

## Quiznos Case Study

### Stratford University

- Quiznos sells themselves as “The little sub shop that began over 30 years ago in Denver, CO still has the same bold ideas that we had in the beginning. We boldly believe that your food should taste great and that we should use only the highest quality ingredients to create your perfect lunch.” They pride themselves in making every sandwich to order and maintaining uncompromising quality in their product. They embrace diversity and, according to their corporate website, strive to “contribute to a workplace where our team members are compassionate and show respect for our different backgrounds, values, and beliefs.”
- Quiznos, based in Denver, Colorado is a franchised fast food restaurant that specializes in toasted submarine sandwiches. It was started in 1981 by Jimmy Lambatos, who began to sell franchises, under the name Quiznos American Inc., about two years later to fund expansion. This expanded the number of stores to 18 when the entire chain was purchased by Rick and Richard Schaden in 1991, changing the name to The Quiznos Franchise Corp. In 1995 Quiznos became publicly traded. At its peak, Quiznos had 5000 restaurants both domestically and internationally. Their main competitor was Subway.
- During the recession of 2007-2009, approximately 2000 Quiznos closed. Avenue Capital Group of New York purchased the majority of the company stock in January 2012, to help eliminate the \$900 million debt and to infuse some capital into the company to keep it afloat. However, even with the infusion of capital and hiring of the former UPS store president as CEO, on March 14, 2014, Quiznos filed for Bankruptcy. Through Chapter 11 Quiznos hopes to restructure its debt and make improvements in its operations. During the period between 2002 and the present, a number of law suits were brought against Quiznos, one even ending in the suicide of a franchise owner. However, many analysts suggest that the major problem underlying Quiznos decline is their marketing.
- Questions for Reflection:
  - View some of the advertisements used by Quiznos over the years at <http://youtu.be/7LQpRQh2KSQ>
  - What problems do you see with the advertising?
  - What do marketing experts say about who Quiznos is and how they sell their product?
  - What would you do differently?