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QUARTERLY BRIEF

UNDERSTANDING
KEY
DIFFERENCES
BETWEEN
CONSUMER
GENERATIONS



Technomic[®]

Over the past several years, it has become increasingly apparent that dramatic differences exist in the foodservice behaviors and attitudes shown by different consumer age groups. While it may seem to be common sense that an 18-year-old high school senior and a 72-year-old retiree view foodservice differently, the breadth and depth of differences between each consumer generation is still striking. Understanding these differences can help foodservice distributors better service their customers by highlighting products that fit into that customer's concept and specific target audience.

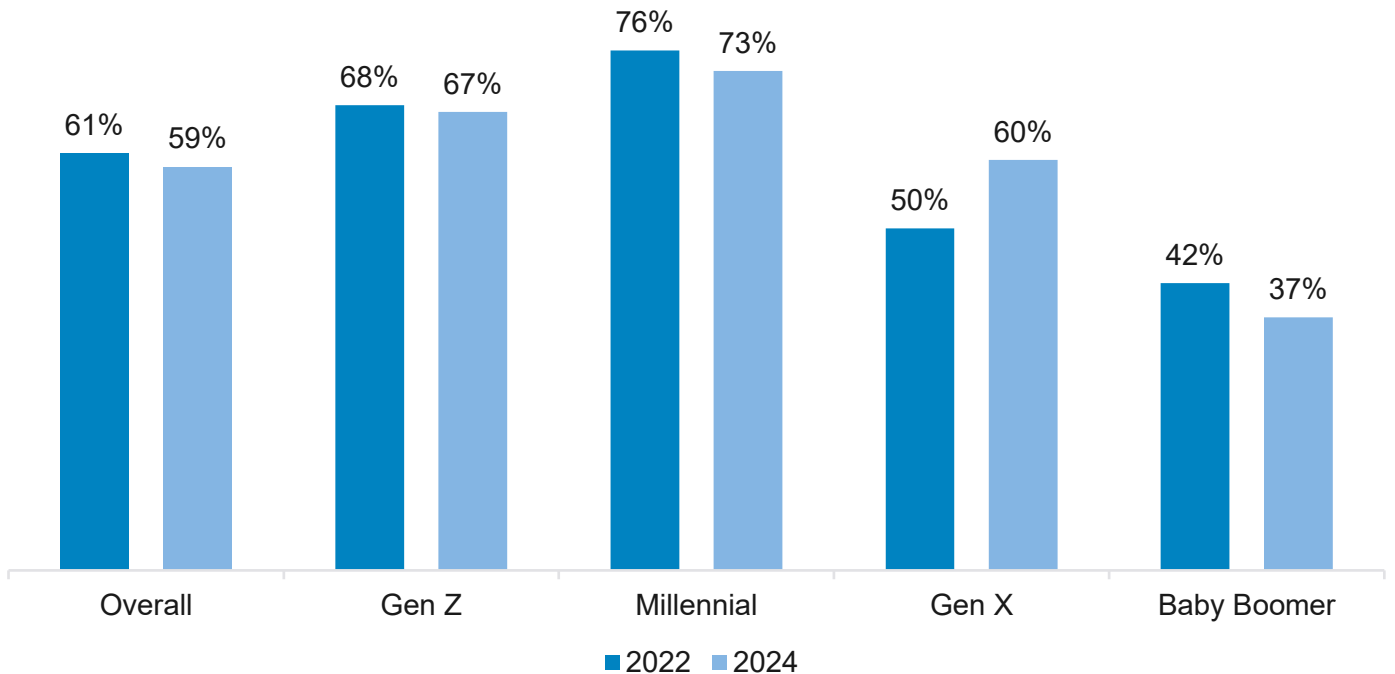


Restaurant Patronage

Reviewing the frequency with which consumers visit restaurants points out one of the major differences between older and younger consumers. Gen Z and Millennial consumers visit and/or order from restaurants more often than Gen X, and far more frequently than Baby Boomers. These younger consumers are less likely to prioritize discounts in their spending habits, and more likely to spend on entertainment options, including restaurants. Baby Boomers feel most constrained when it comes to spending, including grocery bills, housing costs, insurance and gasoline prices, as many of them are retired and consider themselves to be on more of a fixed budget. Furthermore, half of all Baby Boomers are preparing food at home more often than two years ago.

