



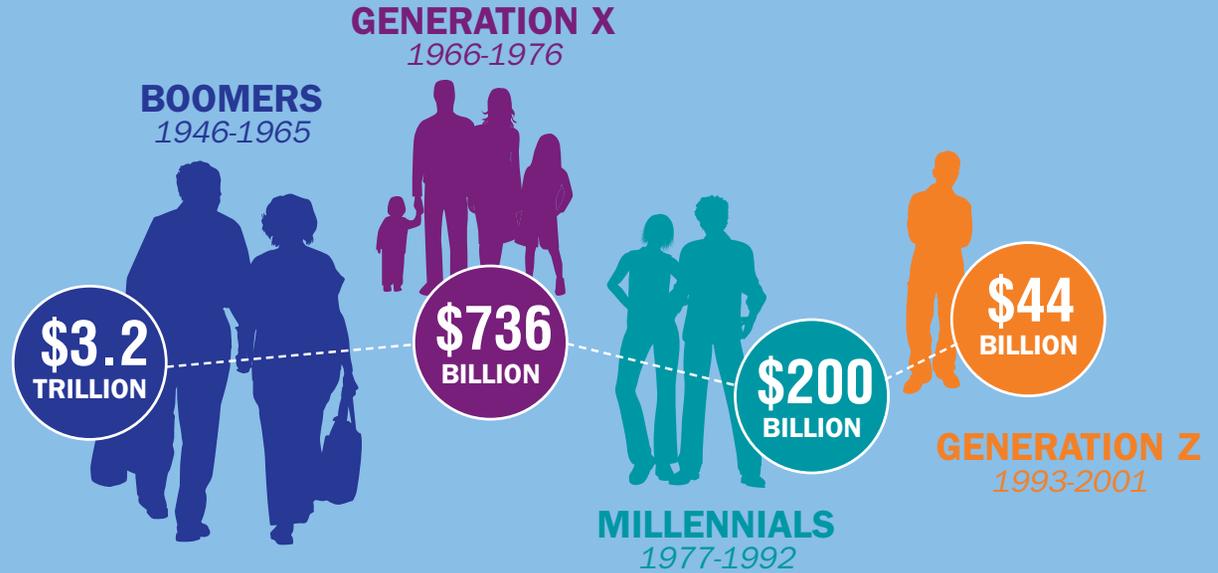
LEVERAGING CONSUMER  
**INSIGHT**  
TO INCREASE PROFITABILITY

Purchasing That Fits®

LEVERAGING CONSUMER  
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Today, a significant delineation has occurred between the generations. Each subset within the generational makeup of the consumer market has specific needs, wants and desires, which presents a challenge when trying to capture all segments simultaneously. Baby Boomers, Generation X, Millennials and Generation Z each have their personal preferences when making purchases, some of which are shared, while others are in direct opposition. Each group views value differently; while some are fiercely brand-loyal, others solely hunt for the best deal, no matter the brand. Conversely, for certain generations, a rewarding experience heavily outweighs the burden of price. No matter what overlays or opposing desires exist among the generations, one thing is certain; operators are better able to capture increased market share by gaining insight into what makes each individual generational group tick.

