



### There's mo question that the definition of a restaurant is changing.



### The drivers of that change (Gen Z) are eating out less than ever.

Gen Z has \$360 billion in disposable income — and as more members of the generation approach adulthood, their buying power will only grow.

Unfortunately for restaurants, they're dining out about 11% less than Millennials were at the same age, according to NPD Group.

According to NDP: "The pandemic, more competition for their dollars, and rising prices keep Gen Zs' restaurant visits lower."

### **5360**

GEN Z'S DISPOSABLE INCOME

GEN Z'S SPENDING ON RESTAURANTS COMPARED TO MILLENNIALS

# And yet, Gen Z is more obsessed with food than ever.









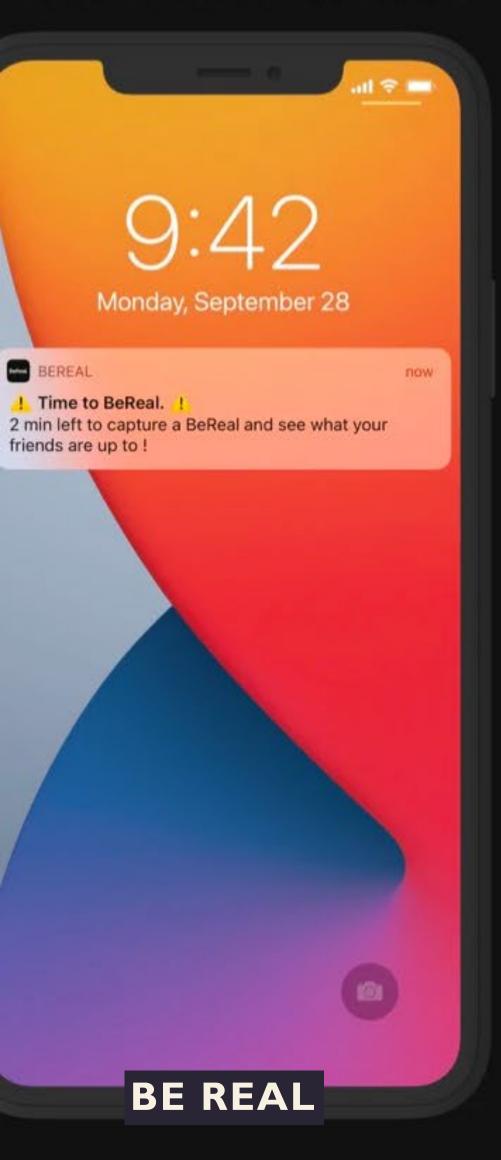






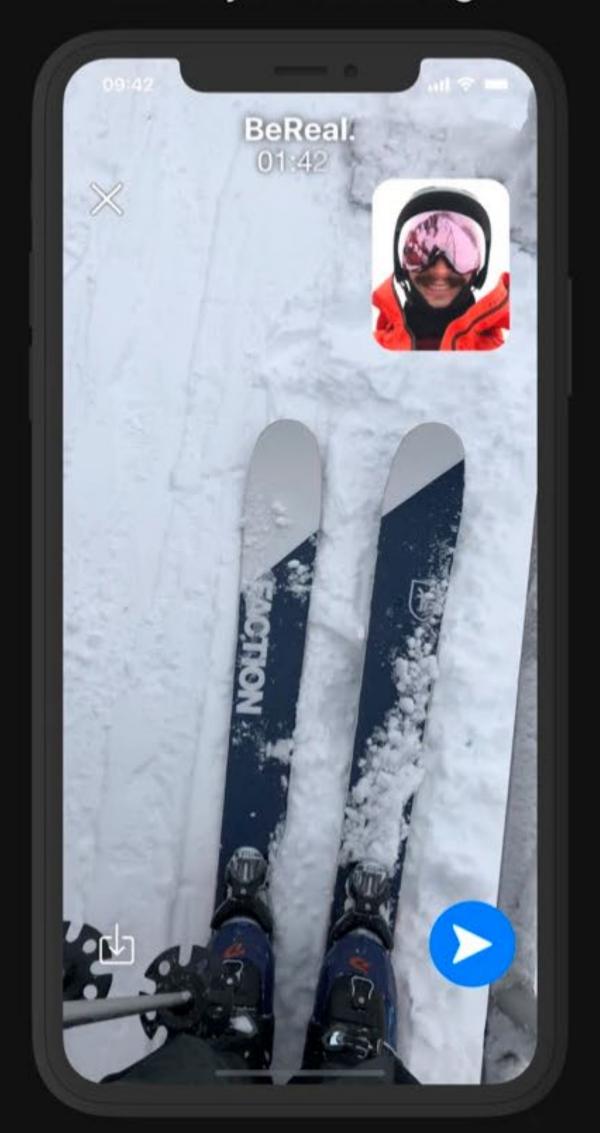
### Once a day

everyone receives a **tification** at the same time



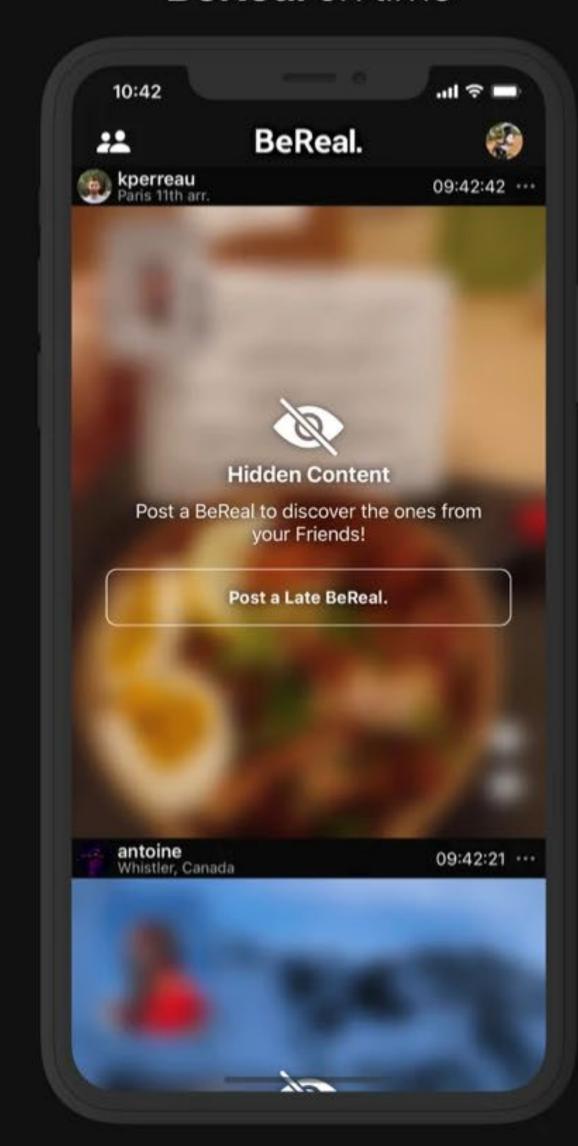
### 2 Minutes

to capture a **BeReal** of what you are doing



### See your Friends

only if you capture your **BeReal** on time



### Find out

what all your **Friends** are doing right now







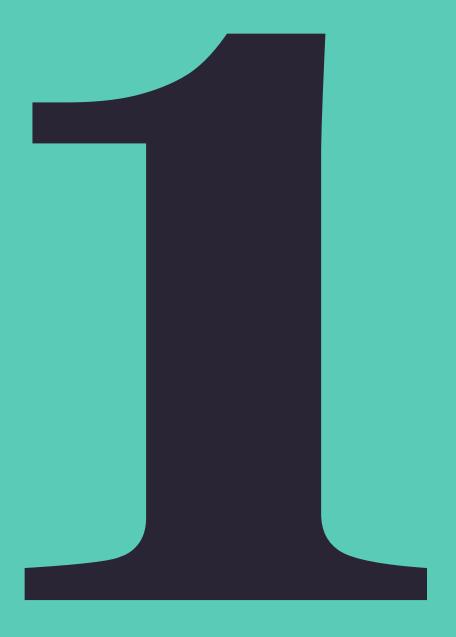


# 3 drivers behind Gen Z's restaurant restraint.

Consumers increasingly turn to food to add adventure to their day... just not always at a restaurant.



# We can't not talk about COVID.





# COVID ignited a cooking renaissance.

With freed up time, a constrained overall budget, and the inability to eat out, consumers have been spending more time than ever on food preparation. Although kitchen fatigue is setting in for many, a new set of kitchen habits have been set — with rising interest in fun, innovative and/or time-saving trends and techniques.

of people said they will continue to eat home cooked meals more often than pre-pandemic times.

54%

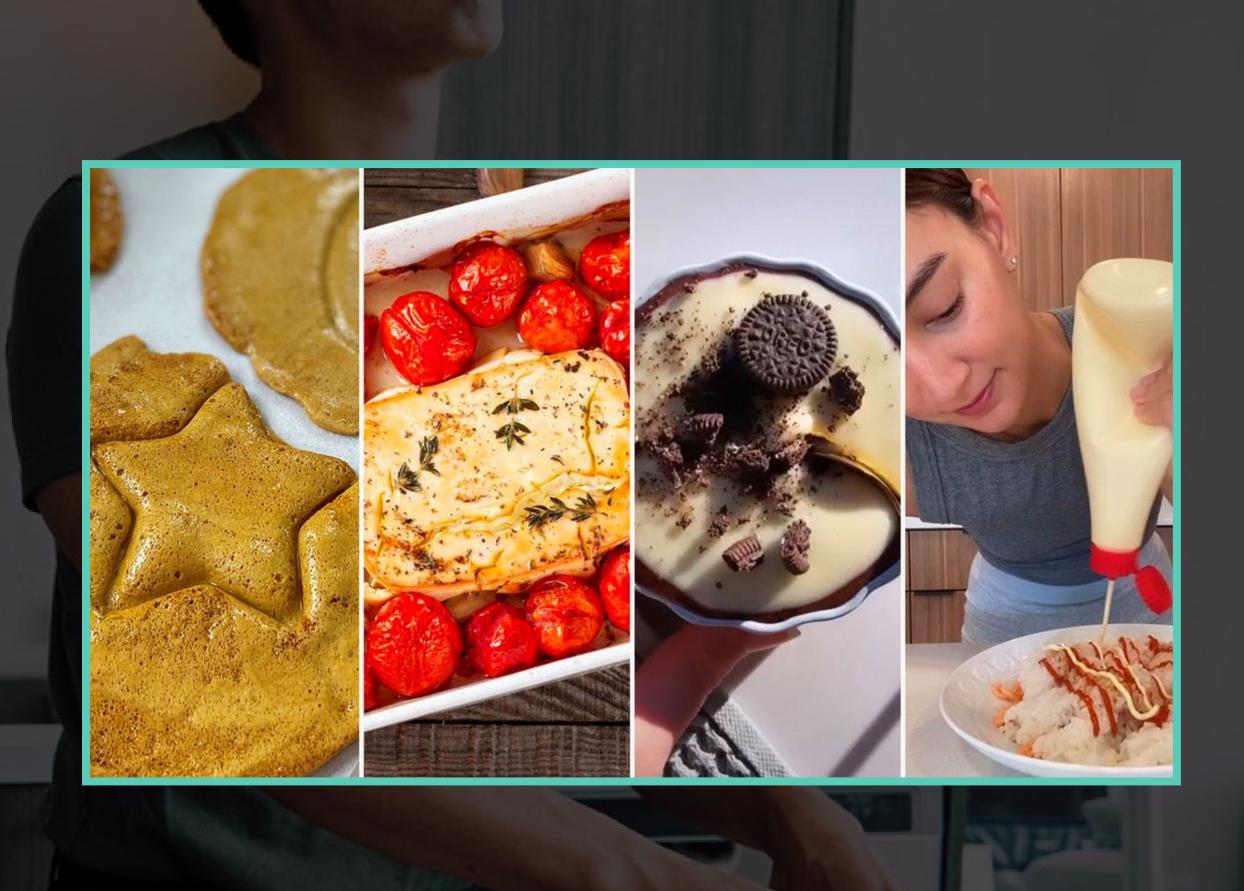
of people are cooking more in the past year

35%

of people are taking on cooking projects and trying new techniques



From TikTok food challenges, to sweeping "gotta try it" trends, to the YouTube fandom of the mukbang, making food fun at home was the name of the game. With Gen Z finding more and more reasons to get creative, learn a food-related skill and share their newfound cooking creativity on social media, this type of relationship to food is stronger than ever.



