

# Firehouse sub as main player in the sandwich and sub store franchise industry

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The sandwich and sub store franchises industry entails the franchise industry that is involved in the preparation and serving of the custom subs and sandwiches. Accordingly, the main products and the services that are offered under the sandwich and sub store franchise industry include the takeout restaurants, limited-service restaurants and the cafeteria restaurants. The industry has experienced vital performance aspects over the years. The statistics indicate that the Sandwich and Sub store industry generated sales revenue worth \$23.4 billion and profit worth \$1.3 billion in 2018 financial year, which is a significant industry performance (IBISWorld, 2018). Equally, the wages in the industry during the similar increased by 2.7% while the business increment has been 1.4% (IBISWorld, 2018).

The essential market factors that have been found to be influencing the industry are the consumer spending, healthy eating index, agricultural price index and the consumer confidence index. The consumer spending affects the performance of the industry through the extent to which they have income available to consume the subs and sandwiches offered by the industry players (IBISWorld, 2018). Equally, the consumer confidence indexes that imply the confidence the consumers have on the economy influence their willingness to consume the industry products. The agricultural price index affects the industry performance through the fluctuation of the agricultural products that drives the operational costs. The healthy eating index influences the performance of the industry through the sensitivity of the consumers' eating lifestyle due to health concerns (IBISWorld, 2018). However, the market conditions are expected to improve as the industry becomes more conscious to healthy eating concerns that will attract and

retain more consumers. Moreover, the industry has not been affected significantly by economic slow recovery that implies the industry faces a favorable environment.

## **Firehouse Sub**

Firehouse Sub is one of the main players in the sandwich and sub store franchise industry that was founded in 1994. The company has been successful since its inception as reflected by the expansion of its outlets and growing sales volume and revenue. One of the essential factors that have contributed to the success of the Firehouse Sub is the competitive advantage of positioning itself uniquely from the competitors on customer safety and workers' unity derived from its firefighting culture and history (SMG, 2013). The firehouse sub was formed by former fire fighters namely Chris and Robin who brought the culture of public safety and crew working in the operations of the chain restaurants. Consequently, this approach has given the firm the competitive advantage of winning consumer confidence and motivated workforce that are essential in promoting its performance (SMG, 2013).

The strengths of the Firehouse Sub include brand equity, online ordering platform, unique recipe, and wide location of its outlets to reach the consumers. However, the internal weaknesses facing the organization include limited international brand presence and the customer-centric programs that are limited, which have the effect of limiting the generation of the sales revenue (SMG, 2013). The external opportunities the firm can exploit include increasing customer-centric programs such as happy hours and gift cards incentives and the adding more varieties of the sandwiches

and subs it offers, which will be effective in attracting more loyal customers in the future. Nevertheless, the Firehouse Sub faces the threats of customer shifting to organic foods due to health concerns and the entry of new sandwich and sub franchise players that can affect its revenue and profit generation adversely (SMG, 2013).