## ANNUAL SPENDING PER GENERATION:

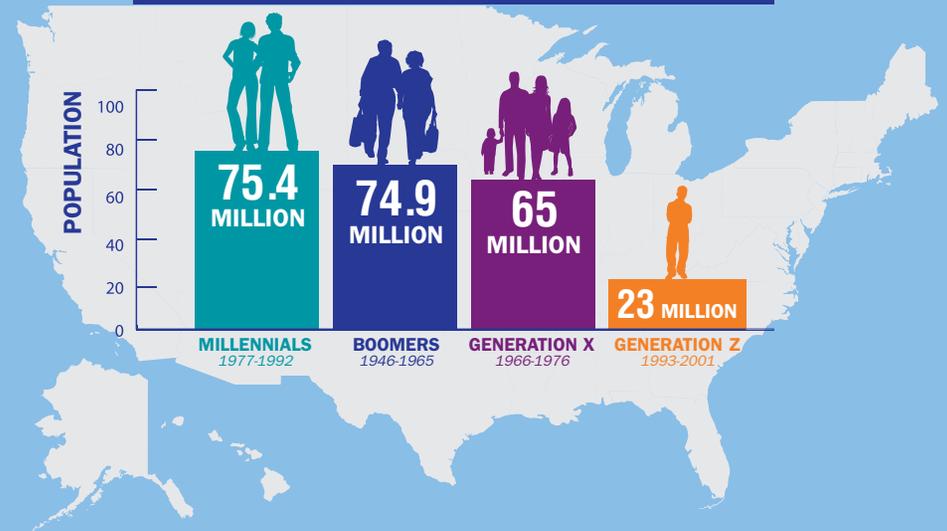


**A CHANGE IN TREND:**  
For the first time in **recorded history**, Americans are spending more money per year in restaurants and bars than in grocery stores.

## BREAKDOWN:

There are more **MILLENNIALS** in the U.S. population than any other generation, but they are the third in spending power. **BOOMERS** are the first in spending, but second in population. **GENERATION X** spends the second most, but is the third smallest, while **GENERATION Z** ranks last in both spending and population.

## NUMBER IN POPULATION:



HOW GEN Z SPENDS THEIR 'EXTRA' MONEY

GENERATION Z  
**62%**  
of their income is discretionary



**22%**   
spent on video games

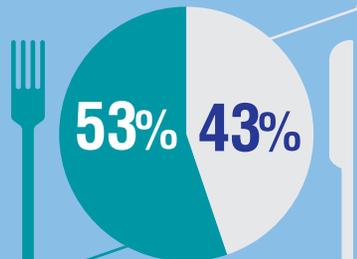
**20%**   
spent on hobbies

**20%**   
spent on food

MILLENNIALS DINE OUT MORE THAN ANY OTHER GENERATION:



MILLENNIALS eat out weekly



GENERATION X  
BOOMERS  
GENERATION Z  
dines out weekly



WHO VALUES SPEEDY SERVICE THE MOST?

**54%** GENERATION Z  
FAST SERVICE IS THE NUMBER ONE PRIORITY



**40%** MILLENNIALS  
AGREE

**41%** GEN XERS  
AGREE

**43%** BOOMERS  
AGREE

WHERE THEY'RE EATING OVER A THREE MONTH PERIOD

% who ate at quick service restaurant, such as McDonald's or Wendy's

MILLENNIALS **96%**

GENERATION X **95%**

BOOMERS **90%**



% who ate in a casual dining restaurant, such as Olive Garden

MILLENNIALS **80%**

GENERATION X **74%**

BOOMERS **64%**



% who ate in fast casual restaurant, such as Panera Bread

MILLENNIALS **69%**

GENERATION X **62%**

BOOMERS **43%**



# THE GENERATIONS: WHO THEY ARE AND WHAT IS IN THEIR WALLETS

## THE BOOMER:

The Baby Boomer generation refers to those born between 1946 and 1965. Though they are the oldest of these generations, they do not display characteristics traditionally associated with seniors, and remain healthy and highly active, both socially and professionally, well beyond retirement age. Boomers make up a quarter of the U.S. population, and control \$3.2 trillion in spending power. Having been raised in front of television sets, Boomers have been marketed to for the duration of their lives, and as a result, are known as the 'consumer generation'. Boomers are quick to spend a dollar or two, and are extending their consumer-driven habits into their golden years, which has served to significantly expand and direct the market. At this stage in their lives, Boomers now have the time and energy to spend their money, and prefer to do so in fun, exciting ways.

## GENERATION X:

Generation X, or Gen X, is the smallest subset of the generations, but surprisingly carries a significant amount of the purchasing influence. Gen Xers are those born between 1966 and 1976, are the heads of family, are well submersed into their careers, and have more potential spending power than any other generation, with 29% of estimated net worth dollars and 31% of total income dollars. Gen X holds the purse strings for their children, Gen Z, and also influences the spending behaviors of their own parents, the Boomers, making their seemingly small representation by population more far reaching than it appears at first glance.