### Resulting in more money spent on food to be consumed in the home.

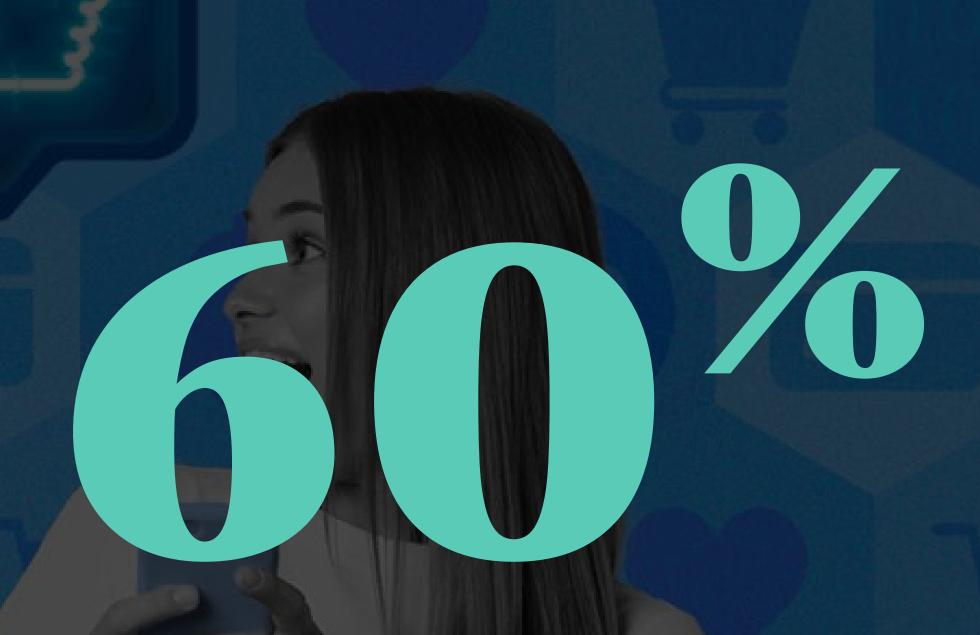
Of Gen Z's monthly food budget goes towards groceries.

Of Gen Z has more delivery apps on their phones than streaming apps.

# Pandemic-enforced virtual living accelerated online-first shopping mentality.

As the first generation of 100% digital natives, Gen Z spends most of it dollars on the web. This generation researches and completes their purchases online.

Over 40% of Gen Zers buy more than half of their clothing items online.

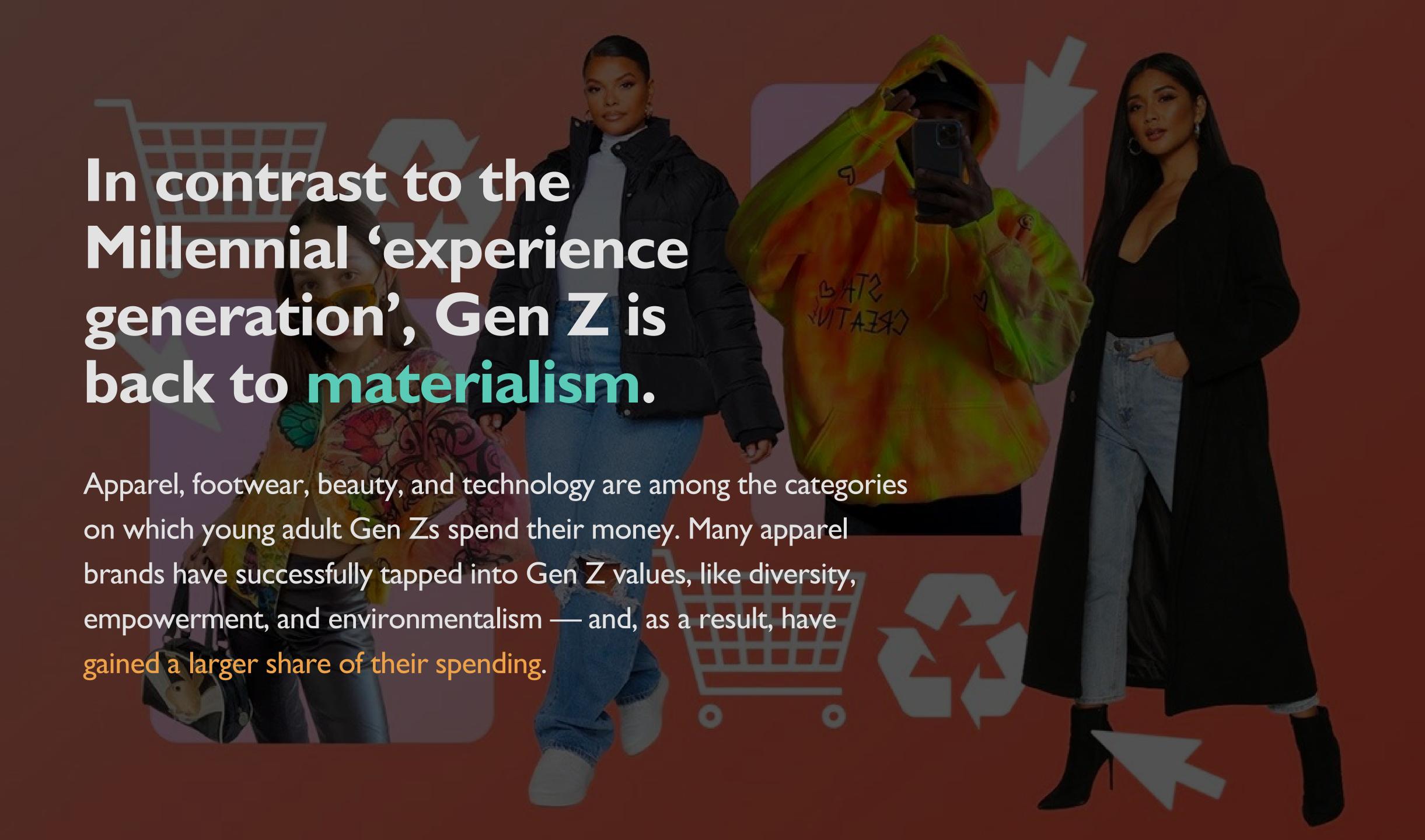


of Gen Zers use Instagram to discover new brands, products, and services.

### They're simply SDending MOMEN elsewhere.

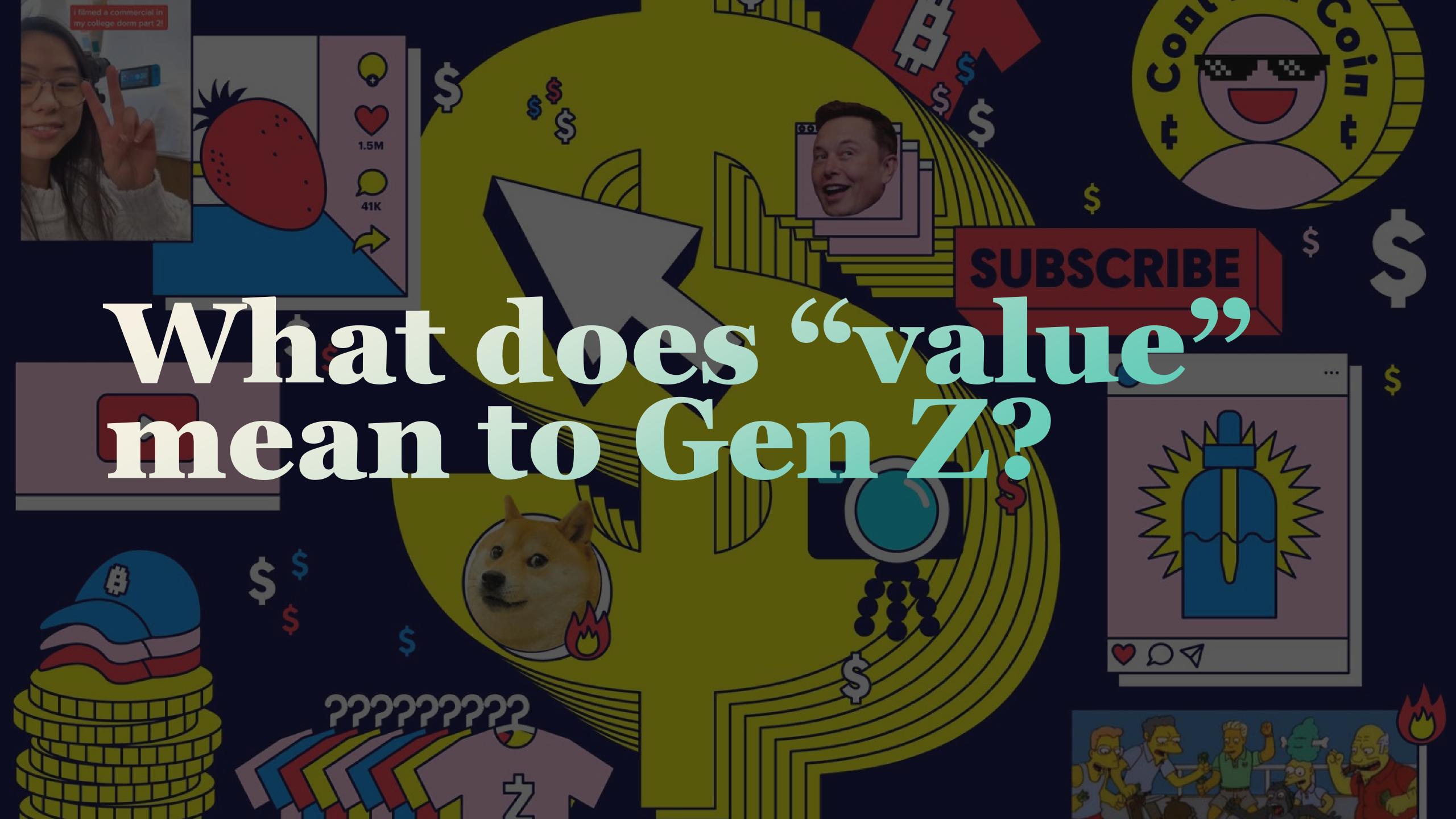






Gen Z's dollar prioritizes value over retail experiences.

"Gen Z tends to be interested in purchases that provide the maximum amount of value for their money, while millennials are more focused on the buying experience."

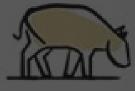




### SHOP NOW |



cheese com known for ma at cheese. We're also lead e charge on sustainability standards, animal welfare practices and responsible sourcing. We work with small and mid-sized farms in Wisconsin & Iowa who follow higher standards when it



comes to how they treat their cows.

THE HIGHEST ANIMAL WELFARE CTANDADDC

DIRECT TO YOU

What does it take to make creamy, high-quality cheese? At Petaluma Creamery, the answer is Jersey cows and a whole lot of pasture. But, we're bigger than just cheese. Petaluma Creamery has been a staple in the Sonoma County community for over 100 years, lending a hand to generations of local dairy farmers.



MADE WITH HIGH QUALITY MILK



REAL FOOD, STRAIGHT FROM THE SOURCE

### SEEDING THE FUTURE OF FOOD

At Chipotle, we work with small family farms who share our belief in Food



CAREFULLY FULFILLED BY DEBRAGGA

SHOP NOW H

### RAISED WITH CARE®

Starting on one small ranch in California, Niman Ranch now supports one of the largest networks of independent family farms and ranches in the country. That adds up to over 750 families. It's their care that sets them apart, with some of the strictest and highest animal handling protocols in the country.



