



A Bell Communications Network Publication Produced For Taco Bell Franchisees and Licensees

## In This Edition:

5/25/10

### For Franchise and License Owners

- W6 Focuses on Driving Transactions
- Why Pay More! Pricing Migrations and Addition of Doritos
- Additional W6 Pricing Changes
- GE Franchise State of the Industry Presentation
- YRI Leadership Announcement
- Competitor News

### Restaurant Communications

- Graduate to Go Fundraiser Tips
- Redeeming Beverage Coupons
- Delivering the Perfect Margarita Frutista Freeze

## News for Franchisees and Licensees

### Franchisees & Licensees ~

Below is an overview of important Window 6 changes to help protect check, sales and profits. Please review and cascade the articles on the following pages as appropriate.

- **W6 Focuses on Driving Transactions**
  - Bacon Club Chalupa Recommended Pricing moving from \$2.19 to \$2.49
  - Adding second \$5 Box (Cheesy Gordita Crunch Box) to W6 (merchandise only) to further protect check
- **Why Pay More! (WPM) Pricing Migrations and Addition of Doritos**
  - Addition of 79¢ Doritos, move of Cheesy Nachos to 89¢ and Beefy 5-Layer Burrito to 99¢
  - Why Pay More! Menuboard Updates
- **Additional W6 Pricing Changes**

## W6 Focuses on Driving Transactions

### *Message from Marketing and Operations*

**Window 6 is around the corner with pre-sell beginning on June 24<sup>th</sup>.** Please see below for a general program overview.

### **Primary Message**

In W6, we revisit a proven sales driver, Bacon Club Chalupa. To balance transactions and check impact, the recommended A La Carte (ALC) price is \$2.49 and \$5 for the Boxes. As always, Franchisees and Licensees are free to price as they wish.

### **Important W6 Changes**

In an effort to drive higher profitability and protect check, the following changes have been made to the W6 program:

- The W6 Bacon Club Chalupa ALC recommended price point is now **\$2.49\*** versus \$2.19
- We added another check driver with the \$5 Cheesy Gordita Crunch Box (Merchandise only) at the \$5\* recommended price point. The \$5 Bacon Club Chalupa Box will be featured at the \$5\* recommended price point.
  - **Cheesy Gordita Crunch Box** includes a Cheesy Gordita Crunch, Burrito Supreme, Crunchy Taco, Cinnamon Twists and Medium Drink
  - **Bacon Club Chalupa Box** includes a Bacon Club Chalupa, Bean Burrito, Crunchy Taco, Cinnamon Twists and Medium Drink

*\*Note: As always, Franchisees and Licensees are free to price as they wish.*

### **W6 Elements**

- **TV advertising:** Bacon Club ALC :30 will not be price pointed, while the \$5 Bacon Club Chalupa Box :15 will be price pointed, running the last 3 weeks of W6. Cheesy Gordita Crunch Box will not be featured in TV advertising.
- **Merchandising:** Your restaurants will automatically receive a price pointed POP kit (for \$5 Bacon Club Chalupa Box and \$5 Cheesy Gordita Crunch Box) unless you opted to receive the non-priced version by the 5/11 deadline.
- **Training Materials:** The W6 training materials that are being sent to you will reflect the above updates.

### **\$2 Meal Deals (Extended LTO)**

We will continue offering customers an incredible value with our \$2 Meal Deals. This innovative addition to our menu delivers a paradigm-shifting value proposition to our target Dollar Stretchers by giving them **3 items for only \$2**. There are four separate \$2 Meals Deals that each offers an iconic Taco Bell product like our Beefy 5-Layer Burrito along with a bag of Nacho Cheese Doritos and a Medium drink. \$2 Meal Deals will help Taco Bell further differentiate from competitors and assert our Price Value dominance in the QSR Industry.

### **Limeade Sparklers (Permanent)**

Limeade Sparklers, our permanent proprietary beverage, launched in W4. The two flavors, Classic and Cherry, are bursting with real lime flavor and are available in two sizes. The recommended price is \$1.69 for the Regular (16 oz.) and \$1.99 for the Large (20 oz.). Limeade Sparklers will be supported by merchandising during W6.

### **Margarita & Strawberry Margarita Frutista Freeze (LTO)**

These specialty drinks launched in W5 and will sustain through W7. The recommended price is \$1.99 for the Regular (16 oz.) and \$2.29 for the Large (20 oz.). Margarita and Strawberry Frutista Freeze will be supported by merchandising in W6.

