

GenZ Rising

THOSE AGES 10-22 WILL DETERMINE OPERATORS' FUTURE SUCCESS. LOOK BEYOND MILLENNIALS TO THIS EMERGING FOOD-SAVVY DEMOGRAPHIC.

BY JODY SHEE

Some call them GenerationZ, others, iGeneration or post-millennials. But all agree that the emerging demographic of 10- to 22-year-olds is the upcoming “it” generation. They make up 17% of the total U.S. population and number 54-55 million. “They will soon be the prime target for marketers. Demographically, they are the most diverse generation; 24% are Hispanic,” says Caleb Bryant, foodservice analyst with Chicago-based market intelligence agency Mintel.

Because this group grew up during the Great Recession, analysts who specialize in demographics say GenZs will be a bit more fiscally conservative. They tend to be more socially liberal than other generations, and they are growing up more connected to technology, Bryant says.

“They are the consumers of the future. As an industry, we need to listen to them really carefully,” says Susan Terry, vice president of culinary and food and beverage operations for Marcus Hotels & Resorts, Milwaukee. “This generation will dominate the evolution of our business and dictate how we succeed or fail and what our programming is. We must listen to what’s important to them and make sure we have that available to them.”

GLOBALIZED

Out of the gate, GenZs had a global interface in their social sphere, and they are well-traveled. “They are without question unafraid of anything that is new or different,” Terry says. Thus, they are less-picky eaters than the generations before them.

The three most popular ethnic cuisines overall are Latin, Asian and Mediterranean, but to draw and impress GenZs, it’s important to microsegment these global offerings beyond Mexican, Chinese and Italian food, says Sharon Olson, executive director of Chicago research firm Y-Pulse. Today’s rising generation understands cuisine from Peru, Chile and Brazil as well as different regions within Mexico.

This generation gets its education in the school cafeteria at times. In some school districts with high concentrations of a specific ethnic group, school foodservice directors allow mothers to come in and show staff how to make their common ethnic dishes. “Then, the college campus is the ultimate in diversity, where they are developing habits of a lifetime, sharing their food. The world is a smaller place,” Olson says.

Deriving about 40% of customers from GenZ, the two locations of Tom’s BaoBao (Cambridge, Massachusetts, and Providence, Rhode Island,) serve authentic Chinese bao—fluffy stuffed steamed buns. The fast-casual operation plays to the likes of the young generation that most appreciates great flavor, a reasonable price and convenience, in that order, says Jerry Tracy, vice president of operations. As they walk in, customers can watch “artisans” handcraft bao through the open-prep-area window, and can order and receive their bao within 30 seconds.

To keep up with the generation’s love of variety, the operation introduces new filling flavors every four or five weeks, with nine flavors offered at any one time. There are always savory, vegetarian and dessert fillings. “We find some of our GenZ customers have been vegetarians or vegans their whole life, with vegetarian parents, and have never known anything else,” Tracy says.

GENZ CHEAT SHEET

The rising GenerationZ (ages 10-22) has a distinct viewpoint. Experts identify the qualities they bring to the marketplace that will shape foodservice going forward. How does your operation match up to their tastes?

- They are the most multicultural group and have an experienced palate.
- Organic and all-natural is their frame of reference and will shape their food-purchasing habits.
- Many look at social media reviews to determine where to eat.
- They are comfortable using third-party food delivery companies.
- Growing up in the Great Recession, they are price-conscious.
- They are interested in food functionality.
- They expect free Wi-Fi.
- They pay attention to food allergens.
- They expect delicious, healthful, convenient, inexpensive food, all in one.
- They want to use their dining dollars to support what they believe in.
- They share visuals, experiences and opinions on social media.
- Quality equals fresh, defined by local, sustainable, prepared in front of them.
- They like restaurants that treat their employees well, and in many cases, they are the employees.



Among recent popular flavors are pastrami Reuben, turkey potpie and lobster—Tom’s BaoBao’s take on the Northeast lobster roll. The bao price range is \$3-\$4 for most varieties, with the lobster bao market-priced.

“The expectation of GenZ is that they can have it all—healthful, delicious and affordable,” Olson says. “They don’t think there’s any reason they can’t have all three. The older generations think there has to be a trade-off, and they might expect a higher price.”

