



4 Core Pillars of Franchise Advocacy

1

Mandated Vendors

To help encourage competitive pricing, brands should not mandate specific vendors when there are multiple vendors selling goods of comparable quality at comparable prices. However, brands can control lists of approved vendors to ensure compliance with brand and product standards, especially when items are trademarked.

2

Rebates

Brands should disclose all vendor “rebates,” which can also be called “discounts,” “refunds,” or “allowances.” These funds, regardless of their name, should be returned to Franchisees through appropriate accounts so they can be used to improve the brand system and to benefit the business of Franchisees. Rebates should never become part of the brand’s profits.

3

Loyalty Programs

Brands should reasonably compensate Franchisees when the brand sells loyalty points for cash and then allows travelers to stay at hotels owned by Franchisees.

4

New Fees

Brands should not unilaterally or arbitrarily impose new fees on Franchisees that were not disclosed in the official Franchise Disclosure Document (FDD) without the approval of the Franchisees or a properly elected Franchise Advisory Council (FAC).