

Subway Has a Track Record of Handling Its Business Crises Poorly. Here's What You Can Learn From the Chain's Shortcomings.

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Over the last few years, Subway has suffered from a variety of crises and plummeting sales. In 2020, it closed as many as 2,400 locations. The latest shockwave came in early 2021, when a lawsuit filed in the U.S. District Court in California from two disgruntled Subway customers claimed that the tuna salad wasn't tuna, and might not even be fish.

Subway's PR department went into cleverness overdrive to push back against the lawsuit, tweeting, "Keep fishing folks, we'll keep serving 100% wild-caught tuna." A fun Twitter exchange with Jessica Simpson also played off her 2003 "Chicken of the Sea" gaffe. The brand offered 15% off the price of footlong tuna salad subs as long as customers used the promo code "ITSREAL." The ad for this offer prominently included the phrase, "100% Real Wild Caught Tuna."

Some clever tweets and a promo from Subway headquarters suggested that the franchise was dismissing the lawsuit as frivolous before the court did, but its messaging doesn't address the fundamental trust issues that customers have been complaining about for years. Remember when an Irish court

declared that Subway's bread wasn't bread? Or how about the time someone claimed their footlong was, in fact, an 11 $\frac{1}{2}$ -inch long? Let's not even talk about Jared.

As the company has been on a steep revenue decline for close to a decade now, it might be time for Subway to ditch the duck-and-counterpunch routine, and instead address their current crisis while also making some fundamental shifts in their communication style.

Every business has its crisis points, but it's about *how* leaders deal with the crisis that matters. Your "fake tuna" crisis is coming one day, and you don't want to make any unforced errors in how you deal with the problem.

Here are four simple lessons that Subway's shortcomings can teach you about handling a crisis.

Communicate transparency

Subway's communication strategy was clever, but did little to communicate trust because it was not supported with any sourcing information or testimonials from Subway's seafood sources. Subway needs to focus its communication on being less clever and more authentic and transparent. Instead of clever tweets, film seafood suppliers bringing in the catch of the day for your restaurants. If being that transparent is a problem – then that's a whole other problem.

Lesson learned: Be upfront with your customers. While your desire may be to say as little as possible in a crisis (or in Subway's case, try to push back against the haters), when you communicate in an open and transparent way, you build trust with your customers.

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Pledge to do better

Instead of avoidance and cleverness, Subway should get ahead of the problem and make fundamental steps to do better. Following Chipotle's 2015 E. Coli outbreak, the company took major steps to improve and guarantee its food safety protocols. It developed an independent Food Safety Council to evaluate its food safety, staffing and training, among other areas, to mitigate the issues that led to the outbreaks. To be fair, Subway has made a more detailed statement about sustainable fishing practices, but the language on its website still speaks about long-term change, as opposed to immediate action steps.

Lesson learned: Once you have acknowledged the problem, you need to take concrete steps as soon as possible to make it clear to your customers, employees and shareholders that things will be better going forward.

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Get back to the fundamentals

If the 1985 "New Coke" disaster taught us anything, it's that sometimes companies need to stop innovating and get back to their fundamentals. With multiple menu additions including flatbreads and soups, Subway has bloated its menu and gotten away from the fundamentals that helped the company grow in the first place: simple and fresh sandwiches that are produced right in front of the customer. Its slogan, "Eat Fresh", is the perfect call for action.

Lesson learned: There are a lot of companies that do a lot of things in a mediocre way. You want to be great at one thing. For Subway, that's making sandwiches, and for your company, it's what? Climbing out of a crisis requires refocusing on your core function.

Adapt to current ideas

Healthy eating, sustainable food sourcing, environmental impact. These aren't just buzzwords – these are things customers actually care about. Whole Foods knows that contemporary customers care about the sustainability of its sources, so the store put it out there for customers to see. Though the brand has improved, the impact that Subway's lack of tuna sourcing information had on consumer confidence is real. And it doesn't just inspire a lack of trust, but it also makes the company look out of touch.

Lesson learned: Recognizing and adapting to current ideas isn't about following the latest trend or being politically correct. It's about acknowledging fundamental shifts in contemporary society and making sure that your company is a part of that conversation. Stay focused on your core business, but be flexible enough to pivot in response to important changes. You don't want to get left behind.

What Subway does to deal with its latest crisis is up to them. However, you can prepare for a possible crisis – or perhaps avoid one altogether – by reflecting on these four powerful lessons and how they impact your business right now.

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