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Quiznos Agency Angst: Creative Destruction in a Philosophic Vacuum

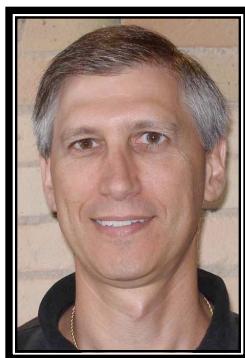
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There are times when I watch a TV advertisement or hear a radio ad that I stop and wonder: wasn't anybody thinking? Such was the the case with Quiznos Canadian campaign in 2006. I wrote a letter to Marketing Magazine expressing my dismay. Then I received an anonymous e-mail explaining things to me from someone purportedly with the agency. That letter explained much more to me about how value-destroying marketing messages happen than I'm sure its author intended.

In February of 2006, Quiznos Subs was running radio spots in Toronto to celebrate their tenth year in Canada with a lower price menu.

Quiznos is a huge success story in the “quick service” food market with 400 stores in Canada at the end of 2005, expectations to open another 70 in 2006, and revenues approaching \$250 million. Their success comes from their high quality sandwiches and toasted artisan breads, and certainly not from their confusing ordering process and poor store signage for the uninitiated. They are also feeling pressure from the



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price differential between their subs and the alternatives available to customers, from the likes of Subway, Mr. Submarine, and McDonalds.

In a February 1, 2006 press release, Quiznos President Greg MacDonald is quoted: “We’ve lowered our prices on the entire menu – not just one or two items – because we want to do our part in making eating more affordable. Canadian consumers are tired of constantly rising prices. Besides, nothing goes better with the finest cuts of meat than a cut in prices.”

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Well, all of that is good marketing PR I suppose, but the real reason prices are falling at Quizno's is that over \$1 million in market research with 10,000 "users" revealed that consumers love the product but not the premium price. President Greg MacDonald is quoted in Marketing Magazine's Marketing Daily (February 6, 2006): "We're actually almost categorized as a treat and we can't build 1,000 stores on being a treat."

To promote its lower prices, Quizno's ran a \$5 million ad campaign across Canada, created by its new agency, Olgivy & Mather in Toronto. One of their radio spots criticizing bank profits, and by implication the profit motive, caught my attention.

Here's the letter I wrote to *Marketing Magazine* that appeared in their February 27, 2006 print edition (http://www.marketingmag.ca/magazine/current/letters_to_editor/article.jsp?content=20060227_74670_74670).

To The Editor:

Quiznos is celebrating its 10th year of phenomenal growth in Canada with a reduction in prices and, surprisingly, an attack on the virtue of profit-making.

As all marketers should know, profits are evidence that a business has provided a solution perceived to be of value to customers. This is true, even if those profits are earned by a bank or an oil company, as long as they are earned through voluntary exchange in a free-market.

It is therefore unfortunate that the writers of the latest Quiznos radio ads criticize business profits and thereby imply that Quiznos' lowering of its prices is an attempt to take the

moral high road by decreasing its profit ambitions. Such immoral rhetoric only serves to reinforce the anti-business sentiment deeply imbedded in our society, a sentiment that is, by extension, anti-Quiznos. Quiznos is a great success story, and deserves every penny of profit it earns, and should never have to apologize for it or put the legitimacy of those profits into question.

Shame on Quiznos and its agency for catering to this irrational sentiment and aligning itself with minds that are only too willing to deny the right of Quiznos, its franchisees, and its agency to keep the profits they have justly earned entirely through voluntary exchange of values.

Regards,

Barry Linetsky

Partner

The Strategic Planning Group

Later that week I received an e-mail through our website from what I assume to be an anonymous source going by the name Neil French Jr.

I surmise, with no solid evidence other than a hunch, that Neil French Jr. is the pseudonym of a Neil French wannabe, and someone who works at Ogilvy, and possibly on the Quiznos account.

You may recall the controversy in the fall of 2005 when the real Neil French made headlines around the world in marketing circles. In response to an audience question at a public Q&A in Toronto as to why there were not more women creative directors, French purportedly responded to the effect that their child-raising responsibilities prevented them from committing fully to the job. It is alleged by those who were there that this viewpoint

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was summed up in the first three words out of his mouth in response to the questioner: “because they’re crap.”

Neil French chose to resign from WPP worldwide as a result of this incident, but one of WPP’s agencies just happens to be Ogilvy & Mather, which just happens to be Quiznos’ agency (which it was not at the time of Neil French’s remarks). Imagine my surprise then, in response to a letter critical of Quiznos creative, when I received an email from someone claiming to be Neil French Jr.

Neil French Jr. may possibly be the real name of the person who sent me the e-mail, and he may not work for or be affiliated with Quiznos in any way, but that’s unlikely given the content of his e-mail and his passion to defend their radio ads and to take the time to find the T.S.P.G. website and to write to me.

