RESHIFT MEDIA | franify

The Franchise Development Outlook

UK EDITION | Q3 2026

Franchise Development Industry Intelligence

Franchise ownership demand, marketing performance and the economic factors shaping franchise growth



EXECUTIVE SUMMARY

UK Franchise Ownership Demand Remains Strong Despite Economic Uncertainty

Following an exceptional surge in early 2026, UK franchise ownership search demand remains above historical levels. North American advertising data shows stronger engagement, higher enquiry conversion and lower lead generation costs. UK demand is forecast to moderatein Q4 before rebounding in Q1 2027, despite continued economic uncertainty.

FRANCHISE OWNERSHIP INTEREST

120.1 ▲20.1% vs. historical baseline

September demand remained 20.1% above the historical baseline and 12.9% above its seasonal average, despite moderating from January's exceptional peak.

FRANCHISE ADVERTISING ENGAGEMENT

117.4 ▲26.8% vs. prior year

North American franchise advertising engagement increased 26.8% compared with Q3 2025, indicating stronger responsiveness to franchise recruitment outbound advertising.

ENQUIRY GENERATION EFFICIENCY

▲166.6% Enquiry conversion vs. prior year

▼68.0% Cost per enquiry vs. prior year

North American campaigns generated enquiries more efficiently, with substantially higher click-to-enquiry conversion and lower indexed acquisition costs.

ECONOMIC UNCERTAINTY PERSISTS

3.75% Bank of England Bank Rate

-24 GfK Consumer Confidence

Persistent inflation, a softening labour market and declining consumer confidence create uncertainty for prospective UK franchise investors.

OUTLOOK: Q4 2026 – Q1 2027

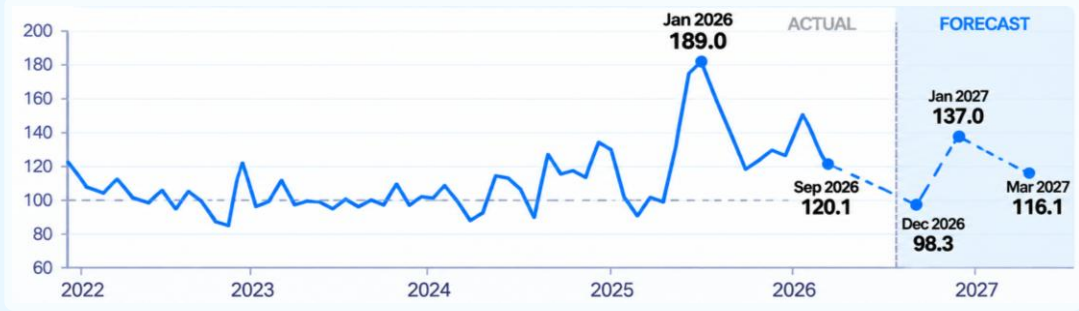
106.8 Q4 2026 Average Demand Index

122.5 Q1 2027 Average Demand Index

▲ 14.7% from Q4 2026 to Q1 2027

UK franchise ownership demand is forecast to moderate in Q4 2026 before rebounding in early 2027. The FDDI is projected to average 122.5 in Q1, remaining above historical levels. For franchisors, this presents an opportunity to build candidate pipelines in Q4 ahead of the typically stronger January–March period.

UK FRANCHISE DEVELOPMENT DEMAND INDEX



ABOUT THE PUBLISHER

RESHIFT MEDIA

Recognised as the world's best franchise marketing agency

Reshift Media is a full-service digital marketing agency that helps franchise organisations attract new customers and prospective franchisees. Reshift supports more than 200 clients in 22 countries across all aspects of digital marketing, including social media, search, websites, and mobile apps.

franify

A purpose-built platform for franchise development

Franify is Reshift Media's proprietary franchise digital marketing platform that helps franchise organisations attract, engage, and convert qualified franchise candidates. Combining industry-leading technology, proprietary data, and award-winning innovation, Franify dramatically simplifies franchise development marketing.

