

RESEARCH REPORT

October 2020

OUTDOORLIGHTING
PERSPECTIVES®

Outdoor Living Perspectives
2924 Emerywood Parkway, Suite 101
Richmond, VA 23294

FRANCHISE RESEARCH
INSTITUTE®
FRANCHISEE OPINION RESEARCH

Confidential Franchisee Opinion Research

RESEARCH REPORT

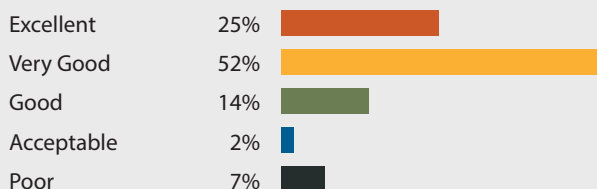
Franchise Opportunity Provided

Overall Quality

93%*

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= 44)

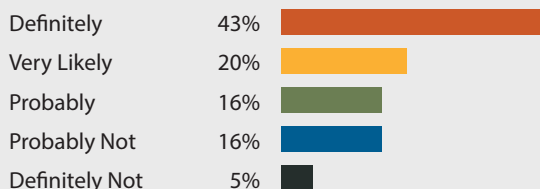


Invest Again

79%*

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=44)

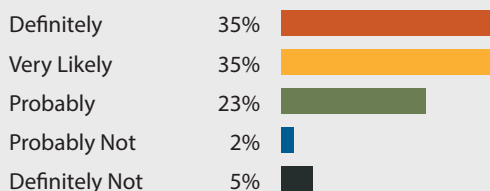


Recommend to Others

93%*

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= 43)



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

*Combined scores of all positive responses

-A, B, and C

-Definitely, Very Likely, and Probably

-Exceeded My Expectations and Met My Expectations

-Excellent, Very Good, Good, and Acceptable

-Strongly Agree and Agree

-Strongly Agree, Agree, and I am not aware of any disagreements

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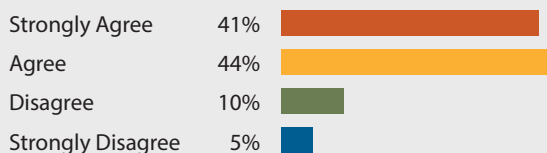
Relationship with the Franchisor

Long-Term Commitment

85%*

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=41)

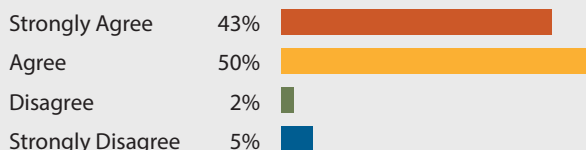


Joint Success

93%*

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=42)

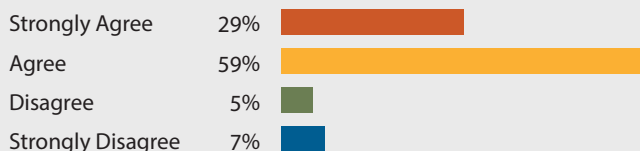


Franchisor Competence

88%*

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: My franchisor is a competent, skillful organization which I can rely on for help. (n=42)



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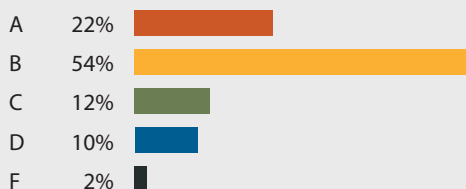
Training and Support

Initial Training

88%*

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=41)

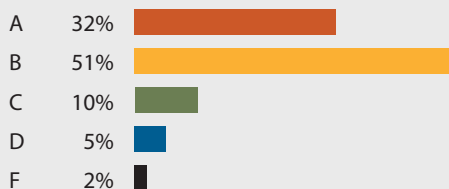


Opening Support

93%*

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 provided by the franchisor? (n=41)

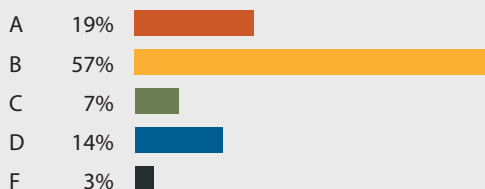


Ongoing Training and Support

83%*

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 support supplied by the franchisor? (n=42)



