

BIG WIN FOR FRANCHISE SYSTEMS

ROLLBACK OF TOUGH REGULATIONS

Companies that sell franchises and the franchisees that buy them are celebrating a move made by the **Labor Department** last week that rolls back regulations made by the prior administration.

At issue is what was called “informal guidance” issued by the **National Labor Relations Board** during 2015 and 2016, essentially suggesting that an employee of a franchised business could also be considered to be an employee of the company that sold the franchise. That was a concept that had been supported by labor advocates and also potentially by some lawyers (who if a lawsuit was ever necessary could sue McDonald’s for example as well as the individual or company owning the local restaurant). There was also concern at the time extending beyond labor issues—a customer that slipped and fell at a local restaurant could sue the deep-pocketed national franchisor as well as the local franchisee.

Labor Secretary **Alexander Acosta** announced last week the department is withdrawing the guidance on joint employment, referring directly to “the previous administration’s controversial joint employment standard.”

Business interests which had registered great concern at the implementation of the guidance last year were predictably delighted at the reversal. Although the policy applied to all franchises, it mostly directly impacted restaurants and the executive director of the **National Council of Chain Restaurants** called the withdrawal of the guidance “a common-sense response to ill-advised and unhelpful policy.” Rob Green added, “A VP at the **International Franchise Association** also is looking for Congressional action to put the question fully to rest. Matt Haller said the uncertainty after the NLRB had issued its joint-employer standard had been a burden on franchisors and “unlimited joint-employer liability is one of the most costly and burdensome regulations impacting the franchise business model...we urge Congress now to recognize the uncertainty...and take action to find a true permanent solution.”

The **National Retail Federation** was also predictably pleased. President/CEO Matthew Shay said the announcement from the Labor Department “is an important first step in reversing one of the most onerous regulations imposed by the previous administration on businesses... drastically expanding joint-employer liability to hold one business responsible for the actions of another independent business such as a subcontractor or franchisee did nothing to protect employees and only created uncertainty that led to more growth-chilling litigation.”

ADVERTISER NEWS

The **Ascena Retail Group** looks to be the next retailer to do mass store closings after a quarter in which consolidated same-store sales fell 8%. Its seven banners closed a net of 24 stores during the latest quarter, but now expects to close more than 650—about a quarter of all the roster—in the next two years. Comps by banner were **Ann Taylor**, down 7%; **Loft**, down 6%; **maurices**, down 12%; **dressbarn**, down 8%; **Lane Bryant**, down 11%; **Catherines**, down 6%; and **Justice**, down 6%.

Management primarily blames “continued traffic headwinds” and a “hyper-competitive environment”.....**General Motors** is moving up the schedule of the nationwide rollout for the **Chevrolet Bolt** by a month and it’s now expected the vehicles will get to dealers by August. GM plans a “highly targeted” national ad campaign for the electric vehicle which will have a \$37,495 starting price but is eligible for a \$7500 federal tax credit. A new competitive model from **Tesla** will come out later this year.....Electric vehicles account for just one-

half of one percent of the market right now according to the **National Automobile Dealer Association’s** Market Beat statistics, tied with Plug-in hybrids. “Traditional” hybrids are 2.1% of sales and diesels are at 2.8% with gasoline powertrains still at 94% of all sales.....For the eleventh year in a row, **Ace Hardware** ranked highest among home improvement retailers in the annual **J.D. Power** study of customer satisfaction in that retail segment. Scoring an 835 on Power’s normal 1,000-point scale, Ace, **Menards** (824) and **Lowe’s** (817) beat the industry average of 816 while **Home Depot** (812), **True Value** (810) and **Sears** (803) trailed the average. High rankings for its staff and service factors produced the top ranking for Ace.....It was a good fiscal first quarter at **99 Cents Only** stores with a 4.2% improvement in traffic and an average ticket increase of 2.5% adding up to a 6.9% same-store sales increase. Current expansion plans are modest—just three new stores later this year.....(Continued on Page 3)