Here’s what Neil French Jr. wrote:

Date: Fri, 3 Mar 2006 18:03:59 -0500 (EST)

From: nuts bolts

Subject: ATTENTION: Barry Linetsky

To: info@tspg-consulting.com

Dear Barry,

I sincerely hope your letter to Marketing (re: Quiznos Lower Prices campaign) was tongue firmly planted in cheek, because it did make all of my co-workers chuckle.

It's either you were going for the funny bone or you're not the sharpest knife in the drawer when it comes to advertising.

Coming from a company which features the word "Strategy" in it's name, one would think you could

pick up on the strategy employed by Quiznos in their latest marketing effort.

Little background on Quiznos for ya... they are notoriously expensive compared to the competition.

Heck a lunch there last week put me back \$11 bucks, for a freaking sub! I like many others still flock there for the occasional lunch, they do make a good product.

Here's their strategy: Since they have a healthy mark-up on their products, they can actually afford to "Lower prices" and still make a killing. Their touted "Lower prices" actually bring them in

line with some of their competitors. And when Mr. and Ms. Consumer notice the "Lower prices" pitch they are likely to take Quiznos into consideration for lunch. Plus they are likely to increase the frequency with which the consumer visits!

It's called increasing traffic. This strategy may very well increase profits. And they have to compete now that their competitors are starting to offer higher quality sandwiches. Very simple.

So don't be so hard on Quiznos, they're not actually attacking profit-loving businesses (as if there is any other kind). They are making the consumer think they are getting a deal, so they are in fact actually acting like the greedy profit-motivated sons of bitches that they should be.

Hope this clears things up for you. At least you have the sense to use a Mac.

NF Jr.

It’s not my habit to reveal private e-mails that may in any way embarrass somebody, so I’m taking a small chance here that I may one day have the pleasure to meet Neil French Jr. in person, and he will actually be the son of Neil French. I did e-mail this person indicating that I would be happy to respond to the e-mail and inquiring as to whether he (or she?)

“It’s either you were going for the funny bone or you’re not the sharpest knife in the drawer when it comes to advertising...So don’t be hard on Quiznos, they’re not actually attacking profit-loving businesses (as if there is any other kind). They are making the consumer think they are getting a deal, so they are in fact actually acting like the greedy profit-motivated sons of bitches that they should be.”



worked for either Quizno's or their agency, and that if he would like me to respond, he would have to e-mail me back from his business e-mail so that I could verify the existence of the person I was responding to. No response was received, for reasons that I take to be self-evident. Hence, in my opinion, the e-mail is spam, unattributable to anyone in any official capacity from O&M who is willing to accept responsibility for sending it, and is thereby fair game.

It would be easy to ignore this e-mail, but I think that it was written as a semi-serious attempt to educate me. Therefore it does deserve a response. It also deserves a response because it represents a common perspective and attitude I have seen and experienced from many agency people I have worked with over the years. So, applying the freedom of creative license, I will imagine that the pieces are what they appear to be, and that NF jr. is a member of the Quiznos account team:

Dear Neil:

I'm happy I was able to provide a chuckle to you and all of your co-workers.

I'm sure your co-workers also got a good chuckle at all of the personal insults you were able to cram into your e-mail when you bcc'd them.

Quiznos is a great success story, as I pointed out in my letter to Marketing, and they wouldn't have been able to do it without great product and perhaps also great marketing communications. So if you and/or your co-workers continue to play a positive role in

contributing to their success, then congratulations to you and your co-workers. (You fail to identify where you work or what you do at work, your return e-mail address is not a business address unless you work for Yahoo, you may or may not be a jr. version of Neil French, and you may or may not be associated with Quiznos or their agency. Given that your e-mail is an attempt to defend the ad, I will assume you are associated with the latter.)

What I find objectionable and "shameful" is that the ads pretend to attack profit-making businesses, which is much worse than actually attacking the profit motive because it is dishonest and pandering to the rampant anti-business sentiments pervasive in our society.

As for the desire of Quiznos to earn a profit, you can rest easy that I wasn't fooled by the ads. And I'm sure no one who heard the ads was fooled either.

I know that Quiznos senior executives aren't "actually attacking profit-loving businesses," as you put it, even though that's what they are communicating to the public, and paying with profit-seeking shareholder and franchise-owner dollars to do

so. And that's precisely the problem from a business and marketing communications perspective.

What I find objectionable and "shameful" is that the ads pretend to attack profit-making businesses, which is much worse than actually attacking the profit motive because it is dishonest and pandering to the rampant anti-business sentiment pervasive in our society. In my opinion, there is enough business bashing as a prominent feature of our culture that businesses themselves should not condone or sanction it, and certainly should never engage in the further promotion of this viewpoint. If anything, they should adopt the opposite strategy, for example, "We're suc-



cessful because when given a choice, more people choose Quiznos. They love our toasted subs made from only the finest and freshest ingredients."

The proof that business bashing and a general disdain for profit-making has become ubiquitous is the Quiznos ad itself.