100% VEGETARIAN DIET



### MCKASKLE FAMILY FARM

SHOP NOW



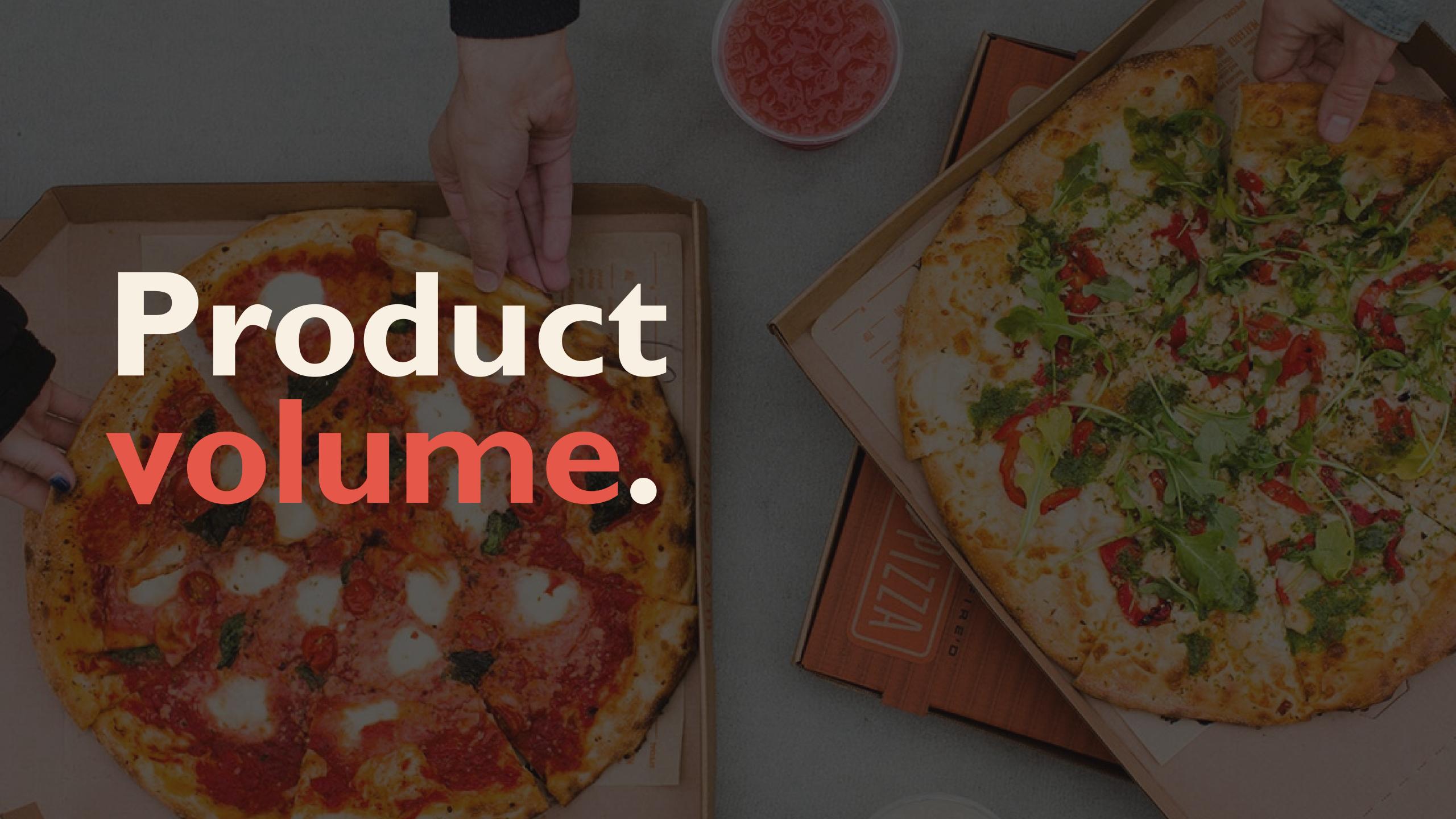
### **EXPERIENCE TRULY** GREAT GRAINS

As fifth generation farmers, Kaye and Steve McKaskle decided to break the mold and pioneer organic farming in Missouri. It started with cotton, and grew into popcorn, Basmati and Long Grain rice, soybeans, corn, cotton, and oats. Now, McKaskle Family Farm has some of the highest growing and manufacturing standards around.



100% ORGANIC & NON-GMO







# Gen Z wants it fast. Like now.

Oh, and make it as effortless as possible. In order to please this contingent of digital natives, brands are dishing up tech-first experiences that hinge on brand recognition. Gen Z wants to maximize engagement with their favorite brands through the minimal number of touchpoints.

of Gen Z consumers go to quick service or fast casual restaurants at least a few times per month.

TOP GEN Z DINING OCCASIONS

IN A RUSH DAILY ROUTINE



## Leading to an openness to technologies that promote speed above all else.



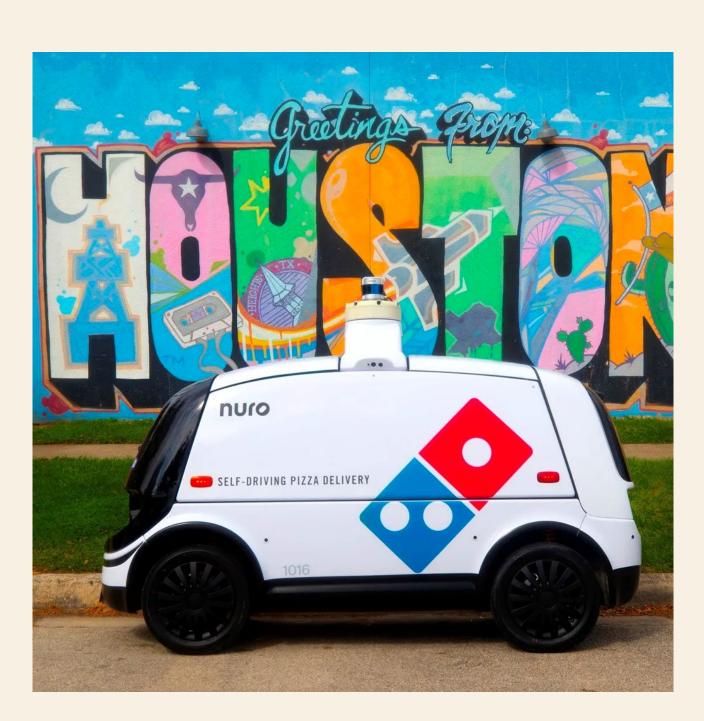
### **Drone delivery**

Speed is top priority with the promise of drone delivery, which will never have to wait in traffic to get to its end consumer.



### Robot assembly

From Sweetgreen's new Infinite Kitchen (Spyce) to Cafe X to Creator Burger, robot-led food assembly is coming to the forefront.



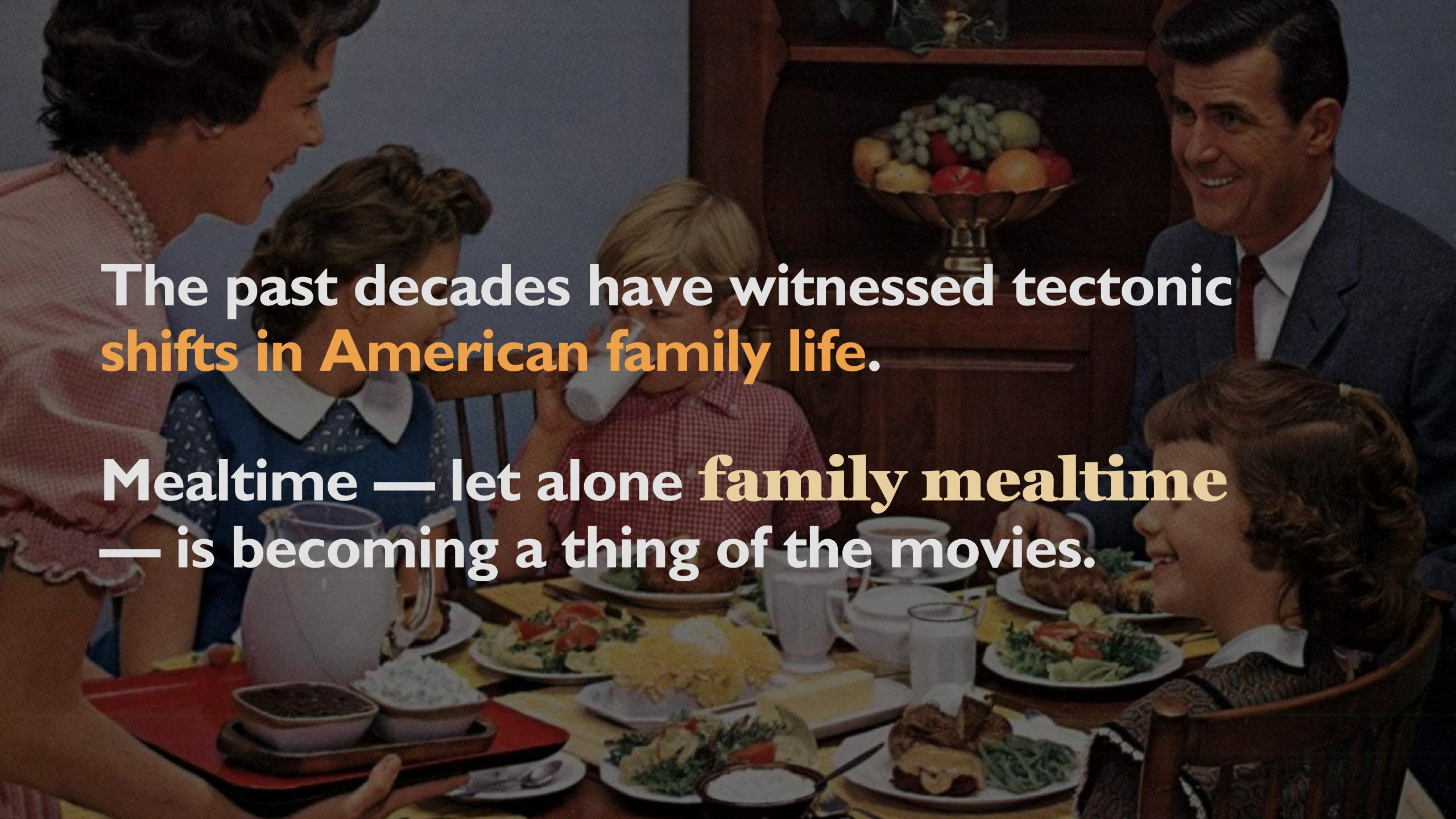
### **Self-driving delivery**

Nuro launches driverless vehicles for delivering groceries, pizza and more, with an early pilot partner in Domino's pizza.

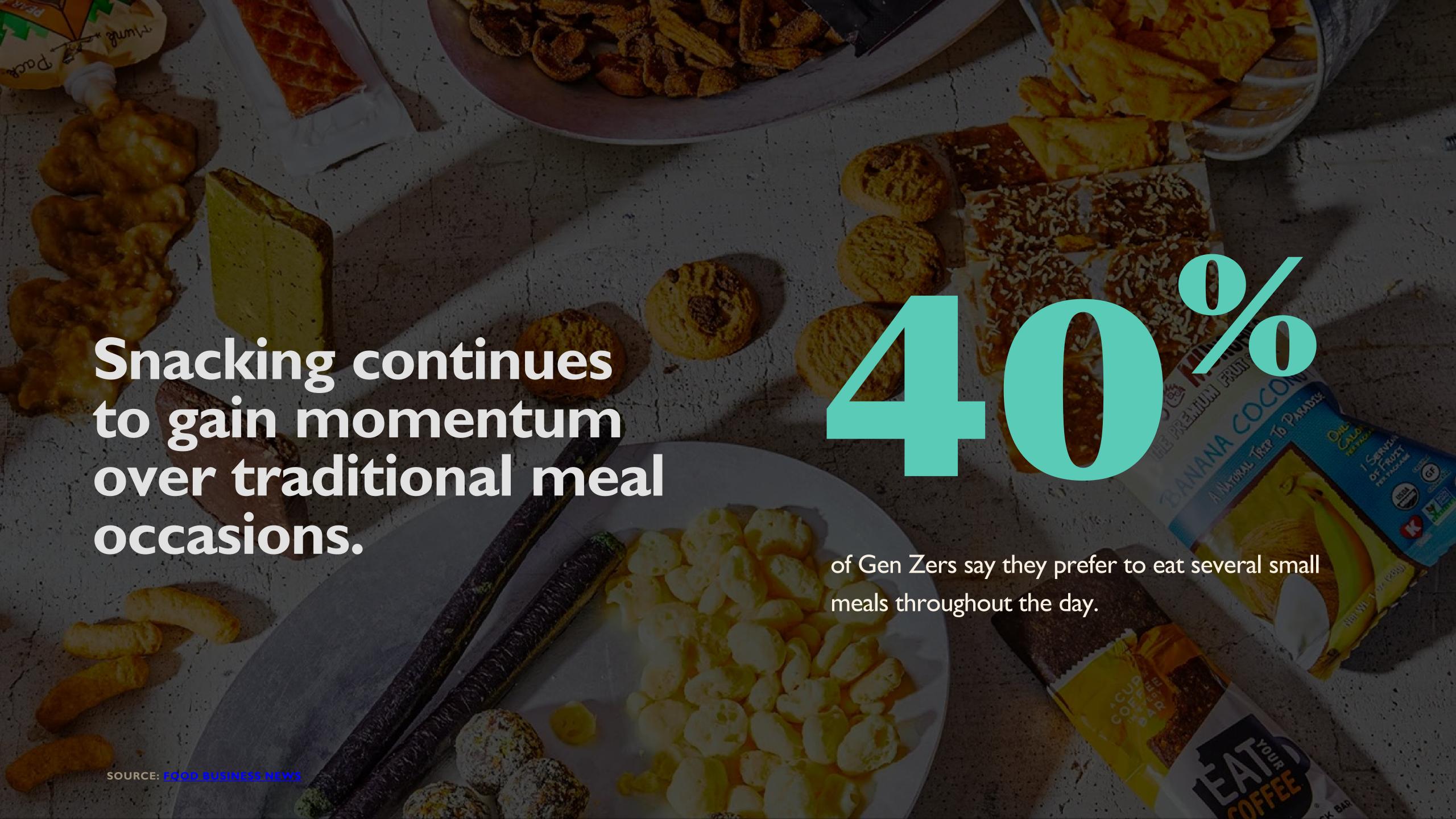
# Gen Z is redefining the restaurant by redefining

















