

Expansion of SUBWAY in China

Research Report

MKT 4604 Marketing in China



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1. Executive Summary

In this report, we seek to study and analyze the performance of Subway in China and make recommendations as to how the world's largest fast food chain can improve in the country.

We did a situational analysis in which we studied the following in-depth:

- Environmental
- Industry
- Consumer behavior
- Company Analysis (SWOT)
- Competitor

After conducting our analysis, we identified five major issues of Subway in China:

1. Low brand awareness
2. Lack of adequate knowledge of Subway's unique attributes
3. Low loyalty of existing customers
4. Substandard service quality
5. Unclear targeting

These major issues led to the formulation of a host of recommendations, which were categorized into the following:

- Expansion strategy
- Marketing strategy (Segmentation, Targeting and Positioning)
- Product
- Price
- Promotion
- People
- Physical evidence



2. Company Background

Subway is a health conscious fast food franchise, which founded in 1965 by Doctor's Associates, Inc. It primarily sells submarine sandwiches ("Sub"), salads and personal pizzas. Subway is one of the fastest growing franchises in the world with approximately 32,057 restaurants in 91 countries in 2009. It is the largest single-brand restaurant chain globally and is the second largest restaurant operator globally. In China, there are 141 outlets. The image and advertising slogan for them is "Eat Fresh".

Purpose & Mission:

The mission statement of SUBWAY® Restaurants is "To provide the tools and knowledge to allow entrepreneurs to successfully compete in the QSR industry worldwide by consistently offering value to consumers through providing great-tasting food that is good for them and made the way they like it."

Goals of Subways:

SUBWAY® restaurants' goal is to be ranked the number one restaurant by consumers and number one in restaurant count in every market that they serve.

3. Situation Analysis:

3.1 Environmental Analysis

Political

The central government's stimulus package and various strategies have strong influence towards domestic demand and national consumption. It is very likely people's intention to consume would increase as a result.

Economic

China has enjoyed rapid economic growth in the past decades with an average annual GDP growth rate of 9.2% from 1979-2008, which made the nation the third largest economy in the world as of 2008. Together with the GDP growth, the purchasing power of Chinese also increased dramatically in the past three decades.



In the global economic crisis starting from the second half of 2007, the Chinese economy has been affected a lot, mainly owing to the sharply declined exports. However, as the government carried out its stimulus package and various policies, like Home Appliances Going to Countryside, to increase its domestic demand, the consumption in the domestic market is expected to increase as well.

Social

As a matter of fact, western lifestyle is largely influencing the current Chinese society. Both western food and values are accepted by Chinese, especially in the metropolises. Two social phenomenon should be considered: first, citizens, in particular, office workers are getting busier in major cities, made it impossible for them to have abundant time to have their meals; second, western food, primarily, western fast food is more and more acceptable by Chinese and become popular in the market, which provide us with potential and emerging needs.

Technological

Although technology is usually not the core competitiveness of fast food industry market players, technology of storage, heating, and production is still crucial for fast food companies.

3.2 China's Fast Food Industry Analysis

To analyze the fast food industry in China, we leveraged Porter's Five Forces model, which assesses the threat of entry, bargaining power of buyers and suppliers, threat of substitutes, and the intensity of rivalry.

3.2.1 High Threat of Entry

- *High profitability levels*

According to the data from the National Bureau of Statistics, China's fast food industry has already become the biggest and most attractive profit zone with a high profit rate.

- *Low capital requirements*

Compared with other industries, the fast food industry in China requires less capital, the majority of which is allocated to food materials and rentals.



- *Low barriers to entry*

Given that the fast-food industry does not involve a large amount of patents for the food, the barriers to entry are relatively low. There are no secret formulae or special cooking methods that would prevent entry.

- *Minimal retaliation by incumbents*

Although there are a few leading brands enjoying a large portion of market share, no one is able to play as a monopolist to create large-scaled attack towards new entrants in China.

3.2.2 Medium Threat of Substitutes

The existence of substitute products increases the propensity of customers to switch to alternatives.

- *Medium perceived level of product differentiation among the category*

- *Low switching cost*

As most consumers only seek fullness and taste through fast food, their switching cost could be very low when turning to substitutes.

- *High buyer propensity to substitute*

Chinese consumers tend to be less loyal and change their choices frequently, which lead to a high propensity to substitute.

High bargaining power of consumers

The ability of consumers to put firms under pressure is relatively great and it affects consumers' sensitivity to price.

- *Many more buyers than sellers*

It appears that a few brands are serving the a large customer base. This reduces the switching costs of buyers, thus making them more powerful.

- *Buyers are highly price-sensitive*

Since consumers have diverse choices and low brand loyalty, they would allocate more importance on the price and become sensitive with the price fluctuation.



- *High availability of substitutes*

Most of the fast food brands have a number of outlets, especially within those popular central districts, making different substitutes easily accessible.

Relatively Weak bargaining power of suppliers

Supplier power in the fast food industry would be relatively weak.

- *Low degree of differentiation of inputs*

As the inputs usually would be raw materials, degree of differentiation can be very low.