Through the creative and approval process, those involved thought it was in some way advantageous to Quiznos customers, employees, franchise owners, and shareholders, that it adopt a communication strategy that criticizes bank profits in particular, and, by implication, business profits in general, including those of Quiznos and their franchisees. Criticizing profit-making was not accidental to the execution of the communications strategy. It may have been a mistake, or inappropriate (or perhaps not, depending on your viewpoint on this issue) but it was not accidental or arbitrary.

Profit-bashing was developed and selected because it was perceived by those involved to be an appropriate message to set the context for what was to follow, namely the lowering of Quiznos prices. Either that or it was perceived that portraying Quiznos Subs as condoning an anti-profit sentiment or ideology would make the brand appear hip, cool, trendy, or anti-establishment, and thereby appeal to and attract the attention of a desirable market segment. To sell more at lower margins is a well-known and

perfectly valid profit strategy, as you point out, and may be a necessary tactic as Quiznos' value proposition faces decline in the eyes of consumers.

There is enough business bashing as a prominent feature of our culture that businesses themselves should not condone or sanction it, and certainly should never engage in the further promotion of this viewpoint.

But you appear to miss the bigger point. It's not the business strategy that's in question. It's the poor judgment exhibited by the agency and Quiznos' marketing executives in the communication component of the execution of the strategy.

For example, it follows from your assertion that the ad was strategic in nature that the listener could conclude that either Quiznos Subs' management or its agency account team concur that it is appropriate for the Quiznos brand in Canada to be associated with the popular movement to limit and curtail bank profits. I wasn't aware that Quiznos had, or intends to, assume such an activist political agenda on the corporate social responsibility front. But perhaps that too will help drive traffic and profits. It worked very well for The Body Shop for a couple of decades.

Criticizing profits was not accidental to the execution of the communications strategy. Profit bashing was developed and selected because it was perceived by those involved to be an appropriate message to set the context for the lowering of Quiznos' prices.

The bottom line with regards to my letter is that business management and entrepreneurship are noble professions. Business involves the creative application of minds to the problem of creating wealth and improving human happiness and well-being through voluntary economic

exchange. That's no easy task, and those who are able to excel in business through moral



means should be commended and celebrated for this moral achievement.

It's unfortunate that you don't appear to see it this way. Your words, if they are to account for anything, make it crystal clear that you think business and profit-making is seedy, dirty, disdainful, shameful. It appears contemptuous and juvenile for you to assure me that Quiznos' management act "like the greedy profit-motivated sons of bitches that they should be." You put this forth as a generalized description of any person pursuing profit, so you must think that it accurately describes all business men and women that have the same values regarding the pursuit of profit that Quiznos executives and their franchisees hold.

I guess this helps to explain why our moral perspectives on business and profits differ substantially. And, if it is the case that you are involved in developing communications strategy on the Quiznos account, it helps to explain how it came to be that Quiznos chose the low road.

Regards,

Barry Linetsky

Partner

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While the radio ads were a mistake in marketing communications strategy in my opinion, the Quiznos Subs TV spots were even more irrational from the perspective of strategic messages.

My memory is a bit fuzzy now, but I recall that these spots showed real or supposed Quiznos chefs developing new recipe ideas, and answering questions put forth by a man in a suit standing with a microphone in his hand. The head chef, a woman with a strong British accent, is finally exasperated and asks the man: "You're not from the ad agency, are you?," to which the man from the ad agency looks as though he has done something wrong and lies by replying "no."

I can't comprehend how any agency that believes marketing communications are efficacious could conscientiously conclude that these brand messages are beneficial to its client.

This ad contains two key messages. The final message is the strong message that as a general rule you can't trust Ad Agencies because they are dishonest and without scruples, as demonstrated by the agency man who features prominently in the ad. The earlier message is that Quiznos employs twelve chefs who work non-stop on perfecting Quiznos recipes. The logic of the ads leaves the audience with the conclusion that the Quiznos ad can't be believed and the message - whatever it is - should not be trusted by viewers.

I know there is an old expression that says there is a fine line between madness and genius, but I don't think the line is so fine between creativity and stupidity. In my opinion, these ads are extremely stupid. I can't comprehend how any agency that believes that marketing communications are efficacious could conscientiously conclude that these brand messages are beneficial to its client. The message from Quiznos is that viewers can't trust marketing communications and specifically those that come from Quiznos' agency.



About
The Strategic Planning Group

The Strategic Planning Group (T.S.P.G.) is a full service consulting firm that can provide organizations with a wide range of advice, business tools and solutions. At T.S.P.G. our focus is on helping our clients solve their complex issues to realize their ultimate business potential, whether we are helping to set the overall strategy for the organization or assisting in a particular functional area. Our practical-results-oriented approach to solving business problems, combined with our personal commitment and dedication to providing great value for our clients, makes us the consultants of choice to blue-chip executives across North America.

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