



## THE MARKET

The SUBWAY restaurant chain is the undisputed leader in the submarine sandwich and the world's largest restaurant chain. Offering a healthful alternative to traditionally fatty fast food has made the SUBWAY chain a popular destination for health-conscious consumers. Advertising for SUBWAY in the United States and Canada features the weight-loss success of Jared Fogle, an American college student who lost 245 pounds by including SUBWAY sandwiches in a diet and exercise program of his own design.

## ACHIEVEMENTS

Awards and accolades are commonplace for SUBWAY. In addition to its usual annual best-in-class marks for franchise opportunity and customer experience, SUBWAY's breakfast selections scored highest nutritionally in a 2012 *Consumer Reports* evaluation, and YouGov recognized SUBWAY as the Most Loved Fast Food Chain in the U.S., following a study tracking the most positive consumer buzz about a range of brands.

The simplicity of SUBWAY's concept allows the brand to occupy spaces that its competitors cannot. As a result, SUBWAY aficionados are likely to find their favorite quick-service restaurant in some interesting places. Some landmark SUBWAY locations include

- Clyde Peele's Reptileland, Allenwood, Pennsylvania
- Bingoland Bingo Hall, Killeen, Texas



• Duds and Suds, Omaha, Nebraska

• Discovery Center Museum, Fort Lauderdale, Florida

Over 8,000 nontraditional SUBWAY restaurants now operate around the world.

## HISTORY

Fred DeLuca was concerned about the future in the summer of 1965. He just finished high school and had no money for college. Fred thought of asking Dr. Peter Buck, a family friend, for some advice. The young DeLuca half expected Dr. Buck to offer to loan him the money. After all, they had known each other for years.

Something else happened.

"I think you should open a submarine sandwich shop," Dr. Buck suggested.

*What? What an odd thing to say to a 17-year-old kid,* thought Fred. Before Fred could respond or express his surprise, he heard himself say, "How does it work?"

Pete explained the submarine sandwich business, and as the DeLucas were getting ready to leave, Dr. Buck pulled out his checkbook and wrote a check for \$1,000. That was his investment in their new venture. On the drive back home, little did Fred know that eventually this new venture would grow to employ tens of thousands of people worldwide.

In 2012 the SUBWAY chain entered its 47th year of operation. The SUBWAY

chain — through its franchising model — operates more units in the United States, Canada, and Australia than does McDonald's.



## THE PRODUCT

SUBWAY is always enhancing its menu offerings, providing consumers a wide choice of subs, salads, side items, and breakfast sandwiches. All the subs are made right in front of the purchaser, according to each customer's exacting specifications.



The SUBWAY menu includes favorites that please the palate through the day and the year; featured, limited-time products are often available as well.

To help make choosing SUBWAY part of an overall approach to healthy living, in the Jared Fogle tradition, the SUBWAY website offers an





## GREEN FOCUS

SUBWAY is committed to ensuring that its restaurants and operations are environmentally responsible. The salad bowls and lids the restaurants use are made from 95 percent postconsumer recycled (PCR) materials — mostly plastic soda and water bottles. At this level of PCR material, and given SUBWAY's volume, the brand is keeping 2.62 million pounds of plastic from landfills. About 10,000 barrels of petroleum — about 500,000 gallons — would have been used to make those bowls and lids from scratch.

Another aspect of SUBWAY's Green Focus is to recognize partners of the brand's that annually contribute to environmental responsibility as well. For example, in August 2012 SUBWAY and its Independent Purchasing Cooperative presented CHEMCO Corporation, which provides hand soap and other cleaning and sanitation products to all SUBWAY restaurants in North America, with the brand's Social Responsibility Award. CHEMCO earned the recognition for its efforts to improve its hand soap product, making it even more sustainable, and lessening its packaging. CHEMCO, of Lawrence, Massachusetts, received the award at SUBWAY's Orlando convention.



array of tools and advice for its customers. Among the website's content are the following health-related features:

**Meal Builder and Meal Builder for Kids.** Visitors to the site can pick a sub, a side, and drink from SUBWAY's Fresh Fit menu and compare them against a Big Mac and a Whopper meal from two of the other fast-food chains.