- *Supplier switching cost relative to firm switching cost*

Unlike the situation of firm versus buyer, firms would have a less switching cost when changing suppliers.

Great intensity of competitive rivalry

The great number of players and medium diversity lead to a great intensity of rivalry.

- *Great number of players*

As competitors of a fast food firm could be business of domestic, foreign, chain stores and single shop, the total amount could be very great.

- *Medium diversity of rivals*

Diversity with cuisine, operation pattern and business model among competitors is not that high which increases the intensity of competition.

3.3 Consumer Behavior Analysis

Fast food hospitality industry has become more and more popular in China since fast and efficient modern life. Customers are more health conscious than the past; they focus on quick and healthy diet with quality. Subway is the latest representative in China and fulfils all the requirements of being healthy. The target group of Subway is middle income group e.g. white collar who is health conscious.



Eating more meals outside homes

In recent years, a major food consumption trend in China is that more people are eating more meals outside their homes. It is predicted that this trend will accelerate in the future. As a result, fast-food marketers in China have to understand their consumers' perceptions and preferences. Findings of the study offer need-oriented marketing strategies for subway to enable them to be more competitive in this fast-changing business environment.

Health conscious

The Euromonitor report (below) shows that diet, health and nutrition have become more popular in recent times. This in turn has created a huge challenge about health and diet for all companies. Many companies are taking steps to develop new marketing strategies and to diversify product portfolios.

This trend offers considerable opportunities for Subway in Chinese market. Healthy, low-fat and fast food markets represent considerable opportunity for growth in Chinese fast-food hospitality industry. Convenience and health are the key factors driving the growth of fast food market in China. In particular, changing consumer requirements is the leading factor for Subway to design the right marketing strategies for its target customers. The low-fat and efficient diet has seen significant growth in Asia over recent years. For example, in China, consumption levels of healthy fast food have increased dramatically over the last few years. Customers now snack on 'nutritional' products such as salad, fruit, vegetables etc.



Price vs. Value

Consumption of fast food is still rising in China, particularly among young people. Western style fast food outlets are faring particularly well. Research shows that this age group is more likely than average to eat fast



food on a regular basis. Although subway is considered too expensive for many people in China, they remain popular with young people, especially white collar because they can get value from the nutrition and freshness of food, and convenience and efficiency of food handling. This leads us to believe that Subway has successfully positioned itself as the ideal convenience food for the time-poor consumer, e.g. busy work people in office. Fast food is perhaps not the number one choice for consumers, but it fulfils a specific need perfectly. More consumers say that they 'like the trend towards healthier fast food', which presents a considerable opportunity for fast food companies going forward like Subway.

The fast-food industry is indeed creating healthier options to win over health-conscious consumers. This reflects the fact that people worldwide are starting to think more about their health and diet. These changing consumer behaviours and attitudes of fast food suggest that there are considerable opportunities for food chains, such as Subway, in China.

3.4 SWOT Analysis

Strengths:

As the largest restaurant chain in the world, Subway in China market enjoys dynamic marketing capabilities, which includes internal support, brand building, product development and others.

- The business model of franchising ensures the speed and decrease workload during the expansion in China. In addition, its culture of supportive franchise relations is also believed to enable franchisees in China to maintain effective business operations.
- Subway's unique selling point, attributing in healthy concept, is considered to coincide the 'health dining' trend emerging in China market, which helps to build a distinctive brand image.
- Furthermore, having a strong global network in 87 countries, Subway is experienced in international marketing. Advice and expertise can be instructed to guide franchisee market locally.



Weaknesses:

- Though Subway enjoys its brand equity globally, it has relatively low customer awareness in China, compared with McDonald, KFC and Burger King, who are its direct competitors. Moreover, bread products offered by Subway are still seen as the element in the Western diet, but not part of the eating culture in China.

Impulse Food and Drink Channels - Sandwiches - China

15 Dec 2008

OVERVIEW

- Consumption of bread, still seen very much as an element in the Western diet, is not part of the eating culture in China. The lack of demand will continue to dampen any entrants from supplying this product in the market. Sandwiches are also perceived as being a full sit-down meal rather than something bought on impulse and consumed on the go.
- Being a later entrant to the China market, Subway has relatively short time to adapt to new local environment. At least, in regard of building relationship with public and government, Subway is in a less favored position compared with its competitor. Apart from this, it takes Subway more effort to strengthen brand equity in China due to insufficient knowledge in consumer behavior.
- Since growth rate and profit of Subway in China is relatively low, marketing expense in advertising, which is derived from net sales according to Subway's franchising regulation, is limited to maximize franchisees' marketing objectives.

Opportunities:

- According to Euromonitor, sandwich specialists are gradually gaining acceptance in first-tier cities as well as second tier cities. Subway, which is specialized in offering sandwich and position itself as 'health and low calories', is expected to gain popularity in the next ten years.
- Led by Subway, sandwich specialists are gradually gaining acceptance in China. First-tier cities, in particular Beijing and Shanghai, are the key markets for sandwich specialists, as residents tend to be more open to trying new concepts. Sandwich specialists are also trying to expand into some developed second-tier cities, like Hangzhou, in Zhejiang province, and Chengdu, in Sichuan province. Sweet bakery goods are also gaining popularity in China, especially among women. Women are increasingly preferring sweet bakery goods, like doughnuts, for breakfast or high tea. Leading global brand Dunkin' Donuts opened its first outlet in Shanghai in November 2008, and plans to have 100 outlets in China by the end of the forecast period.



