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Company

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Chosen company-Subway

Overview of the Organisation

Subway is an American multinational fast-food company that mainly offers sandwiches salads, drinks, wraps, and others. Based on the restaurant industry, The total generated revenue of the firm is US \$16.1 billion as of 2019 and the organisation holds 410,000 employees as of 2022(Subway, 2023). The marketing environment of a company depends on the external environment and related issues of the company (Subway, 2020). So, the study has aimed to investigate environmental marketing analysis taking into consideration key external factors and internal factors.

External environment analysis

PESTLE

PESTLE factors	Analysis	Effects on marketing
Political	● Subway provides services in 100 countries and that is challenging to span in various regulations and also challenging for its marketing areas. ● Health and safety guidelines and food safety guidelines are the major things for any restaurant chain. ● In some countries, there are strict rules for meat products. ● Certain globalisation and BREXIT in the UK also affect the business of the subway (Berberov, and Milogolov, 2020).	Unfavourable- Changing the political environment affects business regulations and the marketing strategy of the organisation. Certain impacts of globalisation, and BREXIT impacted the business reducing its profitability.
Economical	● Decreasing disposable income.	Unfavourable -Decreasing

	● In 2007 recession hit the US and this made bad areas to work in. ● Challenging to meet the fast-growing trend and competition in the market. ● High level of unemployment in the countries. ● Lower corporate tax regions are challenging to operate a business (Strusani, and Hounghonon, 2020).	disposable income also impacts product purchasing behaviours. The fast-growing trend must be followed for marketing promotion.
Socio-cultural	● The restaurant chain may suffer from increasing health consciousness. ● Religious beliefs of Halal meat. ● Increased needs and choice of food products. ● The availability of food products also targets customers.	Unfavourable- Increasing health consciousness may impact consumers to buy unhealthy restaurant food.
Technological	● Social media presence with effective technological advancements. ● Different social media handles. ● Online order facility. ● Customer loyalty program. ● Customers can order through the chatbot easily (Krishnan <i>et al.</i>, 2022).	Favourable- The strong presence of websites, and social media marketing helps to market the products and services of Subway. The increasing technological advancements help promote through different social media channels. Chatbots also help to easily order products (Ho, 2021).
Legal	● Labour laws, franchise laws. ● Different legal boundaries in every	Unfavourable- Health and safety laws, labour laws, and franchise

	country. • In European countries, hygiene is an important factor. • Different legal factors affect business.	laws affect companies to run their business in the market.
Environmental	• Food waste reduction. • In subways, tissues, and towels are 100% recyclable (Khoo <i>et al.</i>, 2019). • Environmental sustainability.	Favourable-ECO restaurants, adopted by franchises contribute to sustainability. Subway must follow environmental policy changes in 100 countries since it operates there. Subway can only build effective regulations for all franchisees by constantly reviewing and changing.

Table 01: PESTLE analysis
(Source: Self-created)

Porter's five analysis

Porter's factors	Intensity	Analysis
Threats from new entrants	Low	Favourable- Due to its strong capital investment and resource investments, Subway faces low threats from new entrants. Unfavourable- Due to the already existing legal framework, the company will face challenges to enter the market. If accessing the distribution channel is restricted then it will be lower.

Threats from substitutes	Medium	Favourable- Threats of substitute products are low when the switching cost of the product is high. Customers cannot afford the same utility for substitute products. As this shows the low threats. Unfavourable- cheaper substitute products can be found in other industries and that shows the high threats from the substitutes.
Competitive rivalry	High	Unfavourable- There are already some existing potential companies that give tough competition to the company. Like Starbucks, McDonald's, Domino's Pizza, and Pizza Hut. The competitors give tough competition to the industry.
Bargaining power of suppliers	Moderate	Unfavourable- Subway's bargaining power of suppliers can be high when suppliers are concentrated in specific regions of the switching cost of suppliers is higher than the buyers. Favourable- If the products lack differentiation then the bargaining power of suppliers will be lower (Sun, 2022). So, overall Subway faces moderate bargaining power of suppliers.
Bargaining power of customers	High	Unfavourable- The concentrated customer base of Subway increases the bargaining power of buyers. Switching cost is low, so the customer can bargain more. High market knowledge, the sensitivity of customers, and increasing trends of the different food products embrace the customers' choice and their preferences towards

		the brand products.
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Table 02: Porter's five forces

