



Older millennials are moving into their peak grocery shopping years.

Why millennials matter

Eighteen- to 34-year-olds are driving grocerant sales—and for good reason.

BY LYNN PETRAK

Buzzed about since the postwar mid-1940s, baby boomers have finally taken a back seat—or at least handed over control of the wheel—to millennials.

“[Millennials] . . . are as big if not bigger than the boomers,” says Jim Hertel, senior vice president for Willard Bish-

op, Long Grove, Ill., which provides consumer products data, analysis and insights. “And at least the leading edge of the group is beginning to form families, and it is usually then when people move into their peak grocery shopping years.”

Born between the mid-1980s and the mid-1990s (definitions vary depending on the source), millennials make up about 25 percent of the population, according to the U.S. Census Bureau, and they overlap with the coveted 18 to 34 age demographic. What’s more, these tech-savvy young-

4 top food trends for millennials



“Millennials are still forming their taste preferences.”

— **Burt Flickinger,**
Strategic
Resource Group



sters may love their smartphones, but they also shop in brick-and-mortar stores.

“Millennials are still forming their taste preferences and taste profiles, but what we saw on Black Friday and the Black Friday weekend [in 2016] was a record number of millennials shopping in stores as well as online, with more going to shopping centers,” says retail consultant Burt Flickinger, managing director of Strategic Resource Group in New York City.

Eating the millennial way

Luckily for grocerant marketers, millennials are turning out to be perfect target consumers for sophisticated prepared food offerings.

“They like good food, and to them, everything has to be quality, but they don’t have the money and don’t know how to cook for themselves,” says Hertel. In fact, 45 percent of consumers between the ages of 18 and 24, and 64 percent of those between 25 and 34, say they are only “somewhat good” at cooking, according to Port Washington, N.Y.-based NPD Group.

Millennials also say they lack time to cook, the result of busy schedules and/or little desire to put in the time required for homemade meals. According to the American

Time Use Survey from the U.S. Bureau of Labor Statistics, people between the ages of 15 and 24 spend an average of 11 to 17 minutes on food preparation and cleanup on a daily basis.

“What ends up happening is that millennials are looking for value with a constrained income, and at the same time [they] want quality and convenience,” notes Hertel. “On one →

60%

Millennials who are visiting fast-food restaurants less often as a result of their increased retailer meal solutions purchases

Source: Technomic 2015

What does a millennial want?

Millennials have very specific demands when it comes to the foods they like to purchase and consume, suggests new research from a variety of sources.

► A taste of adventure

Chicago-based market research firm Datassential defines millennial consumers as “experientialists,” particularly older millennials, who tend to seek out bold flavors. According to the Generational Consumer Trend Report from Chicago-based Technomic, adventurous eating really resonates with millennials and older members of Generation Z (post-millennials). The report predicts that millennials will continue that desire “to experiment with food once they leave home and throughout their 20s.”

► Ethnic diversity

As part of their adventurous eating, millennials tend to embrace ethnic foods, including authentic dishes and foods with a twist, or with some kind of mashup with other flavors. A Generational Study: The Evolution of Eating, an NPD report, points out that grocerants are already providing ethnic fare across specialty categories like Asian, Italian, Mexican and barbecue, including Korean barbecue.

► Old favorites

Even though they savor trying new foods, millennials still enjoy traditional items too, such as pizza and burgers. “Menuizing one of those craveable foods can minimize the veto vote for multi-generational dining parties,” according to the Technomic report.

► Custom cuisine

Millennials seek out customization, which can serve as a major draw to grocerant areas, from in-store cafés to soup and salad bars to hot food buffets. The Food Marketing Institute’s recently released report, The Power of Fresh Prepared/Deli, found that millennials are interested in “solutions prepared on the spot to their liking.”

► Grab and go

The millennial generation tends to eat on the go or grab food and take it home to consume at a later time. In its generational study, Technomic found that millennials order takeout and delivery more than both baby boomers and the Gen X demographic between boomers and millennials. Millennials place the highest importance among the generations on fast service for takeout, according to Technomic.





Many millennials are looking for a “food experience” at the supermarket.

hand, there is the idea of the supermarket in its barest form as an ingredient warehouse, and on the other hand, there is the restaurant, where foods are procured for you, cooked for you, and the dishes are done for you. Now, though, you’re starting to see things filling in along the continuum, and that’s where I think the grocerant comes in.”

Grocerant appeal

In a 2016 report, *A Generational Study: The Evolution of Eating*, NPD found that although millennials visit grocery stores less than other groups, “retail foodservice is gaining traction with them.” The NPD report notes that grocery prepared foods are rated high on freshness and quality, which are especially important attributes to millennials.

Grocerants also are uniquely poised to deliver on the “food experience” or “food theater” that many millennials seem

“[Millennials] like good food...but don’t know how to cook for themselves.”

— **Jim Hertel, Willard Bishop**



to embrace, according to NPD. That can range from a store team member dressed in traditional Japanese garb preparing fresh sushi rolls, to a toque-wearing chef bringing trays of hot food from the kitchen to the prepared food area, to a deli staffer demonstrating hand-pulling fresh mozzarella.

“Millennials’ interest in the benefits and experience that supermarket foodservice offers will continue to be strong over the next several years,” says David Portalatin, NPD vice president and food industry analyst.

Meeting the challenges

As grocerants compete for millennials’ business, this demographic’s use of—and expectations for—technology will present both opportunities and challenges.

“They have never known a world that doesn’t have personal technology,” says Hertel. “They are information junkies, and even more than the rest of us, are tied to their phones or other digital devices.”

Social media is part of that technology and can be a key way to connect with millennial customers. Chicago-based menu research firm Technomic reports that two-thirds of millennials and Generation Z-ers (post-millennials) say they follow foodservice via social media sites, with older millennials using Facebook, Pinterest and Groupon, and younger millennials and Gen Z consumers using Insta-

gram, Snapchat and Tumblr.

Maximizing sales from millennials also calls for recognizing the important differences between the older and younger members of this demographic. While millennials with families patronize grocery stores for food shopping, for example, there is a certain disconnect among younger millennials, who tend to visit supermarkets less often overall, according to The Power of Fresh Prepared/Deli, a report by the Food Marketing Institute.

“This group’s trip frequency presents a hurdle for super-market prepared meal solutions. . . . As such, driving store trips and building brand awareness for deli/fresh prepared separate from the grocery side are important first steps to improved engagement,” according to the FMI report.

Another challenge for millennial-seeking grocerants is competition from restaurants, as well as meal delivery and meal kit delivery services. Still, Hertel says grocerants are in a good position to successfully distinguish themselves from foodservice operations and delivery services.

“In a grocerant or hot foods area, it’s there when you want it, vs. a delivery service [with a set schedule]. So when it’s convenient for them, shoppers can swing by and pick something up,” he says. **9**

Millennials by the numbers

► **U.S. millennial population: 83.1 million**

► **Millennials who are part of a minority race or ethnic group: 44.2%**

Source: U.S. Census Bureau data for people born 1982-2000

► **Millennials who became moms for the first time in 2015: 1.3 million**

► **Millennial women’s percentage of total U.S. births: 82%**

Source: National Center for Health Statistics data for women born 1981-1997

► **Millennials who “always or frequently” purchase heat-and-eat food from the supermarket: 33%**

► **Millennials who pick up prepared or ready-to-eat food: 29%**

Source: Private Label Manufacturers Association

