

Taco Bell Marketing Audit

ASSIGNMENT 1 BMBM6016

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Executive Summary

Taco Bell is in a highly competitive and volatile market which is facing significant external and internal change. Due to advancing technology, rising political tensions, and an evolving social palate Taco Bell will need to utilize its connections with the other *Yum!* brands and leverage its strong marketing positioning to not just survive, but thrive against its competition. Taco Bell has recently invested heavily into AI technology and needs to continue to do so as more advancements, both within and externally with AI means that competitive advantage is a distinct and realistic possibility within not just the UK market but the global one.

Introduction

Since our reentry to the UK market in 2010 (Tatum, 2018), Taco Bell has expanded to over 130 locations in the UK (*ScrapeHero*, 2024). We have experienced growth over the last year (Robinson, 2024). Despite this growth, Taco Bell needs to remain conscious of the difficult economic market environment within the fast-food industry. The purpose of this report is to critically analyze the current and future internal and external marketing factors that are currently at play for Taco Bell. Using models such as SWOT/TOWS, PESTEL, Porter's 5 Forces, and Ansoff's Matrix, we will conduct a marketing audit to scrutinize the environment and give us a starting reference point to launch from in the future.

External Environment

It is core to Taco Bell's success to understand the external environment in which it operates. Using PESTEL and Porter's 5 Forces, we will endeavor to do just that. After we have recognized the external factors affecting Taco Bell's success, we will better be able to plan for the future. Some of the external factors include geopolitical conflicts such as the Russo-Ukrainian war, the Gaza war, and American hostilities with their trade partners (sorry). New technological

advancements give both an opportunity to grow and to fall behind competition. Caution must be had, though, as investing significant money into something only for it to fall flat would be just as bad as being left out.

PESTEL Analysis

By looking at the Political, Economic, Social, Technological, Environmental, and Legal factors of the external environment, we can best organize and analyze the macro forces at play.

Political	- Brexit has caused massive implications for the UK fast food industry (<i>The impact of Brexit on the UK's vibrant foodservice industry</i>, 2023) - American tariffs causing issues with profit margins and supply chain disruptions, going so far as potentially decreasing the UK economy by 1% (Macaskill, 2025)
Economic	- UK GDP is expected to grow, but that can be subject to change depending on political factors such as the Ukraine war or American foreign policy. (Selfin, 2025) - Exchange rates and trading policies will have large effects on the business due to the political climate
Social	- UK is getting a taste for Mexican food (<i>Why Mexican food is the trend to watch in 2024: Food & Drink</i>, 2024) - Demand for fast-food in general is remaining the same, but growing economic concerns mean that customers want more deals (Musafer, 2024)
Technological	- AI technology is growing, but Taco Bell is adapting quickly, even going so far as using AI drive-thru technology, but this could present issues in quality control (Mira, 2024) - Quantum computing could pose a new frontier for businesses to innovate, but the technology is in its infancy and is far less relevant than AI technology
Environmental	- Taco Bell is committed to reducing its emissions by 50% by 2030 (<i>Yum! Brands</i>, 2021) - Global supply chain concerns means that thinking efficiently and sustainably is a long-term competitive advantage that could be exploited in addition to helping the environment
Legal	- Brexit has changed the legal landscape for the UK, with companies still reeling from the impacts of leaving the EU - Trade agreements are massive for the success of Taco Bell, especially with the US since that is where the Taco Bell headquarters is out of.

With tensions between the US and the rest of the world increasing as tariffs are being discussed in great length, it means that the macro environment is a highly volatile and concerning factor in Taco Bell's current and future market plan. This is a combination of Political, Legal, and Economic forces as tariffs would change the legal requirements for a good to be shipped into the US and from the US (if the tariff is reciprocated) as well as drastically changing the economic environment as consumers will be less likely to spend on luxury goods such as fast food.