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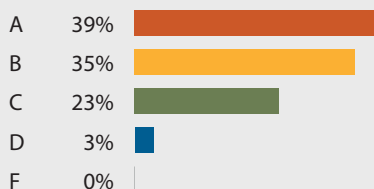
Helpfulness, Communication and Products/Services

Field Representatives

97%*

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 the franchisor's field representatives? (n=31)

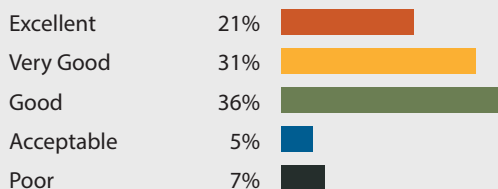


Overall Communication

93%*

We believe that quality communication is a critical aspect of successful franchising.

Q: How would you rate the overall communication between home office personnel and franchisees? (n=42)

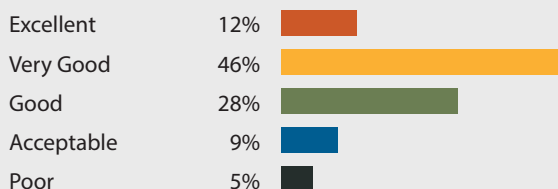


Product/Service Quality

95%*

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=43)



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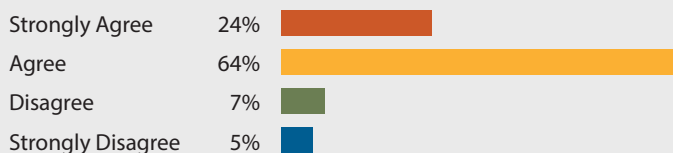
Management

Problem Solving

88%*

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=42)

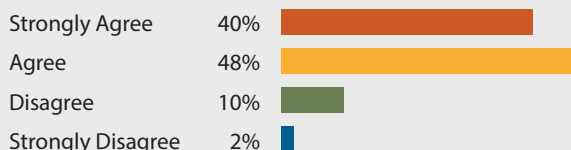


Communication with Senior Management

88%*

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=42)

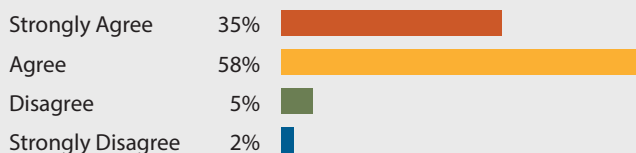


Performance Standards

93%*

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=43)



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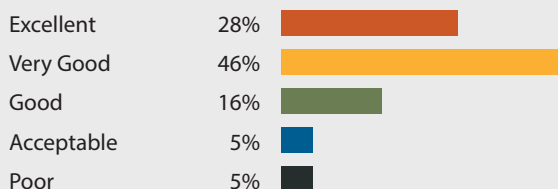
Opportunity and Growth

Opportunity

95%*

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.

Q: In general, how would you rate the opportunity provided by this franchise system? (n=43)

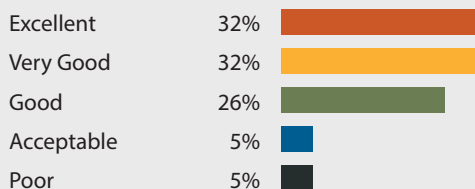


Growth Potential

95%*

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.

Q: How would you rate the long-term growth potential for your franchise business? (n=43)

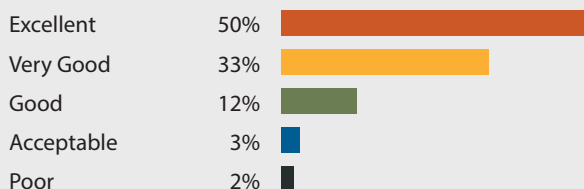


Local Competition

98%*

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

Q: How would you rate your franchise business compared to the local competition? (n=42)



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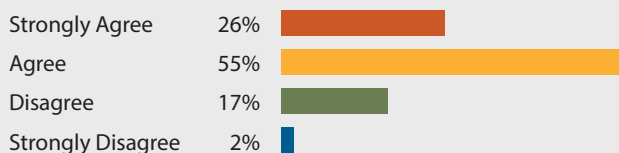
Marketing, Social Media, and Technology

Franchisor-Sponsored Promotion

81%*

This question seeks to measure the positive impact of franchisor-sponsored advertising, marketing, and promotional efforts.

