

## Business

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# Quiznos to open store inside Meijer

## Partnership parallels Wal-Mart's Subways

Jaclyn Trop/ The Detroit News

Meijer Inc., the Grand Rapids-based company of retail and grocery supercenters, has partnered with Quiznos to bring the sandwich chain to its stores.

Quiznos' first restaurant under the partnership will open at the Meijer store on Jackson Road in Ann Arbor, according to a Quiznos news release. The two companies "plan to look at further expansion to more Meijer supercenters," the statement said.



Quiznos' first store inside a Meijer is to be in Ann Arbor. (Quiznos.com)

The move appears to be a tentative step by Meijer to match competitor Wal-Mart Stores Inc., which has a partnership with sandwich rival Subway.

The placement of restaurants or cafes within superstore chains has become a trend. Starbucks has coffee shops inside both Target Corp. and Meijer stores. And Borders Group Inc., the Ann Arbor bookstore chain, had Starbucks-owned Seattle's Best Coffee bars within its stores before it went bankrupt and liquidated.

Retailers must constantly position their locations for the traffic of the demographic they are targeting, said Farmington Hills-based retail consultant Ken Dalto. The Quiznos demographic is similar to the Meijer target demographic market, and both serve the same low- to middle-income market, he added.

"You will see other retailers, especially franchises, adopting a similar marketing strategy to enhance their sales and to move away from the lack of traffic in many half-occupied strip malls where most small retailers are presently positioned," Dalto said.

Denver-based Quiznos has struggled in recent years, downsizing to about 3,500 stores from nearly 5,000 before the recession. The company's sales have dropped this year as it faces increased competition and shoulders a debt load from a leveraged buyout five years ago, according to the Wall Street Journal.

The 30-year-old sandwich business is now seeking to open restaurants in convenience stores and nontraditional locations as part of its growth strategy, Quiznos said. It has teamed up this year with regional retail operators such as Hess Corp.'s gas stations as well as the convenience stores of Mapco Express Inc. and Champlain Farms to open more than 200 restaurants.

"Quiznos and Meijer will benefit from the store becoming a one-stop shop for groceries, household goods and lunch," said Shultz Hartgrove, senior vice president of convenience and nontraditional development for Quiznos, in a press release.

Grand Rapids-based Meijer has close to 200 superstores in five states.

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