

A Study of Subway's Social Media Marketing Strategy

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Abstract. In the context of the continuous development and popularization of Internet technology, social media has gradually become a key part of the enterprise marketing system. It is vital to unlock and inspire brand potential by optimizing the social media program. 4P strategy analysis and SWOT analysis on Subway restaurant have gained remarkable attention in earlier research. However, previous studies fail to address the issues of Subway in China focusing on the perspective of social media marketing. The main purpose of this paper was to focus on uncovering what impede the expansion process of Subway China and how Subway will succeed in its Chinese market expansion by utilizing effective social media marketing strategies. The findings indicate that problems including intense competitiveness, inadequate localization and unsatisfactory social media operation are needed to be tackled, followed by further analyses eliciting several instructive suggestions revolving around the optimization of the social media marketing strategies of Subway China. Brand image promotion, interactivity enhancement and data analysis regarding to social media marketing strategies are proposed in this paper, aiming at providing referable approaches leading to a prospective future of Subway China.

Keywords: social media marketing, Subway China, marketing strategies.

1. Introduction

As one of the main channels of marketing, social media is becoming more and more important in the digital age. Internet availability enables wider use of social media platforms such as YouTube, Facebook and Instagram. Thus, more marketers have noticed the unique features of social platforms and networking sites and try to make good use of these tools to inform the audience, enhance customers' purchase intention and eventually turn attention to sales volumes. Therefore, analyzing the social marketing strategy is crucial for every brand that pursues a successful online or offline business.

In the fast-food industry, there are four features of social media marketing influencing the purchase decision of consumers, which are informativeness, perceived relevance, interactivity and entertainment [1]. Although the factor of entertainment proved to have little impact on the purchase intention, the rest of the three elements have positive effect on purchase decision [1]. Additionally, social media marketing plays a crucial part in constructing brand loyalty [2]. Previous studies have shown how social media functions in the marketing system of a brand and the importance of exploring the marketing potential of every brand in various social platforms and social networks.

Subway is a fast-food chain restaurant mainly serving submarine sandwiches of two sizes which are 6 inches and 12 inches. Known for its brand concept---eat fresh, the brand is famous for its individual serving, which means customers are able to choose the type of bread, vegetables and sauces they like to add to the sandwiches. Founded in America, Subway has been popular among Americans for a long period of time. Subway overtook McDonald's in 2010 to become the world's largest fast-food chain. However, in Chinese market, Subway is not as successful as KFC or McDonald. The number of Subway in mainland China is under 600 according to data released by China Chain Operation Association in 2023, far fewer than KFC and McDonald's, which are the western fast-food giants in China.

In recent studies, there is research focusing on how to promote the sales and size of Subway in China using the methodology of 4P (products, price, promotion and place) and SWOT model [3,4]. However, past researches fail to dive deeper into exploring its social marketing strategies comprehensively with the analysis of Chinese market trends and conditions. This study aims at

providing a new insight into how Subway is able to expand Chinese market effectively by adopting a proper strategy of social marketing.

All data used in this study are secondary data from newspapers or past reports to ensure the quality of the relevant information. The study will start from analyzing Subways' main problems by answering the question of what hinders the brand from continuing expansion and development in the market of China considering both external and internal factors, which is followed by some suggestions angling for an updated version of Subway with excellent brand building, deep consumer engagement and efficient data management through social media marketing.

2. Subway in China

Started from a restaurant named Super Submarine in Connecticut in America by founder Fred in 1965, Subway has been through a history of nearly 60 years to become one of the most well-known International fast-food brands. By 2024, Subway has over 37,000 chain restaurants in more than 100 countries and regions worldwide. As a fast-food brand, Subway is committed to serving healthy, fresh, affordable sandwiches as well as other products like salads, cookies and snacks.

As an international fast-food brand, Subway has been faced with notable challenges regarding the development in China. Up to now, the number of Subway stores in China has reached 700, with more than 200 directly operated stores. However, other leading global fast-food brands (KFC and McDonald) have several times as many outlets in China as Subway. KFC has even been reached 10,000 outlets in China by 2024. It is evident that the expansion of Subway in China is much slower than its competitors. Besides, its brand awareness in China is severely low. Additionally, the social marketing of Subway in China is severely lacking, which is a main problem concerning its brand recognition in today's digital era. Therefore, it is necessary to incorporate productive social marketing strategies into the whole marketing strategies for the future development of Subway in China in order to reinforce its brand awareness and even enhance the brand loyalty among the customers.

