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## The **NEXT GENERATION**

There is an evolution in the frequent restaurant consumer, and Operators will want to be flexible and proactive to reach this influential group. They are 20- to 35-year-old consumers known as Millennials and they utilize and connect with restaurants in a very different way than their Gen X and Baby Boomer predecessors.

Millennials are the most frequent restaurant users among all consumer segments, with 36% of all meals purchased away from home. This is despite of high unemployment and underemployment in this age group. These economic conditions have made them cautious spenders, but they still want to enjoy indulgent experiences like eating away from home. Much of this usage is to save time in their busy lives. Millennials place a higher value on restaurant meals because they require no cooking and generally little preparation or cleanup. Foodservice establishments are also used as a means for socialization whether eating on premise or carrying out to eat with friends.

Operators who understand and can appeal to the motivations of Millennials will be positioned to win.

### Aspirational Foodies

More than seven out of 10 Millennials say appealing taste and flavor are some of the most important attributes when choosing a restaurant for dine-in occasions. They are aspirational foodies and willing to be adventurous with flavors and seek out innovative menu items. Half of Millennials state that fresh and premium ingredients are important to them. Fresh can mean organic or locally sourced and premium ingredients can include unique cheeses, exotic spices or specialty meats.

In addition to adventurous flavors and fresh ingredients, Millennials seek a balance between healthy and indulgent foods when they eat away from home. Variety is the spice of life with this group, and they value the ability to blend indulgent items with healthier ingredients. Ultimately customization is key so they are able to have what they want, made the way they want it.

### Live for Technology

This is a very different group of patrons from their parents as technology has played a larger role in their lives and they leverage that technology in the many ways they interact with restaurants.

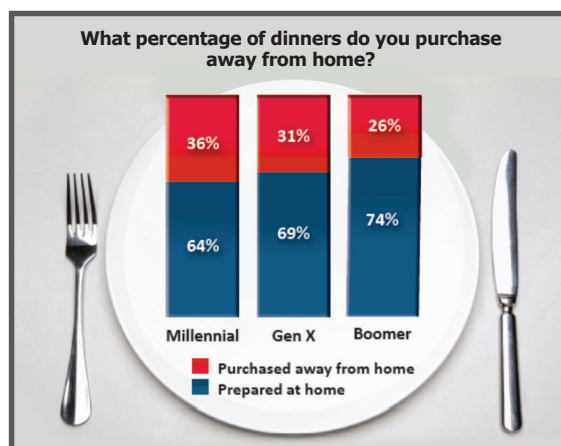
As a whole this generation thrives on connections and sharing information as central to the way they live. Of Millennials, 59% say they look up restaurant menus online via a computer either often or very often, compared to just 45% of all consumer segments. Millennials are also strongly influenced by online recommendations found on sites such as Yelp and UrbanSpoon and see them as trusted sources in their decision-making process. Not only do they use these sites to gather first impressions but they actively broadcast their thoughts and experiences as well.

For Millennials, social media and mobile platforms aren't just tools for communication; they fit squarely into how younger adults live. Social media helps generate the short-term buzz that keeps a restaurant chain trendy, while mobile marketing fits into the everyday life of this on-the-go customer base. Web-enabled loyalty programs, smartphone

payment systems and mobile friendly online ordering all appeal to these consumers and their busy lifestyle.

### Social Engagement

Millennials are the most likely to believe that restaurants are an ideal place for socialization. More than 65% agree that restaurants are a great place to get together with friends. Operators can leverage this perception and drive traffic among this group by supporting a social dining experience through their menu and atmosphere. In terms of menu, Operators may want to consider how they can attract Millennial dining parties by offering options such as shareable items or small plates that will appeal to a broad customer base and offer the variety they crave. Appropriate music and decor can also be used to enhance the overall experience for social Millennials.



Source: Technomic report, *Understanding the Foodservice Attitudes & Behaviors of Millennials*, September 2012

## Key P.A.T.R.O.N.® Segments

### Social Butterflies

- Ages 21-34
- Single with a moderate income and living in large metropolitan areas
- Love a lively atmosphere and want to have a good time with friends, family and new acquaintances
- Health-conscious but desire more adventurous, trendy and craveable foods
- Restaurants can be like a second home

### Fun Parents

- Ages 21-44
- Married
- Place a big emphasis on showing the family a good time
- Reward themselves and family with special treats and a way to show family love and make memories
- Restaurants with shareable, family-friendly menus
- They may eat as late as midnight and are not confined to early dinners with the kids

Source: ConAgra Foodservice  
Proprietary Food Away  
From Home Study, 2009

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## Patron Key Issues

Customization is key. Whether that means eating breakfast at midnight or selecting the ingredients that go on their burger, Millennials want what they want, how they want it and when they want it. Choices such as proteins, spice level, ingredients and preparation are key factors this group wants to control in their meals.

This next generation of consumers is information hungry and seeks transparency in their food sourcing and preparation. They are also eager to share their thoughts and experiences with each other via social media and look to trusted influencers to help them make decisions when eating away from home. Operators will need to actively engage in the conversation whether via their social media site or direct communication with frequent visitors. The attention span of this group is very short, and staying top of mind is important for Operators to succeed.

The bottom line is that Millennials search for Operators who are going to make everyday experiences extraordinary and memorable. It's about more than the food, it's about the experience.

For more targeted recommendations to grow your business, ask your ConAgra Foodservice representative for a customized P.A.T.R.O.N. profile report.



## Top 5 Actions

1. Try out seating arrangements that can accommodate larger parties – such as longer tables, communal tables or lounge areas with armchairs and small tables – as this may appeal to Millennials since it provides them not only a place to enjoy a meal with friends and family, but a comfortable zone to hang out once their meal is finished.
2. Be transparent in your preparation, ingredients and sourcing. Note local sources for ingredients on your menu and include preparation descriptions on all dishes.
3. Indicate where customization is possible on menu items. Provide patrons a choice of proteins, vegetables, seasonings and sauces to customize their dish.
4. Optimize your on-line ordering experience for use on smartphones and tablets as well as laptop computers and maintain up-to-date menus and daily specials.
5. Encourage digital sharing and interaction with your restaurant. Implement an electronic loyalty program that includes online rewards tracking and communicate with your loyal customers via social media and direct text or email campaigns.



to go...

Sources: Technomic Generational Consumer Trend Report 2012, June 2012  
ConAgra Foods Shopper Insights: The Millennial Food Shopper  
Datassential Consumer Omnibus, June 2013  
<http://nrr.com/latest-headlines/seven-tips-attracting-millennials>

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