AWARD-WINNING AGENCY AND TECHNOLOGY

Global Franchise AWARDS CATEGORY WINNER Best Franchise Marketing & PR Firm — 4 YEARS IN A ROW

Entrepreneur TOP FRANCHISE SUPPLIER RANKED 2026 — 4 YEARS IN A ROW

GOLD STEVIE WINNER INTERNATIONAL BUSINESS AWARDS — 3 YEARS IN A ROW

2025 AVA DIGITAL AWARDS PLATINUM WINNER

GOLD WINNER 2024 DAVEY AWARDS

2024 FRANCHISE INNOVATION WINNER FRANCHISE UPDATE MEDIA

Four Key Indicators to Understand Franchise Development Performance

Our analysis is based on four proprietary indices that track franchise ownership demand and the performance of franchise recruitment advertising. Together, these indicators provide a broad view of the franchise development environment.

Franchise Development Demand Index (FDDI)

Tracks active interest in franchise ownership

Measures Google search interest for franchise-related terms to indicate the level of active demand from prospective franchise owners.

What it tells us:

How franchise ownership search interest compares with historical trends and seasonal patterns.

Franchise Advertising Engagement Index

Tracks people's response to franchise advertising

Measures the rate at which people engage with franchise recruitment ads across social media platforms, providing an indication of their willingness to explore franchise ownership opportunities.

What it tells us:

How effectively outbound franchise advertising generates engagement among prospective franchise owners.

Franchise Advertising enquiry Conversion Index

Tracks the conversion of clicks to enquiries

Measures the percentage of ad clicks that generate a recorded enquiry, providing insight into prospects' willingness to take the next step in exploring a franchise opportunity.

What it tells us:

The strength of prospective franchise owners' intent, with rising conversion rates indicating greater willingness to explore franchise opportunities.

Franchise Advertising Cost Per enquiry Index

Tracks the cost to generate franchise enquiries

Measures the average cost of generating a franchise enquiry, providing insight into advertising efficiency and how readily prospective franchise owners are taking action.

What it tells us:

Reveals shifts in franchise advertising efficiency, with declining enquiry costs indicating that enquiries are becoming less expensive to generate.

Source: Reshift Media. The Franchise Development Demand Index (FDDI) uses Google Trends franchise ownership search data, indexed to the 2022–2024 average (100). The Franchise Advertising Engagement, Enquiry Conversion and Cost Per Enquiry indices use North American social media advertising data, indexed to the 2024–2025 average (100). Data through September 2026.

FRANCHISE DEVELOPMENT DEMAND INDEX (FDDI)

UK Franchise Ownership Interest Remains Above Historical Levels

Following an exceptional surge in early 2026, UK franchise ownership search interest moderated through September but remained above historical baseline levels, despite continued economic uncertainty.

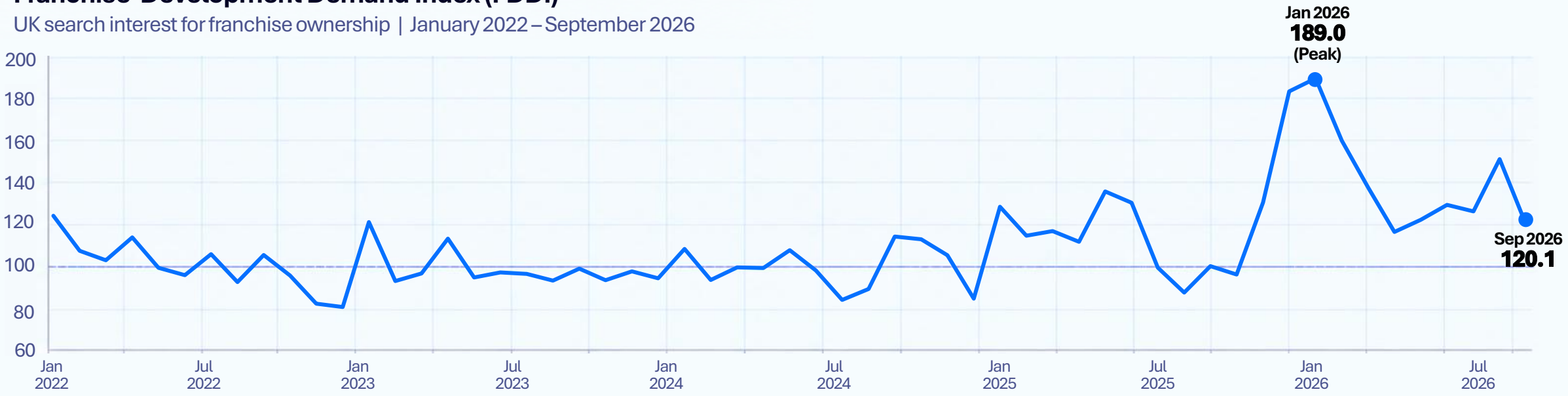
SEPTEMBER 2026 FDDI

120.1

▲ **20.1%**
vs. 2022-2024 baseline (100)

