

Project management in marketing

[Business](#), [Marketing](#)



This report is mainly focused on " Subway' 's marketing strategies, position, environment and activities in order to determine problems areas and opportunities of its business. Company Background Subway Restaurants is a franchise chain owned entirely by Doctor's Associates, Inc. It is the world's largest submarine sandwich franchise and its over 35, 088 stores in over 98 countries. Subway had a clear vision for the future of subway brand which are provide nutritious meals, and serve fresh, delicious and made-to-order sandwiches (subway, 2010).

Macro Analysts - PEST From a political point of view, Hong Kong Economy is facing the risk by " Occupy Central". There is no doubt that " Occupy Central" would bring the negative impact for retailing, travel industry and also the food industry. Unemployment outcomes depending on how long the Occupy Central lasts, and also how long the mainland China tourist restrictions be stopped. Moreover, Economically, Hong Kong Economic performances are highly depending on the global economic and financial situation.

The inflation rate of Hong Kong in 2014 2nd quarter rose up in an average 4. 5 %, the producer price index of food, beverages and tobacco increased 1. 9 from 1st quarter to the 2nd quarter (Table 1 a). Comparing the statistic of 2013 pressure the production cost of the food industry. 1 In the meantime, the forthcoming adjusting of minimum wage and RIM appreciation directly pressure the increasing production cost around the fast food industry because of labor and food cost are the most important factors affecting the operation cost.

From the Societal point of view, the unstable societal conflict between Hong Kong and mainland China will negatively affect the confidence of foreign and local investment. Recently, a food safety incident is highly concerned with Hong Kong society. The utter Oil problem spreads over Hong Kong restaurants in 2014. Ever 300 food businesses involved in the gutter Oil scandal. Furthermore, the crises in confident of Fast food industry were revealed that "Mondale" used the expired ingredients from Mainland China.

These scandals happened shortly in succession would deter the customers' confidence and behaviors negatively. From the technological point of view, in the forecasting future, mobile and digital marketing is centrally important for promoting business. The used of information technology for controlling food security, mass production or even the payment yester are the terrify tools for running fast food business. Micro Analysis- Fast food Market Overview
The fast food industry is convenient and quick services with low preparation time food industry.

Its culture has become one of the most prevalent lifestyle of Hong Kong People. The fast food market is dominated by McDonald with more than 25% value share. 4th remaining fast food restaurant are Cafe De Coral, Firewood and Maxims, etc. Chained fast food stores are leading 79.8% vs. 20.2% individual fast food outlet. (table 5) Asian cuisine was the most favorable fast food set for Hong Kong People. It accounted for 53% of value sales in the fast food industry. Chinese is the majorities population of Hong Kong, Asian flavor still tended to be the major food culture in the past few years.

However, in 2012, we can highlight that the bakery products recorded the fastest growing trend with 24%, reaching HK\$671 million. (Fast food , Euro 2014) 5 (Table 6) The skyrocketing increase of bakery fast food growth implied that Hong Kong People is stepping on casual, quick, efficient and low priced eating habits. And bakery products fast food is dictated by sandwich specialists in Hong Kong. (Table X) For instance, Subway rapidly expanded by establishing 12 outlets in 2012. The above statistics shows that Hong Kong 's popularity of fast food culture have actually formed up.

The main reason for success of bakery fast food is the faster pace of life.

Market Trends Taking a fast food becomes one of the living styles of Hong Kong People. ASIAN!!! Remuneration forecasted that the Chained Bakery products fast food becomes the highest growth till 2017. (Table 19)

Customers are steadily in favor of of fast food culture in the future, they are more health-conscious to healthier food such as sandwiches and salad. In the following table, it will summaries the bakery products fast food customers analysis.

Table XX: Bakery products fast food customers analysis Demographic

Segmentation Age: 16-49 Income level: low to medium Educated level:

Secondary school or above Geographic Segmentation Located to business

and industrial area Psychological Segmentation Time efficiency More health-

conscious (Comparing to traditional fast food) Reasonable pricing After

identifying the segmentation of bakery products fast food market, in the

following part, we will discuss the targeting and positioning of " Subway' in

Hong

Kong Targeting Subway targets market is young white-collars between age of 16th 39. 6 Subway targeted those young teenagers who are more concerning health and strong independence to make their own choice.

Subway provides the comparatively healthy sandwiches because they do not use any deep fry product. Another interesting statistics show that Hong Kong people are more considering their health comparing to the past. "

McDonald", One of the competitors of Subway. The Table below is shown that there is a slight decline of brand share for Mcdonald.

In the Contrast, Subways rand share grew 100% within 2011 to 2012. (Table Positioning There is a uniqueness of Subways sandwiches. Customers can decide the different varieties of food products for their own. Whatever the bread, veggies, dressing and meat, customer can choose these by themselves. Subway provides the barkers product image with fast, convenient, delicious, low pricing and healthy. Apart from the traditional fast food chained, Oliver's Super Sandwiches is the main competitor with Subway in Hong Kong (Graph X).

Subway sets themselves apart from Oliver's Super Sandwiches. Low price, fast revise, high quality, personal choices and healthy, etc. (Table Subway successfully set up the brand differentiation with Oliver's Super Sandwiches.