- The fast food industry is predicted to have a 60% growth rate from 2008 to 2013, as Chinese people have stronger purchasing power and higher preference in fast food consumption. Subway, a renowned fast food brand providing high quality food, can take advantage in this industrial trend when marketing in China.

Table 12 Forecast Sales in Fast Food by Subsector: Foodservice Value 2008-2013

RMB million	2008	2009	2010	2011	2012	2013
Chained fast food	49,848.8	54,766.5	62,350.2	68,898.0	74,594.7	79,226.2






Threats:

Aiming at taking pieces of cake in China market, Subway’s competitors aggressively strategize plans to retain their current customer and lure potential customers. Not only do they have convincing reasons for customers to buy their product, but also are more experienced in marketing in China. To root in China market, Subway China has to face threat posed from its internal operation and industrial competition.

3.5 Competitor Analysis

With regard to the keen competition of fast food chain industry in China, we would like to analyze the competitive situation and relative advantages of Subway, by comparing with the two major direct competitors as well as the market leaders comprising KFC and McDonald’s plus one indirect competitor and the market follower which is Burger King. Since these companies also compete for the similar, not to mention the same market and target customers which are the fast-food seekers. Hence we would like to opt for these brands to have an obvious comparison between Subway and these brands concerning their market share in China, the amount of their branches, provision of food variety, their positioning and lastly the target customers. The table of the competitor’s situation will be illustrated as follows:



	 麦当劳	 炸鸡, 好味! 		 SUBWAY eat fresh.
Market share in China	18.1%	44%	0.2%	0.2%
Branches	More than 900	More than 2,000	More than 12	141
Food variety	Fast food (hamburgers, chicken, French fries, soft drinks, coffee, milkshakes, salads, desserts, breakfast)	Fast food (fried chicken, grilled chicken, desserts, breakfast, big box meal, salads)	A basic offering of burgers, fries, chicken, fish, salads and breakfast	Large sandwich, salad and soup
Positioning	Be our customers' favorite place and way to eat	To sell food in a fast, friendly environment that appeals to pride conscious, health minded consumers	We will prepare and sell quick service food to fulfill our guest's needs more accurately, quickly, courteously, and in a cleaner environment	Offer a quality product that is made specific to each individual customers taste
Target customers	Families with kids without a lot of money and want a quick, cheap meal with predictable quality.	Families with kids without a lot of money and want a quick, cheap meal with predictable quality.	Young workers aged from 18 to 34 years old are willing to spend more on a higher quality product.	Mass public, no specific target group

In short, through rapid and speedy outlet expansion, KFC and McDonald's can consolidate its leading position and brand awareness in the fast food sector, while Burger King and Subway do still plan to expand their operations in China by a special entry mode- franchising. Besides, the food variety provided by KFC, McDonald's and Burger is quite diverse; whereas Subway provides a narrow food variety but more differentiated food to their customers such as the large sandwich. Regarding positioning, Subway positions itself as the high quality food across customization of customer taste, but not emphasizing on the physical evidence of the outlet and the speed of service delivery. Lastly, in terms of the target customers, only Subway targets on the mass as well as vague public and without the specific target group such as the white-collar compared with another three competitors.



Overall speaking, Subway still acts as the market challenger to differentiate itself from the competitor by providing an unique food range and positioning.

4. Key Issues

Before rendering the valuable recommendations Subway can persistently develop in China, a precise and proper understanding of the company's key issues is essential. The really valuation part of key issues is understanding, evaluating and figuring out the behind reasons and drawing conclusions to prioritize which one of the key issues is the most important and which one is the least important. In a nutshell, key issue's analysis is a basis for action.

1. Low Brand Awareness

Subway, the world's largest sandwich chain entered China when the fast food business in the country was witnessing a huge growth. But Subway learned that establishing a strong presence in China was not an easy task in the expanding process of coming across many issues. Hence, in order to contribute a more comprehensive and persuasive findings and analysis of key issues, a primary research - online survey has been conducted via e-mail and online forums while 121 respondents coming from the Mainland China such as in Beijing, Shanghai, Guangzhou, Hangzhou and Tianjin has been interviewed. Besides, we have also conducted the secondary research in the on-line forums such as Douban. As indicated in the Graph 1, there are nearly 80% of the respondents who have not ever heard of Subway sandwiches, which illustrates that one of the most key issues of Subway is **the low brand awareness in China**.

2. Lack of Adequate Knowledge of Subway's Unique Attributes

According to our questionnaire result, the second key issue is that the respondents also **lack adequate knowledge of Subway's unique attributes** which are "Fresh" and "customization". As can be seen in Graph 2, approximately half of the respondents found Subway's brand image westernized, but not fresh and customized. Moreover, based on the research on the internet seen as graph 3, even the franchisees also think that the attributes Subway emphasizes perceived by the consumer still do reveal low awareness.