Franchise Development Demand Index (FDDI)

UK search interest for franchise ownership | January 2022 – September 2026



Note: The Franchise Development Demand Index (FDDI) measures relative Google search interest across a basket of franchise ownership search terms and is indexed to a 2022-2024 baseline (100).

Exceptional January Peak

Franchise ownership search demand reached an index of 189.0 in January 2026, 89% above the historical baseline, marking an extraordinary start to the year.

36.4% Decline From Peak

By September, franchise ownership search demand had fallen 36.4% from January's high, reflecting a substantial correction.

12.9% Above Seasonal Norm

September's FDDI of 120.1 remained 12.9% above its historical September average of 106.3, indicating stronger demand than typical seasonal patterns.

Q3 Demand Up 38% Year on Year

Despite the decline from January, average franchise ownership search demand in Q3 2026 was 38% higher than Q3 2025, signalling continued interest.

FRANCHISE DEVELOPMENT DEMAND INDEX (FDDI)

UK Franchise Demand Strengthens as Interest Rates Fall

Franchise ownership search interest remained relatively subdued during the Bank of England's tightening cycle before rising significantly as monetary policy eased, although interest rates alone do not explain the shift.

SEPTEMBER 2026 FDDI

120.1

▲ **20.1%**
vs. 2022-2024 baseline (100)

Franchise Development Demand Index (FDDI)

UK search interest for franchise ownership | January 2022 – September 2026



FEB 2022 – AUG 2023
Monetary Tightening
Franchise search demand fluctuated during the rapid rise in interest rates.

AUG 2023 – JUL 2024
Rates Remain Elevated
With rates on hold, franchise demand remained relatively subdued.

AUG 2024 – DEC 2025
Monetary Easing
As monetary easing began, franchise demand strengthened, reaching an exceptional peak in Jan 2026.

UK franchise ownership search demand remained relatively stable during the Bank of England's tightening cycle, before strengthening as interest rates declined. However, the subsequent correction from January's exceptional peak, despite rates remaining at 3.75%, suggests monetary policy alone cannot explain changes in franchise demand. Broader economic conditions, consumer confidence and seasonal factors may also influence search behaviour.

Q3 2026 Demand vs. Historical Seasonality

The FDDI Historical Seasonality Comparison measures UK franchise ownership search interest against historical seasonal averages, revealing whether demand is above or below typical levels.

SEPTEMBER 2026 FDDI

120.1

▲ **12.9%**
vs. seasonal average (106.3)

Monthly Franchise Development Demand Index (FDDI)

2026 compared to 2022-2024 seasonal averages



Q3 Demand Up 38% Year on Year

Average franchise ownership search demand in Q3 2026 was 38.0% higher than Q3 2025, signalling sustained interest.

Demand Above Seasonal Norms

UK franchise ownership search demand remained above historical seasonal averages throughout Q3 2026.

August Search Interest Rebounds

Franchise search interest rose in August before moderating in September, remaining above typical seasonal levels.

September 12.9% Above Normal

September's FDDI of 120.1 was 12.9% above its historical seasonal average of 106.3, indicating continued strength.

