**Subway’s Growth**

Subway has surpassed McDonald's in terms of global locations.

The sandwich chain has more than 40,000 locations, compared with McDonald's 35,000.

And while McDonald's is struggling with lagging sales, Subway is plotting an [ambitious expansion](http://www.businessinsider.com/subways-plan-to-take-over-the-world-2014-5) to 100,000 restaurants by 2030.

Here are a few reasons Subway has become ubiquitous.

**Easy access.** Subway restaurants are efficient to build, and require less square-footage than the average McDonald's. As a result, Subway can easily open a restaurant nearly anywhere. Unusual locations include a laundry, church, and car dealership.

**Healthy perception.** "When customers want something fresher or lighter than burgers and fries, Subway is an easy choice, and its range of vegetables and cold cuts lend to a broader brand perception of Subway being better for you," Sam Oches, [editor of QSR Magazine](http://www.qsrmagazine.com/), told Business Insider.

**Ability to customize.** Customers today are all about making meals to their specifications. McDonald's has responded to this trend by testing tablets that allow customers to customize a burger. Subway has been all about customization from the beginning, adding to its popularity.

**Simple franchising model.** Subway stores are easy and economical to open. As a result, franchisees are lining, up, Oches said.

Despite having more locations, Subway won't overtake McDonald's anytime soon when it comes to sales.

"McDonald's, despite having nearly half as many units as Subway, does almost three times as much as Subway in U.S. sales.," Oches said.

Tesco has been making the headlines over the last few days over the performance of the company and the strategy for the future of the company. This is a company who has a monopoly in its market and it is estimated that £1 in every £7 spend in the UK is in Tesco.

Yet despite the rapid expansion and diversification over the past decade, Tesco is now starting to see sales go from growth to decline. This of course is blamed on the economy, changes in consumer social habits and of course the entrance of new entrants to the market such as Aldi, Lidi, Poundland and B&M.

Retrenchment is a business term for "getting smaller". This is what Tesco are looking to do. This is a strategy that will enable Tesco to cut its costs, something that will enable it to increase the overall profit of the business or enable price cuts on the items they sell, thus enticing more customers into the stores. This is really important for Tesco given the increase competitiveness in their core market.

Tesco if proposing to retrench though;

* Closing 43 unprofitable stores
* Shelving plans to open 49 Tesco Extra stores
* Reduce overheads by 30%
* Close the company staff pension scheme
* £250m of cost cuts planned
* Selling off of Blinkbox and Tesco Broadband / Home Phone to Talk Talk