**Quiznos Proposal**

Quiznos is a fast food, franchise submarine sandwich restaurant. The first Quiznos was opened in Denver, Colorado in 1981. This private corporation focuses on their specialty of toasting submarine sandwiches. Quiznos has been modeled to be a traditional Italian-style sandwich shop that makes all sandwiches fresh and to each order. They offer unique recipes of fresh specialty breads, soups and salads. Not only focusing on toasting each sub, Quiznos also focuses on having the utmost quality of ingredients that are guaranteed fresh, every day.

Quiznos franchises have opened at an increasing rate since the in first store in Denver but, unfortunately; they have closed about 1,500 locations in recent years. From a financial stand point, Quiznos made more than $2 billion in sales in its peak in 2008. As of 2011, sales dropped about 14 percent. According to “John Gordon, founder of San Diego- based Pacific Management Consulting Group”, Quiznos biggest downfall was the embracement of the growing culture which caused them to rapidly open a number of franchises. They were unable to maintain all the stores that opened, so they decided to close most of them. In 2010 quiznos’ store count dropped by a whopping 600, which is nearly double the rest of the quick service industry.

Quiznos target market includes consumers ages 18-34, who have disposable income and prefer a healthier alternative to traditional fast food restaurants such as, McDonalds or Taco Bell. It is in Quiznos’ best interest to keep their target market the same because its biggest competitor, Subway, has a target market of ages 16-39. Since Subway has been successful in targeting their advertisements to that specific age range, it would be beneficial for Quiznos not to change their age group.

# What’s the problem?

The biggest problem for Quiznos’ future is promotion. Compared to its biggest competitor, Subway, Quiznos does not promote its product efficiently or effectively. The two main focuses in promotions are the lack of advertisements and the need for an effective sales strategy. Quiznos biggest default is that it does not advertise enough. The best method to keep customers aware of a product or service is through advertisement and Quiznos lacks focus in its advertisements. Also, it has produced many unsuccessful commercials. Almost all of their failed commercials present animal-related characters that have not been well received by many consumers. Quiznos is so much smaller than their direct competitor and Subway’s advertising and marketing budget is so much larger, therefore, Quiznos is just not able to advertise as extensively as their competitor. For this reason, Quiznos must make the most of its advertisement time/space by employing shock value to garner more attention. An excellent example of this is the commercial featuring the “singing creatures” that created much controversy for the company several years ago. Many people claimed to have thought the creatures to be rats and found the reference extremely unappetizing, others just thought it to be strange and uncomfortable, while an even smaller percentage actually enjoyed the commercial. Regardless of the actual reactions themselves, the fact that people reacted at all was good news for the brand as what Quiznos had been aiming to achieve was “water cooler talk” which is exactly what they got. Quiznos was relying on these reactions to provoke conversation amongst people about their company in hopes that the name of their brand would outlive their current negative connotations in their potential customers’ minds. The end result was that their commercials provided entertainment in for the viewers and not brand recognition and increased sales, like it sought out to.

# Shock Value through better advertisements

While Quiznos was successful in getting attention through shocking advertising campaigns they fail to adequately promote the strengths of their brand, mainly the quality of their food. Though they are determined to set themselves apart from the rest by having better quality ingredients and better tasting food as a product thereof, this selling point is not being properly promoted to their target market. Even though they must employ shock value to amass attention, the subjects they use in their promotional campaigns stray far from their attempted image. Singing rats and vulgar video references will gain you the attention of some, but they are not necessarily enticing to someone choosing a place in which to dine.

# Research Results

Based on research and primary surveys, that were made and administered by our group during the semester; the majority of participants from the survey have not seen advertisements online for Quiznos. Most shockingly, 100% of the survey participants said they have never been to Quiznos’ Facebook page. If Quiznos took advantage of the online media opportunity, they are obviously missing out on, Quiznos could capitalize on obtaining more customers.

# Current Market Share for Quick Service Restaurants

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| --- | --- | --- | --- | --- | --- | --- |
| **Segment Rank** | **QSR 50 Rank** | **Company** | **2010 U.S. Systemwide Sales (millions)** | **2010 U.S. Average Sales per Unit (thousands)** | **Total Units in 2010** | **Total Change in Units from 2009** |
| 1 | 2 | Subway\* | $10,600.0 | $452.0 | 23,850 | 816 |
| 2 | 13 | Panera Bread | $3,100.0 | $2,200.0 | 1,453 | 73 |
| 3 | 14 | Arby's | $3,010.0 | $838.0 | 3,649 | -69 |
| 4 | 21 | Quiznos\* | $1,430.0 | $420.0 | 3103 | -600 |
| 5 | 29 | Jimour John's\* | $735.0 | $753.0 | 1131 | 162 |
| 6 | 42 | Jason's Deli | $503.2 | $2,226.6 | 226 | 11 |
| 7 | 48 | Einstein Bros. Bagels\* | $400.4 | $988.0 | 583 | 51 |

[Note: Quiznos is number three technically because Arby’s is not always considered a part of this sector.]

# How can we make a difference?

Quiznos is a company previously ensconced in great success who now finds themselves in a financial and ethical dilemma. Many are familiar with the sandwich shop as an alternative to Subway, which is exactly the role Quiznos plays as the number 3 in market share percentage at 3.8% in 2011, next to number 1 Subway, at 47.3% that same year. The offer that really sets Quiznos apart from their competitors is the value of the products they offer. They pride themselves on offering prime deli meats and artisan breads and cheeses all of which are fresh. It is this level of quality which Quiznos hopes will elevate their image above those of their competitors, particularly Subway which is their most direct competition. Previously, Quiznos attempted to compete with Subway in an economical sense by promoting “value” prices for subs such as their $3 and $4 subs in hopes of stealing customers away from Subway’s lucrative $5 foot long campaign. This strategy however did not prove profitable for Quiznos and failed to attract the attention so desired.