**Expert Advice.** SUBWAY's experts, who advise the company on nutrition, weight management, lifestyle, and health issues, offer videos and articles promoting a healthier lifestyle.

### RECENT DEVELOPMENTS

The year 2012 was an active one for SUBWAY on the recognition front. YouGov's BrandIndex Buzz Ranking recognized SUBWAY as the Most



Loved Fast Food Chain in the U.S. Overall, SUBWAY rated ahead of Amazon, Google, Wendy's, and others. Zagat's annual Fast Food Survey placed SUBWAY in the number-one spot in the Top Service, Healthy Options, and Most Popular categories. In addition, Temkin's Customer Experience Ratings placed SUBWAY in the top 10 among 206 large companies across 18 industries.



### PROMOTION

Coronary artery disease is the most common form of heart disease and a leading cause of death worldwide. Almost a million people in the United States die each year from cardiovascular diseases and stroke, and one main reason is an inactive lifestyle. As a corporation, SUBWAY is passionate about heart health and doing its part to fight childhood obesity in particular. SUBWAY restaurants promote healthy eating habits and active lifestyles.

With the American College of Cardiologists (ACC), a national sponsor of the American Heart Association's Start! Movement, SUBWAY encourages men and women to walk and live a more active lifestyle. Of all physical activities, walking has the lowest dropout rate, and when it comes to heart health, beginning a walking plan is the simplest change in the right direction that someone can take.

SUBWAY's commitment in this area expands internationally. Community groups in the United Kingdom can apply to Heart Research UK for a SUBWAY/HRUK Healthy Heart Grant for projects that strongly promote heart health and healthy lifestyles.

SUBWAY is also a proud sponsor of the American Heart Association's Jump Rope for Heart and Hoops for Heart programs. These national programs engage children in and educate them about the importance of physical activity while raising funds to support life-saving heart and stroke research.

Among other organizations with which SUBWAY is involved are the American Cancer Society, Big Brothers/Big Sisters, Conservation International, the Multiple Sclerosis Society of America, the National Foundation for Teaching Entrepreneurship, and the United Way.

Many franchise owners and their employees also support local communities through product and financial donations.

### BRAND VALUES

Doctor's Associates Inc. (DAI), the franchisor of the SUBWAY restaurant chain, is an

affirmative-action, equal-opportunity employer. DAI is committed to taking positive steps toward increasing the representation of women and minorities in business and the work-

force in general. In addition, members of the SUBWAY restaurant chain take great pride in the knowledge and understanding that the organization and the individuals within it are against any type of discrimination against employees on the basis of race, sex, sexual orientation, gender identity, creed, religion, color, or national origin.



### THINGS YOU DIDN'T KNOW ABOUT SUBWAY

- The number and location of SUBWAY restaurants are updated daily on the SUBWAY website. When this piece was being written, there were 37,737 restaurants in 100 countries.
- When the company was founded, Dr. Peter Buck, cofounder, was a scientist with a doctoral degree, and Fred DeLuca had aspirations of becoming a medical doctor. Hence the name Doctor's Associates.
- SUBWAY Sandwich Artist™ Salvador Rodriguez from Arizona won the brand's most recent Sub Jammers Championship, taking first place in a field of about 140 Sandwich Artists from around the world at the brand's annual convention. Sub Jammers are assessed on speed, sandwich appearance, content distribution, and formula accuracy. Scoring is sandwich-making time in seconds, with points added for discrepancies.
- The first restaurant opened in Bridgeport, Connecticut, in 1965 and was called Pete's Super Submarines. The first franchised SUBWAY unit opened in Wallingford, Connecticut.