

## Building Brand Architecture Report: McDonald's v/s Subway

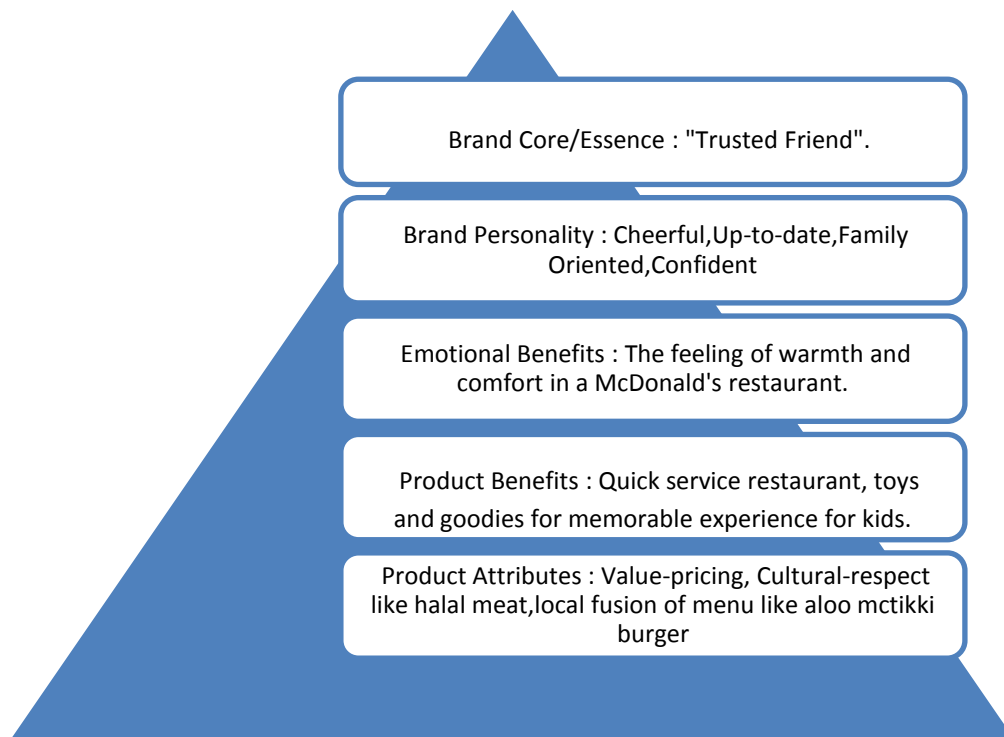
### Introduction

- In this report we consider two brands: McDonald's and Subway, both in the fast food industry. Both compete in similar markets yet cater a totally different set of consumer food habit, hence representing a different brand personality.
- The reason of choosing these brands is to identify the fact that although these two brands are respected the consumer choice changes at a construal level e.g. if a person is accompanying with family and kids, they would prefer a Mc Donald's but if they are accompanying with colleagues or friends, the same consumer might end up going to Subway.
- Our main learning goal is to assess the brand architecture of McDonald's against Subway and identify which attributes of these brands influence the consumer behavior at a social and psychological level.

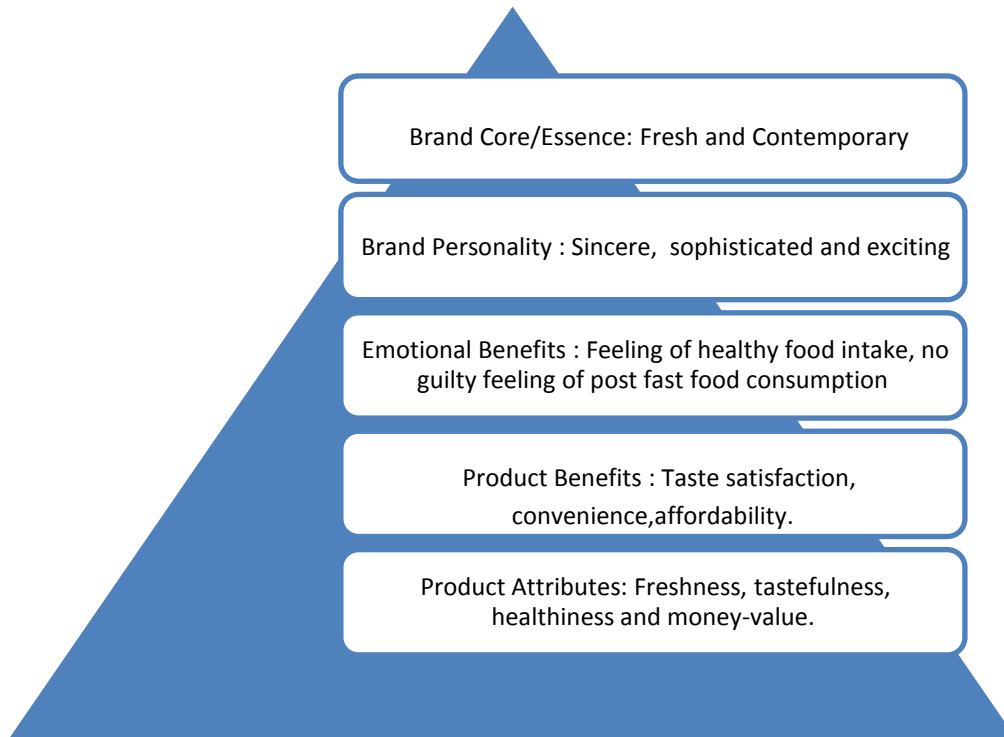
### Brand Architecture

Below is the brand pyramid of both brands:

#### Mc Donald's Brand Architecture



## Subway Brand Architecture



## Brand Comparison

3 Key similarities between McDonald's and Subway:

1. Franchisee overlords: Both McDonalds and Subway are kings of franchise business model where they empower local business to run their brand and secret recipe in return of a franchisee fee.
2. Supplement focused: Both chains keep their base menu low priced but earn the premium out of supplement and toppings e.g. soft drinks like Pepsi and coca cola.
3. Glocal approach: Both have a global outlook and standard but quickly adapt to local taste by representing a culturally inclusive menu.

3 key differences between McDonald's and Subway:

1. Store Location: Subway opens more outlets in non-traditional like near casino industries, while McDonald's keep them limited to traditional places like kids amusement park and shopping malls.
2. Base product offering: Subway is famous for submarine sandwiches while McDonalds for its hamburger.
3. Kids Corner: McDonalds provide a separate child play area in its restaurants while Subway do not. McDonalds aggressively promote its famous clown mascot Ronald while subway doesn't.

Key Analysis notes of the above comparisons:

- While McDonald's relies upon attracting the customer (the one who pays for the product and service) using influencer (i.e. drawing attention of kids), subway affects the guilt-free emotions of the customer.
- McDonald's was an early-adopter to franchise business model, while Subway followed them.
- Positioning the brand in young minds is more effective at emotional level using mascots and kid toys for McDonalds who become future customer generation, as compared to Subway, who has a restricted Customer lifetime value due to targeting specific age-group of young adults.

McDonald's serve its company goals by being socially responsible and providing cage-free chicken from its suppliers. Subway serves its company goal by providing world-class training to its franchisee owners and employees to serve healthy fast-food.

### **Brand Value**

According to brand finance, the Subway brand valuation has featured in 21 brand rankings, including the strongest and most valuable Restaurants brands, the biggest USA brands and the best Global brands. Meanwhile, in 2019, McDonald's is strongest brand in sector, only brand to receive AAA+ brand strength rating.

According to Boston Consulting Group Matrix, the brand portfolio denotes Subway as low in market-share and growth rate, while McDonald's is placed in the high market-share and growth rate positions as shown below:

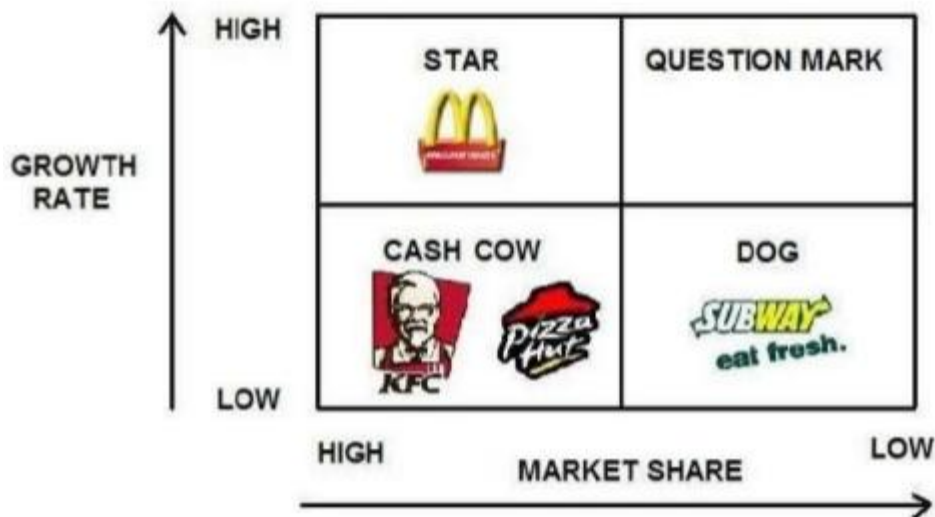


Image taken from Slideshare, LinkedIn.

### **Source Consulted**

- Mc Donald's and Subway Wikipedia pages
- Inside McDonald's Bold Decision to Go Cage-Free, Beth Kowitt, Fortune, 18 Aug 2016.
- Subway's Brand Personality – Cody's Blog
- Subway and its Powerful Presence in Social Media, Evan Bodi
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