In recent years, Subway is undergoing a period of brand transformation and has launched a series of strategic initiatives in China. In June 2023, Subway's global headquarters announced that it had signed a new Master Franchise Agreement with Shanghai Fu-Rui-Shi Corporate Development Co. Ltd. (FRS) to significantly expand its operations in mainland China. This is the brand's largest franchise master agreement ever, and one of the largest franchise agreements in the entire fast-food chain industry, demonstrating its ambition and confidence in the Chinese market. According to public reports, FRS is planning to open nearly 4,000 restaurants in mainland China over the next 20 years, expanding Subway's current market size in China by more than seven times. Therefore, strategizing effective social marketing plan can serve as a powerful impetus driving the brand's expansion into the Chinese market, contributing to the strategic transformation of the brand.

3. Problems Analysis

3.1. High Competitiveness in Light Meal Market

With the abundance of material life, people's emphasis on diet has changed from eating enough to eating well. As there is an increasing number of people pursuing a healthy, low-calorie dietary lifestyle, a light eating trend is sweeping across many countries and regions. Many fast-food brands have already been taking the lead in adapting their products to seize this new opportunity. In February 2023, McDonald's has introduced fat reduction menus and de-sauced burgers with posted calories. Four months later, KFC introduced new products with less fat inside. Addition to this, Starbucks, Luckin and other coffee brands have started to serve light food dishes, leading to a more intensive competition in this field. With the support of the supply chain, more and more small and medium-sized businesses are entering the light food market [5]. Light fast food is a light-cooking and high-profit industry, so its threshold is low [5]. The problem of homogenization is serious [5]. Subway

updates its menu infrequently and lacks product diversity, leading to its relatively weak appeal to the customers and its more disadvantageous market position.

3.2. Insufficient Brand Localization

To win Chinese market, more adaptation regarding the products and marketing strategies to Chinese culture and trends must be undergone. In the early stage of entering the Chinese market, Subway rarely launched new products according to the preferences of Chinese consumers, or made some local improvements. Chinese food is famous for its diverse dishes and flavors, but Subway's menu updates slowly, not to mention its failure in satisfying Chinese consumers' tastes. Although this year Subway has started to offer more types of sandwiches specifically designed for Chinese customers like abalone prawn sandwich, there is still a long way to go to meet the expectations of this group. Besides, Subway has not developed marketing strategies according to the characteristics of consumers in different markets. In China, the young are the main consumers of fast food. So McDonald launched a kids' meal catering to children and inexpensive set meal for those with limited funds like students. The products of Subway target only a single type of person who favor light meal, leading to relatively low competitiveness. Additionally, the low localization of the brand's marketing strategies is another factor hindering market expansion. The marketing strategies of Subway fail to correlate with Chinese culture such as traditional customs and festivals as well as hot topics and trends in social media, contributing to low brand awareness and consumer perceived relevance.

3.3. Suboptimal Social Media Operation

Previous studies have found that the growing importance of social media marketing since the COVID-19 pandemic began in 2020 [6]. Companies taking social marketing into careful consideration are more likely to understand consumers' behaviors better and elicit effective decisions. Subway has been struggling with its social media operations in Chinese social sites and platforms. By October 2024, the official account of Subway has roughly 60 thousand followers on Weibo (one of the largest social platforms in China), much less than the figure for KFC (nearly 5 million followers) and McDonald (over 2 million followers). On Little Red Book, the Chinese version of Instagram and Pinterest, the numbers of fans of the official accounts of KFC (over 400 thousand) and McDonald (nearly 600 thousand) are also significantly higher than that of Subway (26 thousand). The amount of posts published by the official account of Subway (roughly 200) is far fewer than those of the other two International fast food chains (both over 1000). The above-mentioned data evidently show the inadequacy of social media operations of Subway in contrast with its competitors. Problems including insufficiently engaging content, low interactivity with the audience and ineffective marketing influences are needed to be addressed by the marketing department of Subway. More attention is needed to be paid to this aspect as it is of great importance to leverage social media to heighten brand awareness and influence customers' purchase intention by interacting with them online in today's digital marketing era.