Porter's 5 Forces

Competitor Rivalry	HIGH - Significant competition includes massive companies such as McDonalds, Burger King, Wendy's, and Chipotle (Downie, 2021). Taco Bell's closest rival among those is Chipotle, with Chipotle also serving Mexican food. McDonalds has close to 10x the locations that Taco Bell has. (Downie, 2021).
Threat of New Entrants	MEDIUM - Due to the size of current competition and how established they are new entrants would have a hard time breaking into the market, but it is not impossible.
Bargaining Power of Suppliers	LOW - Taco Bell's parent company, <i>Yum!</i> , has around 50,000 stores between its several brands (Downie, 2021). This means that they have massive leverage with the amount they are purchasing and the effects that could have on suppliers. If a supplier loses out on one of <i>Yum!</i> 's brands, then they could create a domino effect to lose all of their brands.
Threat of Substitutes	HIGH - High levels of competition and innovation in the fast-food industry means that substitutes are a constant threat with additional incentives constantly in need to win the business of customers. Taco Bell is very invested in product development, with 30 new items expected to be available throughout 2025 alone (Tronco, 2025).
Bargaining Power of Buyers	HIGH - Due to the significant number of competitors and different substitutes available to buyers it gives them massive leverage. If Taco Bell does not fully satisfy their desires, then they will have other options. This means pricing and discounts are important to beat competition in our value proposition.

Internal Environment

Now that we have covered the external environment, we can address the internal situation to best implement our assets to the highest of their ability to compensate on areas that are lacking and fully utilize areas we have a competitive advantage. The models we will use to analyze Taco Bell is the SWOT/TOWS method and the 7P's Marketing Mix. These models will allow us to organize the highly complicated internal factors into usable information.

SWOT/TOWS Analysis

Understanding Taco Bell's current abilities and potential future is an important part of our marketing audit. SWOT/TOWS is a powerful and common model that accurately allows us to organize the assets we possess as an organization and then best apply those strengths and weaknesses to current and future situations that Taco Bell will be facing. Important current challenges include the labor and resource limitations, and potential areas for growth include emerging technologies such as AI. In the table below, we can view the respective strengths, weaknesses, opportunities, and threats that Taco Bell faces, as well as how these can be applied to each other.

Strengths	Weaknesses
- Brand recognition, with more than 8,700 stores worldwide (<i>Statista</i>, 2025) and over 130 in the UK (<i>ScrapeHero</i>, 2024). - Subsidiary of strong brand Yum! Brands give Taco Bell good partnerships and cooperation with the other subsidiaries of KFC and Pizza Hut (Bhasin, 2024). - Healthy food competitive advantage to other brands (Weiss, 2022) - Company size and access to capital mean that investment into core strengths is viable.	- Reliance on the US market, with most of their locations in the US. - Dependency on franchisees, as the franchise model gives more autonomy on the franchise model, meaning issues can arise and affect the rest of the brand. - Poor food quality can be an issue, with Taco. Bell "ranked number 4 after Subway, McDonald's, and Steak' n Shake." (Jurevicius, 2025).

Opportunities	Threats
- Expansion in the UK is a large possibility for Taco Bell. With less than 200 stores, some areas in the UK completely lack access to Taco Bell and are prime targets for expansion (Russel, 2025). - AI integration is a powerful tool and opportunity for the fast-food industry. One article discusses a POS service that integrates AI to improve efficiency in cooking and getting recipes (Fantozzi, 2022).	- Rising wages and labor issues are just a few of the issues facing Taco Bell. Failure to utilize technology efficiently may also increase the issue's severity (Park, 2024). - Supply chain issues plague the entire market, as companies still struggle with limited resources even as COVID has ended (Occhiogrosso, 2022). - Significant competition, especially from McDonalds. (Downie, 2021)