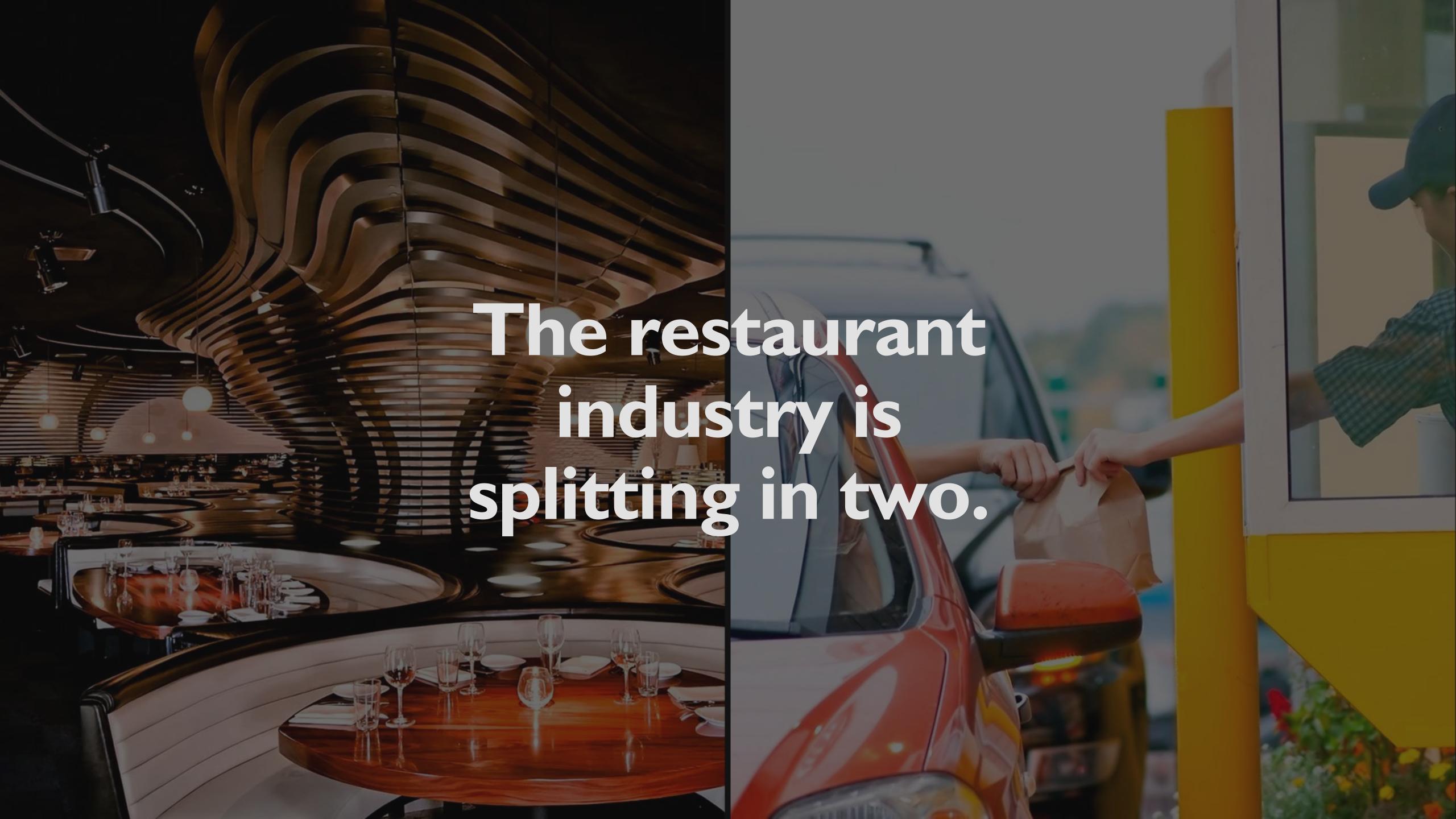




# So how do we better capture Gen Z's attention and dollars?



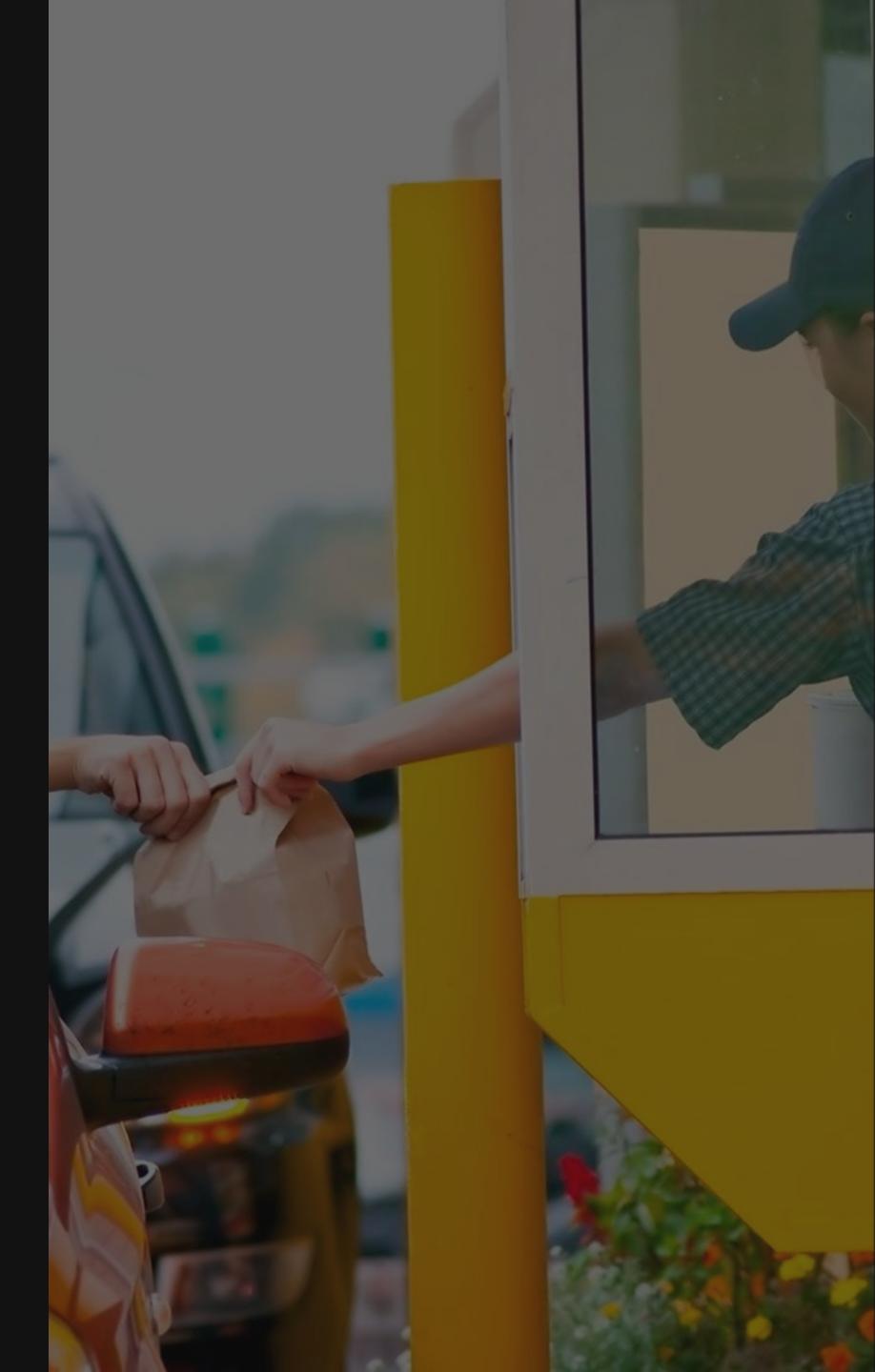








The middle is becoming increasingly tough to succeed in.

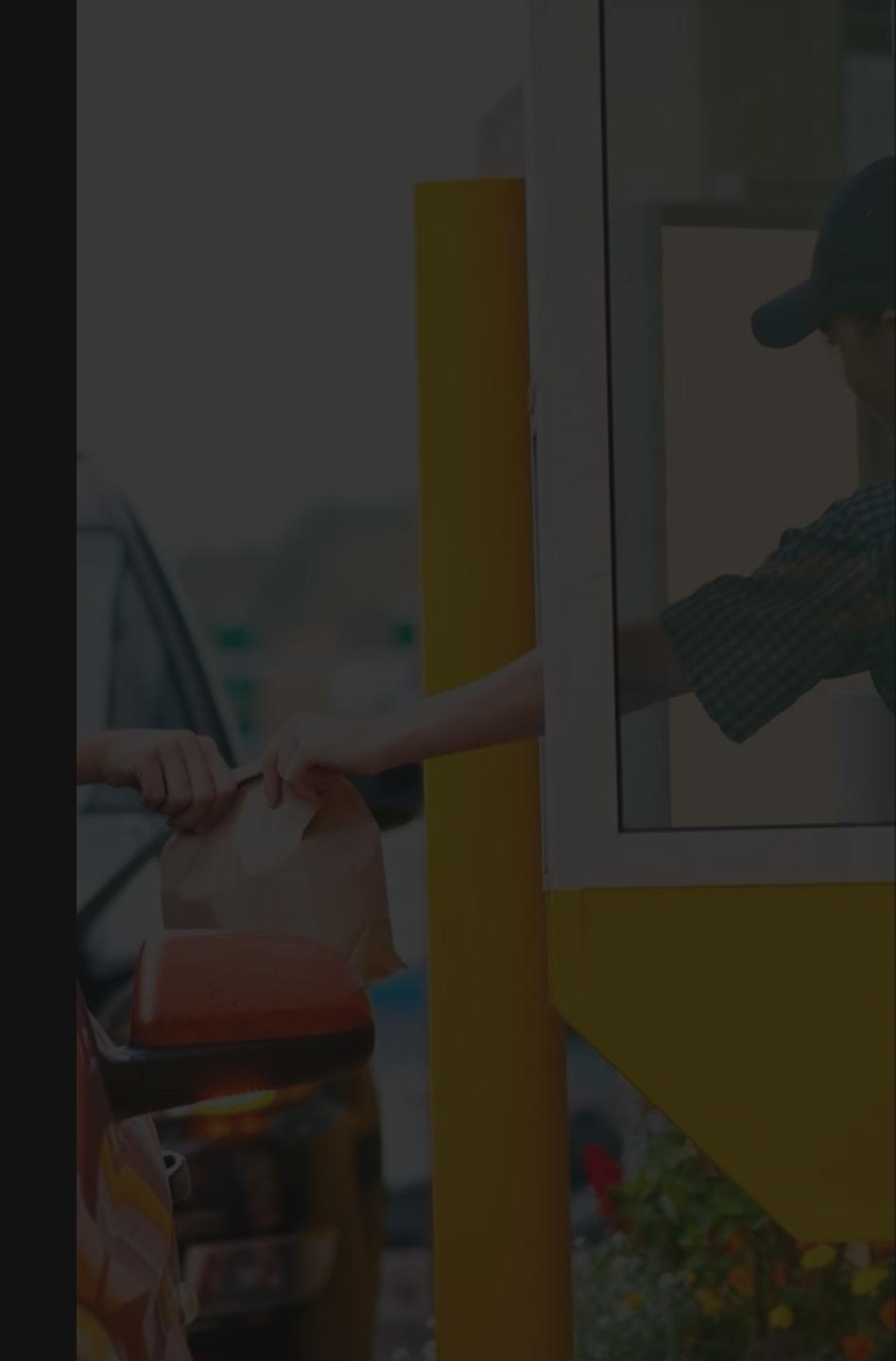


"Restaurant chains that are in the middle, including experiencefocused fast-casual or lower-end casual dining, could struggle to keep pace with their cousins on either side of them. Their best bet is to pick one side or the other."