3. Low Loyalty of Existing Customers

In terms of asking the number of visits to Subway (per quarter) in the questionnaire referred in the Graph 4, we can see that most of the respondents only visit Subway one to two times per quarter. The third key issue is quite evident that there are many **low-loyal existing customers** of Subway.

4. Substandard Service Quality

Furthermore, from the graph 5, not only from the questionnaire were there over half respondents who found Subway's service quality poor, but also the comments from several fan groups of Subway retrieved from the online discussion forum were prone to the negative side. For instance, one complaint mentioned the substandard service quality about the staff who lack sufficient knowledge about the operation and the brand mess management system, while another complaint mentioned some of the staff paid no attention to customers' requests and there is a low quality of service with foreign outlets, according to the graph 6 and 7 respectively. Overall the fourth key issue is the **substandard service quality** provided by Subway. What is more, the insufficient training and monitor of its franchisees also contribute to the inconsistent service delivery and the substandard service quality.

5. Unclear Targeting

Lastly, from the breakdown of Subway's outlets located in Beijing and a deep interview with a Beijing resident, we found that there is no similar pattern of those outlets in targeting at the same customers. For example, some outlets are located at the shopping center on the one hand, and some outlets are located in the residential or business districts on the other hand. Thus there is no doubt that the last but key issues we found is the **unclear targeting** of Subway.

Nevertheless, after the detailed analysis of the reason behind the key issues stated above, we think the most severe key issue is the low brand awareness since they will not step forward to patronize Subway if they don't know this brand. Therefore, dealing with the low brand awareness should be a top priority for Subway in developing its business in China.

5. Recommendations

Expansion Strategy

Facing the immature market environment and changing consumers, and in order to better deal with the issues of standardization and brand image building, we believe adopting a new model of franchise – “Not Starting From Zero”, which has been employed by McDonald and KFC in China – would be helpful in Subway’s fast and, more importantly, sustainable development in the long-term.

In this model, the franchise corporation usually doesn’t issue license to a potential franchiser to open a new store, instead, it transfers an existing self-owned store that run for a certain period of time to the interested entity. This could be considered as a win-win model which – first, lowers the franchiser’s risks by transferring a store that has stable internal operation, store management, loyalty customers, and been proved to be commercially feasible and profitable; second, the company itself can have better control upon the quality and standardization of the service, products, and store management of individual chain stores.

However, a traditional way of franchise usually works like this – as soon as a franchiser gets its license, the chain corporation will help him to set up a store in terms of store location, fitment, major merchandise supplies, personnel training, and marketing.

Although this franchising model is still used by most chain corporations, certain drawbacks do exist: first, deviation from standardization. A keyword of franchise is “copy” – copying one successful business model to various locations, and “standardization” is the key of “copying” in the meantime. Although a chain corporation provide supports of different functions to its franchisers, in a lot of cases, it is inevitable for one single chain store to deviate a little bit from the “standard” in some aspects. Second, instable brand image. A consequence of standardization issue is the instable brand image results from the inconsistency of quality or customers’ experience in a second chain store. The drawbacks are the reasons those franchise giants, like McDonald and KFC, took into consideration when carrying out the “Not Starting From Zero” projects.

Therefore, we believe this strategy can be and better to be adopted by Subway China with the concerns of long-term sustainable development in the market.



5.2 Segmentation, Targeting and Positioning

5.2.1 Segmentation & Targeting

It is vitally important for Subway to devise a separate marketing strategy for the Chinese market given its idiosyncratic nature relative to other markets in the West.

We propose segmenting the market through demographic, psychographic and behavioral measures. More specifically, Subway should target based on the following criteria:

- Aged 23-40
- White collar
- Disposable income above RMB3,000
- Acceptance of westernized dishes

We believe those in the age group that are working and earning an income would be able to afford Subway's relatively higher-priced meals. Moreover, given that China is a massive market, we are further minimizing the target segment by targeting those with a disposable income higher than RMB3,000. We also understand that some Chinese prefer to have traditional cuisines if they had a choice and hence, the final criterion is to target those that are willing to accept westernized meals (which is what Subway is perceived to be offering).

5.2.2 Positioning

Subway's positioning in China is very poorly formulated, given that it does not comprise key attributes of the sandwich chain.

The existing positioning is that it provides a fresh solution to every-day dining, with its sandwiches deemed to be fresh and made on-the-spot right in front of you. However, we propose that Subway in China also positions itself as a fast-food chain offering a **healthy** and solution and a **unique dining experience** to customers. The healthy attribute will appeal to many consumers as health is of increasing importance. In addition, such dining experiences as Subway offers are uncommon in China and hence, positioning itself as a restaurant offering a unique dining experience will appeal to consumers, particularly if they are willing to



accept western meals. Research also shows that people like choosing the ingredients in their sandwiches by themselves. (Refer to Graph8)

5.3 Product

We recommend three main tactics to Subway China in terms of product:

Firstly, it should provide downsized sandwich options. According to our secondary research on the Internet, a lot of complains on Subway is about the size of the sandwich – mainly focusing on two aspects: the size is too big to take a bite, or too large to eat up. Thus, we believe having downsized versions would be a localization strategy to meet the needs of Chinese customers and to largely increase product variety.

