

HOW TO EVOLVE YOUR KIDS' MENU FOR 2020

HINT: YOU MAY WANT TO WOO THEIR MILLENNIAL PARENTS.



MILLENNIALS ARE FULLY GROWN AND HAVING CHILDREN OF THEIR OWN.

Will their children care about food in the same way they do? And if yes, what does this mean for the future state of the kids' menu?

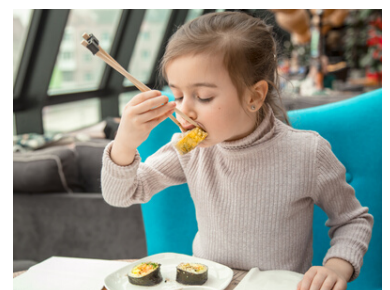
Millennials were the darling generation (and still might be) but they're not kids anymore. The group responsible for the proliferation of new trends, extensive media coverage, and avocado toast will be turning 24 to 39 in 2020. And within six years, 80% will be parents, according to Technomic. Luckily for the restaurant industry, they still like to eat out. And they are introducing their young passengers to all the things they love—ramen, brunch, plant-based burgers, and build-your-own bowls.

Key Insights:

- **The number of kids' menu items is growing.** The number of items has jumped 15.4% in the past 5 years, according to a recent Technomic report.
- **Restaurant visitation is increasing.** 2.8 billion restaurant visits in 2018, a 5% increase from the previous year, can be attributed to Millennial parents with children under the age of 13 eating out more.
- **Millennial parents are going out for dinner and taking their kids.** With 7.3 billion visits to limited-service restaurants in 2018, mostly during dinner time, Millennial parents are the new group worth chasing.

By 2026, 80% of Millennials will have children and many are already introducing them to adventurous foods and bold flavors.

Source: Technomic



MILLENNIALS USHERED IN MANY OF TODAY'S TRENDS. NOW THEY'RE INTRODUCING THEIR OWN KIDS TO THE FLAVORS THEY CRAVE.

Authenticity, transparency, quality ingredients, customization, convenience, and variety still ring true as important attributes to Millennials, but now we're seeing these calling cards being passed on. In fact, what has been central to the needs of Millennials is proving to be valuable to young diners.

Transparency Words like authenticity and transparency became marketable as Millennials came of age and have evolved to represent how they would like to feed their children. Parents with older children are interested in better-for-you attributes and will spend more on premium options, while parents of younger children are focused on healthier drink options and ingredients.

Quality Millennials and Gen Z place a greater value on natural and premium menu options. Mintel, a leading research firm, recommends a focus on adding higher quality items and plant-based options made with natural ingredients. In addition, consider limiting or even deleting overly-processed protein substitutes to appeal to this savvy consumer group.

Customization Customization continues to drive interest and traffic. Start by adding natural ingredients, customizable options, and calling out free-from claims and options for allergens, such as nut-free, dairy-free, or gluten-free. Consider utilizing on-premise ordering technology to showcase your menu variety.



Convenience Limited-service spots have the most to gain from this audience. Restaurants offering menu options, including delivery solutions, to feed the varied needs of a busy family could earn a spot on the dinner rotation.

Menu Variety Menu variety is more important to Millennials with kids and the importance increases as their children age. Offering variety on the menu, such as protein choices, customized meals, and sauce options, allows multiple desires to met,

90% of Millennial parents order food from a restaurant once a week+

Source: Technomic

KIDS HAVE AN OPINION ON WHERE THEY'D LIKE TO DINE (AND OFTEN MAKE THE DECISION).

Millennial parents are encouraging their children to pick which restaurant to visit, more than previous generations. Combining high-quality food, healthy and premium beverages, convenience, and a unique experience creates a winning formula for this crowd. As kids grow, their needs may change, and their opinions may become stronger, but keeping this combination fresh is important for maintaining relevance. Even more, households with children are more likely to go out of their way to dine at a place they know and love.

Who Decides Where I Dine?