Generation	Bottom of Age Range	Top of Age Range
Gen Z	14	31
Millennial	32	47
Gen X	48	58
Baby Boomer	59	78

RESTAURANT PATRONAGE FREQUENCY
ONCE A WEEK+



Source: Technomic COOR Report 2024

Mining Technomic’s Ignite Consumer database also shows consumer brand preferences. The table below shows the chain restaurants that rate highest for each generation based on visits to that brand at least once a month. Distributors can build up their understanding of consumer chain preferences and provide guidance to

independent restaurants based on that heightened generational understanding by specifically explaining what different age groups prefer. Independents may choose to modify their menus to best align with the restaurant experiences their target customers prefer.

Gen Z	Millennial	Gen X	Baby Boomer
Dave’s Hot Chicken	Pollo Campero	LongHorn Steakhouse	Culver’s
Dutch Bros Coffee	Newk’s Eatery	Jimmy John’s	Perkins American Food Co.
Dave & Buster’s	Fogo de Chao	Zaxby’s	Bob Evans
Auntie Anne’s	Golden Chick	Krispy Kreme	Cracker Barrel
Tropical Smoothie Cafe	Blaze Pizza	Hardee’s	Golden Corral

Distributors can better help their operator customers with product selection and menu development by understanding what type of consumer eats where, how often and what they are most likely to order. A 35-year-old and a 55-year-old are not necessarily seeking the same menu items, flavor profiles or restaurant experiences. Many resource-constrained

operators will turn to their primary distributor for this level of customer insight. Therefore, distributors are well served to be capturing this information and efficiently disseminating the insights to key customers. Sourcing this information from foodservice manufacturers, among others, can be done more proactively by distributors.



Image source: Shutterstock

Overview of Generational Distinctions

Gen Z is a wide-ranging group in terms of life stages, and seeks unique experiences.

Consumers ages 14-31 are a mix of teens, college students, young adults joining the workforce and adults starting families. These consumers are on the go and above-average in foodservice patronage, which could be due to this generation indicating they were raised dining out more often than older generations. There is a preference for unique experiences, with Gen Z using food trucks and food halls more than other age groups. While unique experiences draw this generation in, it's important to note that they are increasingly bringing families into restaurants as well. A majority of older Gen Zers (ages 25-31) are looking for kid-focused accommodations and seek restaurants that meet those needs. Gen Z consumers tend to look for unique experiences more than unique flavors, though they are most inclined of all generations to try fruity flavors. Gen Z also most prefers salty dishes and frequently requests that menu descriptions be accompanied by pictures of the foods and beverages.

Millennial consumers are prime restaurant patrons.

Restaurant occasions for Millennials are up across all dayparts compared to two years ago. This age group has the overall highest patronage among all generations, especially younger Millennials (ages 32-39). Nearly half of Millennials (49%) are looking to spend their discretionary income on dining out. This age group typically prioritizes taste, fresh ingredients and variety. Millennials are also the most adventurous group of eaters. They are the generation most interested in spicy foods, as well as sweet-and-spicy combinations. Seasonal foods and smoky flavors also attract Millennials in high numbers.

Gen X emphasizes financial prudence and value-seeking behavior in their current life stage.

As they approach retirement, Gen Xers are increasingly focused on maximizing their savings. This focus is reflected in their heightened affinity for value-driven offerings at both full- and limited-service restaurants, as well as their gravitation toward loyalty and rewards programs that provide discounts and other financial benefits. More than a quarter of Gen Xers (26%) would be influenced to visit a particular foodservice establishment that offers compelling loyalty incentives, with a preference for programs that reward frequent patronage with tangible savings. Distributors may also highlight to customers that Gen X is most likely to try new items that promote some form of health benefit, including in menu descriptions. Further, sweet-and-sour dishes are a big favorite of Gen X.