- JONATHAN MAZE, RESTAURANT BUSINESS EDITOR-IN-CHIEF



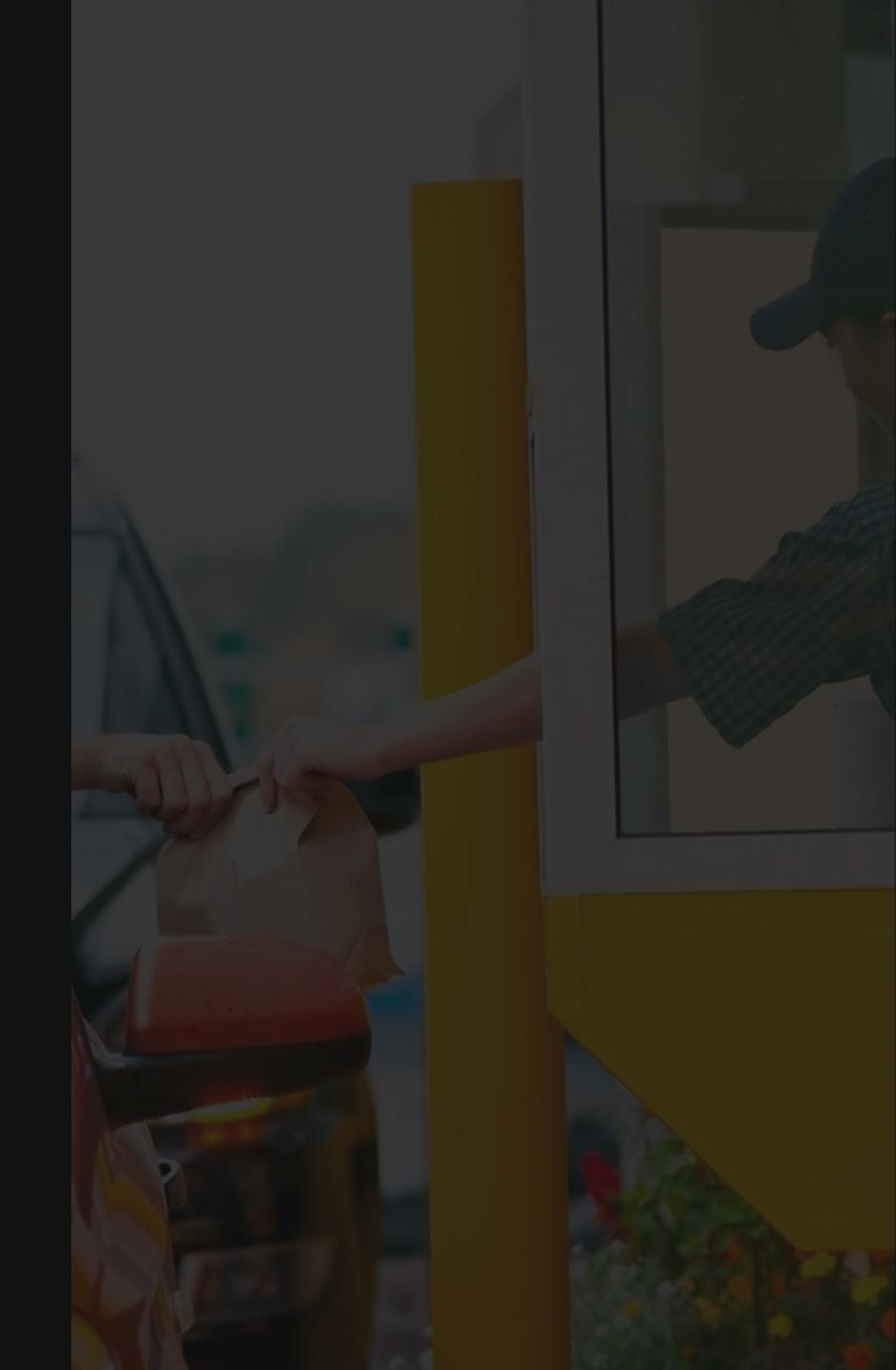
If you choose door #1...

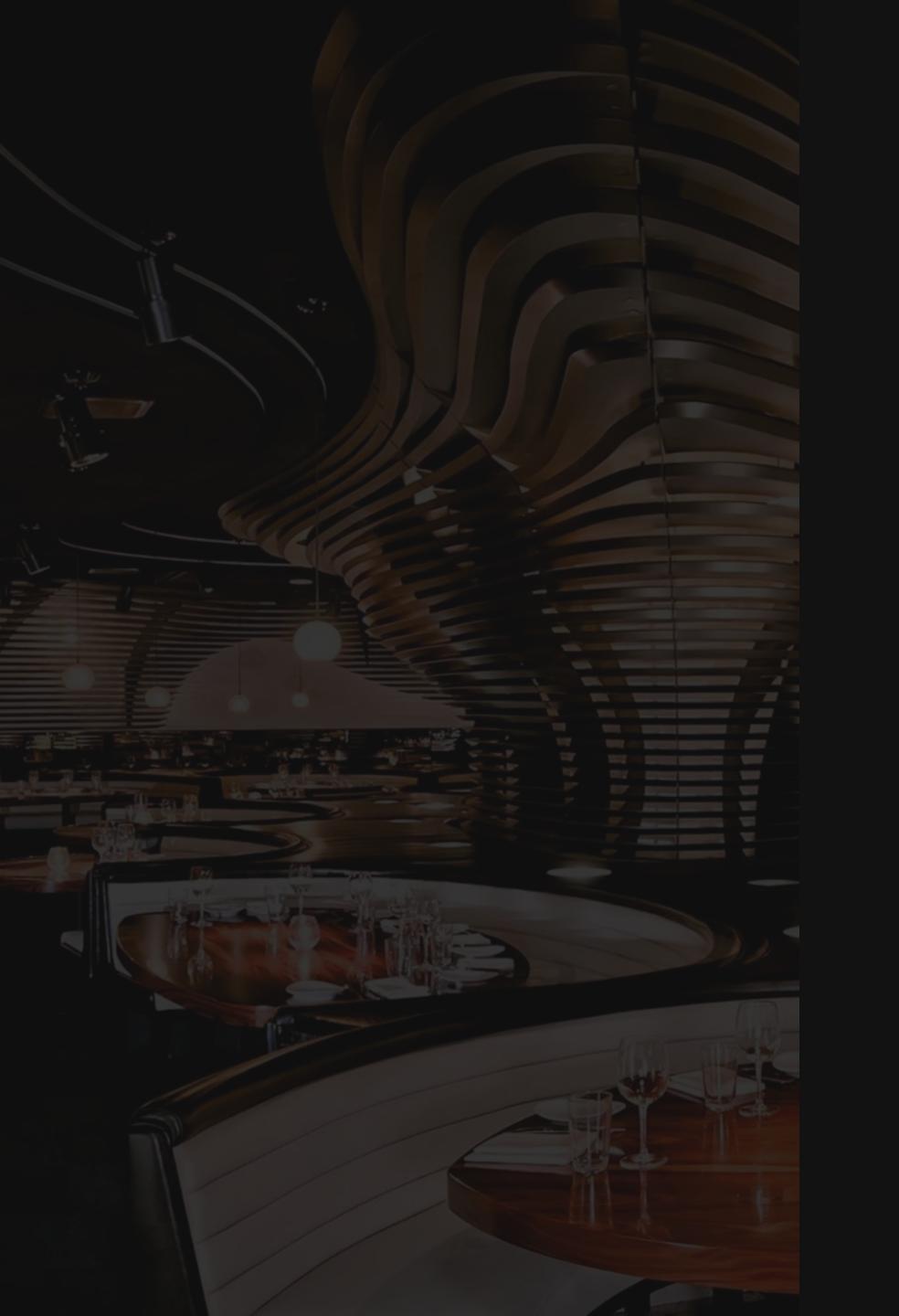




If you choose door #1...

invite us back next year.





If you choose door #2...



## ... there are two major shifts to embrace.





Amazon-ification

Product-ization



## Same Day



### Prime Now















Order

City storefront stores package Crowdsourced delivery

You

### Same Day

Gen Z doesn't necessarily see production and consumption next to each other.



Order

New nearby

Sortation

U.S. Postal

You

They are used to, in every element of their life, a more complex chain.

Prime Now

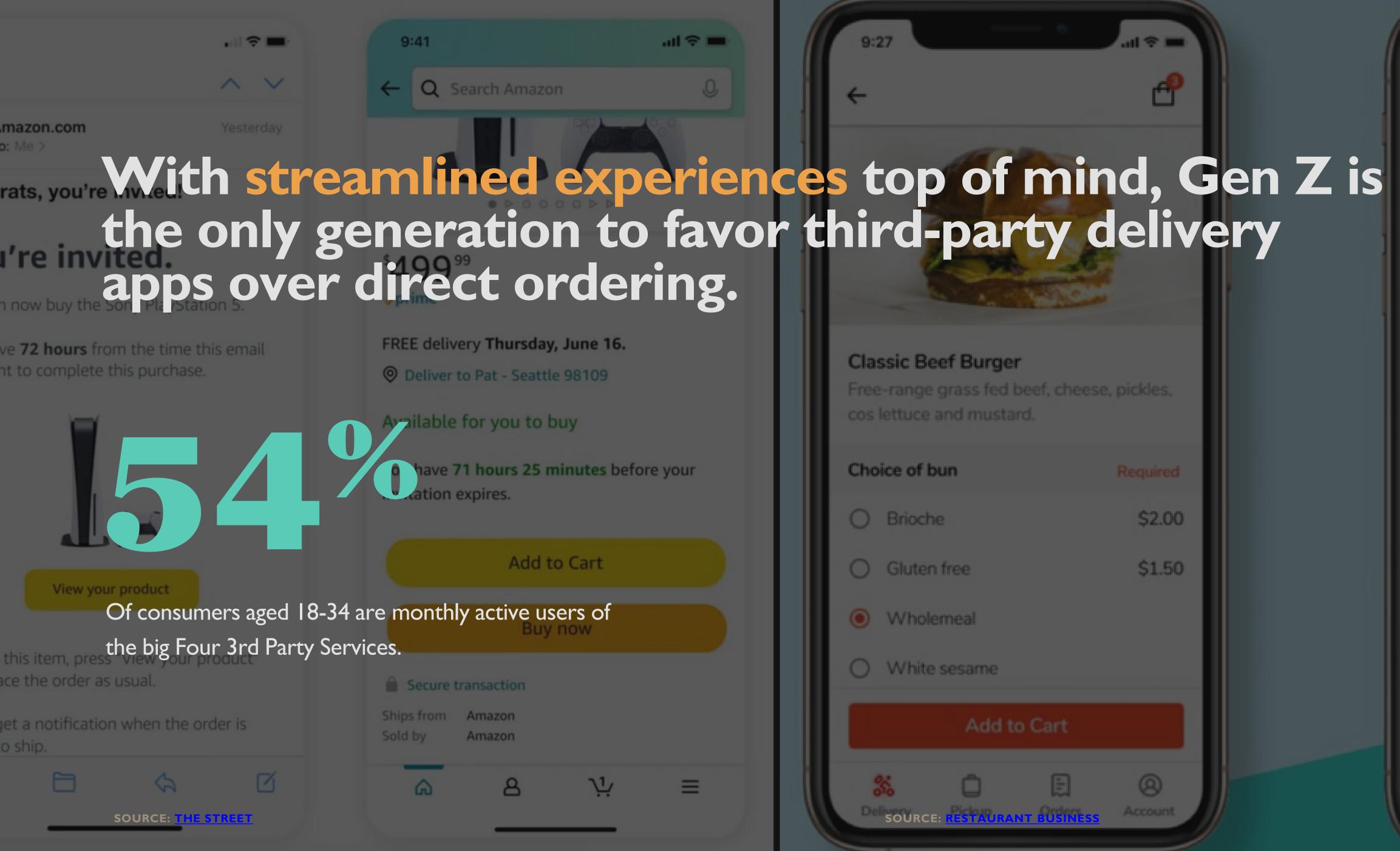
Discovery, ordering, production, handoff, and consumption can all be in very different places... much like Amazon.