Secondly, it should serve with fresh juice and soup. In order to create a healthy and fresh brand image, and due to the needs of customers for drink alternatives other than tea and coffee, we propose installing juice-making machines in Subway's chain stores, of which provide fresh fruit or vegetable juice. Moreover, as complains about the cold and unnatural-tasted soups in Subway are largely exist, we suggest Subway branches in China to make fresh soups every day. Western-style soups will be made every day instead of using soup powder, and this tactic is believed to better coincide the brand image.

Thirdly, it should increase the variety of dressings and sauces. With the concern of standardization and Subway's franchising rules, we cannot change the ingredients of the sandwiches, whereas, different regions in China have diversified flavor preferences. Therefore, to adopt certain localized flavors, we propose to add more varieties in Subway's dressings and sauces, like roast duck sauce, chili sauce, sweet sauce, etc.

5.4 Price

Since the present pricing of Subway China is affordable for the target customers, and could manage with a high profit margin for franchisers and the head company, we wouldn't alter the price greatly. However, prices would be lower for downsized sandwiches to provide a larger price range and capture more customers.



5.5 Promotion

We propose a one year promotional plan for Subway and the plan is divided into three phases, of which each phase has its main goal and focus. The integrated marketing communication would assist the company in its brand rebuilding and business development in China.

Phase 1: Increase awareness of health

Magazines would be used as a main channel in the first phase promotion, majorly fashion and health related magazines, like Rayli, Bazaar, Food and Health, etc. And the formats would be basically in two types: printed ads and advertorials. The main themes and contents will be focused on eat healthily.

Besides, online channel would also be utilized and emphasized as it is a heavily used media by the target group. In this phase, softer techniques, like advertorials and articles, will be applied to educate the customers.

Phase 2: Interact with potential customers to arouse their interests

In the second phase, we propose using more interactive and direct ways in promotion, and the online vehicle would be a focus. Three websites will be used as the major channels: kaixin001.com, which is the largest SNS (social networking site) in China mainly used by office workers in urban areas; dianpin.com (the largest city consumption guiding site) and koubei.com (the largest life service site), these two sites are the major online channels of information searching related to daily lives in cities, they have a lot of information about foods and restaurants and are popular among the target customers, meanwhile, both sites are city-based (information providing based on the cities users live in) which would help us in better and more precious geographic targeting.

Nevertheless, we also suggest Subway to utilize offline channels which can easily get access to target customers. LCD ad and frame ad of Focus Media in office buildings would be the best choice to approach white-collars. Moreover, a PR event which associates Subway with travel – “Subway Goes Traveling With You” – is suggested to organize by cooperating with Sina Travel, with the aim of promoting healthy lifestyle and arousing white-collars’ interests.

Phase 3: Induce purchase intention of consumers

promotion would be a focus in the third phase to induce purchase intention of consumers. Coupon is a time-tested way in the fast food industry, which we will use, too. Online period downloadable coupons will be enabled, and offline coupon and menu distribution in office buildings will be carried out.

5.6 Place

In light of the locations where Subway establishes business in China, it is suggested to locate the branches in central business districts (CBD) in the first and second-tier cities. The rationales of this proposed tactics lies on two areas. First of all, from the above analysis in key issues, it is showed that current locations for most of the Subway branches scatter around in first-tier cities. As a result of this phenomenon, Subway is not able to target a specific group, suffering from unclear targeting. Since our propose target group for Subway in China is white-collar who work and socialize in CBD, CBD in first-tier cities, for example, Jian Guo Men Da Jie (建国门大街)in Beijing and Tian He Road(天河路) in Guangzhou, will be admittedly a potential place for Subway to debut after re-positioning.

Secondly, as economy in China is booming with an optimistic forecast for the future development, second-tier cities like Tianjin, Ningbo, and Chongqing are believed to develop as momentums of China's economy. Bearing this in mind, the white-collar group in second-tier cities will grow with the expansion of CBD. To further Subway's marketing strategy in the long term, it is recommended that Subway should not neglect the opportunity in second-tier cities where white-collar will have large consumption power in the future.

5.7 People

To strive for success in China, Subway should never be inertia to react regarding to its substandard service quality, as there are 52% of the 121 respondents who report Subway's poor service quality in our survey. To increase customers' satisfaction with Subway's service, we propose Subway China to standardize the personnel training program, in which etiquette and English training will be delivered to the staff of Subway. The etiquette training is expected to enhance staff service quality at a standardizing extent nationally so that Subway in China can ensure the service quality of its franchisees. Besides, English training is considered as a value-added item, with which staff of Subway can provide more customized service to target customers who are English speaking.



