

Strategic Marketing Plan for Subway UK

2025-2026



Unit name: Strategic Marketing

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Module code: BMBM6016

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Executive Summary

This strategic marketing plan analyzes Subway's competitive positioning in the UK fast food market and proposes a comprehensive digital transformation strategy.

The study employs the SOSTAC framework for structured analysis, utilizing secondary data analysis and competitive benchmarking methodologies.

Subway maintains 93% brand awareness but only 35% usage rate, indicating significant conversion potential through digital capability enhancement.

Achieve 30% increase in digital sales revenue from September 2025 to August 2026, supported by market penetration strategy targeting health-conscious professionals and tech-savvy younger consumers.

Implement digital-exclusive menu items, dynamic pricing, enhanced app functionality, improved delivery capabilities, and data-driven analytics.

A phased 12-month implementation with clear KPIs positions Subway to capitalize on changing consumer behaviors and strengthen market position against aggressive competition.

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1.0 Introduction

The fast-food industry is highly competitive in the UK, with several chains fighting to gain the favor of the customers while their tastes and economic situations change. This marketing plan employs the SOSTAC framework to develop a digital transformation strategy for Subway in the highly competitive UK fast-food market, where Subway positions itself as a healthier alternative offering customizable sandwiches (Ganatra et al., 2021). Developed by PR Smith in the 1990s, the SOSTAC framework (Situation, Objectives, Strategy, Tactics, Action, Control) breaks down complex strategies into manageable components, ensuring comprehensive coverage of all planning elements (Chaffey, 2023). This approach establishes SMART objectives (Specific, Measurable, Achievable, Relevant, Time-bound) for the implementation period from September 2025 to August 2026.

2.0 Main Findings

2.1 Situation Analysis

Subway currently occupies the mature stage of market development with 2,500 stores covering 98% of UK town centers, indicating market saturation rather than growth phase. Key challenges include low digital engagement (18% digital sales versus 28% at McDonald's) and poor usage rate (35% despite 93% brand awareness), positioning Subway for digital transformation to capture untapped market potential. According to Brown (2023), Subway operates as a major player in the UK fast food market with approximately 2,500 stores nationwide. The marketing audit revealed several key insights about Subway's current position, which forms the foundation for this digital transformation strategy.

2.1.1 External Analysis Summary

PESTEL

PESTEL analysis examines the macro-environmental factors affecting an organization through six dimensions: Political, Economic, Social, Technological, Environmental, and Legal, providing a comprehensive overview of external influences that may impact strategic decision-making. Political and economic factors create significant challenges for Subway UK, with Brexit increasing supply chain costs by 12% (Fauziah and Susanto, 2023) and the cost-of-living crisis

altering consumer spending habits, though daily deals boosted sales by 34% (Broadbent et al, 2023). Sociocultural trends favor Subway's health positioning, with 67% of UK consumers wanting calorie labels (Daley et al, 2023) and plant-based food sales growing 23% in 2022 (Zhao et al, 2023).

Technological advancements present opportunities through AI ordering systems that increased unit prices by 12% (Doğan and Niyet, 2024) and blockchain for ingredient traceability. Environmental regulations like the UK's Plastic Packaging tax of £200 per ton (Parente, 2024) pushed Subway to adopt compostable packaging, increasing costs by 15% while reducing emissions by 30%, alongside plans to halve emissions by 2030 (Lall et al, 2024). Legal requirements including UKCA certification and UK Labour Code compliance create additional operational considerations (Secretariat, 2021).