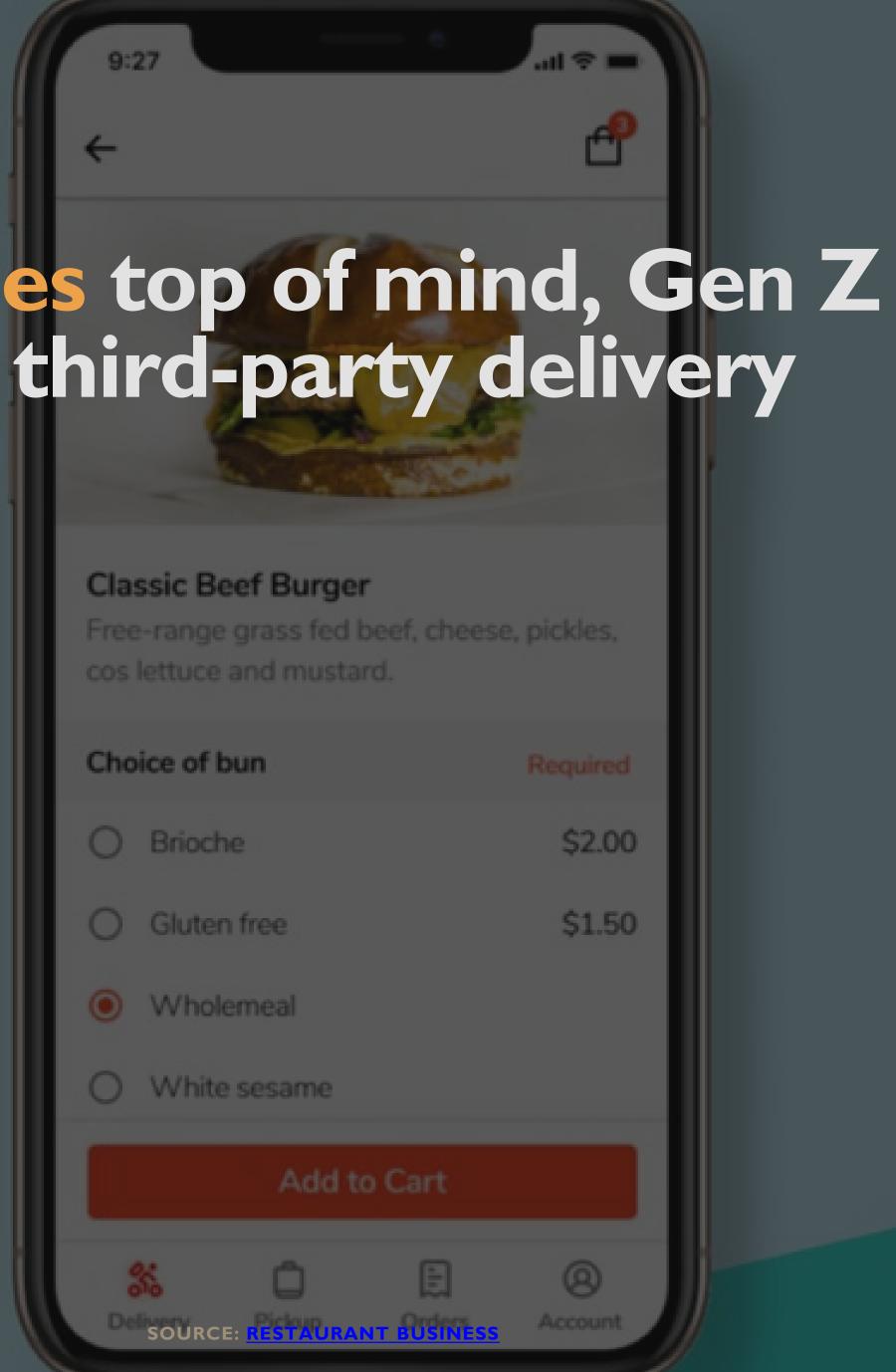


Order

City storefront stores package Crowdsourced delivery

You





Kana

Q Search for

Free delivery v

from our resta

\*Available on selec

Your favour

Penny's Plac

Breakfast - Luni

Delivery Pict



# Your restaurant is a logistics company.

















**DISCOVERY** 

**ORDERING** 

**PRODUCTION** 

**TRANSPORT** 

CONSUMPTION

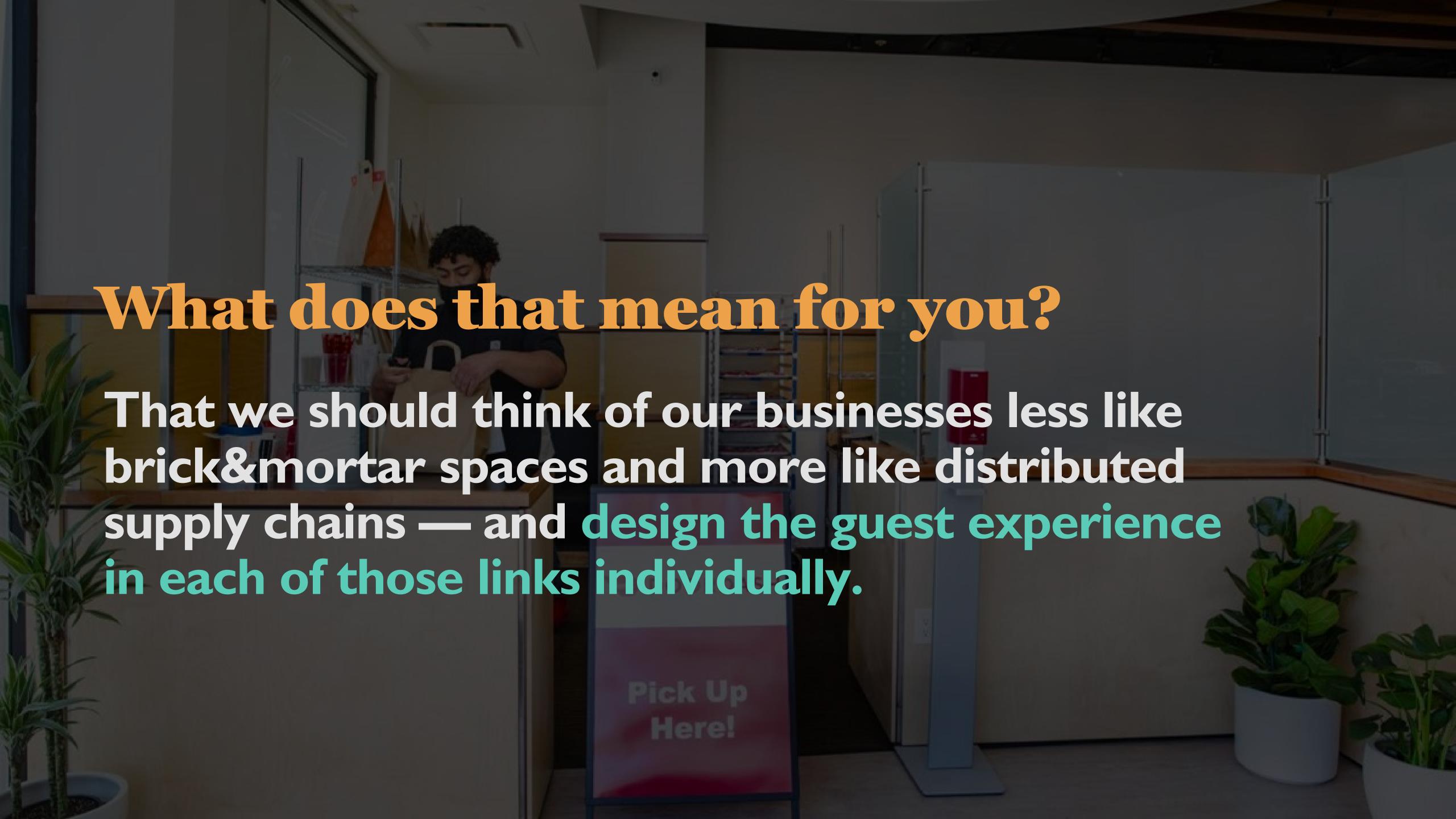
**GOOGLE SOCIAL MEDIA** YELP 3PD

NATIVE APP 3PD KIOSK

**DINE-IN RESTAURANT GHOST KITCHEN COMMISSARY FACILITY** 

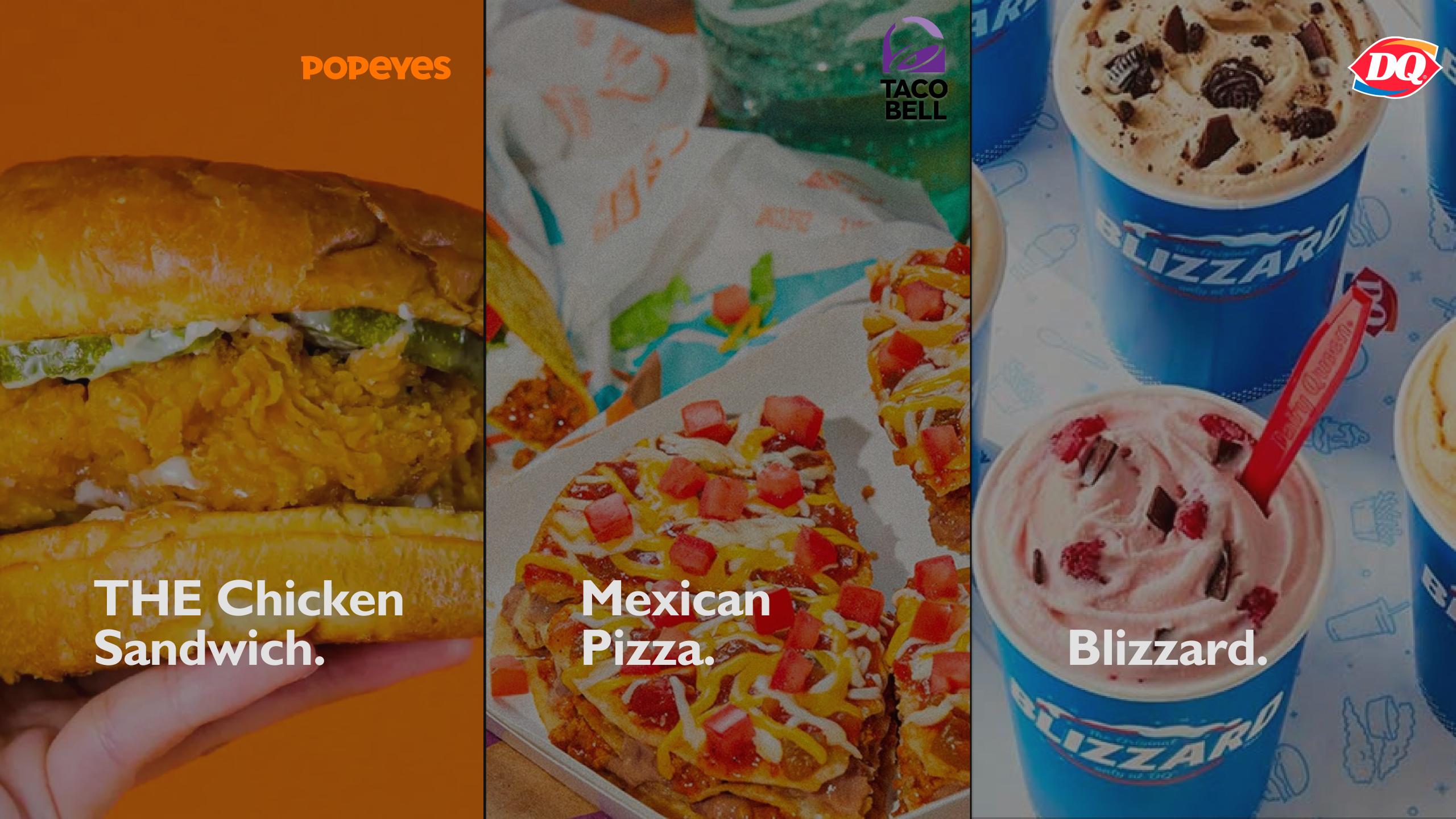
**PROPRIETARY** 

**ON-PREMISE** IN THE CAR **AT HOME ON THE STREET ANYWHERE!** 





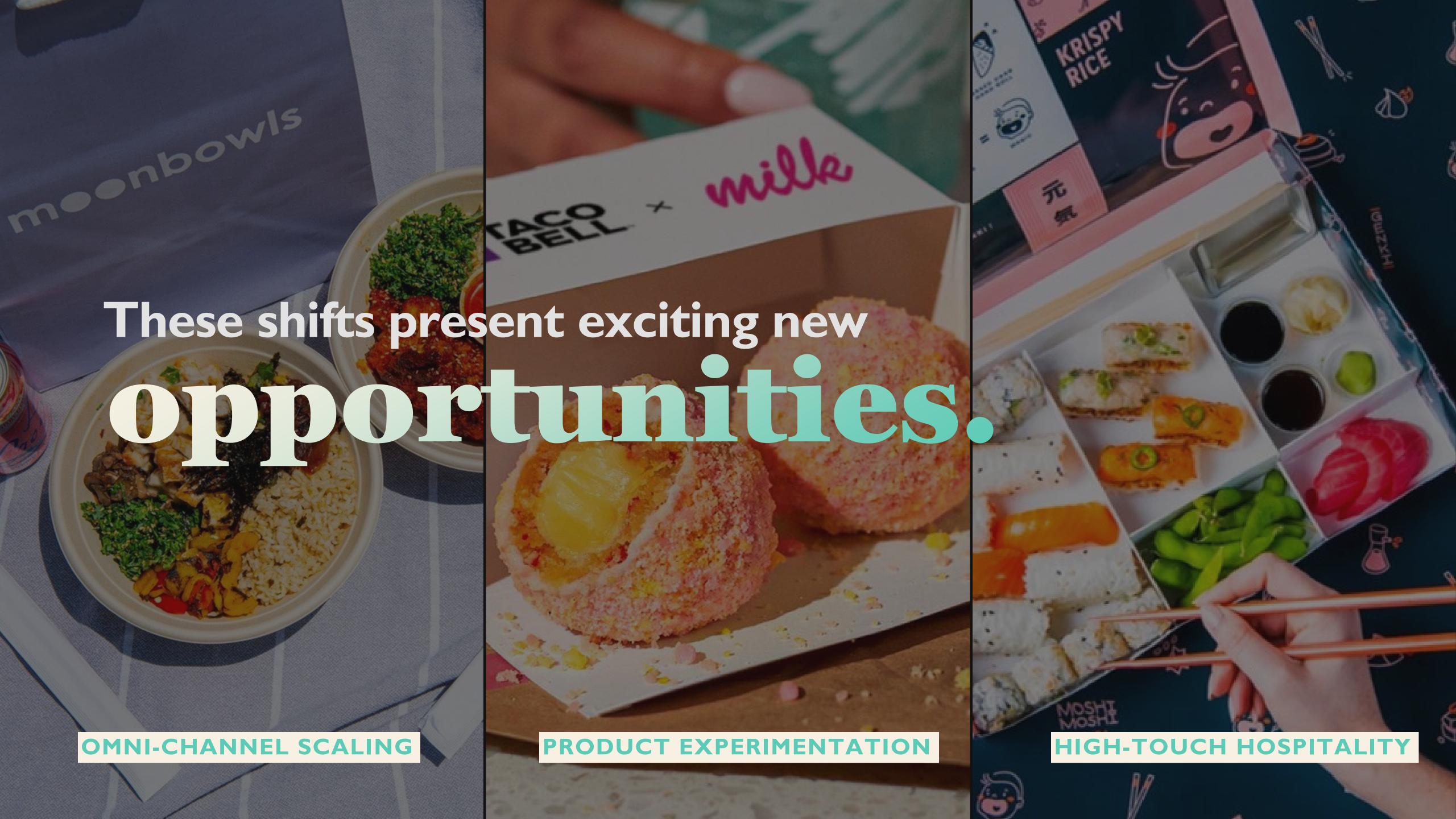














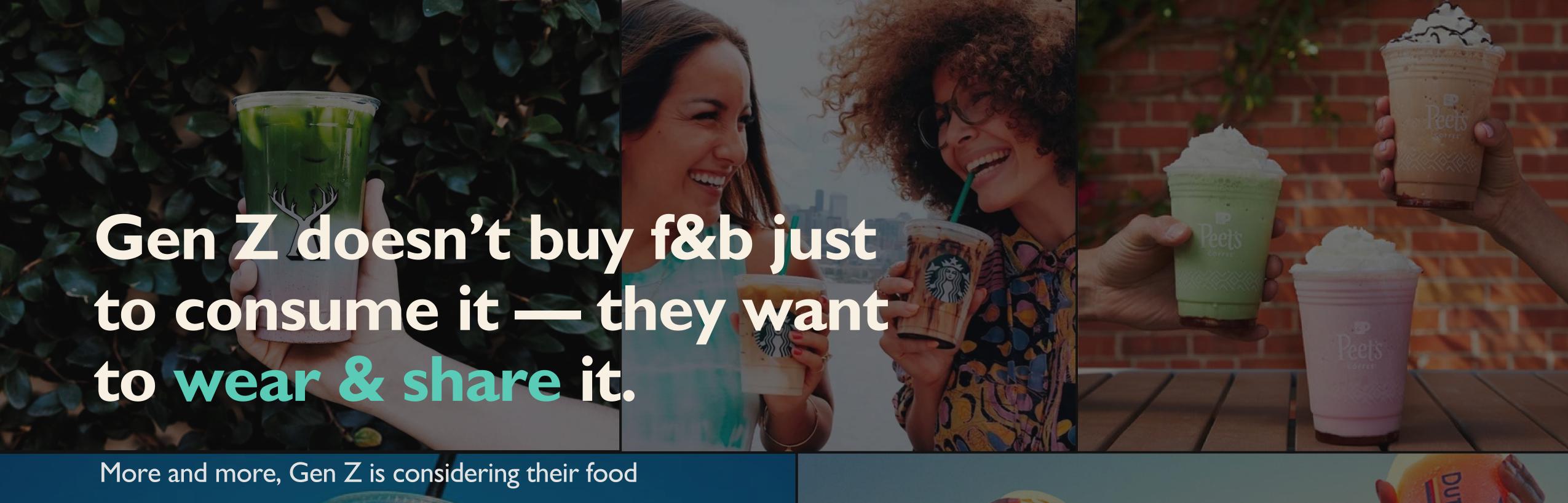
### And, new SOLUTIONS.

### Switch up your arm candy.









More and more, Gen Z is considering their food product choices as an extension of themselves.

