

# RADIO case study



## Situation:

Robin and Chris Sorensen, brothers and former firefighters, opened their first Firehouse Subs restaurant in 1994. They emphasized their firefighter heritage by featuring red furnishings, colorful murals of firefighters in action and sandwiches like the hook-and-ladder sub. By 2001, the chain had grown to 30 company-owned restaurants in Florida and switched to a franchise model to expand into new markets. By early 2008, the company had expanded to 300 locations in 17 states, mostly in the South and Southeast. But then growth fizzled.

That March, comparative sales for the entire system declined from the previous March. "In our entire history, we had never had a period like that when our entire system was running negative sales," said Don Fox, the chief executive. "It was something completely foreign to us."

In downturns, consumers often trade down to less expensive restaurants, and Firehouse Subs should have been positioned to capture some of these customers. For some reason, the chain was being bypassed. Its executives became convinced the problem stemmed from a lack of brand awareness.

## Challenge:

- Facing declining sales throughout its system, the chain required a new marketing strategy in the depths of the recession.

## Solution:

- Firehouse chose to invest long term in the system vs. a short term discounting strategy and invested in a brand-building Radio campaign focused on the Firehouse Subs difference.
  - Featured in the campaign as spokesmen are the Sorenson Brothers.



- The unique selling proposition comes to life with the slogan "Our way beats their way. If you don't agree, it's free." That coupled with "real deal" founders and firefighters as spokesmen, resonated with consumers.

## Results:

- "It turned us around on a dime, we immediately went to positive sales for the entire system," said Don Fox, Firehouse's CEO
- In the weeks after the campaign, comp sales went from -5.8% the previous year to +2.4%.
- In markets where the chain broadcast radio ads, sales jumped by more than 10%.
- Firehouse held onto the gains after the radio campaign ended. In markets that employed the radio advertising, comp sales jumped from -6% a year ago to +11% — a 17-point swing.

