

The Next Evolution in Dining: Marketplace Fast Casual

CHICAGO — Marketplace fast casual is a new segment emerging from the fast casual restaurant sector, according to a new report from Y-Pulse.

Insight gathered from more than 5,000 consumers surveyed in multiple studies, as well as expert opinions from culinary professionals, were used to identify the segment.

A fresh step forward for the fast casual segment, **marketplace fast casual is driven by the demands of younger consumers and shaped by the popularity of farmers markets and food halls.**

“Today’s younger consumers enjoy the endless choices offered by food halls and the straight-from-the-source freshness they find at farmers markets,” said Sharon Olson, executive director of Y-Pulse. “Marketplace fast casual capitalizes on younger consumers’ desires by merging all the best features of both into a modern, high-tech environment that turns a meal break into an experience.”

Five key things to know about the features shaping this emerging segment are:

1. ATMOSPHERE IS EVERYTHING

Venues like **farmers markets and food halls appeal to all demographics**, but consumers’ reasons for being drawn to them vary. For younger consumers, part of the appeal is their entertainment value. Sixty-two percent of consumers ages 18-34 say they enjoy visiting them because they are as much a social occasion as a shopping trip, compared to 56 percent of those ages 35-54 and 43 percent of those age 55 and up. Additionally, 71 percent of consumers ages 18-34 say they love learning about new foods by shopping at such venues, compared to 67 percent of those ages 35-54 and 55 percent of those aged 55 and up.

Marketplace fast casual operations cater to these desires, seeking to capture the excitement of a market by building an engaging atmosphere; offering as much information about the food as possible; and placing fresh ingredients front and center. Nearly seven in ten consumers (69 percent) ages 18-34 say they love the collaborative energy offered by farmers markets and food halls.

2. ON FULL DISPLAY

Marketplace fast casual operations understand the **importance of putting on a good show**, displaying the preparation of customers’ meals, not just the assembly. Seventy-two percent of consumers ages 18-34 say they enjoy watching their food being made, and 79 percent want to know as much as possible about the food they are eating. Open kitchens add to the entertaining atmosphere while also assuring consumers of their meals’ freshness.

3. FRESH AND CUSTOMIZABLE

Younger consumers want less processed food on their plates but don’t want to sacrifice their convenient lifestyles: 89 percent of those ages 18-34 say they would like to eat more fresh fruits and vegetables, and 76 percent say they shouldn’t have to try too hard to eat healthy. Marketplace fast casual restaurants emphasize fresh produce and natural ingredients, making it a painless process to get a quick, produce-centric meal that consumers feel good about.

Customization also makes eating well easy, letting consumers select from an abundance of fresh options, whether they're substituting ingredients in a seasonal menu item or building their own bowl from the base up, according to Y-Pulse. Eighty-six percent of consumers ages 18-34 say they are likely to purchase menu items they can customize.

4. FLEXIBLE ORDERING

Marketplace fast casual operators recognize and meet their customers' wide range of needs via methods ranging from **mobile apps** that allow customers to place their orders ahead of time online to **in-store touchscreen kiosks** that allow them to view the many fresh options available to them.

Sixty-two percent of consumers ages 18-34 agree that using technology to order food is easier than ordering from an actual person, and for those who have customized tastes, ordering via kiosk or from their mobile phone ensures their special requests are not lost in translation. Additionally, 58 percent of consumers ages 18-34 say they like using technology to order because it ensures that their order will be accurate.

Still, both foodservice operators and younger consumers remember the value of a friendly face, and 78 percent of consumers ages 18-34 enjoy ordering from a real person because they enjoy the element of human interaction.

5. CONNECTION TO VENDORS

Younger consumers know that knowledge is power. Accordingly, marketplace fast casual operators ensure that information about how and where their food is sourced is highly visible and proudly displayed. Seventy-one percent of consumers ages 18-34 say they trust vendors at farmers markets because they get to see who grew and handled their food.

Additionally, 68 percent of consumers ages 18-34 say they love talking to vendors at farmers markets who are passionate about the food they sell, outpacing the 63 percent of those ages 35-54 and 50 percent of those age 55 and up who say the same. Marketplace fast casual restaurants tout their close ties with vendors to establish trust and tell a story.

Y-Pulse is a research and consulting practice that specializes in helping companies in the food business better understand tomorrow's tastemakers today. Founded in 2004, Y-Pulse is a division of Olson Communications Inc., headquartered in Chicago.