

# PORTION BALANCE COALITION: TACO BELL CASE STUDY

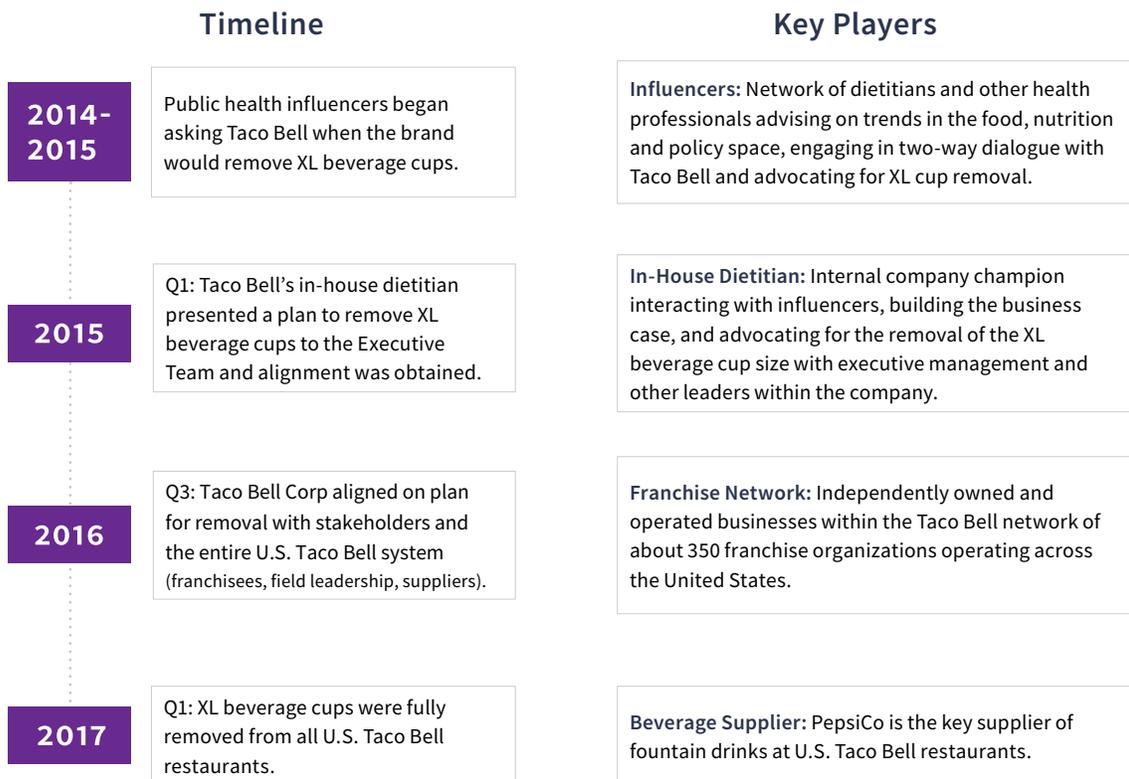
Health & wellness focus drives positive change to menu offerings at a major restaurant chain

## SUMMARY

In 2017, Taco Bell, the nation's leading Mexican-inspired quick service restaurant (QSR) brand with approximately 350 franchise organizations operating 7,000 restaurants across the U.S., eliminated its extra-large ("XL") beverage cups, reducing the largest size cup offering from 40 ounces (the "XL" cup size) to 30 ounces (the "L" cup size). This move by Taco Bell, one of three well-known brands in the Yum! Brands, Inc., portfolio, was implemented in response to concerns over the connection between sugary drinks and obesity.

This market change was done with virtually no consumer pushback and has been applauded by the public health community as a step in the right direction. The market change required strong leadership and close coordination with Taco Bell's independent franchisees and with its key supplier of fountain drinks, PepsiCo.