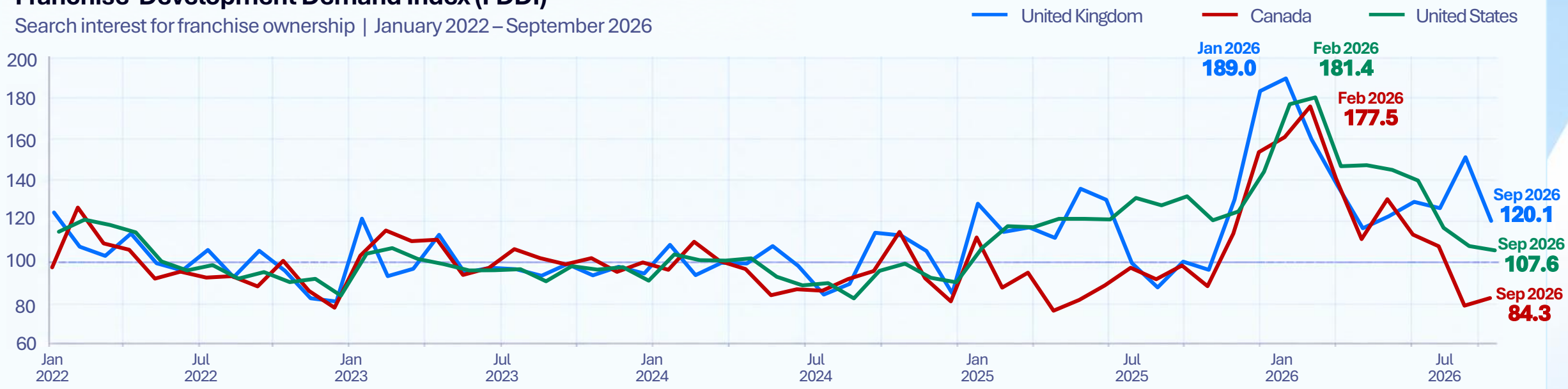
FRANCHISE DEVELOPMENT DEMAND INDEX (FDDI)

UK Franchise Demand Outperforms Canada and the US

Franchise ownership search interest surged across all three markets in early 2026, but the UK has maintained stronger demand through September, remaining well above its historical baseline.

Franchise Development Demand Index (FDDI)

Search interest for franchise ownership | January 2022 – September 2026



Note: Each country's FDDI is indexed independently to its 2022–2024 average (100); values represent relative franchise ownership search interest, not absolute search volumes.

UK Leads in September Demand

The UK's FDDI of 120.1 was 20.1% above baseline, compared with 7.6% above baseline in the US and 15.7% below in Canada.

All Three Markets Corrected

Following exceptional early-2026 peaks, demand declined 36.4% in the UK, 40.7% in the US and 52.5% in Canada by September.

UK Retains More of Its Peak Demand

The UK recorded the smallest decline from its early-2026 peak (36.4%), compared with 40.7% in the US and 52.5% in Canada.

UK Momentum Began Earlier

UK franchise searches strengthened during 2025, ahead of January's exceptional peak, distinguishing its trajectory from Canada's.

NORTH AMERICAN FRANCHISE ADVERTISING DATA | Q3 2026

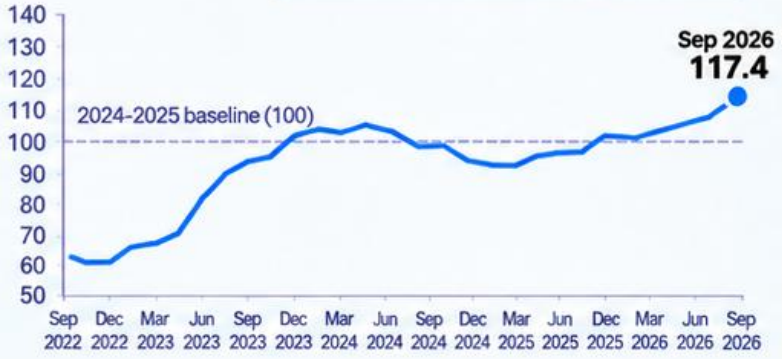
Franchise Advertising Performance Strengthens Across North America

Engagement, enquiry conversion and cost efficiency improved significantly year on year, even as franchise ownership search demand moderated.

Ad Engagement Index

Three-month rolling index (2024–2025=100)

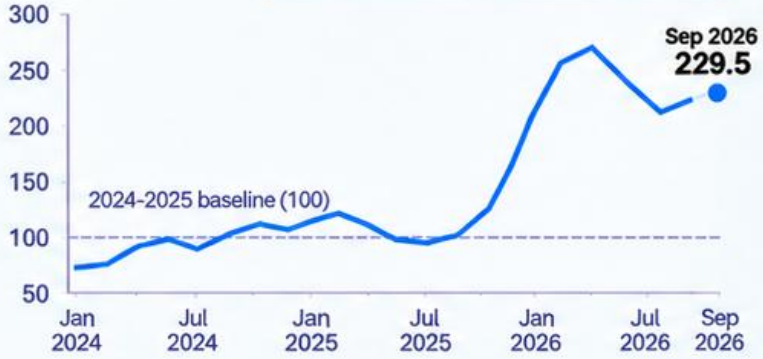
117.4 ▲+26.8% vs. Q3 2025 (92.6)