Moreover, to sustain with the satisfying service quality, strategy to motivate the staff is must in Subway's marketing strategies. As is known to us, the Chinese is very reputation-conscious (爱面子). They are highly motivated by honors, award and titles, which the Chinese regards as a great identification to others. In addition, since Chinese culture values collectivism, the Chinese pays attention to group performance more than individual performance. Therefore, to boost staff's motivation, a nation-wide evaluation program-The Best Branch of China could be introduced in Subway China on the monthly basis. In this program, customers can rate the branches they consumer by utilizing the machines launched in each Subway branches. With customers' indication of their satisfaction level in the machine, each branch of Subway can be evaluated per month, and the branch with the highest rate in each month will be granted as "The Best Branch of China". With this evaluation program, we believe that staff in Subway will be spurred and endeavor in improving their service quality as a team in order to obtain a sense of honor in a group.

5.8 Physical Evidence

Though some customers of dinning service values decoration and in-store furniture as their reasons to patronize, this situation doesn't apply in Subway's case. As target customers, white-collar, have fast-pace life, we believe that most of Subway's target customers will take away rather than have their meals in stores. Even though customers grasp a seat and have meals in Subway's stores, it is likely that they will finish meals as soon as possible due to their tight schedules. Moreover, positioning as "Healthy" and "Fresh", Subway lures customers by its unique selling points rather than the physical evidence of stores. In-store factors are not the pivotal reasons for target customers to purchase meals in Subway. Thus, it is not suggested to change in physical evidence in Subway branches,

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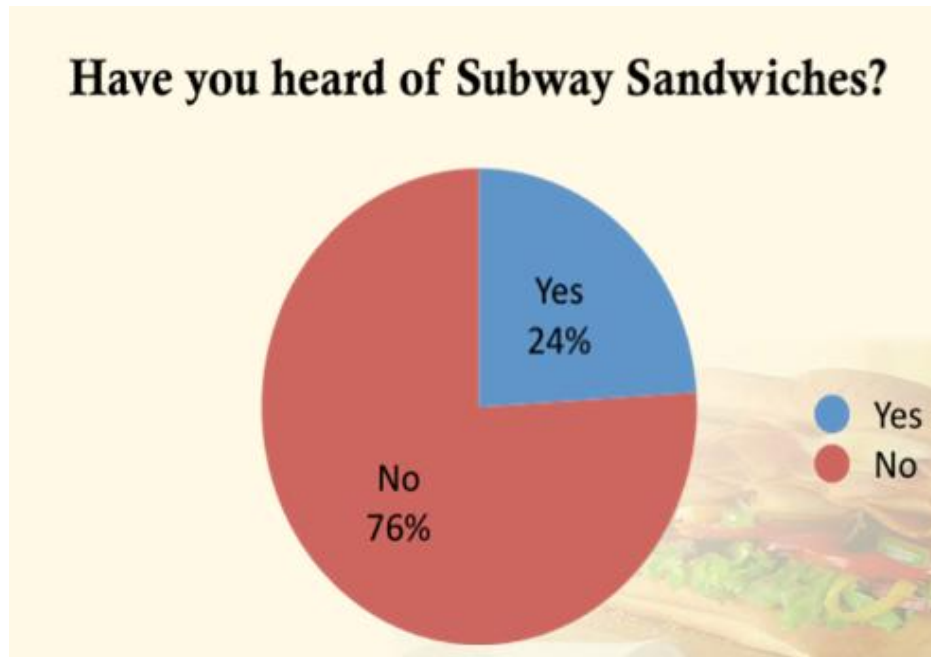
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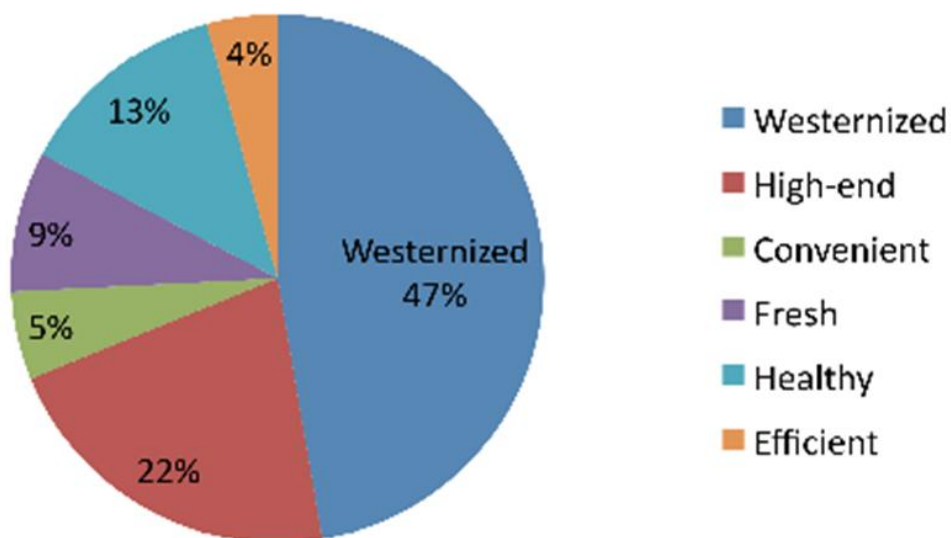
7. Appendix

