

# Subway Calls 'Emergency' Meeting With Franchisees As Fast-Food 'Value Wars' Potentially Claim First Casualty



BY TYLER DURDEN

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Quick-service restaurants (QSR) are locked in a fierce "value war," offering cash-strapped consumers \$5 meal deals or even better bargains to maintain their market share. This battle for value has intensified as QSR executives recognize that low- and mid-tier households have been financially squeezed by the Biden-Harris economy. With elevated inflation, high interest rates, depleted savings, and maxed-out credit cards, consumers are in rough shape.

McDonald's was the [first to launch \\$5 meal deals](#), and Burger King followed suit. On Monday, Yum! Brands' KFC said it would unveil a meal deal of its own in the near term: "*KFC claps back in "Value Wars" with more deals for customers every day of the week this fall.*"



As the QSR value wars heat up, sandwich chain Subway could be the first casualty in the spiraling price battle:

Here's more from the [New York Post](#):

*Subway has **called a hasty meeting with franchisees** of its 19,000 North American sandwich shops as they **grapple with faltering sales and profits**, The Post has learned.*

...

*"This **conference is essential**," Subway said in the invite. "Join us ... to **discuss the state of the industry** and an update on our business."*

The NYPost spoke with a franchisee operator who owns twenty stores. The individual said, "Same-store sales are down 5% to 10% in recent weeks compared to the prior year." The individual blames the downturn in the chain's promotions, and foot traffic has plunged.

"They are doing crazy coupons," the franchisee owner said, adding, "Our gross sales are not even at 2012 levels, and profit then was five times what it is today."

The latest national ad campaign with NBA great Charles Barkley appears to have been a flop. Data shared with NYPost showed that average weekly same-store sales for the Eastern US region with about 1,000 locations dipped 8.7% between June 25 and July 16 compared to the same period one year ago.

Restaurant consultant John Gordon said the Thursday meeting appears "very unusual."

In recent weeks, Gordon said he had viewed Subway's same-store sales figures across the West Coast and East Coast regions, which show a 10% plunge.

QSR value wars and emergency meetings by Subway do not occur during boom times; they are ominous signs that the [consumer downturn](#) is gathering pace.

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