(Source: Self-created)

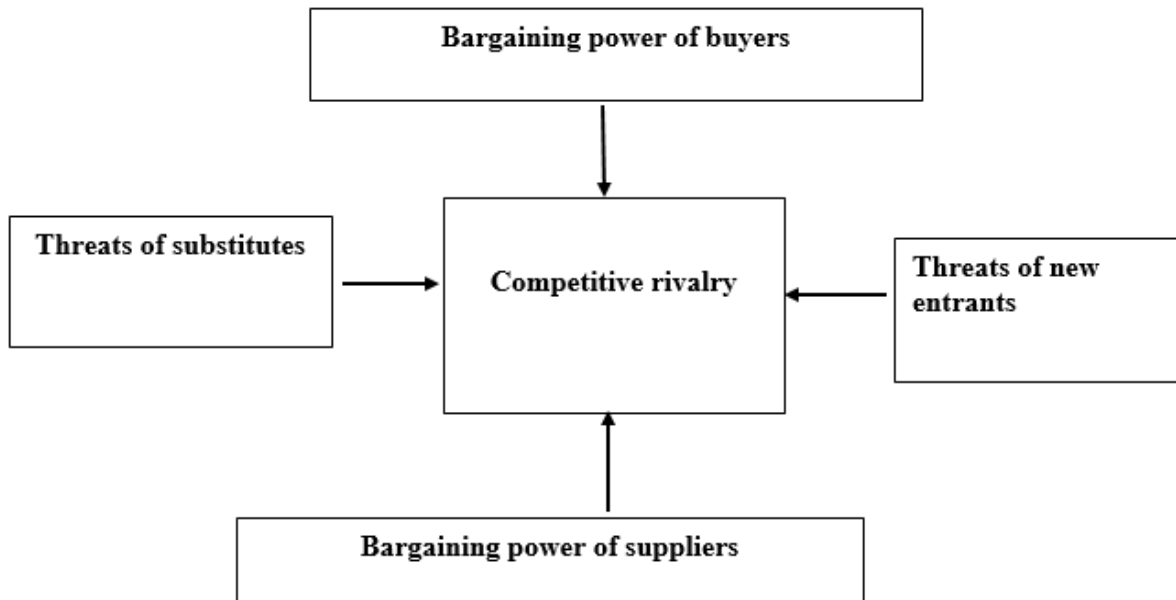


Figure 01: Porter's five forces

(Sources: Shamim, 2019)

Advantages and disadvantages of PESTLE

Advantages

- Political factors include tax policy, trade restrictions, reforms, environmental regulations, tariffs and the political stability of the company. This helps determine the extent in which government may influence an industry or company. The government may bring new tax policies that can change the whole revenue generation system of the company. Tariffs and trade barriers can hinder the company's revenue generation and business profitability.
- Economic factors include employment opportunities, exchange rates, minimum wage inflation rates, credit availability and cost of living. The rise of the inflation rate can

affect the economy of the world. The economic factors impact the purchasing power of consumers resulting in demand and supply changes.

- Social factors include health consciousness, changing consumer behaviour, growth rates, age and career distribution, and the health and safety of the company. These factors are significant for marketers and traders to target certain customers.
- Technological factors include technology and innovation development in technologies. The technological factors include technological development, technology changes, and government and institutional research of the company (Ho, 2021).
- Legal factors include employment opportunities for the firm, quotas, resources, imports and exports. Certain laws impact the company's business environment.
- Environmental factors include influencing ecological aspects of the firm, Environmental sustainability, and global warming effects of the company.