## THE MILLENNIALS:

Millennials, born between 1977 and 1992, make up the largest group by number, capturing over 29% of the overall population. Millennials spend roughly \$600 billion each year in the United States, and though they do not rank in first place in purchasing power, they are an influential up-and-coming group whose preferences have already significantly shaped the consumer market. Estimates predict that Millennials will account for \$1.4 trillion in annual spending by the year 2020. Though Millennials don't have a surplus of discretionary funds today, they are savvy spenders and have a defined mindset of what they want as consumers. Millennials tend to be cost-conscious, seeking the most value for price.

## GENERATION Z:

The youngest of the generations, Generation Z is made up of those born between 1993 and 2001. Generation Z comprises 12% of the current population, with most being college-aged, who already hold more than \$44 billion in spending power and upwards of \$200 billion in influential spending power (when it comes to influencing their parents about what to purchase). Generation Z is a quickly evolving group of consumers, who places significant value on the unique and individual. Markets should prepare for the influx and influence of this upcoming generation in order to capture the most benefit from their sector.



**BOOMERS**  
1946-1965

**GENERATION X**  
1966-1976

**MILLENNIALS**  
1977-1992

**GENERATION Z**  
1993-2001

## BRAND-LOYAL BEHAVIOR BY GENERATION

Generation X (Gen X) is the group most dedicated to brand loyalty. Gen Xers are not the most adventurous group, and prefer to stick with a brand they like once it has been identified, rather than shopping around. In exchange for their loyalty, Gen X expects to be rewarded. They view value in “brand for brand-name sake”, and derive status through material or consumer goods. On the opposite end of the spectrum are the Boomers, who typically choose brands based on what kind of deal is being offered. Known as the ‘consumer generation’, they’ll try any brand once, especially if they receive a cost-saving offer. Millennials and Gen Zers, though hard to pin down due to their hunt-and-see consumer behaviors, will be your biggest brand ambassadors if you deliver something they enjoy. Between social media and their tendencies to be swayed by peer reviews, these two generations will help spread the word about your brand. It is important to make sure it is the right word they are spreading.



## GENERATIONAL COMFORT ZONES CREATING THE RIGHT SPACE FOR OPTIMAL DINING

The aura of a restaurant is almost as important as the food being served when it comes to delivering an enjoyable guest experience. While Boomers look for a friendly smile and a rewarding social interaction from their servers, Millennials and Gen Zers desire a physical space that is warm, comfortable and inviting to a longer stay. Since many Millennials and Gen Zers frequently don't own their own homes and tend to have shared living arrangements, restaurants are often used as a place for socializing. Operators can capitalize on this need by creating inviting spaces to sit and relax, such as couch groupings, which helps to extend their stay. On the other hand, Gen X, flush with cash and kids, wants a family friendly atmosphere for their dining experience.

A frequently overlooked element is the impact of the noise and light level on establishments' perceived comfort. Boomers have been known to walk out of a restaurant before ordering if the background music or noise level in the space was too overwhelming. Another annoying factor to Boomers is lighting - if the lights are too dim or a menu font is too hard to read, Boomers become frustrated. Millennials and Gen Zers don't want to be put in the spotlight or have their conversations publicized, so providing an element of background noise is important to them. By effectively walking a fine line of providing the right level of light and sound, all consumers will be comfortable in your establishment, and will be more likely to make return visits and stay longer while they're there.



## ALL GENERATIONS SAY YES TO TECH: **IMPLEMENTING THE RIGHT TOOLS TO INCREASE CUSTOMER SATISFACTION**

Despite what some food operators may believe when it comes to implementing new technology into their platforms, it is unlikely that the Boomer generation will be scared away from ordering by a few flashing screens. Though Boomers aren't reliant on technology like the Millennials, Gen Z, and to some degree Gen X, Boomers aren't afraid of it, either. Touch screen ordering and easy to read digital menu screens will make almost as big of an impact with the Boomers as with the younger generations. While Gen Z and the Millennials look to the technology to access nutritional information and increase speed of service, Boomers simply 'get a kick' out of trying a new app or pre-ordering online. Across the generational spectrum, one thing is certain: all menus and website information must be mobile friendly and up to date with accurate information. Another unspoken requirement is reliable, easily accessed Wi-Fi, especially for Gen Z and the Millennials.



