

Taco Bell and Sonic are the latest entrants in the fast-food value meal wars

Article

The trend: Taco Bell and Sonic Drive-In are the latest entrants in this summer's fast-food value war.

- Taco Bell's \$7 Luxe Cravings Box is a collection of four of the chain's most popular menu items —a Chalupa Supreme, a beefy five-layer burrito, a double-stacked taco, chips with nacho

cheese, along with a medium drink—that costs 55% less than if the items were bought separately.

- Sonic's new \$1.99 menu features an array of snacks, desserts, and entrées, including a quarter-pound double cheeseburger, bacon ranch queso wrap, small tots, and 16-ounce Sonic shakes.

The two chains' new offerings come on the heels of a flood of other restaurants, including **Burger King, Jack in the Box, KFC, McDonald's, Starbucks, and Wendy's** [offering steep discounts](#) this summer.

How we got here: Consumers turned to quick-service restaurants for a speedy, inexpensive meal in the wake of rising grocery prices in 2021 and 2022. But as grocery price growth has fallen back to nearly 1%, fast-food prices continued to rise.

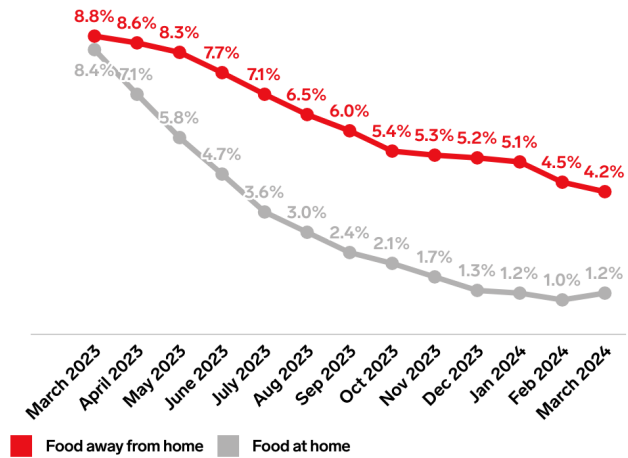
- Fast-food prices rose nearly 28% from 2019 to 2023, per the US Commerce Department.
- Those higher prices pushed some consumers away and led others to cut back.
- As a result, [several chains have reported disappointing results](#).
- Now, nearly every chain is in a race to the bottom with low-priced options to lure consumers back.

The big takeaway: The price wars are helping the fast-food industry get back on track.

- Rising prices drove consumers to think of fast food as a luxury. But value-focused offerings now give customers an excuse to splurge on a small indulgence such as Sonic shake.

The Cost of Eating Out Continues to Rise Faster Than the Cost of Food at Home

% change in US consumer price index, March 2023-March 2024



Note: unadjusted indexes; food at home refers to the total expenditures for food at grocery stores (or other food stores) and food prepared by the consumer unit on trips; excludes the purchase of nonfood items; food away from home includes all meals (breakfast, brunch, lunch, dinner, snacks, and nonalcoholic beverages) including tips at fast food, take-out, delivery, concession stands, buffet, and cafeteria, at full-service restaurants, and at vending machines and mobile vendors; also included are board (including at school), meals as pay, special catered affairs, such as weddings, bar mitzvahs/confirmations, school lunches, and meals away from home on trips
Source: US Bureau of Labor Statistics, April 2023

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