Graph1



Graph2

Brand Image



Graph3

本期“创业帮”，广州赛百味加盟商杨先生与我们分享他对赛百味“慢半拍”的理解，北大纵横连锁经营专家王山对此作了精辟点评。

问题：能做的仅仅是等待？

2005年，杨继宏结束北京和上海的白领生涯，在建设六马路加盟筹建属于自己的第一家赛百味，他看重该地区的外籍人士比较多，他们对赛百味早已熟知。前年，他更是跻身“发展商”行列，除了经营自己的加盟店，还要负责广州地区的招商。目前全市15家分店，已经分属10位加盟商所有。

杨继宏介绍说，赛百味主打低热量、低脂、清淡等健康概念，这也是赛百味风靡欧美消费者的卖点。但目前这一概念被消费者认知的程度却让他仍觉得不甚理想。

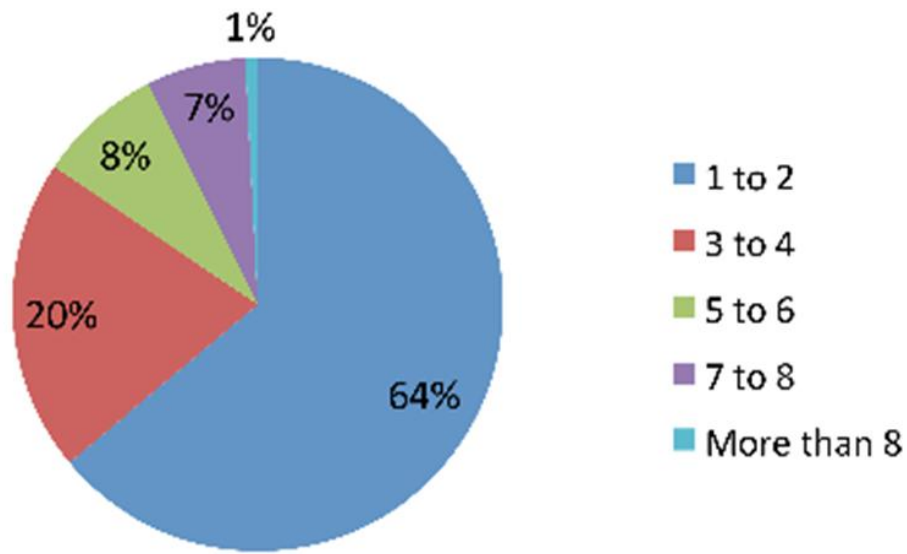
会不会是出于定价的问题上呢？“3美金的麦当劳套餐与3.5元的赛百味套餐，对于美国消费者来说，这个价格差并没有那么敏感。”杨继宏猜想，25元人民币的麦当劳套餐与近40元的赛百味套餐，对于中国消费者来说他们可能会先想一想吧？