A full W6 program deck will be available on *Bell Net* (under “Marketing Programs”) this week. Please contact your Field Marketing Manager with any general questions or one of the following.

POP:	Archway	(800) 440-3333
Bacon Club Chalupa & Cheesy Gordita Crunch Marketing:	Laura Staves	(949) 863-4849
Bacon Club Chalupa & Cheesy Gordita Crunch Operations:	Kathy Zamani	(949) 863-3691
\$2 Meal Deals Marketing:	Dan Rabens	(949) 863-2213
\$2 Meal Deals Operations:	Randy Kunin	(949) 863-4346
Margarita FF & Limeades Marketing:	Shivram Vaideeswaran	(949) 863-2239
Margarita FF & Limeades Operations:	David Coleman	(949) 863-3630

*Franchisees & Licensees ~*

## **Why Pay More! Pricing Migrations and Addition of Doritos**

In W6, there will be three updates to the WPM menu to further protect check and drive sales and profit growth.

1. Beefy 5-Layer Burrito (recommended pricing change from 89¢ to 99¢\*)
  - Maintaining a Beef Hero remains essential to the transaction-driving power of the WPM Menu, which is why we don't recommend pricing the Beefy 5-Layer Burrito above 99¢.
2. Cheesy Nachos (recommended pricing change from 79¢ to 89¢\*).
3. Doritos Chips will become part of the WPM menu (recommended pricing is 79¢).

*\*Note: As always, franchisees and licensees are free to price as they wish.*

### **W6 WPM Menuboard Updates**

As a result of the W6 WPM pricing migrations, all restaurants on System One will receive the necessary materials in their W6 POP Kit to make these updates. Please see below for the specifics:

- **Kit “A”** - All restaurants already signed up with System One will automatically receive W6 POP “Kit A” (Pre-Printed). Kit “A” Pre-Priced option is the recommended version.
- **Kit “B”**- In addition, all restaurants will receive a new Doritos slat which can be added to the current Kit “B” Menu. (Please note that restaurants will **not** receive a new *translite* for Kit “B” – the current Kit “B” translite in restaurant can continue to be utilized with the addition of the Doritos slat being sent.)
  - **Kit “B” is the second option that gives you flexibility to price within the 79¢/89¢/99¢ structure**
- If you are a Franchisee or Licensee who previously ordered Kit “C” (non WPM pricing), your restaurant will automatically receive an updated Kit “C” translite that includes the addition of Doritos. This translite will be included in your W6 POP Shipment. You do not need to place an additional order.

- Alaska, Hawaii and Full Menu License restaurants will automatically receive the Non-Priced POP Kit “C” (priced via price stickers) to accommodate their unique locations.
- TL and KT locations on Multi-One Autoship will automatically receive Pre-Priced Kit “A” and Non-Priced Kit “C” (priced via price stickers).

If your restaurants are not currently using Kit “C”, but would like to place an order for Kit “C”, you can still place an order prior to W6. Shipping/handling charges apply. If your order is placed by June 21, you will receive your Kit “C” in time for pre-sell of W6 (June 24<sup>th</sup>). This order will ship separately from your W6 National POP Kit. Please see below for ordering instructions.

**Special Ordering Instructions for Kit “C”:**

For restaurants that need the Non-Priced Kit “C” (priced via stickers), please place your order one of the following ways:

- Visit the Archway web site at [www.tacobellpop.com](http://www.tacobellpop.com) (or go to *Bell Net*, under “Partner Sites”). You will need to know your Archway Franchisee/Licensee Code (4 digits) and your Archway password. If you do not know your code or password, please call Archway Customer Service at (800) 440-3333 for assistance.
- Call Archway Customer Service at (800) 440-3333.
- Email [tacohelp@archway.com](mailto:tacohelp@archway.com) where you could provide an excel file or attachment
- Fax your request to Archway at (734) 713-3290

<b>WPM Non-Priced Kit “C” Menuboard (Price Stickers)</b>	
<b>Item Description</b>	<b>Item Number</b>
Interior WPM Translite	<b>TB1014579</b>
Drive-Thru WPM Translite	<b>TB1014580</b>

**Need help?**

Archway:		(800) 440-3333
Marketing:	Jeff Herz	(949) 863-8477
Multibrand POP:	Jackie Vanderwiel	(949) 863-4913

*Franchisees & Licensees ~*

**Additional W6 Pricing Changes**

In addition to the WPM pricing changes\*, there will be changes on other menu items, including a number of Core Classics and Specialties (please refer to attached memo for a complete list). As always, Franchisees and Licensees are free to price as they wish.