Porter's Five Forces

Porter's Five Forces analysis examines industry competition through five key factors: supplier power, buyer power, threat of substitutes, threat of new entrants, and competitive rivalry, enabling businesses to assess market attractiveness and competitive intensity. Porter's Five Forces analysis revealed intense competitive pressure (Porter, 2024). Supplier power is medium due to local sourcing dependencies and reliance on a small number of core suppliers. Buyer bargaining power is high, with 42% of UK customers finding Subway's menu lacking in innovation according to a YouGov survey (2024). The threat of substitutes is high from traditional restaurants, health food stores and home cooked meals. The threat of new entrants is medium, with virtual kitchen brands and international chains expanding in the UK market. Competitive rivalry is high, with chains like McDonald's, Greggs, Costa Coffee and Starbucks offering overlapping products

2.1.2 Internal Analysis Summary

The VRIO framework evaluates resources based on four criteria - Value, Rarity, Imitability, and Organization - to determine whether they constitute sustainable competitive advantages. The VRIO analysis identifies Subway's valuable resources as its flexible product customization and healthy fast-food positioning. Rare resources include its dense network covering 98% of UK town centers and rapid expansion franchise model (Subway, 2023). Inimitable resources encompass the brand's history, supply chain relationships, and English Football League

sponsorship creating emotional connections with British consumers. Organizational capabilities feature effective franchise management and real-time central data platform analyzing sales, weather, and social media trends nationwide. The franchise network provides temporary competitive advantage (valuable, rare, organized but imitable), health brand positioning offers sustainable competitive advantage (meeting all VRIO criteria), while the central data system delivers competitive parity (valuable and organized but neither rare nor inimitable).

2.1.3 TOWS Analysis

The TOWS matrix extends SWOT analysis by matching internal factors (strengths/weaknesses) with external factors (opportunities/threats) to develop actionable strategic directions. According to Lucidity (2020), based on the SWOT analysis from previously, a TOWS matrix has been developed to identify strategic directions for Subway.

Table 1: TOWS Analysis for Subway UK

	Opportunities	Threats
Strengths	•Expand plant-based menu options (23% UK demand growth). •Develop locally-inspired British menu items	• Differentiate through fresh ingredients and customization. •Enhance delivery capabilities using dense store network.
Weaknesses	• Implement dynamic pricing strategies. • Accelerate menu innovation cycles	•Enhance digital platforms for improved engagement. •Develop delivery solutions through partnerships and ghost kitchens.

Table 1 presents the TOWS analysis for Subway UK, showing strategic directions based on the interaction of internal and external factors.

2.1.4 Objectives

Based on the situation analysis, this marketing plan focuses on developing Subway's digital transformation to enhance customer engagement, sales and competitive positioning. The primary strategic marketing objective is to increase digital sales revenue by 30% in the UK market from

September 2025 to August 2026. From the 18% baseline to the 23.4% target (30% relative increase), the 30% aim closes the performance gap with McDonald's (28% digital sales vs. Subway's 18%).

This objective meets SMART criteria being Specific (targeting digital sales), Measurable (through digital metrics), Achievable (based on industry trends), Relevant (addressing competitive pressures), and Time-bound (12-month implementation period).

This SMART objective (Specific, Measurable, Achievable, Relevant, Time-bound) is justified by Subway's global digital sales growth to \$1.3 billion since 2019 (Eightception, 2024) and the substantial gap between UK brand awareness (93%) and actual usage (35%), with 42% of customers perceiving menu innovation gaps (Kunst, 2023).

2.2 Strategy

To achieve the objective of increasing digital sales revenue by 30%, Subway will implement a market penetration strategy within Ansoff's Growth Matrix. This approach focuses on selling more of existing products to current markets through enhanced digital channels.

2.2.1 Ansoff Growth Matrix Application

Ansoff's Growth Matrix categorizes growth strategies into four quadrants such as market penetration, market development, product development, and diversification helping businesses choose appropriate expansion strategies based on risk and existing capabilities. Market penetration is critically selected over market development or diversification strategies due to its lower risk profile and alignment with Subway's existing infrastructure. While market development could target new geographic areas, the UK market saturation at 98% town center coverage makes this less viable. Product development holds potential but requires substantial R&D investment. Market penetration leverages established brand equity and operational capabilities while addressing the clear gap between 93% brand awareness and 35% actual usage.