十多年前念大学的时候，杨继宏为了品尝一顿肯德基，都要剩下好几顿的伙食费才能如愿。而今，吃一个肯德基已不是奢侈的事情，即便不少现在的大学生也这么觉得。

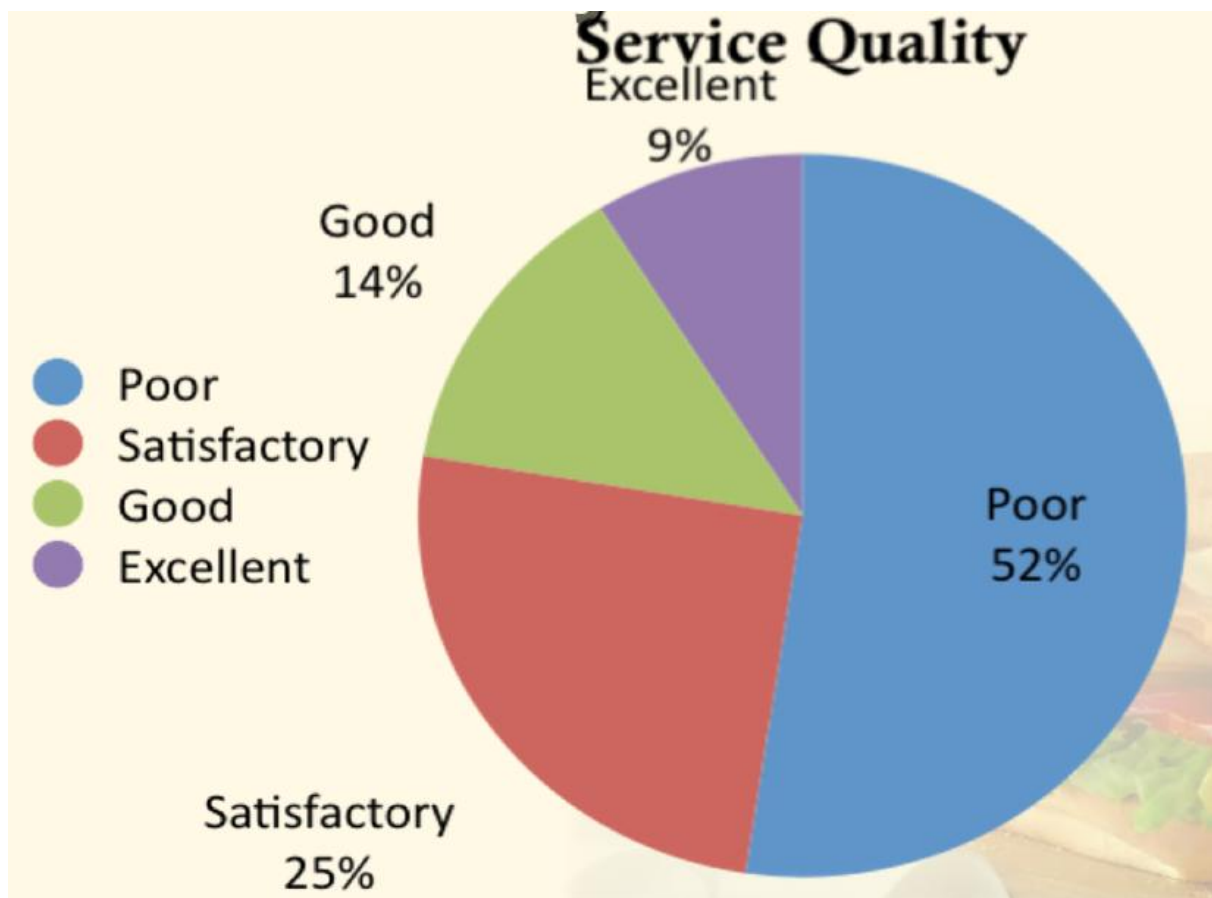
所以，杨继宏除了努力发展加盟商外，也等待着赛百味走入“寻常百姓家”的那一天。

Graph4

Number of Visits (per quarter)



Graph5



Graph6

豆瓣 **douban** [首页](#) [小组](#) [读书](#) [电影](#) [音乐](#) [同城](#) [九点](#)

变味了~

 2009-08-29 03:16:11 来自: 芃芃
沈阳一共才没几家S。在工作单位旁边有一家，环境稍差，客人较少，可是俺也是常客。

那天突然发现S改名成了赛千味，员工说是国外的牌子不让用之类的，就连制服和帽子上的英文都改了Sumway。

点了俺最爱吃的Tuna之后，享受了他家常年买一送一的优惠（6 inch only）告诉小MM我只要番茄酱和蜂蜜芥末酱，MM说俺家没有番茄酱，然后从冰箱里拿出来了一瓶那种做pizza底的番茄生酱，我厉声制止了她，差点让她毁了我的TS。后来老不情愿的改了别的酱，小M居然告诉我放BBQ酱也能吃。我#￥%&*%.....

唉，想吃点正宗的S怎么就这么难？有没有人能好好管理管理啊。愁死个银啊~

 2009-08-29 03:23:07 Cim
变山寨了么

 2009-08-29 03:42:39 芃芃
嗯，我觉得纯山寨。而且面包也硬的，还没有我最爱吃的honey oat

Graph7

豆瓣 **douban** [首页](#) [小组](#) [读书](#) [电影](#) [音乐](#) [同城](#) [九点](#)

真令我痛心

 2009-11-14 14:47:53 来自: 大酱
在五道口店买特价就给贴条
在华星影城这个店买就不给贴
问其原因说是老板不让贴
就算是可以加盟吧 为什么不统一标准..

 dianna 
口味:0 环境:1 服务:1 人均:¥20

虽说Subway是一家连锁快餐店，但是每个人做出来的三明治味道都不太一样。说实话，这家人吃过的subway中最令我失望的一家。

首先环境不好，总觉得到处脏兮兮的。可能人总是很多吧，服务也不好，人从来都没有笑模样。

关键是做出来的东西超级难吃，上次去吃的时候，一个不小心只告诉他们要什么菜，忘了告诉他们量的多少，于是那个服务生就给了我很少的菜，连生菜都是那么几片，然后给放了超级多的酱，真不是一般的难吃。

另外他们家的烤箱好像也有问题，烤出来的面包有的地方还是凉的，不知道是烤箱的问题还是他们烤的时间不够。

09-03-27 17:11 赛百味 | [详情](#) |  [送鲜花\(1\)](#) | [收藏](#) | [举报](#)

Graph8



童小小

口味:2 环境:3 服务:2 人均:¥30



听名字就是快餐啦

但是又比一般我们见到的洋快餐健康很多

你要这样不要那样 服务生完全是按照你的喜好在做三明治

蜂蜜牛奶做外包很赞 个人比较喜欢泰式酱

推荐菜: 布朗尼 金枪鱼三明治

10图片

09-09-17 21:55 赛百味 | [详情](#) | 送鲜



玛依诺

口味:2 环境:2 服务:2 人均:¥30

面包的种类、尺寸, 肉类、蔬菜、酱料都可以自助选择

服务员完全在你的面前进行制作

这种形式的三明治你完全可以按照你的喜好来进行搭配

制作过程又相当的透明

机打的饮料自己动手, 完全不怕服务员给你的量少了

08-12-13 23:00 赛百味 | [详情](#) | 送鲜花 | [收藏](#) | [举报](#)