

Dear Taco Bell,

It goes without saying, that my love for the Beefy Crunch goes way beyond any other fast food item out there. There is something about the **Flamin' Hot Fritos** and the complementary flavors of the other ingredients that make this a burrito worth fighting for vs. just waiting until the next promotion. With that said, I know that desire alone is not enough to keep something on the menu.

So I sat down and thought "How can I make the Beefy Crunch *more* profitable for Taco Bell, while attractive, as always, for the consumer thus making it a viable candidate for permanency?" Many 'Limited Time' items have become permanent members of the Taco Bell menu, and because the Beefy Crunch is extremely popular (as seen with the 3MF Movement,) I believe that it's possible for the BCB to join this exclusive club. Sitting around complaining won't bring it back, so I have made the mission of 3MF to be proactive, interactive, and negotiable, in our approach to petition the permanent status of the Beefy Crunch Burrito.

I have 4 topics that I'd like to address, and some ideas to bring to the table.

- 1. Product preparation method changes.
- 2. Promotional Meal Deals.
- 3. Price increases.
- 4. Beefy Crunch Burrito and Social Media.

Preparation Method Changes.

During the preparation for the Beefy Crunch, the employee must weigh, bag, and tray 0.6oz of Flamin Hot Frito chips per one burrito. At first glance, this doesn't seem too strenuous a task, but factor in the popularity of the Beefy Crunch, multiply that by hundreds of burritos a day, and you can see why many Team Members hated making the BCB. I was aware of this method and as a customer, I never thought twice about it. However, when I started crunching numbers for this letter, I realized the financial expense that Taco Bell was enduring to prepare this every single day, at all 5600+ locations.

Not knowing specific wages or total time accrued for just the preparation alone, I penciled a few conservative figures, and well... tell me if my math is wrong here.

If it took 1 hour per 24/hr day of just bagging and weighing, and let's say that there was a \$10/hr employee on average, you are looking at \$56,000 a day nationwide.

That's \$392,000 every 7 days, or roughly \$1,568,000 a month, just paying for the bagging of chips.

Now I'm not sure of the profit margin per burrito, but if you made \$0.65 from each transaction, you would have to **sell 2.4 million** burritos a MONTH just to <u>break even</u> from that one expense. The less you make per burrito = more burritos you'd have to sell.

What can you do?

The idea is simple. Use the SAME measuring technique as you have done with the Beefy Nacho Burrito: the hand, scoop, feel, serve method. By doing this ONLY when a Burrito is ordered, countless hours of labor would be saved by having that same employee back on the stations making food, not bags of chips.

More importantly, that is over **\$16,000,000** a year **saved.** <-- Just think of what is possible with \$16 Million Dollars?

In short: If you sold around 2,400,000 Beefy Crunch Burritos a month, with the bagging method, you would around the break-even mark. With the scoop method, you are looking at net profit of \$1,500,000 a month.

Promotional Meal Ideas



As you've noticed, some of the pictures on our Facebook Page featuring a Beefy Crunch \$2 Meal Deal, or the \$3 Beefy Crunch Burrito, Dorito Taco, and a drink Deal, have been a popular request of the 3MF movement. It would be an interesting experiment to try a deal and see how customers respond.

How does this benefit Taco Bell?

We all know the mark-up on the soda is huge. The Beefy Crunch Burrito at 99cents is unsustainable in the long-run. To keep the price-savvy clients happy, why not subsidize a little with the soda, and pass savings to us, while increasing the profit-ratio on the Beefy Crunch. It's a win-win.

The \$3 idea, was an idea to showcase the Frito Brands awesome relationship with Taco Bell. <3 With all the new flavors of Locos Tacos coming, the Beefy Crunch would only make things better.

Price Increase

Customers like choices, and for some, Meal Deals may not be appealing. Some just want the burrito. I many times opted out of a \$5 Box just to get 5 Beefy Crunch Burritos. At the same time, we know you can't keep it at awesome prices forever. So we are okay with a price increase for an individual Beefy Crunch. You did it with the Beefy 5-Layer and it's still a popular item. In fact, every "Limited Time Offer" item that became permanent has increased in price.

Finding the price target that keeps the item profitable and consumer demand in place can only be done by seeing the results in the real world. While surveys are a good tool to get an idea of customers price-range, it's the act of the opening the wallet that can determine what price works.

From my own personal experiences, I have found upwards to \$2 a burrito is a satisfactory price to pay. At 220grams of goodness, the burritos have a weight to them that fills the stomach and satiates the hunger and doesn't have you feeling like you've broken the bank. I know I am a unique case, but I like to think that this sentiment is carried by many other Beefy Crunch fans so this could be something to keep in mind when coming up with possible prices. Having the Beefy Crunch available along side the 5-layer (price wise) could be a great hit.



Naturally, social media has played an incredible part in speaking for the fans of the Beefy Crunch. Through Facebook and Twitter, fans were made aware of the 24/7 addiction hotline, the announcement of its return, and most importantly, **the words "we are listening" from YOU.** The fans have united for the Beefy Crunch, and no other Taco Bell item has this level of support and interaction between fans.

While it's been an honor having the ability to share my cartoons, time, and passion for the Facebook page, I believe there are certain benefits that come with an official connection between brand and fans, perhaps even more so when the niche is specific.

One way I have interacted with the BCB fans is through giveaways. I've found \$5, \$10, even \$50 can go a long way in stimulating the audience of the page. The "I like the Beefy Crunch" shirts and mouse pad have been a delight and people are responding to this personal and passionate movement. Aside from spreading the word of 3millionfans.com, it really is nice to give (when I can) and I will keep on doing so.

In the past you have done special promotions / deals for Facebook fans, and that is something I would like you to consider for the Beefy Crunch fans. Anything from a 99-cent BCB day, or a happy hour, or a printable coupon... or something wild like "Last one to leave a comment by 11:59:59pm wins \$100 in Taco Bell Gift Cards".

3MF would love to work with you for everything Beefy Crunch. That's why we started

You didn't just make a burrito, you created a masterpiece. After all, did you make just a new Taco? No, you made Doritos LOCO Taco.

I like to think I'm speaking for all of the 3MF followers when I say, thank you for taking the time to read this, and to hear our voice. **Let's make history.**

- Richard

the movement!