## GENERATIONS CAPITALIZING ON ETHNIC SELECTIONS

Generation Z likely has the most adventurous palette, with Millennials close behind. Though Millennials are more likely to view ethnically diverse foods as something adventurous, Gen Z just views it as a choice of cuisine, and a regular one, at that. Where older generations would say they're going out for Japanese food, Gen Zers will say 'ordering ramen.' It is crucial to remain culturally sensitive and ethnically accurate in terms of flavor profiles in order to satisfy these younger segments. Gen X also likes an ethnically rounded menu, but they are more likely to indulge on the luxurious end of the spectrum. Think rich, smooth, opulent flavors when it comes to satisfying this sect. Boomers are also expanding their palettes and desire hot and spicy on-trend foods. Nutritional value for the Boomers is important, as they tend to lean toward lower sodium and sugar options.



## MENU MAKEOVER FOR THE GENERATIONS: **ALLOWING THE CUSTOMER TO CREATE THE MEAL**

Excluding great service, the ability to customize menu options may be the most influential factor for the Millennials and Generation Z. While Millennials prefer the option to add, subtract and reinvent their menu items, Generation Z downright expects it. Generation Z wants to customize their menu selections, and will not often return to an establishment unless this need is met. On the other hand, Generation X, who views the food as the experience, prefers to have things masterfully prepared and handed to them. They derive satisfaction and quality from the skill level required to create a dish, therefore, the personalization of a meal is not as important to them. Boomers are an entirely separate group in terms of customization. Though they want the ability to add and remove items from their order, they expect a reduction in price if they have reduced the number of ingredients or size of the dish they have ordered. Offering half-plate or half a sandwich and soup options for this group is also beneficial, provided it comes with a price break.



## SUSTAINING PATRONAGE PER GENERATION: AN ENVIRONMENTAL IMPERATIVE

A social and environmental movement has secured a significant stronghold in today's culture across the ages. Generation X was introduced to the mantra of reduce, reuse, recycle, and thus they have created a wave of social and environmental contentousness through their children. Millennials help to continue this legacy, and have been raised to be eco-conscious, preferring that their restaurants choose to employ sustainable alternatives for energy and food, though it is not likely to sway their dining choices. For Gen Z, this is most certainly not the case, as it determines when, how, and why they make purchases.

Gen Z needs to 'feel good' about what they are supporting - it is intrinsically woven into their experience, expectations and moral fabric. They will select a brand purely because it supports an environmental or social cause they believe in, which is why it is so imperative that operators must take every measure to convey their sustainability or cause-related efforts to their patrons. Generation Z will go out of their way to avoid supporting a restaurant that does not view social and environmental awareness as a business imperative. As a result of Gen X's environmentally conscious parenting, and in certain cases, even the parenting of some Millennials, Gen Z is a generation of people committed to changing the world for the better, who extend their moral and ethical standards into the food service industry. Operators should offer things like fair trade coffee, locally grown produce, and sustainably sourced seafood in order to capture the purchasing power of this up and coming generation.



## GENERATIONAL HEALTH TRENDS: **PUTTING WELLNESS ON THE MENU**

Aging Boomers, health conscious Gen X, mindful Millennials, and sustainable Gen Zers, all expect and crave healthy, fresh menu options. Since a great deal of attention is being paid to the wellness movement of today, it is important to satisfy each generation on this front, as well. Though an overall health-awareness has shaped consumerism, a few of the generations seek diet-specific qualities in their menu selection. For the Boomers, low sugar and sodium, portion controlled items are key to reaching their dietary demands. While Gen X and Millennials love to see fresh, locally sourced produce on the menu, Generation Z outright demands it. Additionally, Gen Zers want to know that all of the seafood on the menu is sustainably sourced, and that all of the coffee and tea is fair trade.

