

Millennials Remain Influential for Restaurants

Despite cutbacks in restaurant visits over the past several years, Millennials, ages 18 to 34, continue to be heavy users of restaurants, reports global information company The NPD Group. As a much coveted target of restaurant chains, Millennials made over 14 billion visits to foodservice establishments in the year ending June 2014, which translated to \$95 billion spent on foodservice meals and snacks.

Among the reasons Millennials command the attention they do from restaurant operators and other marketers is because they are the largest of the six key generational groups. They number at 74 million and this number will grow more than any other age group over the next 10 years.

Much of this growth will be as a result of immigration since more than one in five Millennials is Hispanic, a larger percentage than any other generational group. Additionally, their use of social media in sharing dining experiences and their opinions of these experiences make Millennials highly influential in building, or hurting, a restaurant brand.

"What Millennials may lack in buying power they make up for in influence," says Bonnie Riggs, NPD restaurant industry analyst. "They have expectations when they dine out and are quick to spread the word when their expectations are or aren't met." Younger Millennials, 18 to 24 who may still be in school or just starting their careers, have a different lifestyle than older Millennials, ages 25 to 34, who are more likely to be married, own a home, or have children. Though each of these groups have different lifestyles and purchasing behaviors, both still give the vast majority of their visits to traditional quick-service restaurants.

This is contrary to popular belief that most of millennial visits go to fast casual restaurants, which are perceived to have enhanced service and higher quality food than traditional quick-service restaurants. Millennials did increase their visits to fast casual restaurants but the number of visits made to fast casual restaurants is far fewer than their visits to traditional quick-service restaurants. "To increase visits from Millennials, restaurant operators need to meet their needs and that includes providing a unique dining experience and great service," says Riggs. "Price promotions, coupons, and loyalty programs - they want to be rewarded for their loyalty - can also be useful in encouraging more visits from this influential group."

Source: FSR