2.2.2 Porter's Generic Strategies

Porter's Generic Strategies framework identifies four fundamental competitive positions such as cost leadership, differentiation, cost focus, and differentiation focus, enabling businesses to establish sustainable competitive advantage by selecting the most appropriate strategic approach for their market position. Subway will maintain its differentiation focus strategy, emphasizing its

unique value proposition of customizable, fresher and healthier fast-food options. However, closer inspection exposes risk due to rivals' expanding health product offerings. Digitization has to support differentiation through increased capabilities for customization over today's market levels since Subway's competitiveness is based on product features such as design, freshness, and quality, according to Mitchell (2023). This aligns with Mitchell's (2023) observation that Subway's competitive strategy of differentiation focuses on product characteristics, such as design, freshness, and quality, to attract consumers away from competitors.

2.3 STP Strategy

STP (Segmentation, Targeting, Positioning) is a three-step marketing framework that involves dividing the market into distinct groups (segmentation), selecting which segments to address (targeting), and creating a distinct value proposition to occupy a meaningful place in consumers' minds (positioning). Segmentation targets two primary groups: health-conscious professionals aged 25-45 seeking convenient nutritious options, and tech-savvy consumers aged 18-24 prioritizing digital ordering and delivery. Primary targeting focuses health-conscious professionals' segment, aligning with Subway's established positioning while offering substantial digital growth potential. This demographic demonstrates higher disposable income and positive response to convenience-health combinations. Positioning establishes Subway as digital-first healthy fast-food provider offering unmatched customization and convenience. Positioning statement: For health-conscious consumers seeking convenient meal options, Subway delivers the freshest, most customizable meals through seamless digital ordering.

2.4 Marketing Mix

The Marketing Mix is a framework that helps organize marketing tactics into seven key elements (7Ps): Product, Price, Place, Promotion, People, Process, and Physical Evidence, providing a comprehensive approach to meeting customer needs while achieving organizational objectives. The marketing mix tactics will focus on implementing the digital transformation strategy across all elements.

2.4.1 Product

Subway will implement a focused product strategy with three key initiatives: data-driven "Signature Collection" sandwiches featuring popular customization combinations; health-

focused "Subway Bowls" and convenient "Subway Flatbreads"; and plant-based protein alternatives through Beyond Meat partnerships to leverage 23% UK market growth (Zhao et al., 2023). Digital channels will feature exclusive menu items, visual sandwich customization tools, and delivery-optimized meal options designed to maintain quality during transport.

2.4.2 Price

Pricing tactics will include AI-driven dynamic pricing adjusting by time, location and demand patterns, which has enhanced McDonald's UK profitability (Kumari, 2024), alongside a tiered loyalty rewards system based on purchase frequency, a subscription service offering regular discounts or free delivery similar to Pret a Manger's coffee subscription, and value-focused digital meal deals designed to increase average transaction values through sides and drinks additions.

Table 1: Digital Channel Performance Metrics at Competing UK Fast Food Chains

Brand	App Downloads	Active Monthly Users	Digital Sales %	Customer Rating
McDonald's	5.2 million	2.3 million	28%	4.2/5
Greggs	3.1 million	1.4 million	22%	4.4/5
Subway	1.7 million	680,000	18%	3.9/5
KFC	2.8 million	1.2 million	25%	4.0/5

Table 1 compares digital performance metrics across major UK fast food competitors, highlighting Subway's current digital market position and the opportunity for improvement through targeted digital transformation strategies (Caddy, 2024).

2.4.3 Place

Distribution tactics prioritize Subway app redesign featuring improved user experience, accelerated checkout flow and personalized recommendations based on order history. Dedicated delivery kitchens establishment in high-demand areas with limited physical presence optimizes digital order fulfillment. Third-party platform partnerships (Deliveroo, Uber Eats, Just Eat)

strengthened while maintaining direct ordering capability. Store layout modifications include dedicated digital order pickup areas reducing wait times.

2.4.4 Promotion

Promotional tactics emphasize data-driven personalized email and push notification campaigns aligned with customer ordering patterns. Platform-specific content investment targeting younger demographics through memes and Gen Z language mirrors current Instagram approach (Eightception, 2024). UK health and fitness influencer partnerships promote digital ordering options. Location-based mobile advertising deploys special digital-only offers near Subway locations.