\*Note: The Beefy 5-Layer and Cheesy Nachos price change is part of the on-going WPM migration strategy shared above. All restaurants on System One will receive the necessary materials to make these updates (see attached memo).

**Need help?** Please call Dione Lee at (949) 863-2258 or Colin Duthie at (949) 863-4760.

*Franchisees & Licensees ~*

## GE Franchise State of the Industry Presentation

### **Message from Chris Armbruster, VP Financial Planning**

In the spirit of building know-how, Taco Bell and GE are inviting you to GE's **State of the Industry Webinar**. Every year **GE Capital, Franchise Finance** publishes an annual *Review*, which highlights key findings occurring within the restaurant industry. Todd Jones will capture the highlights as he provides insight into financial markets, economic trends and key restaurant overviews during his 30-minute presentation.

**Date:** Thursday, June 10

**Time:** 10:00 AM (PST)/1:00 PM (EST)

Please RSVP by clicking on the following link:

<https://emeetings.webex.com/emeetings/onstage/g.php?t=a&d=829392815>

If you RSVP, but are not able to attend at the designated time, we will make sure you receive a link to watch the Webinar at your earliest convenience.

If you have questions, please contact Jadine Starmer at [jadine.starmer@ge.com](mailto:jadine.starmer@ge.com) or (480) 563-6203.

*Franchisees & Licensees ~*

## YRI Leadership Announcement

### **Message from David Novak**

I am very pleased to announce that **Graham Allan** has been appointed Chief Executive Officer of YRI, continuing to report directly to me. This new title better reflects Graham's role at YRI, the size and scope of the division within Yum! and its overall importance to our ongoing growth strategy. Graham has earned the admiration and respect of our entire organization because he's a world class leader leading the way of a world class business.

At the same time, and with Andrew Partridge's announced retirement, we have restructured the business and have appointed **Micky Pant** as President of YRI and Global Branding, reporting to Graham. In this new general management role, Micky will retain his oversight of concept leadership and global marketing, but will also have reporting to him several BMUs which had previously reported to Andrew. Micky has made many significant contributions to the business in the last 5 years, and his broader role on the YRI Leadership Team will help us continue to build an exceptional business all over the world. As you know, we also appointed **Tony Lowings** as YRI's Chief Operations Officer in March. He already has assumed responsibilities for YRI's operations function, and aligning restaurant design with our menu and service vision.

I am confident this new structure will better enable YRI to reach its long-term potential and deliver breakthrough results as we become The Defining Global Company That Feeds the World.  
Yum! to You!

*Franchisees & Licensees ~*

## Competitor News

Find out what's happening in the QSR industry at-a-glance with the attached Competitive Report (also located on *Bell Net* under "BBR Attachments"). Compiled from various news resources, this week's edition features Burger King's new Fire-Grilled Ribs priced from \$7.49-\$8.99; Jack in the Box's new Raspberry Smoothie and Raspberry Shake; Del Taco's Big Fat Crispy Chicken Taco; and more.

*Franchisees & Licensees ~*

## Memorial Day Communication Schedule

Due to Memorial Day, you will receive next week's *Bell Business Report* on Wednesday, June 2nd.

If you have a change in your e-mail address, please notify us immediately so we can continue to send ***Bell Business Report*** to you. Call Jennifer Murphy at (949) 863-3982 or via e-mail at [Jennifer.Murphy@yum.com](mailto:Jennifer.Murphy@yum.com).

## News for ARLs & RGMs

The information contained in this section has been posted to Team Taco Bell, our RGM website.

*Franchise & License Restaurants ~*

### Restaurant Communications

BCN Communications to RGMs are located on the Team Taco Bell RGM website. You can view RGM Communications on *Bell Net* under the “RGM Communications” section. Below is what’s been posted from May 19—May 25.

- Graduate to Go Fundraiser Tips
- Redeeming Beverage Coupons
  - Online Coupon
  - Print Coupon
- Delivering the Perfect Margarita Frutista Freeze
  - Stop-Sign Sticker (ICEE)
  - Stop-Sign Sticker (RepTec)
  - Preventing Freeze Ups

If you have a change in your e-mail address, please notify us immediately so we can continue to send **Bell Business Report** to you. Call Jennifer Murphy at (949) 863-3982 or via e-mail at [Jennifer.Murphy@yum.com](mailto:Jennifer.Murphy@yum.com).