Restaurant Research®

Concept Analysis & Benchmark Report

Taco Bell 2024/2025

Executive Summary

Taco Bell is well positioned as the only $1B+ national QSR Mexican player (category of 1) with core equity around abundant value and craveable food with a bold flavor profile. A cult, urban "hipness" brand positioning entertains with playful, engaging ads that also include close-ups of its craveable food. Notably, Taco Bell is dialed-in to Gen Z (particularly young males) with a very targeted menu and marketing strategy. A broad menu offers huge variety by mixing-and-matching inexpensive ingredients and Taco Bell provides perhaps the strongest price/abundance value equation in QSR. Access benefits from a fast drive-thru speed and a 35% digital mix. The chain's positive long-term sales outlook reflects: strong value equation; innovative marketing calendar & menu innovation; strong positioning with a younger demo; ability to address multiple dayparts; digital growth; significant investments in tech & automation; and new store formats which are designed to maximize off-premise. In conclusion, Taco Bell remains one of the best positioned QSR chains, supported by strong fundamentals and solid unit-level profitability.

Parent Company Summary

Parent Company	Ticker	Corp. Debt Rating	Net Debt [(1)]/ EBITDA	EV/ EBITDA	Stock Performance		
					2023	TTM	Jul-24
Yum! Brands, Inc.	YUM	Ba2	4.97	18.70	2.0%	-3.5%	
$1B+ Chains			5.49	15.52	21.1%	-9.2%	

Table of Contents

Table of Contents

	Page		Page		Page
Strengths & Challenges	2	Operations	10 - 11	Closings	20
RR Dashboard	3	Tech & Equipment	12	Remodeling	21
System Statistics	4	Sales & Market Share	13 - 14	Franchise Summary	22
Marketing Strategy	5	Unit Economic Summary	15	Menu Exhibit	23
Marketing Spend	6	Unit Economic Trends	16	State Unit Map	24
Menu Strategy	7	New Build Costs	17	State Unit Detail	25
Menu Trends	8	New Build vs. Buy Analysis	18	Photos	26
New Products & Promotions	9	Development	19	RR Overview	27

(1) Net Debt includes operating leases.

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