Marketing Objective
MarketSmart Advertising, a full service ad agency, was utilizing a broad multi-media mix for their clients in Southern Virginia, the owners of 117 local Subway franchise operations. In addition to broadcast television and radio, their aggressive marketing plan had included ADVO direct mail for two years. MarketSmart was interested to see if Valpak would produce a positive lift in sales.

Test Results
It became immediately apparent after the first mailing that the Valpak campaign was going to be far more successful than the previous direct mail program had been. Over the three-year period that MarketSmart had been using Valpak as part of their overall marketing campaign, average store sales have experienced a +45 percent growth rate compared to similar campaigns when ADVO was part of the marketing mix.

The combination of an extraordinarily successful lift in sales, the Valpak specialized billing system and the high level of customer service from the local Valpak sales team, consistently produced positive sales results for MarketSmart and Subway.
**Mailing Strategy / Campaign**

The local Valpak sales team created a presentation highlighting the advantages and strengths of the Valpak direct mail program, including the top three benefits that addressed the agency’s objections:

- Valpak offered 100 percent coverage of the neighborhoods surrounding the 117 Subway stores represented by MarketSmart.

- The Valpak billing system provides the client with timely delivery of postal verification of the mailing, a sample of the piece, and the invoice – all at the same time, which overcame major billing difficulties that the agency had experienced with other media.

- The Valpak national television advertising campaign was an added value that was not being provided by ADVO.

It was determined that the first Subway Valpak mailing would cover the total market. The campaign was designed with five offers – the lead offer of a free sub on side one of the coupon and four different offers on side two. The insert was delivered in the familiar blue Valpak envelope to 445,000 Hampton Roads households. The offer expired in 30 days.

**Conclusion**

Valpak has proven to be a long-term viable and compelling part of the MarketSmart marketing plan for Subway. The Subway campaign was so successful that it became the agency’s standard direct mail buy, reaching the total market of 445,000 households each month.

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**SUBWAY FACTS**

Subway reached a milestone in 2002 when it surpassed McDonald’s in number of locations in the U.S. Today Subway is the world’s largest submarine sandwich franchise with over 24,000 U.S. units and over 34,000 worldwide units.

Subway Restaurants has been serving consumers great tasting food since 1965 when it began in Bridgeport, Connecticut as Pete’s Submarine Sandwiches. They began using the Subway name in 1968 and the first Subway submarine shop was franchised in 1974.

“Valpak direct mail is an important part of the MarketSmart multi-media marketing strategy for the 117 Subway restaurants in our area. The market-specific demographic information Valpak provides has enabled us to successfully target the consumers most likely to patronize Subway. Over the past three years that we have been using Valpak in Southern Virginia, Subway has experienced a +45 percent average store sales growth compared to the previous year when we used another direct mail company. As part of our overall plan, the Valpak program helps us produce positive sales results. It is a completely turnkey program brought together by our Valpak representative, who gives us unprecedented customer service.”

Lewis Finch, President
MarketSmart Advertising