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WHAT TACO BELL'S SURPRISE MEXICAN PIZZA SELLOUT SAYS ABOUT MARKETING AND THE SUPPLY CHAIN

An elaborately staged reintroduction got a plot twist when demand overwhelmed supply, leaving the chain red-faced but richer



By [Jon Springer](#). Published on June 03, 2022.

Credit: Taco Bell

The much-hyped reintroduction of the Mexican Pizza to menus at Taco Bell restaurants succeeded so outrageously it failed. But even that, some say, is a kind of victory.

The Yum Brands-owned taco chain announced this week that it was suspending availability of the Mexican Pizza, just two weeks after putting it back on the menu. Demand for the item was seven times higher than when it was last available in 2020, Taco Bell said, adding that replenishing supplies to make it was more difficult than anticipated. The chain of events saw online fan sentiment abruptly careen from delight to disappointment, and ironically, lands Taco Bell in the same place it began—with fans clamoring for Mexican Pizza, and the chain red-faced, but richer.

“Any time demand outstrips supply, I have compassion in my heart for the marketer,” Dave Skena, global brand chief and chief marketing officer for donut chain Krispy Kreme said about the incident. “If you’re going to miss, miss by selling out.”

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The Mexican Pizza supply shortage introduced something of a plot twist in an elaborately staged marketing story. Presumably, it played some role in the brand’s decision to postpone a May 26 promotion in which singers Doja Cat and Dolly Parton were to star in a Tiktok musical celebrating the product’s return. A spokesperson for the brand said the shooting tragedy in Texas two days before convinced officials that it was “not the right time,” for such an event—although by then, consumer complaints about availability issues were already burning up Twitter.

I broke up with @tacobell when the Mexican pizza was discontinued. Obviously upon it’s return I decided we should get back together. Every T.B. i’ve stopped at has been sold out. This is why you don’t get back together with an ex. #mexicanpizza #heartbroken

— CalebLM (@caleb_lm) May 25, 2022

The brand is acknowledging the rapid sellout gave it something of a black eye, but is doing so with a message of gratitude to consumers for making it happen. It set up an FAQ webpage to address the barrage of questions and complaints—including fans suggesting that selling out was also part of the plan. The chain has distributed signs to stores and on online properties saying “Love is all-consuming, and it consumed all the Mexican Pizzas.”

“Our goal has always been to celebrate the return of the Mexican Pizza with our fans,” a spokesperson said. “Every step of the way, we put our fans at the center of this campaign and ultimately believe it was their inherent love for the menu item that played a big role in the demand exceeding our expectations.”

Taco Bell said it anticipated that the Mexican Pizza would return to menus—on a permanent basis—in the fall, and that it “hope[d]” to reschedule the Doja Cat and Dolly Parton musical.

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Ingredient shortage

The spokesperson declined to specify the particular items that were in short supply, although social media posts from unverified Taco Bell employees said flour tortillas—which make the base and top of the beef, bean, cheese and tomato “pizza” —were at issue in their locations. The spokesperson said the ingredient shortage affected Mexican Pizzas only, and not other Taco Bell menu items, which share many of the same ingredients.

Originally known as the Pizzazz Pizza, the Mexican Pizza was introduced to the Taco Bell menu in 1985. It was removed in late 2020 as part of an operational efficiency initiative meant to simplify meal prep for workers.

Fast food restaurants have come to rely on reintroductions and limited-time items—McDonald’s McRib, for example—as effective traffic drivers that allow them to demonstrate they acknowledge fans, without necessarily having to discount. Taco Bell last year reintroduced potatoes to acclaim from fans. That item had been removed to speed up service at drive-through windows during the pandemic.

Oftentimes, chains will self-effacingly assume a role as a “villain,” for having denied fans their favorites, as Taco Bell effectively orchestrated in the lead-up to the Mexican Pizza release. Doja Cat announced the return in a viral TikTok, and followed that with a ridiculously threatening TikTok rap (“I will end you/if you ever dare to go/discontinued”) in a spirit that would presumably be more deeply explored in “Mexican Pizza: The Musical.”

[@dojacat](#) 🎵 original sound - Doja Cat

‘You never know’

Doug Reifschneider, an independent marketing consultant with Chief Outsiders and a former marketer at restaurant chains Firehouse Subs, Pita Pit USA, and Fazoli’s Italian Restaurants, said he was surprised Taco Bell miscalculated demand, given its loyalty data and sophisticated understanding of its customer.

“In today’s world, with all the data we have, marketers and their business intelligence counterparts should be able to model and predict the sales velocity of promoted menu items,” he

said. “Smaller chains and independents don’t have the resources to model promotions and menu item velocity, but Taco Bell does.

“I’m sure supply chain issues didn’t help, but perhaps marketing, supply chain and operations were not aligned at the hip to accurately predict and deliver what they knew their customers wanted,” he continued. “That said, even with the data Taco Bell has, I learned in the last 25 years that you never really know how customers are going to react. “

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Denise Lee Yohn, an author and brand leadership expert, said the Mexican Pizza episode “shows how companies should ensure they can deliver on their promises if they want their campaigns to drive sales and business results.” She lauded Taco Bell just the same, predicting that the supply disruption on top of the creative approach to the promotion will only add to consumer awareness and hype once the supply chain stabilizes.

“Taco Bell has been a real innovator in social media and the creativity of this campaign is yet another groundbreaking effort, but in the current business environment, supply chain, not marketing, has become the key factor in the customer experience,” she said, adding, “the awareness and hype on social media that the company has benefited from might be more valuable in the long run. The disappointment customers might feel and then choose to express on social media will only make the product seem even cooler.”

Some Taco Bell locations were selling 500 or more Mexican Pizzas per day since the reintroduction, according to a report issued this week by restaurant analyst Mark Kalinowski of Kalinowski Equity Research. “Many of these same stores apparently tended to sell 20-30 Mexican Pizzas per day on average before the item was discontinued in 2020,” he said.

That prompted his firm to revise its Taco Bell same-store sales forecast for the current second quarter from 4% to 5%.

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