2.4.5 People

For people, comprehensive training will be developed for all staff on digital order fulfillment, ensuring speed and accuracy. Team members will be designated and trained to assist customers with app downloads and first-time digital orders in store. Better communication protocols and relationships with third party delivery drivers will be established to ensure order accuracy and timeliness.

2.4.6 Process

In store processes will be redesigned to prioritize digital orders during peak times without compromising walk in customer experience. Seamless integration between point-of-sale systems, kitchen display systems and digital ordering platforms will be ensured to reduce errors and delays. Enhanced data collection processes will be implemented to gather insights on customer behavior and preferences through digital channels. A monthly review process will be established to identify bottlenecks in the digital customer journey and implement solutions.

2.4.7 Physical Evidence

Consistent digital branding will be created across all platforms that reinforces Subway's fresh and healthy positioning. Digital menu boards will be installed that can be updated centrally and promote the benefits of digital ordering. Specialized packaging will be developed for delivery orders that maintains food quality and temperature while prominently featuring QR codes for easy reordering. An intuitive, visually appealing app interface will be designed that showcases fresh ingredients and customization options.

2.5 Action

To implement the tactics outlined above, a clear assignment of responsibilities and timeline is essential. The implementation will be phased over the 12-month period, with key departments taking ownership of specific initiatives. The UK Digital Transformation Team will lead the implementation, consisting of representatives from UK Marketing Department, IT and Digital Development, Operations Management, Training and Development, and Customer Experience. Each tactical element will have a designated owner responsible for implementation, with regular cross functional meetings to ensure alignment.

