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## 7-Eleven Takes Top 3 Slot in Franchise 500

ampm, Circle K join convenience giant on *Entrepreneur* list; QSRs "industry to watch"

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**IRVINE, Calif.** -- While Hampton Hotels and Subway took the No. 1 and No. 2 spots on *Entrepreneur* magazine's 2012 Franchise 500 Ranking, 7-Eleven grabbed the No. 3 spot--the highest attained by a convenience store brand.

Dallas-based 7-Eleven also took the No. 9 slot on the list of Top 10 Fastest-Growing Franchises for 2012.

No other industry players made the top 10 in the magazine's 33rd annual ranking. The top 10 was rounded out by Servpro, Days Inn, McDonald's, Denny's Inc., H&R Block, Pizza Hut Inc. and Dunkin' Donuts, respectively.

The 2012 c-store players include:

3. [7-Eleven Inc.](#) (No. 4 in 2011).

16. [ampm](#) (No. 2 in 2011).

24. [Circle K](#) (No. 22 in 2011).

Quick-service restaurants (QSRs) were flagged by *Entrepreneur* as an "industry to watch." These alternatives to full-service restaurants continue to gain popularity among customers and entrepreneurs. The category makes up more than 20% of the Franchise 500 and includes some of the longest-running franchises on the list--such as the oldest, A&W Restaurants, which has been franchising since 1925. But it's also full of fast-growing innovators.



Hamburgers have earned a special place among this field, the report said. The number of ranked burger companies is double what it was last year. And though established giants like McDonald's dominate the top of the list, younger companies like Smashburger are to thank for beefing up the category and challenging the stalwarts to step up their games with more gourmet offerings, said *Entrepreneur*.

The frozen yogurt category, meanwhile, has been on a bit of a roller coaster the last few years, the report said. The sudden resurgence in the treat's popularity flooded the market with inexperienced new franchise companies--many of which didn't last, it said. But the companies that survived the hype seem to be stronger for it. In fact, five "fro-yo" companies are among the 100 fastest-growing franchises on the list.

Specifically for the convenience store industry, Chester's International LLC and Hot Stuff Foods LLC continued to chart in 2012. [Chester's International](#) came in at No. 134 (No. 229 in 2011), and [Hot Stuff](#) claimed the No. 459 spot (No. 375 in 2011).

The companies in the magazine's top 500 added 13,725 franchise units between 2010 and 2011, a 16% increase from the previous year's growth--a positive sign that things are looking up for franchisors and franchisees alike, it said..

In July 2011, *Entrepreneur* asked franchisors to participate in this year's survey. Each submission was vetted before being entered for data analysis, with 799 companies making the first cut. Of those, the top 500 made the Franchise 500 ranking, based on financial and statistical data from July 2009 through July 2011.

To be eligible for the ranking, a franchisor must have a minimum of 10 units, with at least one in the United States. The company must be seeking new U.S. franchisees, and it cannot be in Chapter 11 at the time the ranking is compiled. (The exception to these rules is Canada-based companies that are expanding only in Canada.)

All companies, regardless of size, are judged by the same criteria: objective, quantifiable measures of the franchise operation. The most important factors include financial strength and stability, growth rate and size of the system. It also considers the number of years a company has been in business and the length of time it has been franchising, startup costs, litigation, percentage of terminations and whether the company provides financing. Financial data is analyzed by an independent CPA. *Entrepreneur* does not measure subjective elements such as franchisee satisfaction or management style. The objective factors are plugged into its proprietary Franchise 500 formula, with each eligible company receiving a cumulative score. The 500 franchises with the highest cumulative scores become the Franchise 500.

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