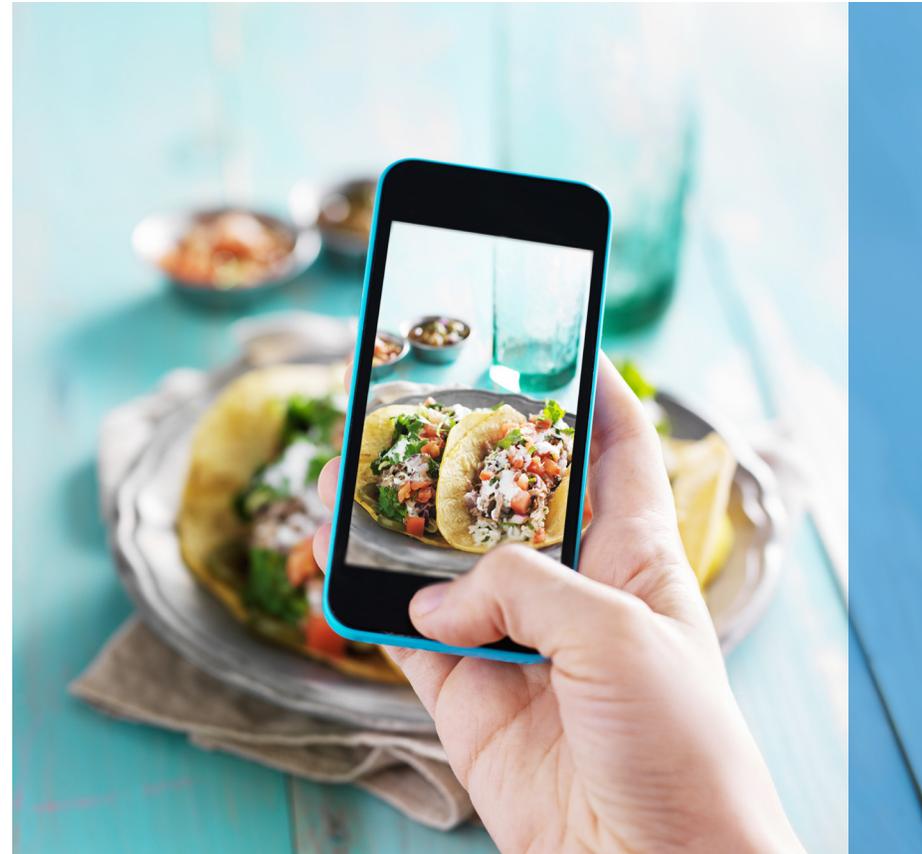
Across the generations, each demographic wants to know what is in their food, so by providing detailed descriptions and preparation methods for menu items, operators can satisfy the need-to-know drive of consumers. Additionally, clear labeling helps to provide awareness to diners who may have food allergies, such as gluten-insensitivity, and provide menu options for them, as well. By offering fresh, locally sourced, and organic offerings and making sure that nutritional information is readily available is paramount in achieving a healthy status for diners. Providing specials and menu options that are low calorie, high antioxidant, and better yet, local, is a guaranteed way to take the guilt out of restaurant dining.



## PICTURE PERFECT ACROSS GENERATIONS: **FOCUSING IN ON FOOD PRESENTATION**

For Gen Z and many Millennials, the food itself is the experience, and it is an experience that they are driven to share. Within moments of having their food delivered to their table, Gen Zers and many Millennials are snapping pics for social media and making posts. While this adds to the bottom line for food operators through word of mouth and increased online activity, a visually pleasing experience also helps to boost satisfaction among all of the generations.

For example, Generation X thrives on the luxury of appearance, and appreciates, possibly most fully, the beauty of a thoughtful food presentation. For them, decadence and attention to detail can heavily influence the way a meal is remembered. Boomers, though once considered traditional menu oriented diners, are now more adventurous with their selections, and view extraordinary food presentation as a novel addition to the restaurant experience. Though they don't typically demand a high-end display, they can appreciate a beautiful visual layout as much as the next generation, and enjoy sharing their experience, as well. Regardless of demographics, it is clear that food that looks great tastes even better, reinforcing the importance of delivering an appealing experience to the eyes and the stomach, no matter the consumers' age.



