

Internal and external analysis of subway essay sample

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Subway's mission is: " Delight every customer so they want to tell their friends – with great value through fresh, delicious, made-to-order sandwiches, and an exceptional experience." Subway's franchise vision is to be the number one Quick Service Restaurant (QSR) franchise in the world, while delivering fresh, delicious sandwiches and an exceptional experience. Subway has three core values: family, teamwork, and opportunity. Subway is known for its fresh, customizable sub sandwiches. They also offer wraps, salads, and cookies. The five most popular Subway sandwiches are: Italian B. M. T., Tuna, Subway Club, Meatball Marinara, and the Chicken & Bacon Ranch. With so many options of breads, meats, cheeses, and veggies there are over two million sandwich varieties available. Subway conducted a study and found that almost 2, 800 Subway sandwiches and salads are sold every minute.

The target market for Subway is adults between the ages of 18 and 49 who are working and/or studying. They define this target market as, " Demanding Young People Who Know Their Own Minds." Subway shop has simple organization structure with a total of eleven employees on average in most of the franchises. Their organizational structure is likely to change due to the fact that the owners plan to manage the store; however, as they grow and expand to other Subway stores, the management staff will have to be added. The Sandwich Artists that are on staff are paid a salary of minimum wage dollars per hour, and overtime is accrued after an employee has worked over forty hours in a week.

Internal environmental factor

Strengths:

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Subway Restaurants is one of the leading submarine sandwich franchise based in the United States and having presence in more than ninety five countries having over 30, 000 restaurants all over the world. The growth rate of the company has been increasing year after year. Subway has established itself in the fast food industry having brand recognition all over the world. Due to its great strategies the company has become the leading franchise in the United States in a very short period of time. In the United States alone there are over 23, 000 subway restaurants. The company has even positioned itself in places like hospitals, churches, schools and popular retail stores. Subway is known to be companies that offer healthy subs sandwich that are preferred and much better as compared to food items offered by other fast-food chains.

The company has partnered with the American Heart Association to add to its image further. The food menu of the Subway reflects the high demand of healthy and fresh food which is fast too. All material, vegetables, sauces, meat and cheese have to be sourced from the supplier certified by Subway. Franchises cannot procure from other non-certified suppliers. All material has to be stored at specified temperatures to ensure freshness. All franchises are required to abide by the Gold Certification standards of Subway.

Weaknesses:

The decoration and look of the franchises is said to be old and outdated. Another problem with franchises is that the satisfaction level of the customers is not the same across franchises and also some franchises perform very poor. Service commitment is not consistent from store to store.

This can be said to be related to staff as there is not much motivation and the turnover rate of the employees is very high. It gets very stressful preparing some ones food right in front of them; most managers have realized this is the reason for a high turnover. So Subway made some changes. Knowing that half of the turnover occurred in the first 30 days of employment, the managers first set out to keep new hires' stress levels down. To put new employees more at ease, the managers or designated trainers spend 20 hours with workers during their first two weeks on the job.

External environmental factor

Opportunities:

The company can invest more to expand its business in the international market and also make improvements in its decoration and look to encourage dine-in. By improving the customer service model the satisfaction for the customer can be increased and also the loyal customer base will increase. The company can improve the relation inside and outside the organization by changing its policies a bit. Threats:

Subway's low up-front investment and the ability for the restaurant to fit in smaller real estate spaces make it a great opportunity for growth all over the world. The first Subway to open up outside the United States was in nineteen ninety six in Canada. From here they have opened up locations in other place like the Bahamas, Mexico, Japan and Saudi Arabia, Austria, Brazil, Iceland and Russia. The list of Subways' expansion beyond the United States just keeps growing with great response from its customers with their healthy fast food alternative.

Organization's competitive position and possibilities

The company faces serious threats from some of the large fast food chains in the world which includes Wendy's, KFC, and McDonalds. These restaurants are older and have developed large loyal customer base over the years. Just as Subway is expanding all over, so are these companies as well.

Competition is always a threat for any given business. Subway offers such a large variety of sandwiches, salads and wraps that give a healthy alternatives to those people out there looking for a healthy fast food alternative to places like McDonalds. Subway breads are baked right there in the restaurant, customers can see all the ingredients right in front of them along with seeing their sandwich being made, there is no wondering what the person making their sandwich is doing.

Subway brand maintains the same menu worldwide, menus do change in order to accommodate the different dietary needs of consumers and adapts where appropriate. For instance, in India, where the population is largely Hindu and does not eat beef, or Muslim and does not eat pork, these ingredients are substituted with chicken, lamb, or turkey. Since Subway is a made-to-order restaurant where a customer has full freedom to customize his sandwich, for a first-time customer, there are instruction sheets at both, vegetarian and the non-vegetarian counters that instruct the customers on the steps to follow to place an order for a sandwich. It also lists down the variety of ingredients and gourmet breads that it offers to its customers and because Subway sandwiches are fresh and made to order, customers can add or eliminate ingredients based on their own dietary needs. As all

franchisers, Subway requires each store to operate by the strict standards of quality, service and cleanliness defined by the company.

The Subway franchise ensures that safety measures are taken by all its franchisees to provide quality food. All employees need to use gloves at all stages of food handling. Members of the specialty food franchise have to attend a training course in their local area in order to provide needed information to their employees on this regard. Fresh food stock preparation and temperature regulation helps the fast food franchise to keep up its high standards of hygiene. It is to provide the necessary specifications on the levels of cleanliness to be maintained by franchisees that the Subway franchise initiated “ Gold Standard” policies. Structure of the organization and how this affects organizational performance Subway’s marketing strategies catch the customers attention by displaying what they provide which can then lead to a desire from customers to want a sandwich. I personally like Subway sandwiches and I remember the cash reward program and really enjoyed the perks.

I think Subway markets their product smart and they utilize great strategy in the growth of their company in how they compete against all the other fast food restaurants out there. Subway offers ultimately what people want and what people need to live a healthier lifestyle on the go. To increase its current consumers base and also to attract new customers, Subway has come up with new campaign where with any 6 inch sub and a medium beverage the company is offering another 6inch sub for free. In September 2011, Subway has introduced a buy one get one free offer on Mondays. This

is valid on all its sandwich offerings. Due to its customized sandwich option order fulfilment takes longer at times of busy times. Since the order is taken and prepared at the counter by the same person, people have to wait in queue for their turn. Another issue Subway faces is with quality control in franchises.

Temperature control for storage of material is not maintained resulting in sandwiches not being fresh. It is difficult to maintain quality resulting in several customer complaints. Solutions through which the service providers can solve the above problems are: the service provider and franchises share the risk of the business. Both of them should come up with different floor layouts and innovate on then themes in order to increase and cater more foot falls. The franchises should order more equipment or produce them in house or through third party manufacturers to increase their capacity. Subway can employ more employees in order to maintain the demand. The Subway service provider should set up quality control standards for the individual franchises to follow and constantly monitor them diligently.

References

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