Enquiry Conversion Index

Three-month rolling index (2024–2025=100)

229.5 ▲+166.6% vs. Q3 2025 (86.1)

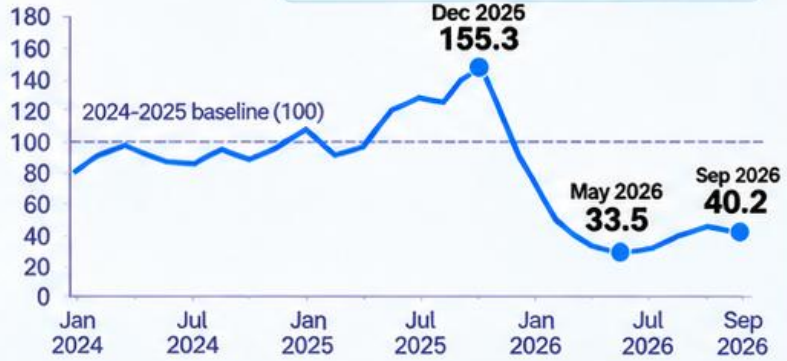


Cost Per Enquiry Index

Three-month rolling index (2024–2025=100)

Lower index = lower cost per enquiry

40.2 ▼−68.0% vs. Q3 2025 (125.8)



KEY TAKEAWAYS

Higher Engagement

Prospective franchisees are responding more frequently to advertising.

Stronger Conversion

A greater proportion of advertising clicks are generating enquiries.

Improved Efficiency

The indexed cost of generating franchise enquiries has fallen substantially.

Source: Reshift Media & Franify North American franchise development social media advertising data, indexed to the 2024-2025 average (100). All comparisons are Q3 2026 vs. Q3 2025.

Strong Franchise Demand Creates Opportunities for UK Franchisors

UK search demand remains elevated, while North American advertising trends suggest the potential for stronger engagement, higher enquiry conversion and more efficient lead generation.

THE EVIDENCE

UK Franchise Search Demand

+38.0%

Q3 2026 vs. Q3 2025

Search interest remains strong despite moderating from January's exceptional peak.

North American Advertising Engagement

+26.8%

Q3 2026 vs. Q3 2025

Prospective franchisees are responding more frequently to advertising.

North American Enquiry conversion

+166.6%

Q3 2026 vs. Q3 2025

A greater proportion of advertising clicks are generating enquiries.

WHAT IT MEANS

An Opportunity to Turn Interest into Franchise Enquiries

UK franchise ownership search demand remains above historical levels, suggesting that a substantial audience continues to explore franchise opportunities.

North American advertising data shows improving engagement and enquiry conversion, even as franchise ownership search demand has moderated in those markets. While UK advertising results may differ, these findings suggest opportunities to improve recruitment performance through effective digital marketing.

For UK franchisors, the priority is to maintain visibility, communicate a compelling franchise investment proposition and optimise the journey from initial interest to qualified enquiry. Strong targeting, effective advertising and consistent follow-up will be essential to converting interest into new franchisees.