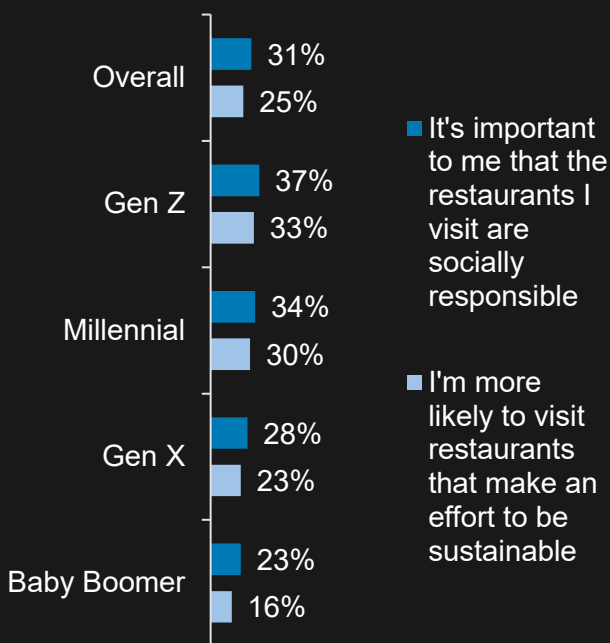
Baby Boomers favor familiarity and consistency in their dining habits.

As Baby Boomers age, they are less inclined to experiment with new foods and beverages, and less likely to try new restaurants or other foodservice locations. Their dining habits are defined by routine and comfort, favoring familiar restaurants and trusted menu items. Baby Boomers also prefer more traditional ordering formats for both on- and off-premise dining. When it comes to off-premise ordering methods, while drive-thru remains most popular, nearly half (47%) of Baby Boomers order via telephone, making reaching this consumer via online tools or apps a challenge. Distributors can inform operators seeking to appeal to this generation that these customers most prefer globally inspired entrees that have become commonplace, such as Chinese, Italian, Greek and Tex-Mex dishes.

Other Distinguishing Features of Younger Generations

According to Technomic research, younger consumers demonstrate more awareness and have greater expectations as it relates to sustainability and social responsibility in foodservice. Gen Zers and Millennials typically show more concern for these causes and expect the foodservice industry to be more proactive. Commercial and noncommercial operators targeting these younger consumers and those that have a younger-skewing customer base need to recognize the importance of aligning with these values and should be optimizing sustainability communication efforts as much as possible, including in menu descriptions.

