



Study: Millennials want variety, value

Younger consumers choose restaurants based on menu variety and price points

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Young-adult diners choose restaurants based on value and menu variety, and favor quick-service restaurants and pizza chains, according to a recent poll by Chicago-based research and consulting firm Y-Pulse LLC.

In a survey of 315 consumers between the ages of 18 and 33, Y-Pulse found that Generation Y, also called “Millennials,” gravitates toward restaurants with many menu options and low price points.

“Young-adult diners are eating more often at quick-service restaurants than at any other restaurant type,” said Sharon Olson, co-founder of Y-Pulse. “At least half of all respondents reported never ordering food and/or drink at coffee shops, fast-casual and high-end restaurants in any given week. Meanwhile, pizza restaurants were the second place they are most likely to dine.”

Survey respondents ranked low prices, good customer service, and proximity to home or the workplace as the top three factors that influenced their choice of restaurants. Loyalty discounts and coupons were the next most popular factors, the data revealed.

Many restaurants have set up value propositions to capitalize on the desire for affordability among young consumers, who tend to heavily frequent quick-service and pizza chains.

Aggressive value menus to compete with the likes of McDonald’s Dollar Menu and Taco Bell’s tiered Why Pay More! offerings are becoming more common on quick-service menus. The pizza segment is also discounting around the \$10 price point, such as Papa John’s large Double Layered Premium Pepperoni Pizza special and Pizza Hut’s any-pizza carryout special.

When asked about culinary and menu characteristics that factor into their restaurant choices, survey respondents said they picked where they would eat based on which establishment had food they most wanted to eat, followed by restaurants with a wide range of items. Free drink refills came in third on their list of factors, followed by to-go options, a variety of healthful and organic items, and ethnic menu options.

Social media and tech perks not as influential

Though the Millennial generation is depicted as extremely tech-savvy, the respondents to Y-Pulse’s survey did not rank free Wi-Fi or ample outlets for laptops among the most important factors. Eighty percent of respondents said they did not follow any restaurants on social networking sites like Facebook or Twitter. And more than half said they were not interested in using social media to find new restaurants.

However, word-of-mouth is important to this age group. More than 80 percent of the participants said they find out about new restaurants from friends and family, mainly because they trust the recommendations of people close to them.

“We found it interesting that high-school-aged respondents replied quite similarly to the older respondents on most every question,” Olson said. “Regardless of age, this generation seeks information from known sources, like friends and family, rather than following restaurants or social-media sites. They are discriminating in the sources that they trust for recommendations.”