AI & FRANCHISE DEVELOPMENT

AI is Becoming an Important Franchise Discovery Channel

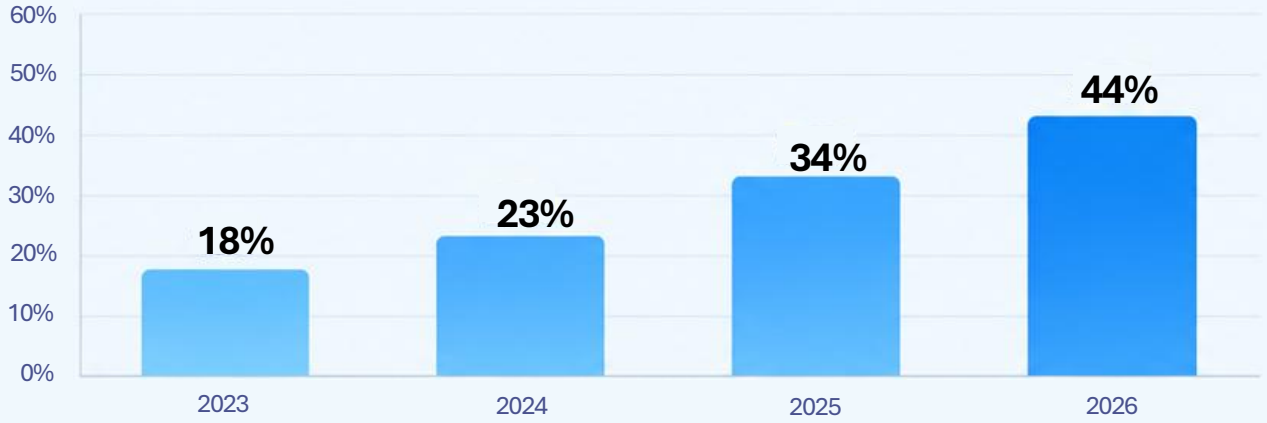
U.S. research illustrates the rapid adoption of AI-powered discovery tools, a trend with important implications for UK franchisors as prospective candidates increasingly use AI alongside traditional search and franchise directories.

Additional information

Scan or click to learn more about AI search for franchise development

ChatGPT Adoption Among U.S. Adults

Percentage of U.S. adults who report using ChatGPT



Source: Pew Research Center, Americans and AI 2026

42%

Using AI to search for information

42% of adults report using AI chatbots to search for information, demonstrating their growing role in how people research and evaluate options.

27%

Franchise prospects using ChatGPT

27% of surveyed franchise prospects identified ChatGPT as one of their most useful research tools when exploring franchise opportunities.

Source: Franchise Insights, September 2026

WHAT IT MEANS

AI is becoming an important part of the franchise research process

The rapid adoption of AI, combined with evidence that franchise prospects are already using AI to research opportunities, signals an expanding discovery landscape. For franchisors, traditional search and outbound advertising remain essential, but AI visibility is becoming increasingly important. Ensuring franchise information is accurate, accessible, and authoritative across digital channels will help brands remain discoverable as candidate research habits evolve.

UK ECONOMIC CONDITIONS | LATEST INDICATORS

Economic Uncertainty Creates a Challenging Environment for UK Franchise Growth

Persistent inflation, a softening labour market and declining consumer confidence present challenges for prospective franchise owners, despite lower interest rates.

Bank of England Bank Rate

3.75%

as of September 2026



UK CPI Inflation

3.5%

in September 2026



UK Unemployment Rate

4.7%

June-August 2026



GfK Consumer Confidence

-24

in October 2026 (down 11 points from Sept)



Interest rates remain on hold

The Bank of England held its policy rate at 3.75% in September. Persistent inflation has created uncertainty around further cuts, potentially keeping financing costs elevated.

Inflation accelerates

UK CPI inflation rose to 3.5% in September, up from 3.1% in August. Rising costs continue to put pressure on household budgets and prospective franchise owners.

Labour market remains soft

Unemployment stood at 4.7% in June-August 2026. Slower hiring may encourage some individuals to explore business ownership, although financial uncertainty could delay investment decisions.

Consumer confidence drops

The GfK consumer confidence index fell 11 points to -24 in October, reversing recent improvements and signalling growing concern about household finances and the broader economy.

Sources: Bank of England (September 2026); Office for National Statistics (CPI September 2026; Labour Force Survey June-August 2026); GfK Consumer Confidence Barometer (October 2026).

Q4 2026 – Q1 2027 Forecast

Following an exceptional surge in early 2026, UK franchise ownership search demand is expected to moderate through Q4 before benefiting from a seasonal rebound in Q1 2027. Persistent inflation, weakening consumer confidence and uncertainty around interest rates may temper the recovery.

KEY FACTORS IN OUR OUTLOOK

Interest Rate Uncertainty

The Bank of England's policy rate stands at 3.75%. Persistent inflation has created uncertainty around further cuts, potentially keeping franchise financing costs elevated.

Normalising Demand

Following January's exceptional peak, franchise searches have moderated but remain above historical levels. Seasonal patterns suggest softer demand in Q4.

Persistent Inflation

UK inflation reached 3.5% in September and is forecast to remain elevated into 2027, placing continued pressure on household finances and investment decisions.