HEALTH VIEW

The younger generation’s view of health differs from that of older generations. GenZs try to limit sugars, gluten and lactose from dairy. “They are more allergen-sensitive,” Olson says. “Few of them talk about limiting fat. They don’t do diets. They talk about limiting ingredients that aren’t good for them.”

Additionally, they look at the functionality of foods and beverages, says Mintel’s Bryant. In the case of beverages, 35% of GenZs say they would pay more for coffee and drinks with benefits versus 27% of other generations. They are interested in juices with added protein and energy-boosting ingredients or those with probiotics. They focus more on preventative health.

Yet the industry must remember to keep a balance between health and indulgence with this group. Before joining Marcus Hotels and Resorts, Terry spent 25 years with Hyatt Hotels Corp., Chicago, where she was heavily involved in the children’s menu program. From a hotel and resort perspective and with the kids’ menu experience, she notes that for all the right reasons, she and others “skewed healthy with kids, but didn’t meet the need of family vacation moments. As an industry, we’ve made great strides in better options for kids that aren’t carb-laden and with a better balance, but missed integrating indulgent items, as well.”

TELL A GOOD STORY

Doing good to employees, the community and the environment is important to GenZs, who become brand advocates via social media for those who do. Beautiful food for online posting and beautiful values must be part of the operational philosophy.

Terry says, “I have an appreciation for 10- to 22-year-olds. Though they aren’t our core target, they are connected to our core customers. They are often traveling with our core targeted customer, and they will be the customers of the future. We want to make sure they like us and believe in what we are doing.”

She strives and urges others in the industry to strive to have a palatable philosophy, hitting on what’s important. Thus, her operations are focused on sustainability, local sourcing and chefs who take quality personally. “We are telling those types of stories in our communication methods,” she says.

ABOVE LEFT: Quesadilla at Anna’s Taqueria.

ABOVE RIGHT: Curry beef bao at Tom’s BaoBao.

OPPOSITE: Authentic Chinese bao making is transparent from both outside and inside at Tom’s BaoBao, Providence, Rhode Island.

PHOTO CREDITS: Top left, Brian Samuels/Courtesy of Anna’s Taqueria; top right and opposite, Nina Gallant/Courtesy of Tom’s BaoBao



Additionally, GenZ makes up much of the foodservice workforce. “It struck me a few years ago how much this group selects who they take jobs from based on how you do your business,” Terry says. In hiring interviews, they ask about the operations’ recycling efforts. “I would never have thought of that. Their decisions on where to work are based on if you have similar philosophies to them in their global view.”

Tom’s BaoBao supports refugees by hiring them. About half its employees came through a local organization that provides services for refugees, including skills training, English classes and job-search assistance. The restaurant puts selected candidates through rigorous bao-making training, “and when it’s all said and done, they have learned a new skill,” Tracy says.

The bao-making employees are positioned as artisans, and Tom’s BaoBao posts their profiles in the restaurant—4 x 6-inch cards with artists’ pictures, hometowns, hobbies, favorite bao flavors and fun facts about them. “Some are funny, some are telling. It’s another way for customers to make a connection with the people making their food,” Tracy says. It’s all fodder for social media, as well.

In addition, any bao that sits out on the line for longer than an hour is removed and donated to an organization that feeds the hungry.

Handcrafted food is another story Tom’s BaoBao tells. The only machine used in preparation is the dough mixer. After that,

the dough is hand-portioned, filled, closed, shaped and steamed. There is no grease in the restaurant. A further point for storytelling is that the steam baskets are all handmade in a small village in the mountains of China. “There are so many stories and aspects we can talk about,” Tracy says.

With seven locations throughout Boston and surrounding towns, Anna’s Taqueria with its customizable menu attracts families with children as well as high school and college students.

Part of its hip story to tell, beyond recycling and sourcing local ingredients, is that Anna’s Taqueria operates four diesel trucks and three diesel cars, used to transport food from the market to each store, that run on the waste oil collected from all seven locations.

It also supports charity events, and on Feb. 16, closed in recognition of Day Without Immigrants. “Anna’s success has been built around our loyal staff, many of whom are immigrants or come from immigrant families,” says owner Mike Kamio.

“Design-wise, we opened our Newton location with a beautiful long wooden communal table that has proved to be a favorite spot for large GenZ groups to enjoy their meals, as well as to take photos for social media,” he says. Anna’s Taqueria has since added similar tables to a few other locations. ■

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