MILLENNIALS

I do: 75%

My children do: 23%



YOUNG GEN Z

I do: 50%

My parents do: 60%



MID-GEN Z

I do: 64%

My parents do: 38%

Source: Technomic

While factors such as taste and value top most lists when making a restaurant choice, there is a new motivator on the Millennial list: a kid-friendly setting. Thirty-one percent of Millennials are much more likely than consumers overall, at 20%, to say a kid-friendly setting drives their venue selection when dining away from home.



31% of parents say kid-friendly menu options are important to them.

Source: Datassential Millennial Mindset, January 2018

Grassa, a kid-friendly pasta shop in Portland, Oregon, offers inexpensive handmade pasta in a relaxed environment. With turntables playing old records and bowls of noodles, Millennial parents feel welcome and understood.

Tupelo Honey Café, a chain based in Asheville, NC, understands some kids may want to choose from the regular menu. Therefore, their kids' menu comprises smaller portions of adult menu items like house-made black-bean veggie burgers and pulled pork.



MILLENNIAL PARENTS POISED TO INFLUENCE THE FUTURE STATE OF KIDS' MENUS.

As in tune as Millennials are with today's food trends, they will have the power to influence future eating preferences. And as they opt out of processed food and opt into more global flavors and trending foods, their kids are likely to follow suit. The result? A complete refresh to kids' menus to mirror the changing needs of today's youngest audience.

Kids' Menus: Which items are trending?



Inception

- Gyros
- Falafel
- Edamame
- Pho
- Hummus
- Tofu
- Vegan
- Ramen



Adoption

- Black Beans
- Guacamole
- Sweet Potato
- Enchilada
- Organic
- Vegetarian
- Bowl
- Gluten-Free



Proliferation

- Soup
- Tacos
- Salad
- Burrito
- Ravioli
- French Toast
- Fish & Chips
- Fried Shrimp

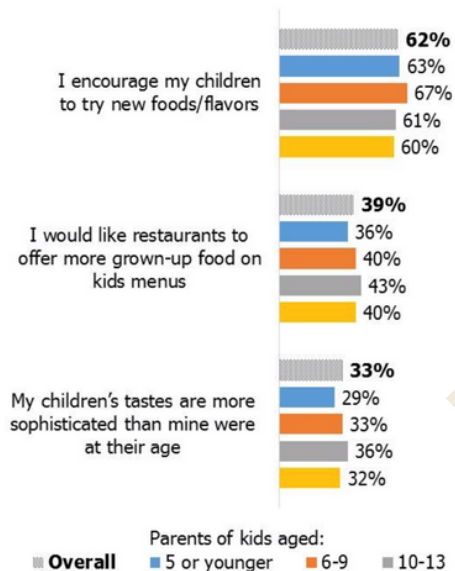


Ubiquity

- Mac & Cheese
- Pizza
- Burger
- Pasta
- Hot Dog
- Quesadilla
- Pancake
- Spaghetti & Meatballs

Source: Datassential Menu Adoption Curve, Kids' Menu, 2020

62% of Parents Encourage Trial of New Foods & Flavors



Younger Gen Z has yet to reach the age of experimentation.

Source: Technomic The Flavor Experience - Evolving Family Dining Dynamics (2018 - US)

AS THE GROUP NAVIGATES THE FOOD LANDSCAPE, HERE ARE A FEW TIPS TO KEEP IN MIND.

Lodging & Entertainment With 65% of Millennials currently saving money to travel, this segment should be ready to welcome Millennial families. For this group, the priorities are experiences and relationships over possessions, so catering to the entire family is recommended.

Tips



- Offer a kid-friendly build-your-own bar. Consider local or seasonal themes to inspire the menu selection, such as soups and stews in the colder months and Asian-inspired noodle bowls or customizable burgers in the warmer months.
- Take it outdoors to create family-friendly experiences, such as s'mores around the firepit and yard games for the young guests.
- Consider off-peak time zones and accommodate with snacks, like dips, chips, kid-friendly meat and cheese boards, non-alcoholic beverages, and crudit  platters to take the group through the day.

K-12 The same freedom given to kids from their parents is bleeding into K-12 menus, according to Technomic. With more awareness of the food options available, school cafeteria menus can be another vehicle for autonomy and customization to budding foodies.

