubicle. I am a people person. Our Town is a community-oriented program, which was a good fit for me. It helps small businesses grow and also helps newcomers learn about their surroundings.

I didn’t want to buy a retail franchise — that would have meant the overhead of a storefront and hiring employees. This allowed me to work out of my home.

My husband, Tom, had just been laid off when I bought the franchise, and he helped me until he found a new job — and is still a big help.

How big is your franchise?

The average ZIP code in Charlotte sees about 250 new movers each month, which means there are about 6,000 to 7,000 total pieces mailed monthly. A new mover receives only one packet of gift certificates from us.

Nationally, the Our Town Ameri-

ca franchises mail out about 8 million welcome packages annually. Corporate does the list compilation, printing and mailing. Our job is to bring in sponsors.

The ZIP code that gets the biggest mailing is 28277 — that’s Ballantyne — with a monthly mailing that goes to 475 families. The Huntersville area is also growing fast. We don’t just mail to people moving into purchased single-family homes, but also apartments and condominiums.

How do you find these movers?

Our Town accesses lists from about nine to 11 different sources, such as change-of-address notices at the post office, credit agencies and DMVs.

How do you find gift certificate sponsors?

I knock on doors every day but also look for categories to fill in each ZIP code. I buy new-business lists, too.

Our existing sponsors are also happy to refer others to us.

How has your brother responded to your success?

We talk frequently, and he is a good support system for me. But it is fun to have a little family competition going. We also both participate in weekly franchisee telephone talks sponsored by Our Town.

Do you have any data on the program’s success?

Sport Clips (a barber shop franchise) has three area locations and has been with us since March 2008. Their data show that they get an average of 39 new customers a month as a result of Our Town America mailings and that 30 to 39 of these customers return four times or more in the six months following their initial visit.

And here’s an anecdote: Chick-fil-A in South End also became a sponsor in 2008. A woman who had moved here from Florida had never been to the restaurant and visited it with her gift certificate for a free meal. She was so enthusiastic while there that the manager also gave her a complimentary side with her meal.