



# Taco Bell Benchmark Report

## Executive Summary

Taco Bell is extremely well positioned as the only \$1B+ national QSR Mexican player (category of 1) with core equity around abundant value, craveable innovation and a bold flavor profile. The brand is extremely dialed-into the Millennial demo with a very targeted menu & marketing strategy and this cult, Millennial lifestyle "hipness" brand entertains with playful & engaging story ads that include compelling fake trailers for fake movies with sequels that provide viewers with a reason to stay-tuned. Taco Bell promotes the trial of new things with unique and compelling innovation, driving traffic & social media posts (buzz marketing). Further, the brand enjoys perhaps the strongest price/abundance value equation in QSR (price points ranging from \$1 menu platform to \$5 bundle meals) and Taco Bell seeks to celebrate value (Feast for a Dollar) rather than apologize for it. Healthy comp growth reflects strong brand positioning and its AUV is at an all-time high (capacity benefits from a menu that addresses multiple dayparts including breakfast, lunch, dinner, Happier Hour & late-night) and store-level profits are close to an all-time high. Efforts to develop frictionless guest access includes: order-ahead app functionality; plans to install 2 self-servicing kiosks in all restaurants by the end of 2019; a \$200MM investment in Grubhub to help expand its delivery well beyond its existing reach with system-wide implementation expected by 1Q19; and relaunch of its brand website (Ta.co) where customers can order, rapid re-order & customize orders. 2018 is expected to be a record setting year for domestic restaurant openings and existing stores benefit from remodeling progress. **In conclusion, Taco Bell's strengths continue to far outweigh whatever few weaknesses we can find as the chain continues to represent one of the most relevant QSR brands in the 21st century.**

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