Declining Consumer Confidence

The GfK index fell 11 points to −24 in October, signalling growing pessimism about household finances and the economic outlook.

OUR FORECAST EXPECTATIONS

Q4 2026

Seasonal Moderation Expected

Franchise ownership search demand is expected to ease toward historical seasonal levels during Q4, although underlying interest may remain above the 2022–2024 baseline.

Q1 2027

Seasonal Rebound Anticipated

Historically stronger early-year search activity is expected to support a rebound in Q1 2027, although a repeat of January 2026's exceptional peak is extremely unlikely.

Overall Outlook

Resilient Demand, Cautious Recovery

Franchise ownership interest is expected to remain relatively resilient, supported by seasonal patterns, while inflation and weaker consumer confidence may limit growth.

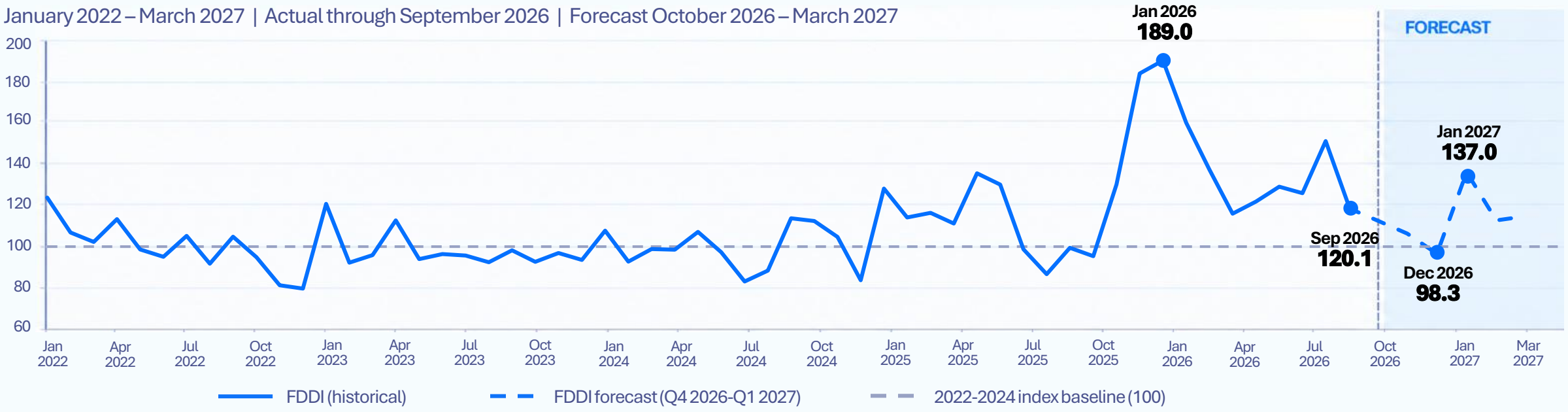
FRANCHISE DEVELOPMENT DEMAND INDEX (FDDI) FORECAST

UK Franchise Demand Expected to Moderate Before Rebounding in Early 2027

Following an exceptional early-2026 surge, UK franchise ownership search demand is forecast to ease in Q4 before a seasonal rebound in Q1 2027, with quarterly demand remaining above historical baseline levels.

UK Franchise Development Demand Index (FDDI)

January 2022 – March 2027 | Actual through September 2026 | Forecast October 2026 – March 2027



FORECAST HIGHLIGHTS

Q4 2026 Average
106.8
Demand moderates but remains above the historical baseline

December 2026
98.3
Seasonal low, but 13.1% above historical average

Q1 2027 Average
122.5
Projected 14.7% rebound from Q4

March 2027
116.1
16.2% above seasonal average, despite a 15.5% annual decline

Source: Reshift Media, Franchise Development Demand Index (FDDI) uses Google Trends franchise ownership search data, indexed to the 2022–2024 average (100).
Forecast: Reshift Media, based on historical seasonality, recent trends and current economic conditions.

Understanding What's Next in Franchise Development

Franchise development is entering a period of changing demand, economic uncertainty and evolving candidate behaviour. As the market shifts, understanding how prospective franchisees discover, evaluate and engage with opportunities will be increasingly important.

Reshift Media and Franify will continue tracking the trends shaping franchise development, providing research and insights to help franchise organisations make more informed marketing and recruitment decisions.



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Q4 2026