Accessorizing with food is what sets this generation apart from consumers — the photo of the product in hand is as important as the flavor.





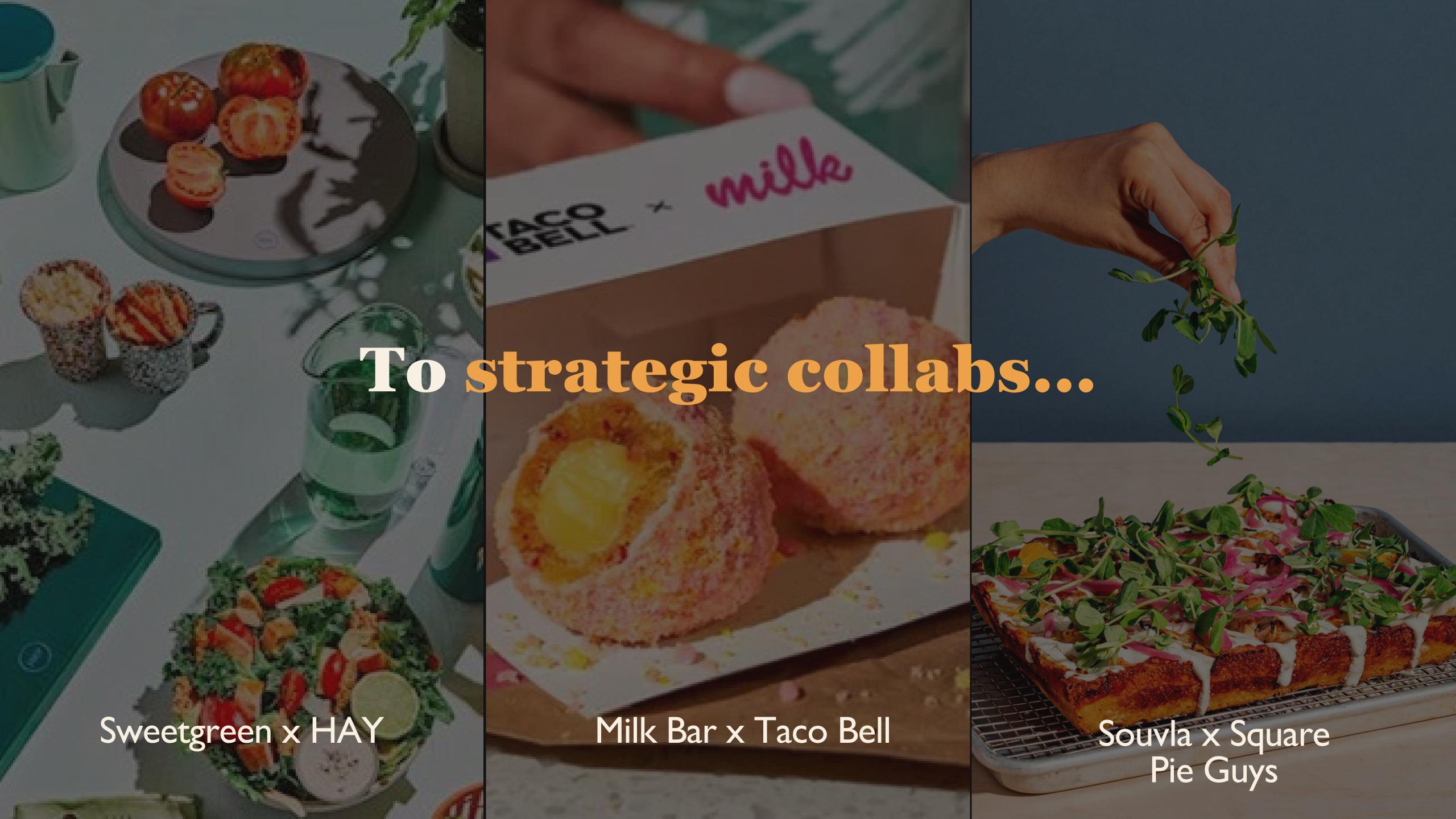
### Taking inspiration from music and fashion, "drop culture," LTOS are being reinvented.

"Drop marketing is characterized by a limited release of a product, with little or no warning, building anticipation and desire around both the products and the brand."

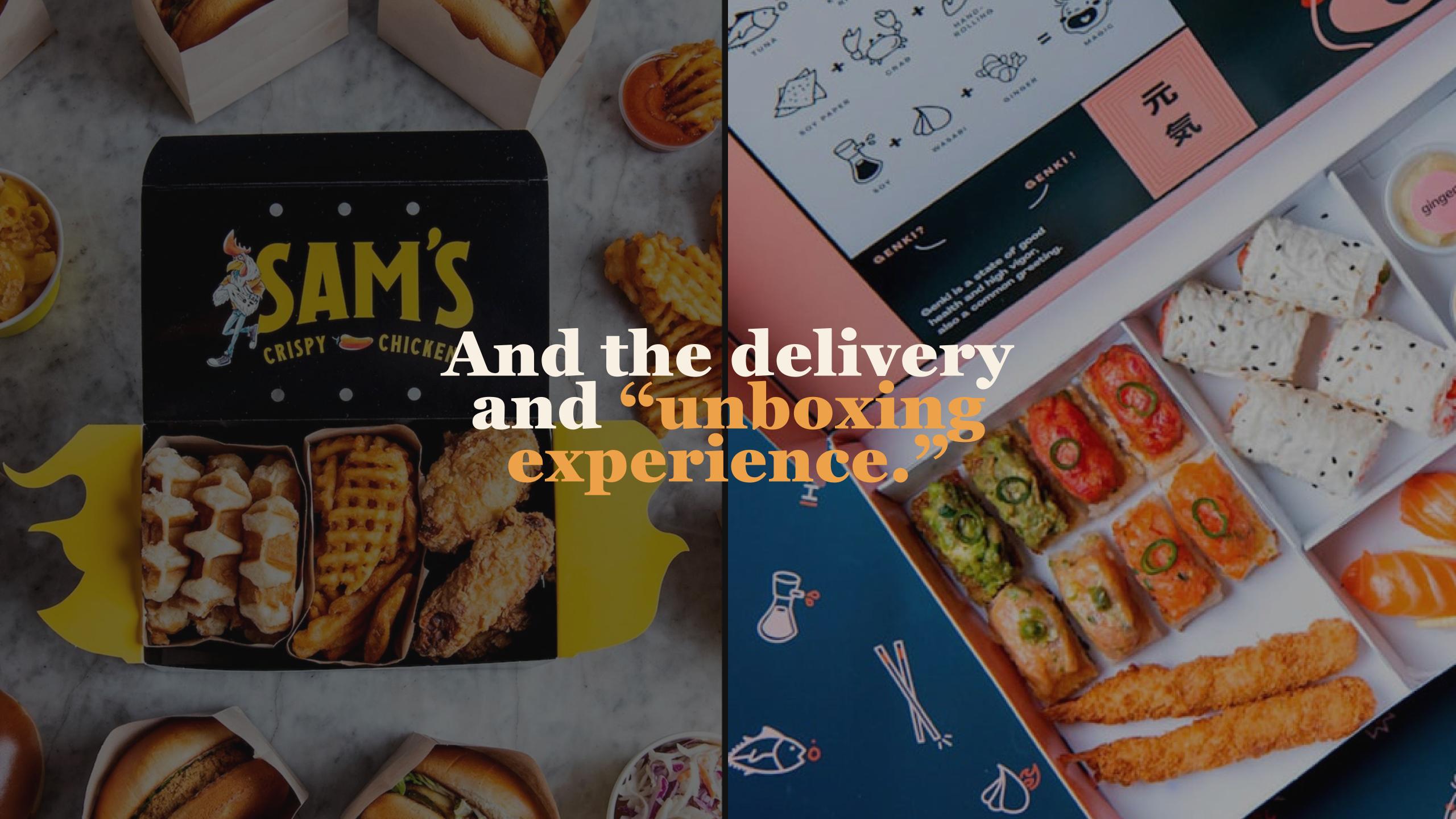












### Get a face for your food.







## Faces are the new logos— and a new era of spokespeople is here.

While mascots feel like a thing of the past, aligning your brand with celebrities of all backgrounds is back in full swing. Most major QSR companies have leveraged at least one celebrity partnership in recent years — from musicians, to athletes, to influencers.