Q: My franchisor-sponsored advertising, marketing and promotional programs help improve my sales and profits. (n=42)

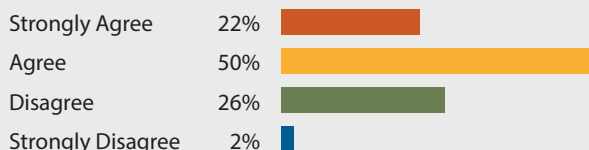


Social Media

72%*

Does the franchisor use social media in a manner which benefits franchisees?

Q: My franchisor effectively uses social media to help me promote my business. (n=42)

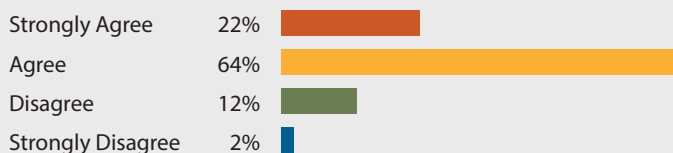


Technology

86%*

Does the franchisor's use of technology effectively support franchisees?

Q: My franchisor effectively uses technology to help me manage and improve my business. (n=42)



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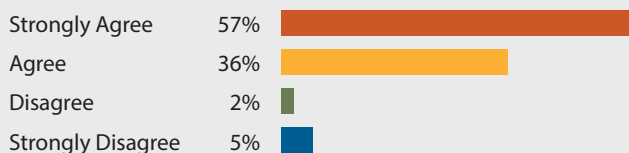
Websites and Innovation

Public Website

93%*

Is the franchisor's public website helpful and useful in promoting the franchise brand?

Q: My franchisor maintains a helpful and useful public website. (n=42)

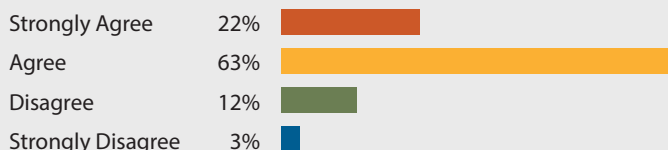


Internal Website

85%*

Is the franchisor's internal website user-friendly and does it provide helpful information to franchisees?

Q: My franchisor maintains a helpful and useful internal website. (n=41)

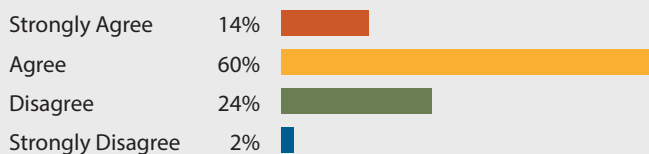


Innovation

74%*

In the best franchise systems, franchisors look to the future and make innovation a priority.

Q: My franchisor's research and development (innovation) efforts help us to be competitive in the marketplace. (n=42)



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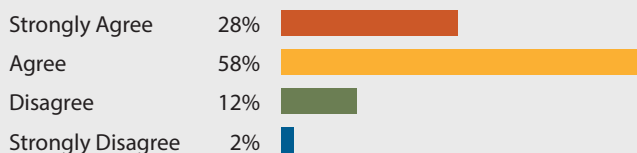
Vendors, Franchisee Success, and Conflict Resolution

Vendor Programs

86%*

How beneficial are the franchisor's vendor programs for franchisees?

Q: The vendor programs facilitated by my franchisor are valuable to my business. (n=43)

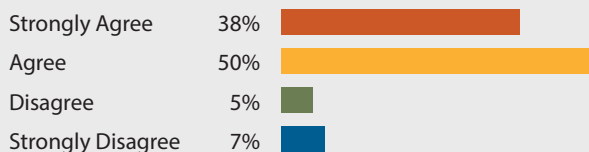


Franchisee Success

88%*

Does the franchisee believe that their success is a major concern on the part of the franchisor?

