

case study. SUBWAY SANDWICH RESTAURANT

CHALLENGE

A 16 store franchise in Buffalo/Rochester New York, the goal was to generate more business using its current customer base through the “My Subway Mobile” program. The program was promoted through marketing brochures at restaurant cash points and Subway radio and television campaigns in the area.

After only a few months:

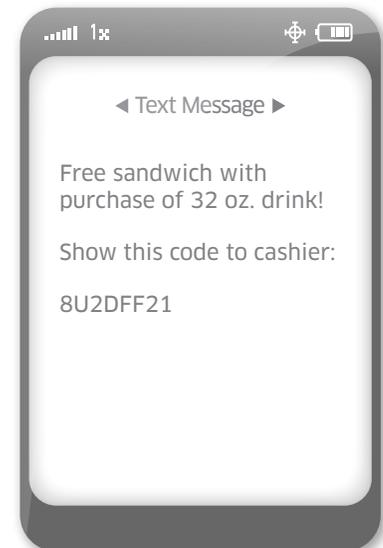
- 5,000 customers signed up
- 13,000 sent messages
- 8.8% redemption rate, compared to 1-2% for direct mail

When customers opted-in to the promotion they were sent product offers and coupons via email and text messaging.

RESULTS

Customers received a text message with an alphanumeric code for presentation to the cashier at the time of purchase. The first coupon entitled the new customer to a free six-inch subway sandwich with purchase of a 32-ounce drink.

Subway determined that the most effective campaign format featured three to four messages per month. Messages alerted the customer of an offer and would note an expiration date for the mentioned discount.





IMPACT

The campaign has been very successful for the 16-store franchise. After only a few months, 5,000 customers have signed up for My Subway Mobile and 13,000 messages have been sent. Of these 13,000 messages, 8.8% of the offers have been redeemed. In comparison, direct mail and newspaper coupon inserts, although reaching a far greater audience, resulted in only a 1% to 2% redemption rate.

This campaign proves especially useful in the winter months. The heavy snowfalls of the Buffalo area have traditionally discouraged customers from making the trip to their local Subway. With the campaign now in action, a buy-one-get-one-free SMS alert can be sent out resulting in near instant increased customer traffic.

This campaign was only possible through the use of SMS messaging. SMS allowed for instant delivery to all contacts with promotions that were valid immediately. This increased repeat business and allowed Subway to have some control of traffic.

Because of this success, Subway restaurants in Seattle have initiated a 300-restaurant campaign and a similar program in Knoxville, Tennessee, is being considered.