SOCIAL RESPONSIBILITY
% WHO AGREE/AGREE COMPLETELY

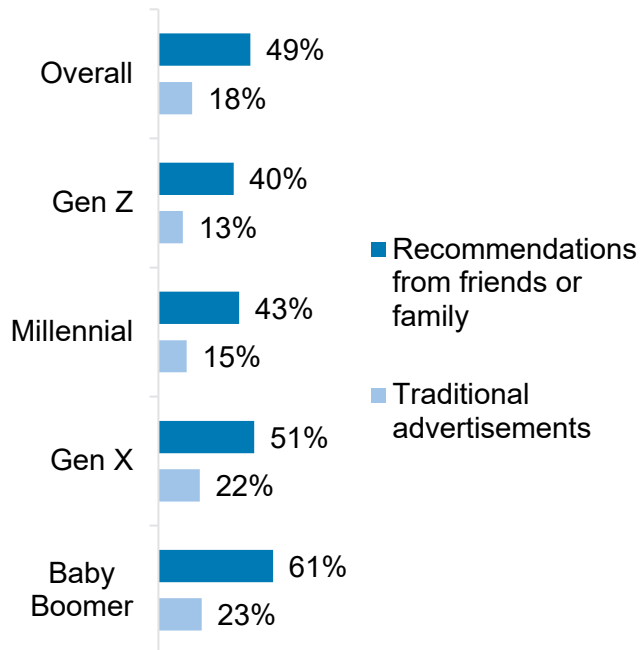


Source: Technomic Consumer Trend Report

Other Distinguishing Features of Older Generations

While younger consumers are more heavily influenced by social media promotions and mobile app notifications (unsurprisingly), Gen Xers and Baby Boomers have continued to hold onto long-standing sources of foodservice information and influences. In the near and long term, suppliers, distributors and operators will have to maintain “dual paths” to reach the different generations. More specifically, older generations are leaning heavily on family and friends for foodservice recommendations and are influenced by more traditional, mainstream advertisements.

VISITATION INFLUENCES



Source: Technomic Consumer Trend Report

Who's Next?

Children under the age of 14 have become commonly known as Gen Alpha as a result of being the first generation entirely born in the 2000s and marking the alpha, or starting point, of the new millennium. Most within this generation have been born to Gen Z or Millennial parents, which certainly shapes Gen Alpha's upbringing. And while they are several years away from have purchasing power in dollars, they do have power in numbers, as this generation already represents 20% of the U.S. population.

Gen Alpha children are often described as empowered, self-possessed, impatient, fiscally responsible and wanting to be heard. Sixty-six percent (66%) of children ages 5-13 own a smartphone, with the average age of initial ownership being 9. And, in addition to social media apps like TikTok, Instagram and Snapchat, the typical Gen Alpha consumer has three to five restaurant apps on their phone. Going forward, it will be important to reach this tech-savvy generation through short-form video platforms and apps. In reaching this generation, acknowledge and respect their voice, and utilize key social platforms and influencers to build awareness and loyalty. Gen Alpha is poised to be a core target of the foodservice industry.

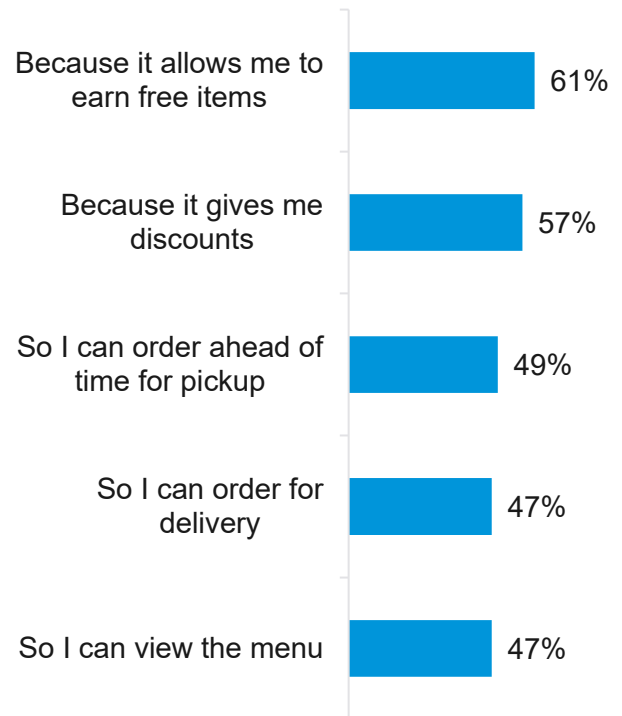
Summary

This brief highlights the fact that each generation is unique in how it uses and engages with the foodservice industry. While some major differences are summarized here, there are many nuances in the preferences, habits and needs of younger, middle-aged and older consumers. Foodservice distributors will have to work closely with restaurant operators to continually assess how to attract and serve people within each generation, selecting food and beverage products accordingly. More than ever, foodservice is not a one-size-fits-all solution.



Image source: Shutterstock

REASONS FOR GEN ALPHA HAVING RESTAURANT APPS



Source: Technomic Consumer Trend Report