Figure 1: Gantt Chart for Subway UK Digital Transformation Implementation

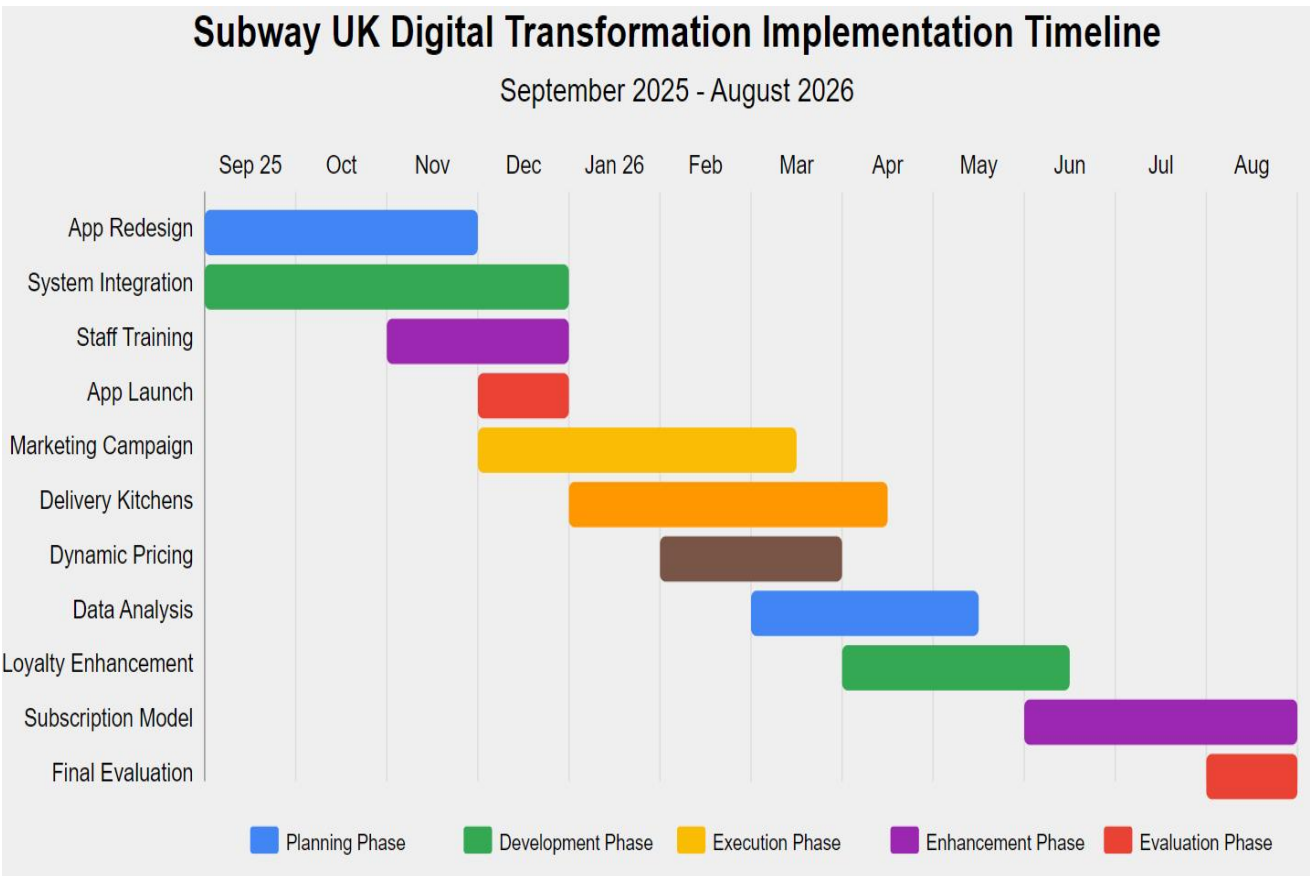
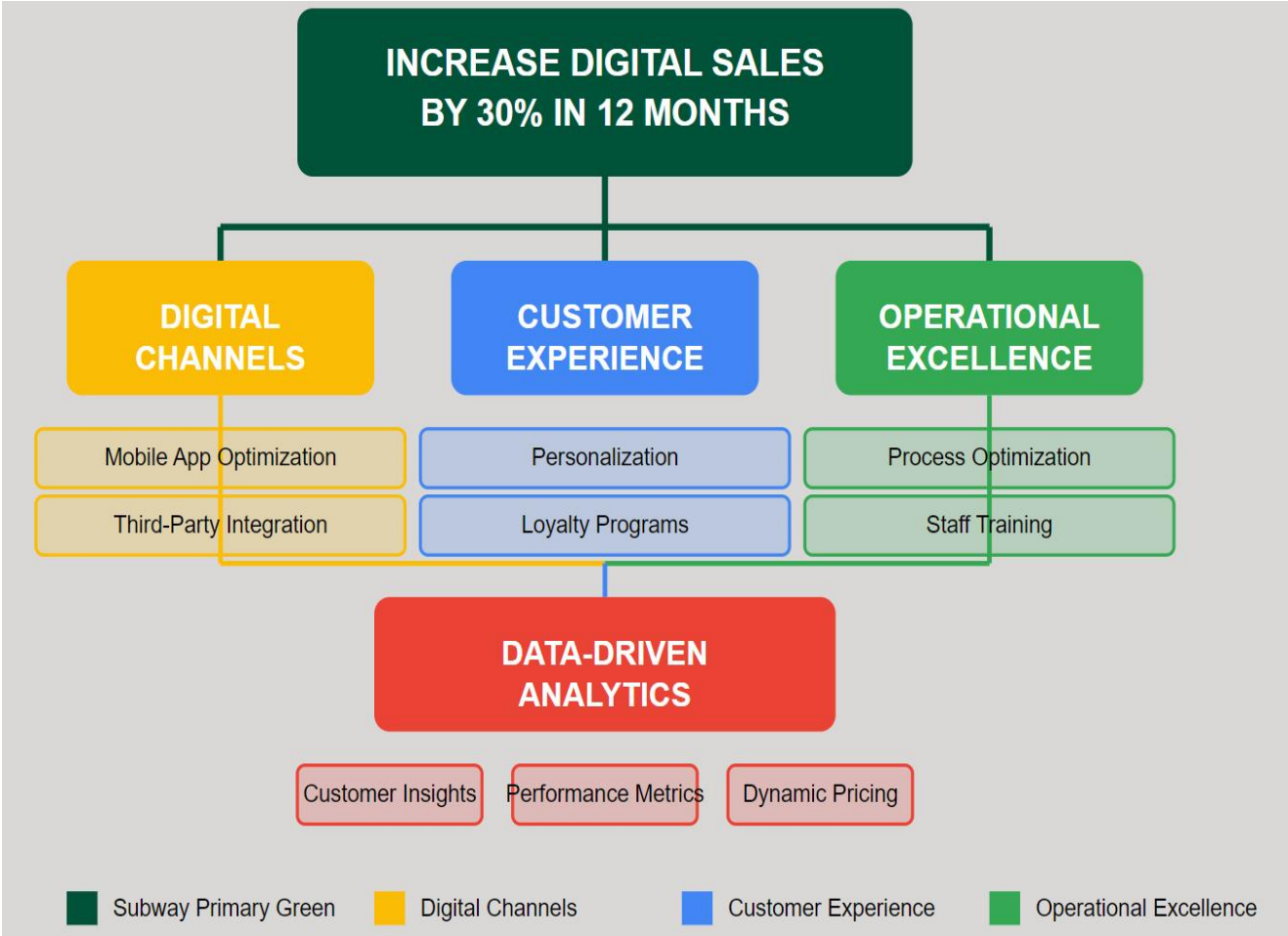