## THE IMPORTANCE OF CONVENIENCE: **SERVING UP FAST, RELIABLE SOLUTIONS IN TAKEOUT ACROSS THE GENERATIONS**

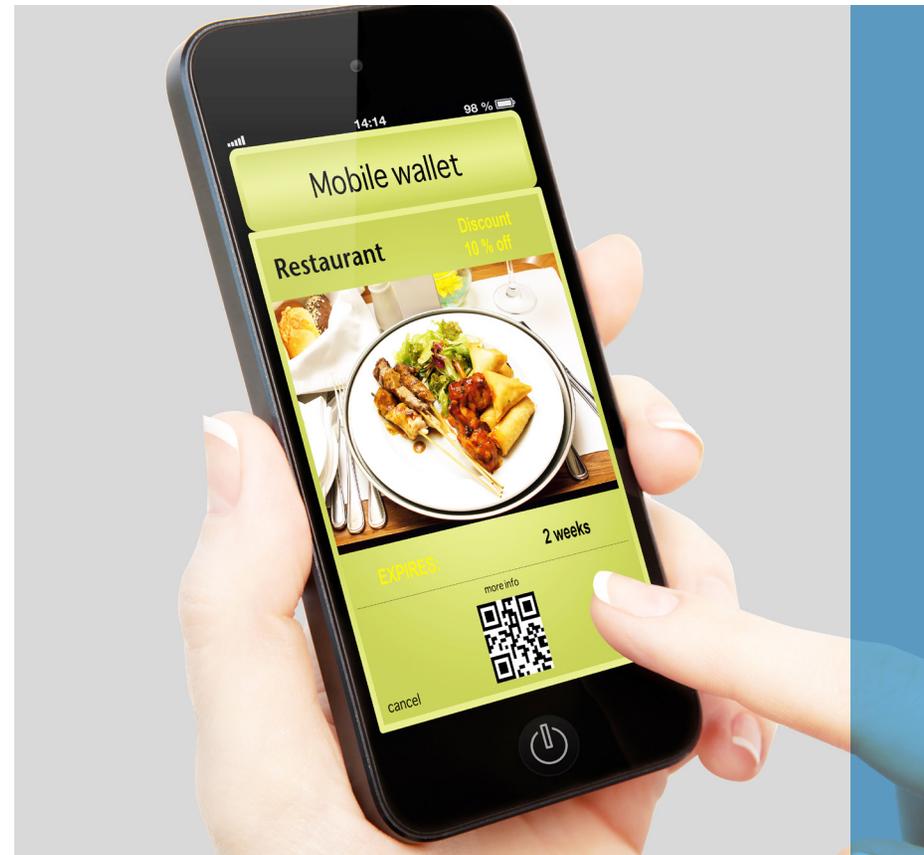
Sporting dual income households, packed schedules, and kids to shuttle to school, practice, and home, Generation X is heavily reliant on takeout and delivery. Operators can capture this brand-loyal market segment by offering consistent options in the grab-and-go and delivery segments. Additionally as important are the Millennials and Gen Z population, who also lean on convenience as an indicator of purchasing decisions. Both Millennials and Gen Z prefer delivery over picking up takeout food, and don't think added charge for delivery takes away from the overall value. Millennials typically order through the traditional phone-in method, while Gen Z is more likely to use an app or delivery service, such as DoorDash®.

Whether takeout or delivery ordering is handled through an online application, or ordered by phone, it is critical that great attention be paid to accuracy and efficiency in whatever method is utilized. Ensuring that food packaging is visually pleasing and is able to maintain the integrity of the food is also important to the overall experience. Operators should think of their delivery and takeout service as providing a time saving solution and much needed relief to the over-worked Gen X crowd as, well as all consumers.



## WHAT'S IN IT FOR ME? PERSONALIZING YOUR REWARDS SYSTEM FOR EACH GENERATION

Each age group has their own opinion about what being rewarded means. Boomers want the most from their rewards experience in the way of pricing. They will choose one establishment over another based on who gives the largest discount, and prefer to use a traditional coupon. Gen Xers, on the other hand, view the reward in the VIP experience that they receive as a result of being a valued guest, which means that they prefer being part of a club membership or exclusive rewards program, as opposed to a traditional coupon or discount. For Generation X, an invite-only event or exclusive email list promotion appeals more than any other discount, and they are more easily and effectively reached through email marketing than any other age group. Millennials are more demanding of their rewards than Gen Z, and want coupons to be smart phone enabled, app enhanced, and available to be transferred from menu item to menu item. They also look for a constantly active coupon to redeem, and may feel slighted if a discount is not available. Gen Z, while appreciating digital coupons, would be willing to sacrifice a deal if the proceeds were applied to a social or environmental cause.



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