 To improve all of Quiznos’ advertisements, we developed a commercial that will incorporate the shock value, which stands Quiznos apart from other competitors, while making it productive. It is important to make commercials that consumers will find entertaining but that will also remind them for the quality of the product.

# New Marketing Campaign

 It is our recommendation to Quiznos that they amend their marketing strategy in two key ways. First, Quiznos needs to increase their promotion in general, through engaging new channels of promotion such as social networking sites, and by increasing the sheer amount of promotion in general. Using sites like Facebook, YouTube, Twitter, and Groupon will definitely promote efficiently the company without costing too much money. These sites are inexpensive and are even more effective when integrated together. Second, Quiznos should aim to center their promotion on the quality of their ingredients and products to highlight the strengths of the brand and allure customers to dine in their stores. Through these remedies we believe that Quiznos will increase awareness of their brand in their target market and in effect potentially increase their sales. Sand

**SWOT ANALYSIS FOR QUIZNOS** (in regards to Promotion)

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| --- | --- |
| Strengths* Good quality products and ingredients at competitive prices
* #3 Company in Sandwich Sector of the fast food market in terms of sales and market share
 | Weaknesses* Lack of promotion leads to unaware target market and small customer base
* Lack of brand recognition in local markets
* Not effectively promoting the strengths of their brand, i.e. product quality
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| Opportunities* Employing Social Networking sites such as Facebook, Twitter etc. to gain direct access to target market
* Incorporation of email coupons to customers to encourage repeat business with them and more accurately track what kind of people are eating at Quiznos
* New channels of promotion provide more cost-efficient means to advertise the product such as advertising on websites
 | Threats* Subway’s “value” centered campaign may continue to prove more lucrative in our current economy
* New “artisan” ingredients may be too high in cost to sustain if sales don’t increase
* Other fast growing sandwich shops such as Jimmy John’s will continue to take some of Quiznos target market and market share
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# Pricing strategies to Help Promotion

In today’s economy, consumers are big on getting more for less money; therefore, many businesses promote the type of sales they have going on in their businesses. Quiznos has a big opportunity in promoting the different type of sales they have going on in their franchises. There are many different ways that they could attract customers and let customers know about their sales. For instance, many consumers now days have smart phones with applications perform many tasks. Quiznos has to take advantage of the new technology available and design an application for its loyal customers to show their appreciation for their business. The application in the smart phone would be a rewards program for customers, every time they go to Quiznos their application would keep track and after eating 10 times at Quiznos they would get a free regular sub of their choice. The application on the smart phone would make people come eat at Quiznos more often because they would know that after eating 10 times they would get something for free, and everybody loves anything that is free.

Another sales strategy that Quiznos should promote would be to mail out coupons every month to customers. The coupons would be mailed out every month and would be good for a whole month until more come for the next month. Customers love to save money so the coupons would be for buy 1 small sub get the second sub free or get a free drink or a bag a chips with the purchase of 1 regular size sub. Coupons would be emailed out to Facebook friends and businesses. The coupons mailed out will be accepted by all Quiznos franchises to keep customers happy. Coupons emailed out to local businesses will be emailed out in batches so that the coupons can be distributed to all the employees in the offices to make sure that everybody gets their coupons. Many employees go out to eat for lunch so having a Quiznos coupon would be an incentive for them to go to their nearest Quiznos franchise.

When people are on Facebook and if they press the “Like” button on Quiznos they will be redirected to a page for a coupon for a free small Quiznos sub. When they see the free Quiznos sub coupon they will more than likely want to use the coupon and redeem their coupon at their nearest Quiznos. The Facebook sales strategy would be good for promotion because other people on the social media will see all the likes on the Quiznos page and will be persuaded to try Quiznos if they have not ever tried it before. Advertising Quiznos on Facebook would be a good exposure for Quiznos and most importantly, it is free and accessible anywhere.

By promoting their sales and by having different type of sales, Quiznos will be able to attract different types of customers. Every customer is different but one thing that all customers have is that they like to eat and will always go to the restaurant that will give them the best deals to feed their families. Having better sales strategies will bring in more customers looking for good deals to the Quiznos franchises. As long as Quiznos effectively promotes their sales strategy, the franchises will be able to increase customer awareness and increase of sales for Quiznos. In this market, Quiznos is a challenger brand and will not succeed in challenging Subway by merely undercutting their price. Subway is a restaurant chain giant and will not be outperformed simply by a cheaper price. Quiznos, in this case, will have to succeed by beating Subway in quality through a new campaign that will improve promotion. Quiznos will have to find other factors like this to distinctly separate itself from Subway. These are weaknesses of Subway that Quiznos can capitalize on and these weaknesses will help set Quiznos apart from them by attracting existing as well as different customers.

# Conclusion

“Quiznos goal is to come out of this repositioning, and to be the best franchised system in development.” Promotion is not the only key to Quiznos’ success but our team has decided that if Quiznos wanted to make a turn around, then promotion would make the biggest difference. Through free advertising with online media outlets, such as Facebook and YouTube, Quiznos really has nothing to lose. In a matter weeks with a group of seven students we raised awareness to 60 participants in our survey and 30 people in our marketing class. From an advertisement, made for the presentation during class, we already had 30 viewers in 5 days. By simply trying harder and working smarter on promotions, Quiznos can make a difference by spending small costs and spending a small amount of time. If our marketing group were hired by Quiznos tomorrow I believe with our ideas, in regards to promotion strategies, then Quiznos could gain more market share to be more competitive with Subway and provide more jobs for local communities within a small time span.