Figure 1 presents the implementation timeline for Subway's digital transformation initiative, showing the sequencing and duration of key activities throughout the 12-month period from September 2025 to August 2026.

2.6 Control

To ensure the digital transformation initiative achieves its objective, a robust monitoring and evaluation framework will be implemented.

Figure 2: Digital Transformation Strategy Framework



The strategic framework (Figure 2) illustrates how digital channels, customer experience, operational excellence, and data-driven analytics support Subway's objective of increasing digital sales by 30% (Mitchell, 2023).

Table 2: Digital Transformation KPI Framework

KPI	Current Baseline	3-Month Target	6-Month Target	12-Month Target	Measurement Frequency

KPI	Current Baseline	3-Month Target	6-Month Target	12-Month Target	Measurement Frequency
Digital Sales Revenue	Base	+10%	+20%	+30%	Weekly
Digital Transaction Count	Base	+8%	+15%	+25%	Daily
Average Order Value	Base	+3%	+6%	+10%	Weekly
App Downloads	30,000/month	40,000/month	45,000/month	50,000/month	Monthly
Active Users Rate	30%	33%	36%	40%	Monthly
Conversion Rate	22%	25%	28%	30%	Weekly
Customer Satisfaction	4.0/5	4.2/5	4.3/5	4.5/5	Monthly

Table 2 presents the KPI framework for tracking digital transformation, featuring progressive 3-month targets and measurement frequencies for metrics including digital transaction count, delivery time, sales revenue, average order value, app downloads, active users, conversion rate, and customer satisfaction (Brand Vision Insights, 2024). The UK Digital Transformation Team will monitor metrics daily/weekly/monthly, conduct regular reviews, and implement biweekly improvements based on customer feedback. Corrective measures for missed targets include special offers, app updates, budget reallocation, and pricing adjustments to enhance conversion rates.

3.0 Conclusion

In conclusion, this strategic marketing plan centers on digital transformation and applies a complete approach to every part of the marketing mix to meet changing customers' needs and compete with others. The market penetration strategy uses Subway's experience in customization and health to improve its online services for today's customers. Using the SOSTAC framework has enabled a structured approach with clear situation analysis, objectives, strategy, tactics, action steps, and control measures that, with dedicated implementation, positions Subway to achieve its 30% digital sales growth objective from September 2025 to August 2026, ultimately strengthening its competitive standing in the UK fast food market.

4.0 Recommendations

Based on the marketing plan developed, several recommendations are provided to ensure successful implementation:

- Establish robust data analytics capabilities to enable personalization and customer insight analysis, essential for competing against data-driven competitors like McDonald's who achieve higher digital engagement through personalized offerings.
- Develop integrated communication framework between digital platforms and in-store operations because consistent messaging is essential.
- Create a specialized team focused on continuous digital innovation to stay ahead of competitors and maintain leadership in digital transformation. This team is essential because 93% brand awareness versus 35% usage rate presents significant conversion opportunity.

Establish strong partnerships with technology providers to ensure system reliability and scalability as digital volume increases.

Word Count: 2506

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