TOWS Analysis	Strengths	Weaknesses
Opportunities	- Leverage brand recognition to drive growth within the UK. This could involve using celebrities or other more local sources to grow recognition and positive engagement. - Work in conjunction with other <i>Yum! Brands</i> to develop cutting-edge AI systems that integrate and accelerate efficiency and customer service goals. - Growing consumer interest in Mexican food (<i>Why Mexican food is the trend to watch in 2024: Food & Drink</i>, 2024)	- Potential expansion in the UK means that the overreliance on US markets could be alleviated. - AI integration could find ways to improve food quality (Sahota, 2024) - Expansion gives a chance to address issues with franchisees as it allows for more strict and rigorous processes to be put in place to select new franchisees. It would allow Taco Bell to improve on its franchise system.
Threats	- Use company size and access to <i>Yum! Brands</i> resources to find more efficient ways to use new POS systems and other technology, including AI systems, and reduce the need for cheaper but higher in demand labor (Fantozzi, 2022) - Potential for other subsidiaries of <i>Yum! Brands</i> means that cooperation could provide benefits to strained supply chains.	- The threat of competition and the overreliance on the US market gives an excuse to diversify markets and gain new experience elsewhere. - Franchisees may be able to increase hiring to fill gaps in labor in real-time to address concerns with applying resources most efficiently, thus reducing wasted capital, and potentially gaining a competitive advantage.

Taco Bell's internal strengths include brand recognition, significant size, and being a subsidiary of a large company. This means we can leverage assets and capital to invest in new advertising and branding, as well as address issues and potential growth areas as they arise. Overreliance on the US market could be an issue that could affect the UK side of Taco Bell as tariffs could drag down profit margins and reduce available capital for investment into UK expansion of Taco Bell.

7P's Marketing Mix

Taco Bell has a marketing positioning in the current market. We will analyze the Product, People, Price, Promotion, Place, Process, and Physical Evidence to provide a holistic view of how Taco Bell provides value to its customers. This will allow us to better understand the positioning of Taco Bell within the market and to customers.

Product	- Taco Bell provides fast-service Mexican food (<i>Entrepreneur</i>, no date) - Significant options and substitutes on the menu for a varied customer base - New items often drive demand and interest (Tronco, 2025)
Price	- Low pricing, especially with meal deals and loyalty perks (<i>Taco Bell Menu Latest prices UK 2025</i>, 2025) - Meal deals and other discounts make Taco Bell have a competitive advantage in pricing
Place	- Taco Bell locations in the UK are concentrated in England - They are usually in city centers, shopping centers, or service stops (<i>ScrapeHero</i>, 2025) - Taco Bell has online distribution methods including online delivery and in store pick-up
Promotion	- Celebrity promotions, including from Lebron James and Doja Cat (Stanley, 2025) - Even with celebrity endorsements, Taco Bell maintains that the "real stars are the everyday customers" (Stanley, 2025)
People	- Taco Bell's employees, which are over 250,000, are the core of what provides service to customers (Doner, 2024) - Taco Bell invests in its employees with scholarship programs, and the "Start with Us, Stay with Us" program meant to incentivize employee loyalty (Doner, 2024)

Process	- Fast-service Tex-Mex food with significant adaptability allowing different diets to get a taste of Taco Bell - Embracing AI in fast-food, even going as far as using it in drive-thru ordering systems (Mira, 2024)
Physical Evidence	- Taco Bell stores have a colorful and fun interior with consistency across stores - Uses modern architectural design, including some which are more uncommon like only drive-thru with a floating building (<i>The taco bell restaurant of the future</i>, 2022)

Taco Bell uses efficiency through technology, and highly trained employees to lower costs and provide customers the most value for their money. They provide a unique vision of their brand with big-name celebrities without forgetting about the more grounded understanding of the customer-first attitude.

Conclusion

The purpose of this report was to conduct a marketing audit of Taco Bell in the UK to assess its current situation and prepare for the future. How we did this is by analyzing Taco Bell's internal and external environment through models such as SWOT/TOWS, PESTEL, Porter's 5 Forces, and the 7P's of the marketing mix. In doing so we found that Taco Bell's strong economic position as a subsidiary of *Yum!* brands as well as their high level of technological implementation gives it a great opportunity to potentially gain more market share. Caution will need to be had, though, with significant macro environmental factors currently affecting the market Taco Bell will need to be vigilant to not overextend themselves and maintain their core competencies of providing affordable Mexican food while maintaining quality and doing so in a timely manner.

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