Q: My franchisor cares about franchisee profitability and success. (n=42)

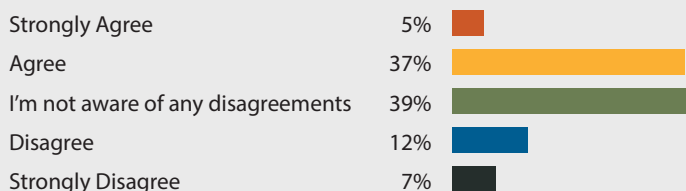


Conflict Resolution

81%*

Disagreements between franchisors and franchisees are not uncommon; the most effective franchisors resolve these conflicts quickly.

Q: My franchisor is effective in resolving disagreements with franchisees. (n=41)



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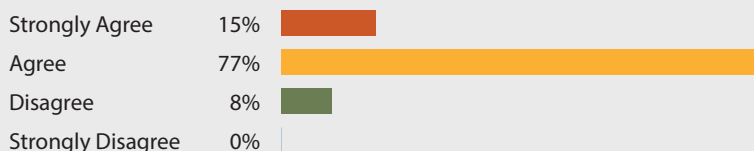
Expectations

Expectations Established

92%*

As a new franchisee, (less than two years) it is crucial that the franchisor helps to establish realistic expectations.

Q: My franchisor helped me establish realistic expectations prior to my becoming a franchisee. (n=13)

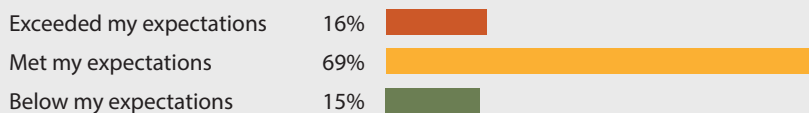


Expectations Met

85%*

This question asks new franchisees (less than two years) if their original expectations have been met.

Q: My franchise experience has met or exceeded my original expectations. (n=13)

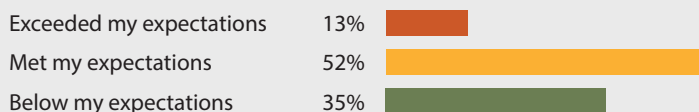


Financial Results

65%*

This question looks specifically at the financial expectations of experienced franchisees (two years or more).

Q: The financial results provided by this franchise opportunity have met or exceeded my original expectations. (n=40)



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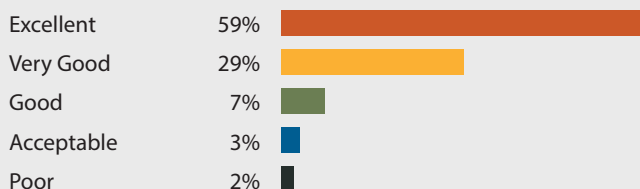
Franchisee Communication and Convention

Franchisee Communication

98%*

Healthy franchise systems have franchisees that work well with one another. They don't look to the franchisor to have all the answers, and they feel comfortable communicating with one another, sharing information and assisting their fellow franchisees.

Q: How would you rate the helpfulness and communication between fellow franchisees? (n=42)



Convention Attendance

80%*

Q: Have you attended a national convention sponsored by your franchisor in the past two years? (n=40)

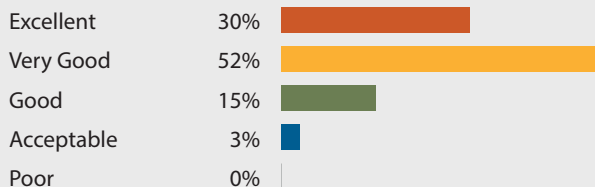


Convention Quality

100%*

Only those that had attended a convention in the last two years were asked this quality question.

