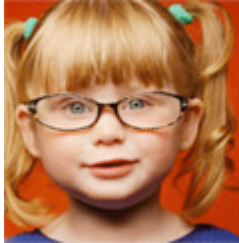




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Sacking The Mac: How Subway Reached The Top



There are currently more places in the United States where you can buy a Subway sandwich than you can a Big Mac – but this wasn't always the case.

Subway began as a single restaurant in 1965, and through franchising and smart marketing and advertising, it grew to become one of the largest quick-service

restaurant chains in the world.

The late 1980s brought rapid growth and expansion, and new **Subway franchise owners needed innovative and cost-effective ways to boost brand awareness and build their customer base.** After learning of J. Stokes' proven expertise in retail advertising, Subway's Bay Area development director approached the agency with 17 stores and a modest budget, with the goal of building the Subway brand in the competitive quick-service restaurant market.

For more than 15 years, J. Stokes has been helping Subway expand its franchise market in the west, while also helping franchisees grow their businesses.

J. Stokes now partners with more than 730 restaurants in six markets in California and Nevada.

This long-term relationship helped the restaurant chain **increase sales in the San Francisco market by 50 percent in a three-year period,**

while also helping to ensure that the franchisees enjoy high store equity and resale value.

"The Subway account is a model of how we structure franchise and multi-location retail accounts," said agency president Jim Stokes.

"We specialize in representing national brands in local and regional markets and serve as the crucial communication connection between the franchisee, the local regional market and the national brand identity."

Marty Page owns two Subway franchises in California, and is the President of Subway Development Corporation in the greater-Fresno market. "In our area, we need to address issues of low per-capita income, high unemployment and the high number of fast food outlets in all aspects of the quick-service restaurant industry," he said.

Bay Alarm Company
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Subway

“J. Stokes presents a unique bundling of ideas and promotions to address our specific challenges and goals,”

said Page. “It ties the Subway brand into area hotspots that are frequented by our customer base and suggests a variety of media avenues, including outdoor billboards, radio, in-game advertising and Hispanic television.”

A leader in franchise marketing for 30 years, J. Stokes has helped partner Subway franchisees with ski resorts, theme parks and sports teams, in addition to finding added-value through cross promotions and innovative sponsorships. Stokes said, “We always ask ourselves, ‘What do we want in a sponsorship that will get our clients the most exposure possible?’” This often results in custom programs in which the J. Stokes team designs, negotiates and implements each element of the sponsorship.

As an early adopter of product placement in radio and television, the agency has created numerous opportunities for Subway,

including the “Subway Sack Attack,” which linked Subway with a Super Bowl-winning team and the No. 1 radio station in the market to create two-minute blocks of original, dynamic programming. The agency created sports highlight vignettes that ran during drivetime and were accompanied by Subway branding messages. “Our team is continuously finding innovative ways to build awareness for our clients,” said Stokes.

J. Stokes obtains as much as 30 percent more exposure for Subway’s media dollar than other agencies, according to national media audits, and its media performance is rated among the highest in the country. J. Stokes was named “Agency of the Year” from among 40 Subway advertising and marketing agencies nationwide.

In addition to helping Subway’s franchise owners increase sales and build brand awareness, the agency has also developed a much-needed communications and reporting infrastructure, including a regional quarterly newsletter and competitive intelligence reports, which helps franchisees share information and learn about their competition.

This infrastructure also allows franchise owners to better pool marketing resources. “J. Stokes’ representation of our stores and other Subway markets within California — from Salinas to Sacramento — enables us to join together on promotions, making point-of-purchase materials, media buys and commercial development more efficient and cost-effective,” said Goswick. “This is critical to our success.”

In 2004, Subway Restaurants eclipsed McDonald’s as the largest restaurant chain in the country. As the market leader in the sandwich category, it now operates more than 18,000 restaurants in the United States. The Subway chain also consistently ranks at the top of *Entrepreneur magazine’s Franchise 500* rankings, and has received the distinction as being the number one “franchise opportunity” for 13 of the past 17 years.

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