Tips

- Take the advice of Chartwells K12's Student Choice program, now operating at 150 Chartwells-affiliated schools across the country, and give students more control of the menu. Throughout the year, students are invited to vote on various concept menus. The winning concepts are introduced in the cafeteria the following week.
- Create a panel of student taste-testers to usher in new menu items. Not only will this provide a vote of confidence from real users, but it also creates an opportunity to engage students to help in evolving the menu as preferences change.
- Integrate trending ingredients into the menu by using in various ways to encourage familiarity and trial from the students. Sample with students leading up to menu introduction to gain acceptance in advance.



Full Service Experience leads with this generation. And with Millennials encouraging their children to choose where they dine, full-service restaurants will want to look beyond the menu and assess environment, seating, and accommodations for families to make the whole dining experience a home run for a family. It's worth it—Millennial parents spend a minimum of \$40 at full-service restaurants (vs. \$25 per visit for average diners).

Tips

- Tap into the brunch trend, when crowds are a little more casual and relaxed, to offer inventive menu options to appeal to both the more food-curious Millennial parents and their kids.
- Find opportunities to build a bridge between standby favorites (i.e., chicken nuggets, cheese pizza) and more sophisticated options that still appeal to younger palates.



Gain inspiration from trending restaurants and breweries. At Jester King Brewery in Austin, TX, kids can be found playing in the sandpit or joining a game of cornhole while their parents enjoy a craft beer and connect with fellow parents and friends.

Limited Service Millennial parents are finding themselves with limited time making limited-service restaurants a prime spot to capitalize on the need. In fact, Millennial parents spend twice as much as the average consumer in this segment, according to Restaurant Business. However, it's important to recognize that Millennials seek a balance between healthy and indulgent.

Tips

- Seek to offer a balance across the menu with fresh items to offset the indulgent items, such as indulgent treats with quality ingredients and healthy options that kids already love.
- Share the claims that are most important to both Millennials and Gen Z by marketing natural ingredients and clean labels as well as being transparent with sourcing information.

Take a note from the fast-casual chains who have simply made their core menu kid-friendly.

B.Good, a Boston-based chain with a healthier take on fast food, offers local, all-natural chicken sandwiches and beef, turkey, and veggie burgers alongside sweet potato fries and kale smoothies.

Garbanzo, a Mediterranean chain out of Denver, offers smaller portions of their menu items, like the grilled chicken or steak rice bowl with a choice of veggies, spreads, and sauces.



DETERMINING A KIDS' MENU STRATEGY IS THE FIRST STEP.

AND WORKING WITH PARTNERS WHO ARE COMMITTED TO FLAVOR-FIRST MENUS WILL HELP IN STAYING TRUE TO THE PLAN.

Millennial parents are food-savvy and want their kids to join them in discovering new and interesting flavors, but even more, they want them to eat well. From transparency in sourcing to nutritious options to authentic flavors, this group is paying attention and revisiting the restaurants who have the formula down. Showcase your focus of keeping the youngest of diners happy, offering flexible menu options for an aging group, and earn the loyalty of the most sought after consumer cohort in the process.

At Custom Culinary® we're dedicated to perfecting the art of flavorful food for diners of all ages. And with FlavorIQ® the possibilities are endless. Our team of industry experts combines a deep understanding of the culinary arts with food science, manufacturing technology, and menu insights to create authentic flavor systems and unique menu concepts that meet your bottom-line goals and delight your guests.



Kim Letizia / Sr. Manager, Customer Marketing
kletizia@customculinary.com / 630.928.4833
2505 S. Finley Rd., Ste. 100 Lombard, IL 60148



Sources: NPD Group quoted by QSR Magazine, Restaurants Would Be Wise to Cater to Millennial Parents, April 2019; NPD Group quoted by Forbes, Restaurant Brands Have A New Consumer To Chase: Millennial; Parents, March 2019; Datassential Millennial Mindset 2018; Mintel Dining Out in 2020 Report, December 2019; Restaurant Dive, Millennial parents increased restaurant visits by 5% in 2018, March 2019; QSR Magazine, Restaurants Would Be Wise to Cater to Millennial Parents, April 2019; Technomic Foodservice Director: Taste Testing 2.0 (January 2019 - US)