Q: Please rate the overall quality of the convention. (n=33)



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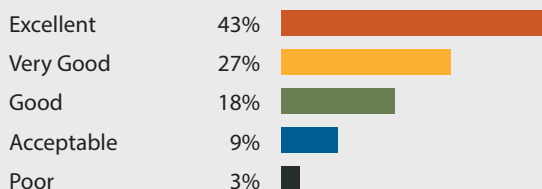
Convention Networking and Franchisee Satisfaction Report

Networking

97%*

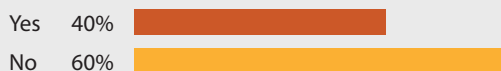
Conventions often provide opportunities for franchisees to network with one another: do franchisees think that there was enough?

Q: Please rate the quality and quantity of the networking opportunities available at the convention. (n=33)



Satisfaction Report

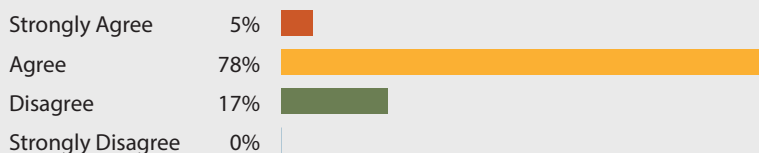
Q: Did you receive a copy of a franchisee satisfaction survey report prior to becoming a franchisee? (n=35)



Satisfaction Report

83%*

Q: The franchisee satisfaction report significantly impacted my decision to invest in this franchise? (n=18)



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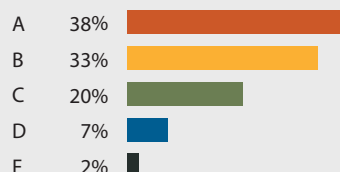
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COVID-19 Response

Overall Response

91%

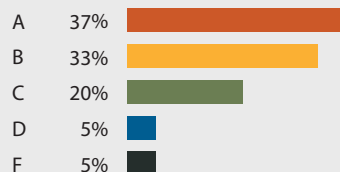
Q: How would you grade your franchisor's overall response to the COVID-19 Pandemic? (n=40)



Marketing Response

90%

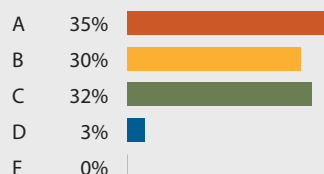
Q: How would you grade your franchisor's marketing response to the COVID-19 Pandemic? (n=40)



Communication Response

97%

Q: How would you grade your franchisor's communication during the COVID-19 Pandemic? (n=40)



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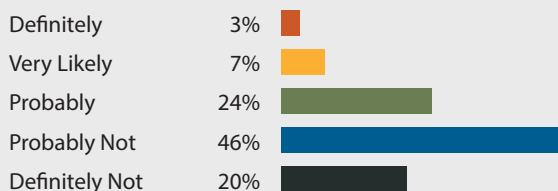
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Expansion Plans, Veteran Status, and Investment Decision

Additional Franchises

34%*

Q: Do you plan to open additional stores, outlets or territories of this franchise? (n=41)



Veteran Status

Q: Are you a Veteran? (n=38)



Investment Decision

Q: Please rank the following items in order of importance when you made your franchise investment decision. (With 1 being most important and 6 being least important) (n=40)

- | | |
|------------|---|
| 1st | Return on your Investment |
| 2nd | Quality of the end product / service sold to customers |
| 3rd | Availability of the franchise in your desired location |
| 4th | Positive validation from existing franchisees |
| 5th | Positive unit growth of the franchise |
| 6th | The background / experience of the franchise executives |

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Personal Profile

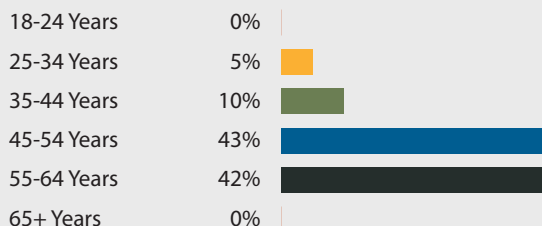
We ask five franchisee demographic profile questions. These five questions are intended to give the prospective franchise investor an overview of what the franchisees of this system "look like."

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?