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NETWORK NEWS

Telemundo has announced the premiere of the series based on a true story entitled **Jenni Rivera: Mariposa de Barrio**. The series is the latest Telemundo bio-musical and stars **Angèlica Celaya, Samadhi Zendejas, and Gabriel Porras**. The highly-anticipated story follows superstar Jenni Rivera as she pursues her dream of fame; offering an autobiographical tale from her birth until her unexpected and tragic death. The series will debut on Tuesday, June 27th at 8 PM (ET).....**Sterling Beaumon** (The Killing) has joined the cast of **Law & Order True Crime: The Menendez Murders**. Beaumon is set to play Glenn Stevens, a Princeton friend of **Lyle Menendez** who becomes his business partner after the murders, managing the first chain of buffalo wing restaurants. The limited series is set to premiere this fall on **NBC**.....The new **Fox** shows **Beat Shazam** and **Love Connection** both maintained their previous week's audience this past Thursday, despite stiff competition from **NBC** and Game 5 of the **Stanley Cup Finals**. **Beat Shazam** averaged a 1.0 rating in adults 18-49 and 2.9 million total viewers, down slightly from the previous week's 1.1 rating and 3.4 million total viewers. **Love Connection** was also down in total viewers. Thursday's episode posted a 0.8 adult 18-49 rating, the same as the week before and 2.6 million total viewers, down from 2.9 the previous week. **NBC's** hockey coverage won the night with a 1.4 rating but finished third in total viewers with 4.3 million. **CBS, ABC** and **The CW** all aired repeats.....**The CW** has set a premiere date for their reboot of **Dynasty**, the modern-day adaptation of the hit 1980's TV series. The new show will feature **Grant Show** as Blake Carrington, **Elizabeth Gillies** as Fallon Carrington, **Nathalie Kelly** as Cristal Flores, and **Sam Adegoke** as Jeff Colby. It debuts on Wednesday, October 11th at 9 PM, right after the second season premiere of **Riverdale**.....**ABC** will premiere its new singing competition series **Boy Band** on Thursday, June 22nd at 8 PM (ET). Host **Rita Ora** will welcome 30 of the best young male vocalist in the country to Hollywood, where they audition before musical icons **Emma Bunton, Nick Carter** and **Timbaland**. Only 18 performers will advance to the next round. After that, the mixing and matching begin as the architects form three groups of six to compete in the next phase of the competition.

NO NEED TO MAKE HALF THE READERS ANGRY

Ever notice that the editors here at **Spots n Dots** rarely publish 'jokes' about politics? These days, 90% of late night TV hosts' jokes are political, so we go elsewhere to keep you entertained. There's a reason.

A new **Ipsos** survey found that 25% of Americans said they had stopped using a brand's goods or services in the previous three months because of protests, boycotts or the brand's perceived **political leanings**.

"Socially conscientious consumerism has been on the rise for years," said **Ronn Torossian**, CEO of 5W Public Relations. "The prevalence of partisanship and the risk of alienating certain (customers) is something a brand should consider when...executing ads or campaigns." Read the study [HERE](#).

AVAILS

WCCB, the flagship station of Bahakel Communications in **Charlotte, NC**, is seeking a proven digital media seller to lead our team of multimedia sales professionals. The **Digital Sales Manager** must possess a passion for new media, have the resolve to keep pace with its evolution, and thrive in a client-focused team environment. Familiarity with new media, digital interactive initiatives, social media and content is essential. Must be able to develop new digital revenue initiatives and grow existing digital accounts. [CLICK HERE](#) to apply. EOE.

KABB/KMYS/WOAI - TV in San Antonio is seeking a **Director of Sales**. This position is responsible for all aspects of sales operations to include revenue/expense budgeting, sales strategy, forecasting and sales team training/development. The ideal candidate will have a passion and understanding to lead his/her team to build strong business growth and customer relationships. 5-7 years' experience in TV sales management

required, strong and positive leadership skills required. [CLICK HERE](#) for more info or to apply. EOE/Drug Free Workplace.

Hawaii News Now, the dominant news organization and premier multimedia company in Honolulu, has an exciting opportunity for a **General Sales Manager**. We're looking for a dynamic, entrepreneurial sales professional with a proven record of consistent achievement in leading and building strong, high performing sales cultures to become the leader of 30+ motivated and competitive professionals at KHNL (NBC affiliate) and KGMB (CBS affiliate). Interested candidates can [CLICK HERE](#) for more info or to apply now. Be prepared to attach your cover letter and resume. EOE.



WBTV, Charlotte, NC seeks a **Senior Digital Sales Specialist**. This person will be responsible for working with the sales staff to develop digital revenue and will meet with local businesses to consult with them on the best digital advertising solutions for their business. Must have at least 2 years of proven digital sales experience and be energetic, organized, and an effective communicator. Get more details or apply now at: <https://careers-raycommedia.icims.com>. Be prepared to attach resume and cover letter. No phone calls please. EOE/M/F/D/V

CBS3 and **CW Philly 57**, the CBS owned and operated television stations in **Philadelphia** (Market # 4), have an immediate opening for an energetic and extremely motivated Multi-Platform sales professional. Candidate must possess strong presentation, and communication skills, experience working with advertising agencies, plus proven success in new business development. The ideal applicant has minimum of five years media sales experience, and thrives in a fast paced and competitive environment. College degree and ratings knowledge preferred, computer skills are a must. [CLICK HERE](#) to apply. EOE.



