



What older generations find adventurous—like this Miso Broiled Pollock on buckwheat soba—is par for the course for today's younger diners.

FOREVER YOUNG

Key into the flavor preferences of the
hugely influential younger generations

BY KATIE AYOUB

Trying to attract any single group of diners can be a study in frustration. But when the effort is applied to younger generations, the payoff can be huge. Millennials, consumers born between 1979 and 1996, make up 32 percent of the U.S. population, according to Food IQ, a consumer insights firm in Springfield, Mo. More importantly, this generation possesses a mind-boggling purchasing power of more than \$170 billion. Nipping at its heels is Generation Z, artfully coined the Centennials.

Born after 1996, this group makes up 25 percent of the population, and by 2020 it will account for 40 percent. Understanding what motivates these two giant cohorts spells opportunity: What makes them choose one dining experience over another? What flavor combinations make them repeat customers? Certainly Millennials have held our collective attention for a number of years now. But as those years go by, this group gets older, morphing into a different type of diner as they march slowly into the next life stage. Restaurants need to keep up with their changing needs. When Millennials first came on the scene, this giant group was painted with a wide brush. Soon, foodservice experts course-corrected, dividing them into young,

college-age consumers and older, starting-families/launching-careers consumers. Now, the oldest Millennials are approaching 40, with 6.5 million of them earning an income over \$100,000, according to FutureCast Marketing Consultancy, a strategic insights company based in Kansas City, Mo., that specializes in Millennial data analytics. FutureCast also reports that 53 percent of Millennial households have children. Food IQ says that 86 percent of first-time moms are Millennials, 40 percent of whom are non-white.

And then there are the Centennials. They are still too young to apply a huge amount of influence, but they're growing up, moving out and spending money. These young whippersnappers are the new, shiny pennies.

RESTAURANT REBOOT

Il Palio in Chapel Hill, N.C., was a white-tablecloth, special-occasion Italian restaurant, and for 27 years, it worked well in its market. Last summer, it underwent a facelift, nipping and tucking its way from formal to festive. Leading the way was Executive Chef Teddy Diggs, who was charged with drawing in Millennials. The restaurant is now booming. "When coming up with both the menu overhaul and the space redesign, we looked at social media and demographics research, and we paid close attention to new restaurant concepts," he says. "We knew we wanted to bring in Millennials, so our efforts focused on appealing to them."

Diggs offers five strategies to appeal to younger consumers:

- ▶ **Add shareable plates**, like the crostini menu, to appeal to the communal nature of Millennials.
- ▶ **Highlight juxtaposing flavors**, like sweet and savory, and feature smoke as an ingredient in a few dishes to appeal to their desire for exotic fare.
- ▶ **Design an open kitchen** to give this younger group a "backstage view," appealing to their desire for transparency.
- ▶ **Add a communal table** that seats 12, helping define the casual, social side of the restaurant.
- ▶ **Offer two portion sizes** on pastas, allowing Millennials to customize their meals.

Il Palio in Chapel Hill, N.C., offers a shareable selection of 12 wood-grilled crostini, topped with ingredients like tomato and anchovy or marinated olives.

The challenge for menu developers is to calibrate the importance of catering to Millennials while simultaneously starting to build brand loyalty and credibility with this "new" group. Often, these two generations can be grouped together because they share more values and preferences than previous generations. They represent the present and future consumer, and they symbolize the largest sea change in our industry—from how diners interact with brands to their expectations of customizable, social menus.

THE MILLENNIAL MINDSET

NPD Group, a research and consultancy firm in Port Washington, N.Y., describes Millennials as "restaurant explorers." Datassential, a Chicago-based foodservice market research firm, labels them "thrill seekers and experientialists." The Hartman Group, a market research firm in Bellevue, Wash., points out that Millennials came of age during the dawn of the fast-casual revolution, touting them as "Generation Fast Casual." They certainly dine out more than any other generation: 49 percent eat out at least once a week (compared to 43 percent for Gen X and 35 percent for Boomers), says to The Hartman Group.

Tying fast-casual to Millennials makes a lot of sense. This generation loves innovation, casualization and customization, and fast-casuals are at the forefront of it, says Jeff Fromm, president of FutureCast Marketing Consultancy and co-author of *Marketing to Millennials* (AMACOM, 2013). "Millennials look for innovation that gives them access to something they didn't have before," he says. "They are the ultimate consumers,

willing to trade up or trade down to get what they want. So maybe a fast-casual might not offer seating, but for an incremental premium, they get more out of the overall experience."

Fromm describes the Millennial mindset: discovery, adventure, voracious consumption of content, mobile lifestyle, fairness, inclusivity. "This mindset isn't defined strictly by age. Gen Xers can possess these values, too," he says. Indeed, that influence speaks to the importance of the Millennial demographic—they are moving the needle in expectations, changing the way other generations respond to foodservice trends.

From a flavor perspective, Millennials have been pegged with more adventurous palates for some time now, but it's not just about Sriracha versus teriyaki. It's about the sum of its parts. "Millennials aren't necessarily looking at spicy, savory, sweet," says Fromm. "They're looking at overall palate experience: texture, size, prep method. Millennials hold a thirst for adventure, and flavor is the tailwind within that theme."

Millennials by the Numbers

Source: *The Hartman Group*

- ▶ 80 percent want to know more about how their food is grown.
- ▶ Among their top-trusted brands are: Ben & Jerry's, Whole Foods, Trader Joe's, In-N-Out Burger.
- ▶ Custom food and beverage options, like the 87,000 drink combinations available at Starbucks, are seen as a need, not a luxury.
- ▶ 40 percent will order something different every time they visit a restaurant.