The process to eliminate the XL cup size took nearly three years to implement and involved several key players:



*We are proud that Taco Bell offers a variety of sizes and food/beverage options to cater to different eating occasions and lifestyles. We will remain transparent, so that customers can continue to make informed decisions.*

**Missy Schaaphok, RDN,**  
Manager of Global Nutrition & Sustainability at Taco Bell

## CHALLENGES

The process behind the XL beverage cup size removal did not occur without its challenges. Such a nationwide change involved striking a balance between addressing public health concerns, offering choice for customers and delivering a strong business case for stakeholders. Taco Bell also had to consider the impact on store operations, as well as communication with both employees and customers.

### Customer Experience:

Businesses place a high level of importance on meeting consumers' desire for choice. Although the connection between sugary drinks and obesity were understood, management knew that proposed changes might impact customer satisfaction.

### Impact On Store Operations:

Taco Bell had to coincide the depletion of the XL cups with new menu labeling regulations. Also, basic communications were developed for Taco Bell's field employees so they knew how to speak to customers who ask for an XL cup, offering them a L size cup instead.

### Franchisee Acceptance:

A business case and "sell-in" to the franchise operators needed to convey the benefits of the change from both macro- and micro-trends perspectives.

## LESSONS LEARNED

Taco Bell found that three key factors led to the successful implementation of the beverage cup changes:

### 1 Engage With Influencers

Connecting with registered dietitians and other health professionals allows Taco Bell to monitor macro trends in the food and beverage space, as well as legislative changes, and thus stay ahead of key public interest topics.

### 2 Frame Multiple Benefits: Health, Profitability & Environment

To get the franchisee network on board, Taco Bell Corp positioned the change as an opportunity to future-proof their portfolio. Some of the most compelling motivations revolved around added sugar as a public health concern, sugar taxes, and long-term plans to consolidate packaging out of paper into 100% recyclable cups.

### 3 Trust Your Instincts

Taco Bell trusted their own expertise and the views of industry influencers, so they did not deem it necessary to conduct consumer research prior to pursuing the elimination of their XL beverage cup size – and consumers readily accepted the change.

*Taco Bell listened to concerns voiced by public health experts like me regarding added sugar and portion sizes of items like fountain beverages.*

*I look forward to their continued exploration on other key issues and opportunities as the company continues to strengthen business practices and address public health concerns moving forward.*

**Tracy Fox,**  
President of Food,  
Nutrition and Policy Consultants



## IMPACT

- Total beverage volume is up. Around the same time of the cup size change, new zero-to mid-calorie options were added. Tea sales also increased.
- Removal of the XL cups has resulted in less post-consumer waste through consolidation.
- No negative consumer impact, as consumers traded down to the L size cup.

## CHANGES ON THE HORIZON

Taco Bell is working on additional portion balance changes to their menu offerings:

- Volume (size): Taco Bell is committed to ensuring at least 50% of its medium size (20 ounce) fountain beverages will be 100 calories or less and less than 20 grams of sugar by 2022.
- Proportionality (variety): Taco Bell offers zero- to full-calorie beverage options and will begin featuring more zero- to mid-calorie options more prominently.
- Quality (nutrient density): Taco Bell will continue to offer its signature fountain drinks, but innovation is underway to offer more zero- to mid-calorie fountain beverage options moving forward.

### About the Portion Balance Coalition

(PBC) is a multi-sector collaborative whose members have come together to identify, co-create, and implement demand- and supply-side innovations to support a balanced diet.

Georgetown University's Business for Impact at the McDonough School of Business is the coalition's neutral organizer and convener and is anchoring the work using the portion balance framework: volume (quantity), proportionality (variety), and quality (nutrient density). Young adults, ages 20-39, primarily millennials with children, are the design target for the coalition's efforts.

*For more information, please visit [www.portionbalance.org](http://www.portionbalance.org) and/or contact Diane Ty, Senior Project Director, [DLT40@georgetown.edu](mailto:DLT40@georgetown.edu)*