



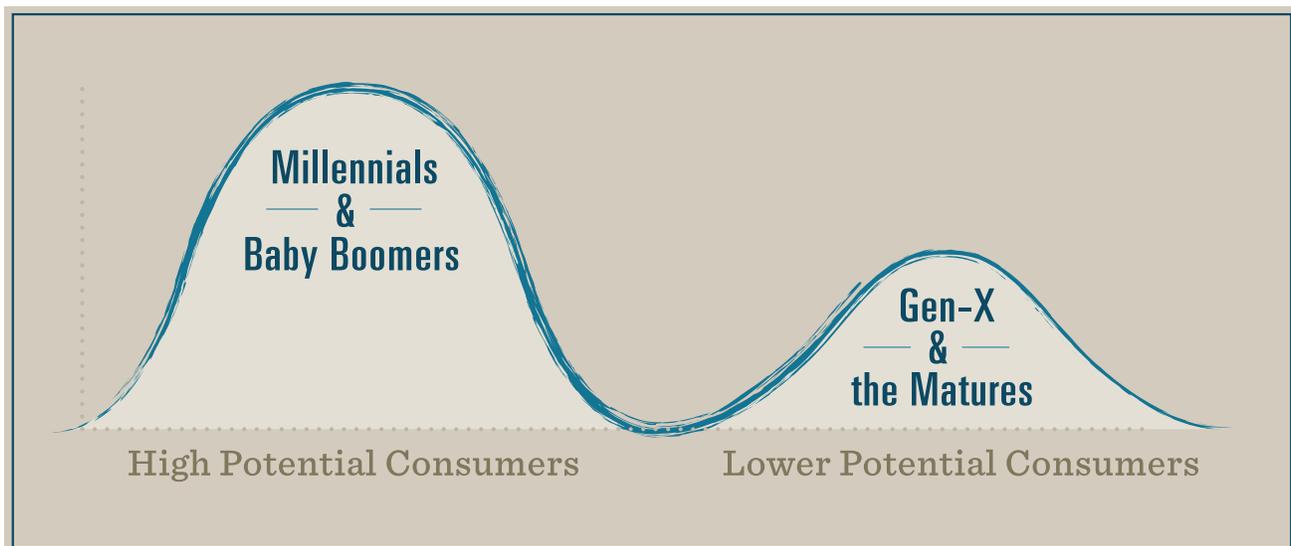
Marketing to Millennials

Marketing Engagement with Millennials

Last month we talked briefly about the Millennial generation and some of the characteristics of this generational group. This month we will explore them in greater detail. We have looked at what has been written about Millennials and compiled that information into what we see as the “portrait” of the Millennial.

Since the 1970s, Baby Boomers have been of critical importance to the restaurant industry. With sheer numbers, these post-WWII babies lifted up and transformed our food-away-from-home, our menus and whole segments of foodservice. Much credit is given to baby boomers for the rise and growth of the Casual-Dining segment, the introduction of bold-spicy flavors and the whole notion of flavor fusion that has been driving menu innovation since the 1990s.

So as baby boomers are beginning to “kick back” and slow down, the restaurant industry is in need of a new demographic group to drive growth out into the future. Welcome to the Millennial Generation!



How impactful are Millennials? In 2010 the NPD Group reported that they made more than 13 billion visits to foodservice venues and spent just over \$73 billion dollars, which represented 12.5% of all foodservice revenues generated that year. Not bad for a group that has not reached their “peak earning years” yet.

Why is the Millennial generation so important?

- They are one of the largest generational groups, currently numbering about 52 million
 - They are the only generational group whose numbers will grow through future immigration
- They are much more ethnically diverse than any other generational group in our nation’s history
 - 1 in 5 Millennials are Hispanic
- They currently spend \$73B for foodservice meals and snacks and that number is growing
 - They are moving into their “heavy spending” foodservice years
 - + They are actually more inclined toward discretionary spending than other generational groups since they have fewer financial responsibilities at this stage of their lives
 - This is the time to reach out to Millennials and build loyalty for the future
- Values, taste, and preferences differ from older generations
 - They are very individualistic

- Wear their “social consciences” on their sleeves
 - + Sensitive to animal welfare
 - + Have great interest in the local-food movement
 - + Show a preference to everything “natural”
 - Extremely dependent on technology
 - Very optimistic, even in the face of current economic pressures
 - They “don’t mind” hanging out with their parents
 - + Value input from their parents
 - + More inclined toward “trust in institutions” than either the X or Baby Boomer generations
 - They expect “real-time” feedback
 - Look for “security & control” in situations
 - Value teamwork, but also demand flexibility
- 72% of Millennials indicate that they like to try new foods when eating out
 - Their “flavor preferences” are more globally diverse than other generations

How does this Millennial portrait impact their preferences for food?

There are four key factors that we know about Millennials that will drive their food choices and ultimately impact everything we serve them in the coming years.

- They focus on authentic diversity
- One size is Not enough
- They are health conscious, but will eat decadently on occasion
- Prone to social consciousness



Focus on Authentic Diversity

Millennials have a high comfort level with different races, ethnic origins and cultures. Thus they are extremely comfortable with ethnic foods, and in fact they crave them. While Millennials are not necessarily purists in their quest for new ethnic menu items, they do gravitate toward “directionally authentic” menu applications. So if you are describing a menu item in strict ethnic terms, it better be a pretty close representation of the native food. This generation is good with “hybrids” as long as the execution is close to authentic and tastes delicious.

Much like Baby Boomers, Millennials are also very drawn to cultural fusion through the combining of 2 or 3 ethnic elements in familiar, approachable formats, such as a Korean BBQ Flatbread or Ceviche served in a burrito format.

Like the Baby Boomers, the Millennial generation has been given its own Flavor Curve by FoodIQ. This represents what flavor notes are impacting the eating habits of a Millennial audience.



One Size is Not Enough

Baby Boomers have long been defined as the “me generation” and this is a trait that the Millennial group has gladly picked up from them. Millennials demand the ability to customize their menu items and they are not interested in anything that looks like it was mass produced. In a recent article, QSR Magazine defined this as “having their way, is their way”.

Millennials are Health Conscious, but Sometimes Guilty of Decadent Eating

Millennials are a complex generational group and they are not prone to easy characterizations. They are very much in favor of being fit and are much more “food literate” about healthy eating than any other generational groups were at their age. However, they are very prone to indulging in foods from all foodservice segments with a particular craving for decadent pizzas, bigger than big burgers and fries smothered in anything.

This Group has Over-the Top Social Consciousness

Millennials are very passionate about animal welfare and gravitate to menu items described as organic, free-range, locally grown, grass-fed or hormone-free. They also have a keen interest and preference for the local-food movement and prefer all things natural.

So while wholesale changes in menus just to fit Millennials is not the right strategy, infusing menus with menu items and descriptions that are tempting to Millennials will prove to be beneficial in the coming year.

There is Much to Know

Since there is much to know about Millennials, we have decided to offer a comprehensive course at Marlin Network University geared toward understanding the Millennial audience and how to market food and foodservice items to them.



Our first Understanding the Millennial Audience course, sponsored by FoodIQ, will be at 1:30 P.M. on June 6, 2013 at MNU. We will hold 2 to 3 subsequent classes throughout the summer and fall so that all Marlin Network associates have an opportunity to attend if they see the need.

To sign-up for the June 6th class, contact Emily Tod and she will get you enrolled for this comprehensive 3 hour class.

Phil Daniels