Disadvantages

PESTLE analysis users oversimplify the data and its uses in the company's strategic environment. The tool easily lost enormous data. There are risks of capturing so much data and too many analytics for the analysis. The tool works on assumptions and does not have always specific information. This must be regular practice-based. The pace of changes makes it difficult for anticipating the developments that, may affect the organisational performance in the future. PESTLE analysis is one of the important tools that help in strategic management and organisational performance measurement (Ho, 2021). This makes it easier to sort the problems faced by the company by analysing PESTLE factors.

Internal environmental analysis

SWOT

Strengths	Weaknesses	Opportunities	Threats
• Customisation • Franchisee own all the establishments • Promotion	• High employee turnover • Quality services	• Food is healthier • Customer behaviour • Online	• Consciousness of healthy eating • Changes in the exchange

through different methods of marketing ● Initial investment is low	● Franchises controlling	platform helps to enhance brand presence ● Home delivery facility	rate ● Lawsuits of the firm ● Over-crowded markets (Rehman, 2020).
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Marketing Strategy and Analysis

STP analysis

Segmentation	Apart for cultural differences, SUBWAY locations serve the same menu. Subway is a global fast food leader with over 2400 locations outside the US and Canada. (18–39). Healthy eaters enjoy sandwiches, so a healthy sub is perfect. Company prioritize food safety and quality.
Targeting	Marketers target segments. Segmentation determines the market focus. Subway has enhanced the nutritional quality of kids' meals by replacing fizzy drinks with vitamin juices, switching from high-calorie cookies to juice roll-ups, and luring children with cartoons like Dory (Attya, 2021).
Positioning	The new Subway campaign emphasizes "appetite for better" rather than "Eat fresh," the company's longstanding slogan.

Marketing mix 7ps framework

Products	Submarine sandwich is the main product of Subway. Except this, 6 types of bread, 6 to 8 different types of sauces, and other vegetarian and non-vegetarian items are included in the company menu. The company offers different food items and services to the customers. The items include breakfast items, snacks, side drinks, bread and other items. The sandwich platter includes Turkey breakfast, Chicken ham, and a Trademarks sandwich.
Price	The company has a premium price range of the products as it must be completed with McDonald's and KFC (Attya, 2021). Different pricing strategies include for conscious customers like sandwiches range between \$4 to \$8. The annual revenue of Subway is around \$10 billion.

Promotion	Subway focused on different marketing strategies and promotional activities like its slogan 'Eat Fresh' to enhance its brand presence. 'Peter Griffin' Cartoon
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	character promotes Subways products (Attya, 2021). Through Television, Facebook, and other social media platform the company promotes its products. The company has promoted different marketing campaigns for refreshing campaign brands focusing on the young customers' image and boosting sales of the organisation.
Process	Installed systems in Subway's different retail stores to ensure product availability (Gellweiler, and Krishnamurthi, 2020). Subway's openness in producing fresh sandwiches is a selling point. Subway prioritises customer service. A consumer may customise their sandwich by choosing bread, meat or veggies, salad, and condiments.
People	Subway has a workforce in the sales team, a customer service department, and people working with retail stores. As a major restaurant chain, Subway must prioritise its customers and employees. Subway's 400,000-plus employees prioritise customer care. Subway feeds millions globally every day.
Physical evidence	The brand has an effective web presence and online delivery process (Attya, 2021). The firm has a distinct color packaging process that is easily identifiable in retail stores. Subway's locations represent its brand. Subway has around 35,000 outlets worldwide. The store's atmosphere, employees, location, upkeep, etc. represent the brand.

Table 04: marketing mix 7Ps framework

(Source: Self-created)

Ansoff Matrix

Market penetration	Subway can access more market clients with increased manufacturing capability. Production capacity increases efficiency and effectiveness, notably for overhead cost reduction.
Market development	Research and development should help Subway find new markets and customers. R&D should uncover and comprehend market culture, trends, and customer behaviour and how they vary from present market consumer behavior patterns (Khare, 2022).
Product development	Subway may update its items to provide customers new options.
Diversifications	Diversity helps companies like Subway stay competitive, inventive, and relevant to consumers.