Journal of Business Management & Social Sciences Research BOMB&SSR)

Volume 2, No. 11, November 2013 Company Performance The market shares of Subway and its main competitor are stated below(Table) Company Shares

in Chained Fast Food % of Food Services Values 2009 2010 2011 2012

Subway 0. 4 0. 5 0. 8 Oliver's Super Sandwiches. 1. 2 1. 3 1. Table XX

Remuneration 2014 Figurer The Market Shares of Subway and Oliver's Super Sandwiches in Chained Fast Food % of Food Services Values from 2009-2012 (source : Euro 2014) From the above statistics shown that the market shares both subway and Oliver's Super Sandwiches are increasing steadily from 2009 to 2012. Although there is some drawback or remain unchanged for subway and Oliver's in 2011, the bakery products fast food rising increase of market shares in contrast of western traditional deep fry fast food decrease. (Table X) Especially Subway expanded by opening 12 outlets in 2012.

Figurer The Market Shares of western traditional fast food in Chained Fast Food % o Food Services Values from 2009-2012 Euro 2014) Introduction of Asian cuisines food products Other Competitors' Market Shares in Chained Fast Food % of Food Services Values from 2009-2012 SOOT analysts Oliver's Super Sandwiches Strength Low start up cost All outlets are owned High Brand Awareness of well-known brand Products with high variety and liberty choices for customers Comparatively healthy (Traditional fast food) Consistent Quality with regular training Only little spaces needed (Mainly takeaway service in HIKE) Associated with Cafe De Carol group (Strong food supply chain) Product with high and insistent quality control Providing fresh and healthy food products with wide range of choices. (Sandwiches, baked potato, pasta, breakfast and tea set) Internal Weakness Some franchisees might operate badly Franchisees restoration and control by Subway High employee turnover rate Franchised outlets cannot promote their own stores independently Customer not familiar with the dressing, ingredients, etc.

Low-profile promotion Bad web page promotion High start up cost (Limited expansion rate) High operation cost (wage, rent, food cost,) Limited capacity (Certain spaces needed) Restorative delivery and offering time due to the infrastructure and intoned environment Comparatively long waiting time(Traditional fast food) Opportunities Drive-through Services Digital Marketing (Mobile Ads) Home-meal delivery Introduction of Asian cuisines food products Continue to revise and refresh menu offerings Listening the relationship between Subway and franchised owners (autonomic make tactics) Introduction of Asian cuisines food products Introduction of organic food ingredients Growth of home-meal delivery Reduced inventory by centralization and standardized ordering system External Threats Food Safety problem (egg.

Gutter oil scandal, expired food supply) Trends to healthy life style (Changing customer behavior) Economic Recession Competition Rising rent in Hong Kong Dispute between franchisees and Subway Food Safety problem (egg. Gutter oil scandal, expired food supply) Substitution of other Western Fast food stores Economic downturn Recommendation Although, Subway has achieved unique marketing position and brand image in Hong Kong, they are also facing the changing marketing environment. There is no question that we are stepping into a high-technological world. The existing operation and promotion model used by Subway in Hong Kong might failure in some days.

According to Masons Matrix (1957), Marketing penetration, New products and services and market development are important to make a valid conglomerate diversification. For marketing penetration, Subway mainly

uses WHOM marketing strategic, we are rarely see subway pontoons on other channels. Setting free the restorations between Subway and franchisees and allowing existing franchisees to promote and establish marketing initiatives in certain extent with approval. For this purpose, this an consolidate the good relationship with franchisees and attract more individuals affiliation on Subway franchise. As mentioned before, Subway 's web page is really old-fashioned and simple designed. Improving the websites look and content would enhance the brand image of Subway.

Moreover, clearly explain and equilaterals the start up cost, procedures, difficulties and opportunities that franchisees might face would definitely building outlets and market expansion. For new products and services, there is no doubt that Asian cuisine and mobile marketing are inevitable for developing new potential franchisees and customers. Referring to the EURO 2014, Asian fast food chained is still the strongest growing trend for fast food industry in Hong Kong. Releasing the local cuisine with high quality food products, such as seafood ingredients, introduction of rice, etc.

Implementing self-ordering mobile APS for Subway could absolutely make a diversification within other fast food suppliers.

As we know, most of the customers perceive the quality of food served at fast casual dining. Using the mobile APS for " pre-Roding" Subways food products could lower customers' time consumption and enhancing the profit for sure. After building the loyalty for customers using mobile APS for ordering, Subway might also releasing " drive-through" services with mobile APS located at petrol station, car-park, etc. For Market development, Subway

is easily access into any types of location. The flexibly and simplicity of their operation is one of the competitive advantages of Subway. Establishing new stores in non-traditional sites might beneficial for subway market development.

For example, colleges and universities, museums and tourist spots or even in convenient store like 7-11 and circle-K. Conclusion To conclude with, Subway has positioned and bullied brand image with Manuel operation, quick, healthy, variety, and westerner in the fast food industry. In the forecasting fast food industry growth, the bakery fast food products have the great penitential to gain the market share in fast food industry. Based on the market audit, Subway should engage in the mobile market and Asian cuisine to higher the profit in the future. To get into the market, low profile-promotion for Subway is no longer available, Subway has to focus its promotion on tremendous mobile market in the future.