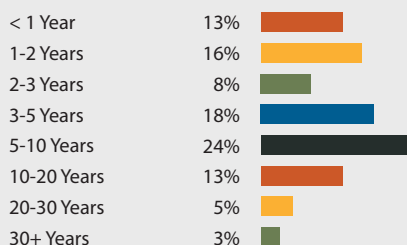
We understand that there are a huge number of questions that could be asked of franchisees in this area. However, our mission is to obtain the most useful information, certify the best franchise opportunities based on the experience and opinions of the franchisees and not bury the franchise investor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

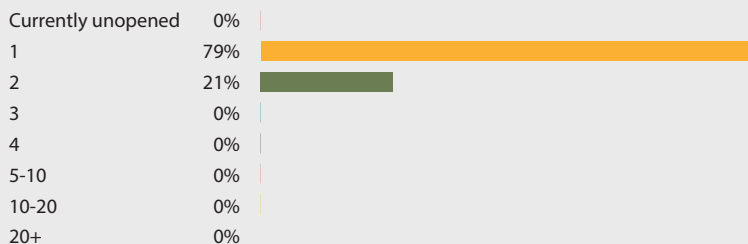
Q: Which age group do you fit in? (n=40)



Q: How long have you owned this franchise? (n=38)



Q: How many stores, outlets, or territories of THIS franchise do you own? (n=39)



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

* Combined scores of all positive responses

-A, B, and C

-Definitely, Very Likely, and Probably

-Exceeded My Expectations and Met My Expectations

-Excellent, Very Good, Good, and Acceptable

-Strongly Agree and Agree

-Strongly Agree, Agree, and I am not aware of any

disagreements

FRANCHISE RESEARCH

INSTITUTE®

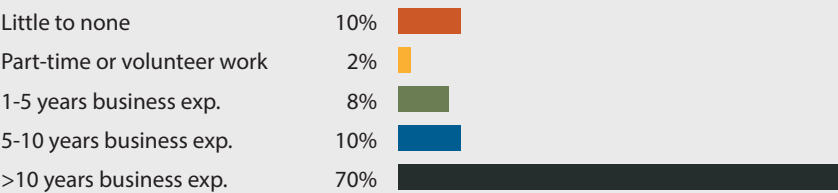
FRANCHISEE OPINION RESEARCH

Confidential Franchisee Opinion Research

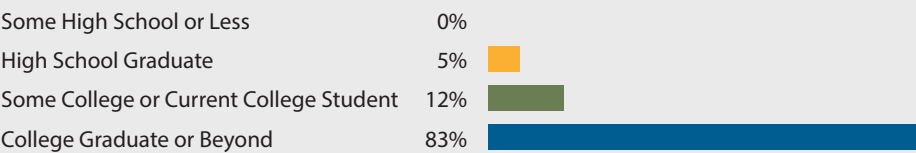
RESEARCH REPORT

Personal Profile (continued)

Q: Prior to opening your first franchise, how would you describe your business experience? (n=40)



Q: What is the last level of school you completed? (n=40)



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

* Combined scores of all positive responses
-A, B, and C
-Definitely, Very Likely, and Probably
-Exceeded My Expectations and Met My Expectations
-Excellent, Very Good, Good, and Acceptable
-Strongly Agree and Agree
-Strongly Agree, Agree, and I am not aware of any disagreements

Confidential Franchisee Opinion Research

RESEARCH REPORT

Methodology

The Franchise Research Institute sent a study solicitation notification to all 63 Outdoor Lighting Perspectives franchise owners. The study was completed in October 2020. Outdoor Lighting Perspectives personnel gave franchisee contact information to the Franchise Research Institute for the sole purpose of sending the notification. The notification included a unique link for each franchisee to insure no responses were duplicated.

Franchise owners were encouraged by Outdoor Lighting Perspectives and by the Franchise Research Institute to complete the survey, and they were assured that their individual responses would never be revealed to anyone outside the Franchise Research Institute (not even Outdoor Lighting Perspectives management).

Franchisees logged on to the online survey questionnaire using their unique survey link, completed and submitted the survey. 44 of 63 franchisees, or 69.84%, responded and took the survey. The Franchise Research Institute has no reason to believe that non-respondents' answers would vary substantially from those who did respond.

The maximum error range on this study is $\pm 4.9\%$ at the 95% 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.