

## How Will Generation Z Change Foodservice?



By Julie Heseman | Principal

Generation Z, iGen, Centennials – there are many names for the largest generation of the U.S. population. There are roughly 86 million in this cohort and the oldest are in their early 20s. These young professionals vary significantly from millennials and they want you to know it. Growing up in a post-recession has led to a more practical outlook toward work and spending. Although practical like their gen-x parents, these technology natives are going to work, spend and cook very differently from other generations.

### A DIFFERENT RELATIONSHIP WITH BRANDS

Older generations historically responded to traditional forms of advertising and big company budgets allowed for big impact through television commercials, billboards and radio ads. But generation z - born with the internet at their fingertips - has immediate access to a brand's corporate social position and consumer experiences with it. According to the Center for Generational Kinetics, more than 50% of gen-z consumers read at least three ratings or reviews before making a first-time purchase. Their reliance on strangers' experiences to determine if they want to engage with the brand illustrates how their purchasing decisions differ from older generations.

*"... more than 50% of gen-z consumers read at least three ratings or reviews before making a first-time purchase."*

Because generation z is more trusting of individuals, brands have successfully reached them through social media influencers. Brands may partner with a celebrity or influencer with a large number of followers to tell its story. Gen-z is more likely to trust brands followed by peers on social media and therefore are more responsive to a sponsored peer post.

Authenticity and transparency are two attributes this younger generation connects with. Another way brands have been successful with gen-z is by offering insight into how their products are made or their value of promoting social good.

### AN ENTREPRENEURIAL MINDSET

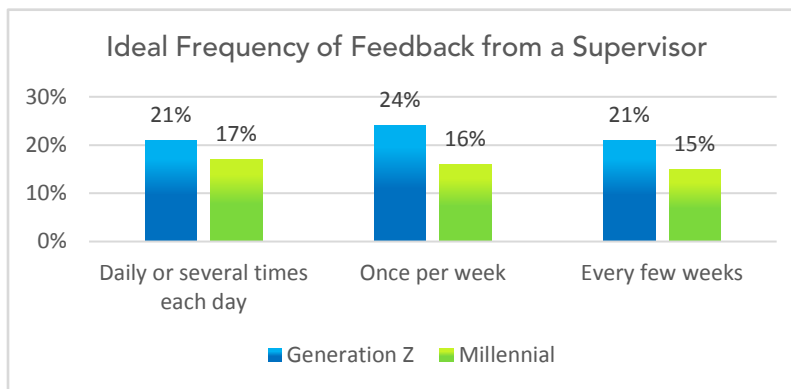
Being technology natives and financially cautious has driven generation z to be more entrepreneurial than previous generational groups. It is easier than ever to start a virtual business and create a website tethered to social media. According to a study by Millennial Branding and Internships.com, 72% of current high school students want to start their own business someday, and 61% want to start that business immediately after they finish college.

In fact, gen-z is already making waves in the food industry, with some growing businesses and opening restaurants before their 18th birthdays. Flynn McGarry is one example of the entrepreneurial mindset prevalent in this young generation. Having staged at world-renowned restaurants like Eleven Madison Park and Alinea and hosting his own pop-up restaurant in New York City all by age 15. At 19, McGarry opened his own restaurant, Gem, featuring a daytime café and an evening 12-15 course tasting menu.

Gen-z are not just running restaurant kitchens at a young age but are also launching successful food CPG businesses. Inspired by her great grandma’s flaxseed lemonade recipe paired with her fascination around how bees to help the ecosystem, Mikaila Ulmer started her rapidly growing Me and the Bees Lemonade business before she turned 11. After receiving \$60,000 investment on *Shark Tank*, she began working with regional distributors and today her product is stocked at a number of Whole Foods, Wegmans, Gelson’s and Natural Grocers nationwide. A portion of her profits is donated to bee rescue organizations to save the bees that provide local honey for many food products, including her lemonade.

## COMMUNICATION IS CRITICAL

As shown by their constant connection to their smartphones, gen-z is dependent on constant communication. This is true not only in their personal lives, but also in the workplace. In fact, it impacts their employee satisfaction and retention. According to The Center for Generational Kinetics, two-thirds of gen-z say they need feedback from their supervisor at least every few weeks in order to stay at their job, while fewer than half of millennials require the same frequency of feedback.



While the amount of feedback generation z requires could be a challenge to employers and supervisors of older generations, it provides significant opportunity to help the younger generation develop their workplace skills. It is also important to note, that while the frequency of desired feedback is higher than other generations, the amount of time spent on feedback can be brief. The key is that interactions with gen-z must occur regularly so this emerging cohort can deliver the most value to an employer.

Generation Z – practically born with a mobile phone in hand – is more unique than any generations preceding it. Companies that understand how their behaviors and outlooks differ will have the most successful relationships with this group, both as consumers and employees.

For further information on generation Z or to sponsor the multi-client study *Understanding and Selling to the Next Generations of Chefs*, please contact [jheseman@foodserviceIP.com](mailto:jheseman@foodserviceIP.com).