BUSINESS BYTES

There's usually a lag getting information on the banking industry, but *American Banker's Index of Banking Activity* for April showed the industry maintaining solid momentum in that month demonstrating favorable business trends for banks in all four regions studied. Almost all the factors utilized in the index showed gains with commercial lending showing "exceptional strength." In consumer loan applications, the survey revealed strong gains in consumer mortgage activity but some weaker activity in auto loans—both in line with information we've been seeing lately from many other sources.

It's still rough sledding for the restaurant industry according to the May report of **The Restaurant Industry Snapshot**. Same-store sales fell 1.1% and *Nation's Restaurant News* says the industry has not had a month of positive sales since February, 2016. Traffic coming into the stores remains the primary reason business is difficult—same-store traffic was down 3% in May (although that was slightly less bad than April). *NRN* notes that although the results were similar to April, the growth in average check in May was lower than had been recorded in recent months, causing the larger sales declines compared to March and April. There are a couple of positives to note: While dine-in sales have been negative compared to last year, to-go orders are up 2.9% and there have been some gains in catering, delivery and drive-thru business.

This Week In Consumer Electronics also closely watches the appliance business and it notes that while the CE faction usually shows a lot of movement in rankings of top retailers (behind **Best Buy**), the appliance business "remains the relatively staid business it always was." Looking at sales totals for last year, the biggest change came from the return of **J.C. Penney** to the appliance business after about a thirty year hiatus as Penney jumped into the number 23 rank without even having all its stores selling appliances for the full year. But with **hgregg** now gone and **Sears** declining, big share shifts are expected this year, after **Home Depot** and **Nebraska Furniture Mart** showed share gains in 2016.

CNBC: SMALL-BIZ OWNERS HIGHLY CONFIDENT

The first-ever **CNBC/Survey Monkey Small Business Survey** finds small-business owners are highly confident about their prospects for the next year and also optimistic about the state of the economy. The survey utilizes a 0-100 scale, and an overall value of 60 from respondents means business owners are more optimistic than pessimistic about what will happen to their businesses in the next twelve months. Male small-business owners are more optimistic than female business owners (62 vs. 56) and male owners are more optimistic that their revenues will advance as well as more optimistic that tax policies and regulation rollbacks will help their businesses. Size also matters—owners with less than four employees have a 58 confidence level while business with 50 or more employees were 9 points higher at 67.

AVAILS

Integrated Digital Specialist: Opportunity is knocking! Join the sales team of a national media company with a sales footprint in 100+ markets. Nexstar Media's **Springfield, MA** location is seeking an Integrated Digital Specialist to market multiplatform assets. Professionalism, self-discipline, and leadership qualities are a must. As a member of the Nexstar digital sales team, this person is responsible for generating and growing digital marketing service revenue for the company. See the full job description and apply [HERE](#). EOE.

ADVERTISER NEWS

(Continued from Page 1)

...The **J. M. Smucker Company** is a lot more than just jellies now and it finished its fiscal quarter with net sales down a percentage point, mostly due to the U.S. Retail Pet Foods segment (brands such as **Milk-Bone** and **Meow Mix**). **Folgers** pulled down coffee segment sales while **Dunkin' Donuts**-branded coffee was up. Retail Consumer Foods net sales

including peanut butter and jelly were about flat.....The **International Sleep Products Association** has now compiled final numbers for 2016 and says the wholesale value of mattresses made and sold in the U.S. was up 3.4% compared to 2015, setting a new record for the industry.

UPDATE: UPFRONTS

An exclusive from *Variety* on Friday says that **CBS**, **Turner**, **Viacom** and **Discovery** have begun to sell ads for the fall TV season. The story suggests CBS has been pitching mid-to-high single-digit percentage increases in CPM's.

Advertisers may have more leverage this year than in 2016, when companies like Procter & Gamble moved ad dollars that had previously been earmarked for digital media back into TV. In 2016, the broadcast networks pressed for CPM increases in the high-single digit to low double-digit range. This year, however, buyers have shown fears over the migration of viewers from TV to streaming video and mobile devices. While the networks are pressing for CPM hikes of 8% to 9%, buyers want to pay less.

One executive suggested spending by automotive manufacturers and movie studios is down, while ad spending from retailers is seen as "a mixed bag." Consumer-product manufacturers and alcohol marketers appeared to be spending more money.

SATURDAY NIELSEN RATINGS - LIVE + SAME DAY

Time	Net	Program	A18-49 RT/SHR	Total Viewers (Millions)
8:00	FOX	Major League Baseball	0.5/2	2.31M
	NBC	World of Dance	0.4/2	1.82M
	CBS	Blue Bloods	0.2/1	1.82M
9:00	NBC	Dateline	0.5/2	2.67M
	ABC	20/20: In an Instant	0.4/2	2.26M
	CBS	48 Hours	0.3/1	2.35M
10:00	CBS	48 Hours	0.3/1	2.72M