Product Life Cycle Model

A product's life cycle is the period between its launch and its retirement. Management and marketers utilize this notion to determine whether to enhance advertising, lower pricing, expand to growing sectors, or alter the packaging. Product life cycle control entails planning for product support and maintenance (Attya, 2021).

Recommendation for future

Recommendations for marketing strategies

Expanding reach: The company must focus on advertisements through radio, television, and social media platforms such as Facebook, Twitter, Instagram, and so on. Detailed marketing planning can help to reach wider audiences. Customers always preferred a brand that follows an effective marketing strategy. This helps to maintain brand outreach.

New targeted customers: The company should not just focus on the brand values but also it should focus on reaching new customers (Khare, 2022). A quick-service restaurant may target young families with social media ads, while a high-end establishment might target older, richer clients with newspaper or special dining magazine ads.

Digital marketing strategy: The fast food chain must focus on increasing brand awareness that can enhance customer satisfaction. Digital marketing strategy is the most beneficial marketing strategy that can allow customers to boost organisational performance. Different social media platforms (i.e. Facebook, YouTube, Instagram, and Twitter) and YouTube marketing can be included in the marketing of the products (Hruska, and Maresova, 2020).

Improving customer loyalty: The company must focus on customer loyalty. A marketing plan helps to retain customers for a long time. Offering loyalty awards and promotions encourages recurring business. A customer loyalty program must be launched.

Increasing revenue: The company should focus on revenue growth and KPIs must be chosen accordingly. Foreign marketing advantages increase the marketing advantages.

Recommendations for human resource development

Communication improvement

Considering the favourable and unfavourable conditions, the company must focus on employee recruitment and motivation (Azizi *et al.*, 2021). Communication can bring effective improvement in organisational performance.

Effective training program

Employees must be provided opportunities for training and development in the organization. Subway must ensure the employee's motivation by providing new opportunities for their career and training development.

Using technology

Using digital technology, the company can make work easy. This helps employees to work in a short period.

Recommendations for increasing competitive advantage in the market

Investigating the market

The company must adhere to the already existing competitors in the market such as Starbucks, McDonald's, and KFC the largest restaurant chain (Dandis *et al.*, 2022). This can bring the opportunity to investigate renowned firms to take ideas.

Pricing the menu right

The company should focus on reducing the price of the menu. Customers can purchase more if the price range is affordable.

Making the USP

The firm should use different technological advancements that can build an effective USP for the company. Quality building to offering different types of products can make the USP of the company.

Recommendations for customer services

24*7 hours services: The company should take into account providing services 24*7 hours. This can avail more orders online.

Personalising the services: The services and products offered can be customised so that customer can purchase their preferred combo. Different sizes and price ranges must be included.

Self-payouts: Customers will prefer if they got a chance to self-checkout. This ensures their privacy and confidentiality (Idowu, 2022).

Recommendations for mitigating external business environment issues

Increasing revenue growth: The brand should focus on lead generation, and social media marketing to measure organisational performance. Digital technology can embrace brand values and ensures the revenue growth of the company.

Focusing on product quality development and timely delivery

Subway must ensure product quality and quantity this both is important factors for the development and growth of a fast-food restaurant chain.

Online food delivery: Online food delivery is the best option during the Covid-19 pandemic when people faced lockdown. Then the brand offered online food services (Meena, and Kumar, 2022).

KPIs and timeframes

Activities	KPIs	Timeframe
Revenue growth	• Clean claim rate improvements • Cost reduction • Average leads generated per quarter • Deal conversion rate	1 year
Increasing marketing presence	• Cost per lead • Sales qualified leads • Customer retention and satisfaction rates • Cost per customer acquisition • Sales revenue	1 year
Increasing organisational performance	• Tracking and monitoring sales performance. • market progress. • Employee engagement and growth of revenue.	1 year

Conclusion

The study has assessed the external and internal environment of Subway company. The report outlined the marketing strategy analysis of the firm ensuring its huge customer base and employees in the organisation. The study also addressed the issues faced by the company during globalisation and BREXIT. So, the study also recommended some strategies to increase brand awareness and customer satisfaction in the future.

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