4. Suggestions

4.1. Brand Building and Promotion

For brand image building and brand promotion, the importance of social media marketing is emphasized when the researchers found that integrated marketing promotional messages can be effective at influencing consumers' perceptions about product image and lead to consumption behaviors [7]. According to this finding, Subway should adjust its brand building and promotion strategies to raise the profile using content marketing via social media in China. First, producing high-quality, valuable content to existing or potential customers is a substantial part of brand promotion. Subway needs to understand the preferences and behavioral characteristics of its target customers in China by doing market researches like competitor analysis and analyzing consumers' psychology so as to better develop the appropriate types of contents containing creative characteristics, attention-

grabbing details and emotional appeal [8,9]. Besides, Subway can popularize the brand by looking for celebrity endorsement that in line with the brand image such as famous athletes to impress the audience with an image of healthy fast-food brand. In addition to this, previous studies have demonstrated that celebrity endorsement has a significant effect on purchase intention by creating waves of Word of mouth [9]. Additionally, accurately targeting the audience is one of the key elements promoting brand awareness and enhancing brand recognition [8]. Utilizing Big data technology and the algorithm is a good way to make market segmentation and customized advertising, improving the appeal of the brand to viewers so that the brand exposure and visibility can increase. For instance, Subway can co-branding with brands winning popularity among Chinese youths including Pop Mart and output appealing posts online while updating relevant packaging offline as well as refreshing the facade facilities into Pop Mart related styles to attract young group.

4.2. Brand Engagement Reinforcement

To enhance the relationship with customers, Subway ought to attach more importance to reinforcing customers' brand engagement on social media. Social media marketing managers should focus on posting interactive advertising messages containing a mixture of images, animations and videos that are possibly considered as relevant and engaging by the customers [2]. Based on the poor performance of Subway on Chinese social media, more effort is needed to be put into operating the official accounts of Subway on Chinese social media platforms especially on Weibo and Little Red Book, aiming at higher consumer engagement. Moreover, studies have shown that when customers have higher involvement with the interactive posts of brand, they are likely to post their experiences or feelings on the social media pages, which leads to the formation of consumer-generated marketing [10]. By means of sharing their thoughts and ideas, a stronger relationship between the brand and the customers is fostered, which is beneficial to the brand loyalty. These consumers' generated contents on various social platforms also serve as an undeniable source of customers who might be the viewers of these posts.

4.3. Data Analysis

In terms of product innovation, the brand needs to analyze the data including customers' purchase pattern and market trends to bridge the gap between the offering products and customer's preferences and therefore update the menus accordingly. The integration of big data and analytics into marketing strategies has fundamentally altered how businesses approach market analysis, customer engagement and innovation [11]. For Subway, investment in data management and analytical capabilities is needed to harness the full potential of big data [11]. In China, a frequent analysis of feedback of the products in social media using big data or third-party data tracking tools is necessary, which should provide a general overview of what products are popular among Chinese consumers and what are needed to be replaced by other products catering to Chinese flavors and dietary habits. In terms of boosting customer engagement, by employing advanced algorithms and machine learning techniques to analyze data of customer behaviors, Subway will be more likely to continually output contents in social media that are intriguing and appealing to customers and adopt effective incentive mechanisms according to the collected information to improve customer interaction. In sum, data-driven strategies can enhance the accuracy and effectiveness of social media marketing of Subway. On top of that, data collection and analysis facilitated by technology allows Subway to make more adaptable and resilient marketing decisions.

5. Conclusion

Based on the status of development and the current situation of Subway, the study unveils the existing issues of Subway concerning its expansion into the Chinese market. Intense competition between fast food chains, low level of localization and insufficient social media operations have been found later as the indispensable factors contributing to the subpar performance of Subway in Chinese

market. To address the issues, the analysis of the social marketing strategies of Subway in order to succeed in Chinese market in the digital age is then completed, putting forward referable measures consisting of brand promotion strategy, customer relationships management and data analysis. To achieve successful brand building and promotion, high-quality contents, celebrity endorsement and accurate targeting are crucial elements for raising brand awareness among Chinese consumers. Besides, maintaining intimate relationships with the public through enhancing customers' brand engagement and harnessing consumer-generated marketing are essential for brand loyalty. Additionally, incorporating data collection and big data analysis using algorithms or third-party data tracking tools into social media marketing is one of the keyways to update the marketing strategies according to the characteristics of a specific market.

The study provides a useful guide and reference for the future development of the fast-food brand Subway as well as other growing fast-food brands undergoing market extension internationally. However, there are some defects within this paper that need to be solved in the future. The lack of primary data from field researches and the limitation of merely focusing on the optimization of the social media marketing strategies is noticeable. Further studies need to be conducted to make up for the insufficiency of data and to take other marketing strategies into consideration to accomplish a comprehensive and effective marketing strategy system.

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