# Of Gen Z luxury purchases are the result of a collaboration with a celebrity or other brand.

SOURCE: BCG



Charli D'Amelio.



Megan Thee Stallion.
POPEYES



Justin Bieber.
TIM HORTONS



Elton John & Lil Nas X.

UBEREATS



Taylor Swift.

STARBUCKS



Lil Nas X.
TACO BELL

### Celebrity partnerships are back in a big way Travis Scott. FO PAME ESTABLIF A BALLED BY ALLED BY ALLE



Nelly.
BURGER KING



Twitch stars.
WENDYS



Naomi Osaka SWEETGREEN



Drag Race Stars.



LILHUDDY.
BURGER KING



Anitta.

BURGER KING

### With deeper cuts leading to deeper loyalty.



### Wendy's targets gamers

Leveraging a huge niche community, Wendy's dual partnership with Twitch stars and Uber Eats was a huge success.

McDonald's Warns Employees That Travis Scott Fans May Order By Blasting "Sicko Mode"



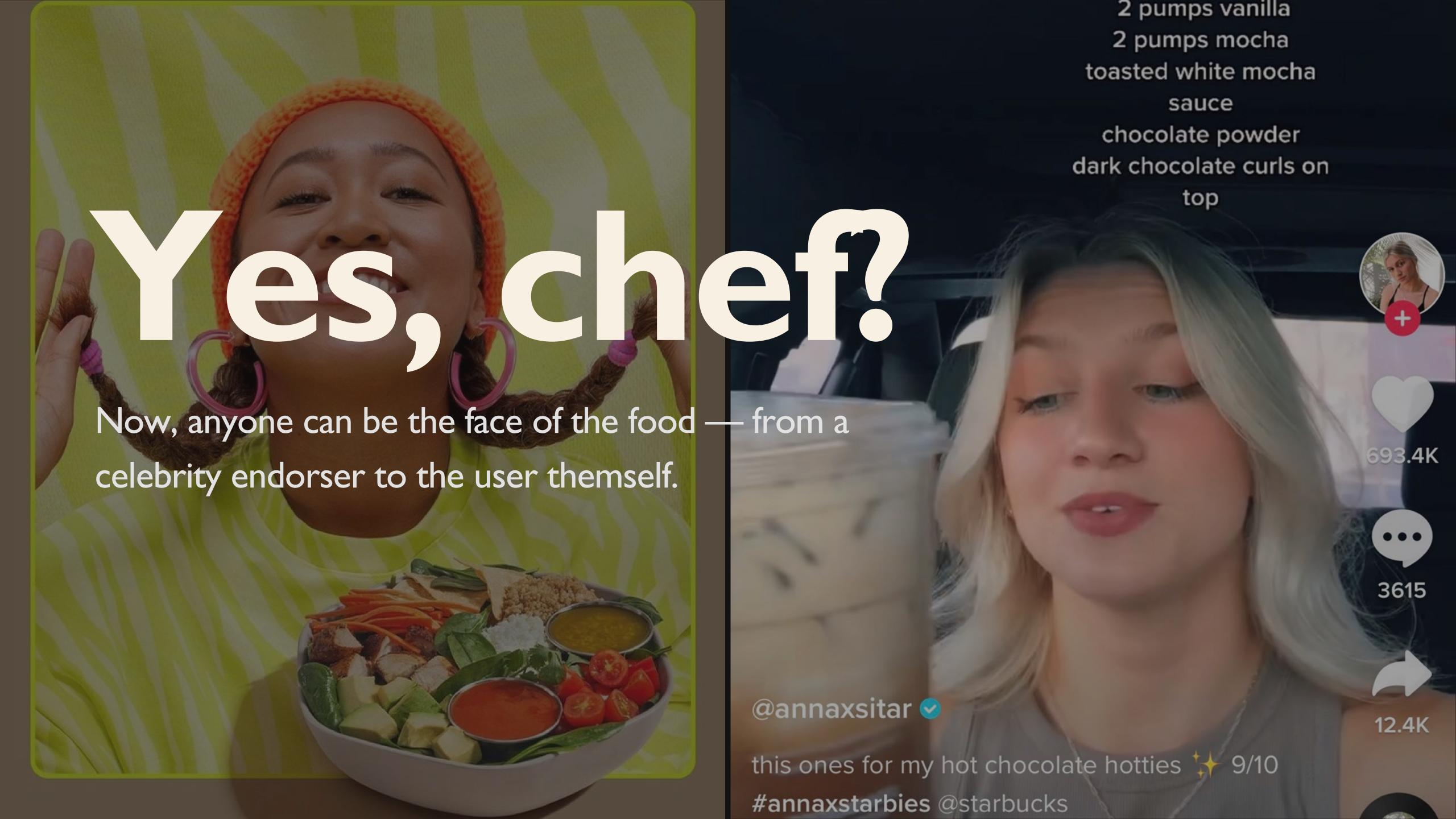
### McDonalds goes viral

Organic viral trends spun out of McDonald's partnership with superstar Travis Scott.



### Taco Bell tugs heartstrings

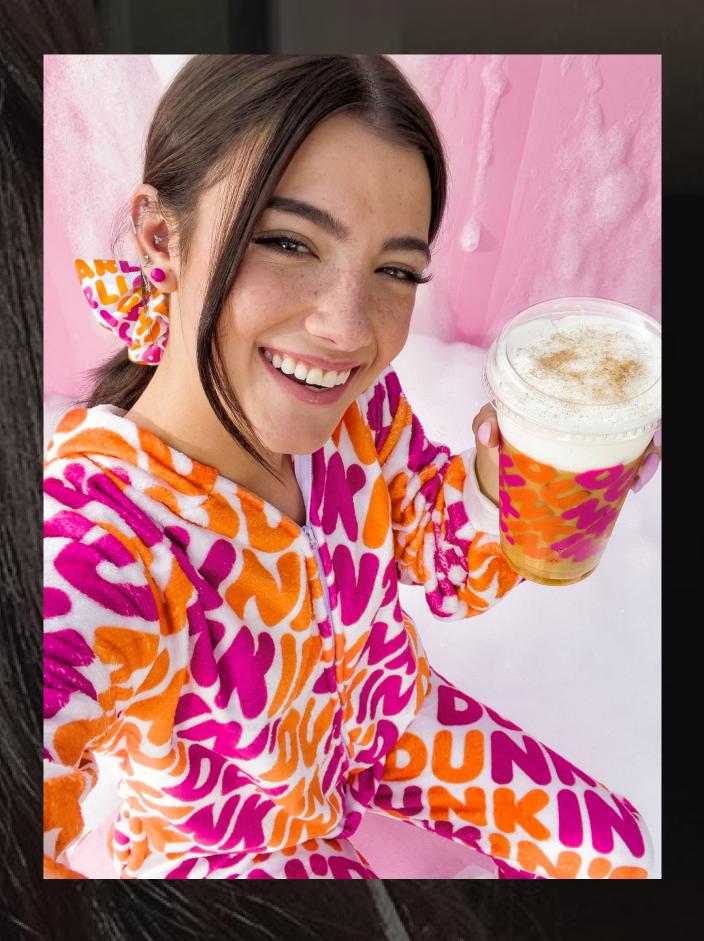
Taco Bell and Lil Nas X's relationship began back when he was an employee of the franchise.



### Brand sponsors are good. Product sponsors are better.

"We took an existing product, renamed it after her and positioned it to appeal to a younger consumer."

- Scott Murphy, president of Dunkin



### Be a customization accomplice.





### Being a customization accomplice sparks deep brand engagement.

If your guest is customizing, whether it's through functionality on your native app or through a TikTok hack they've seen, it means they are leaning in and engaging with the brand.





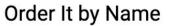
10.3m followers on TikTok



### ORDER BY NAME AND BUILD BY HAND

## Bring on the hacker spirit, but keep it low stakes.





Order the menu hack you want from McDonald's, like the app exclusive, Surf + Turf.



McDonald's Will Get You These

McDonald's will have everything you need to make the menu hack in the bag. In this case, the Filet-o-Fish® and Double Cheeseburger.



So You Can Build This

Get hands on and put the Surf + Turf together. Take pictures or it didn't happen, so remember to share yo menu hacks with #McDonaldsHacks.

Take a page from TikTokers and remix what's already in your inventory. Finding the perfect intersection of consumer desires, on-trend items and operational feasibility is the trick.

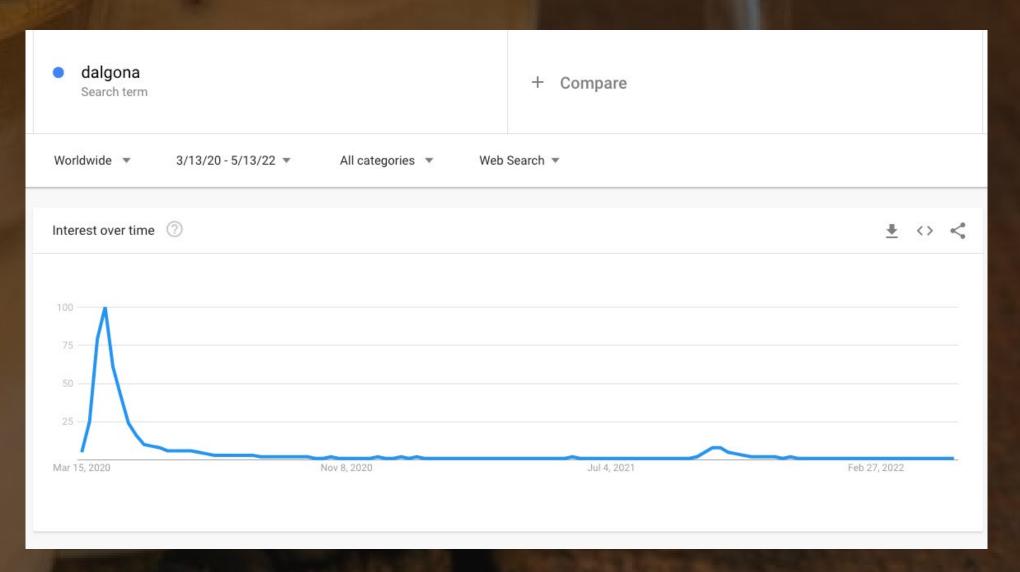




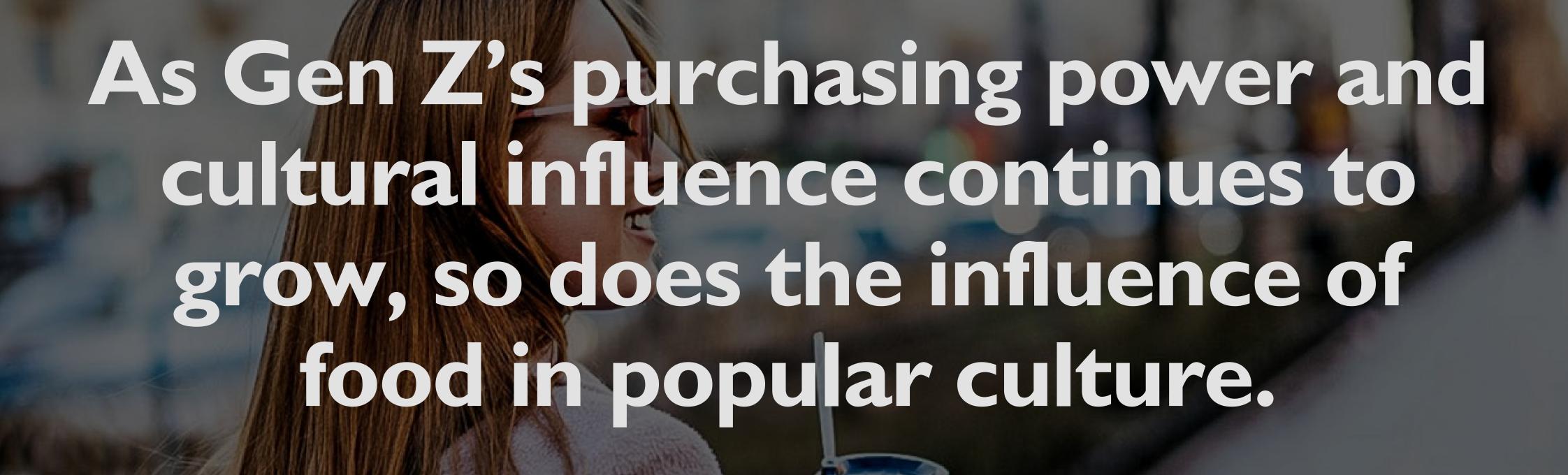
sandwich at select restaurants.

### It's fun to opt in... it's fine to opt out.

Viral food trends and TikTok-led hacks come and go quickly by nature. Keep it low stakes and only opt in if you can be nimble. Putting Dalgona permanently on your menu is a surefire way to appear out of touch... but interpreting the trend (e.g. foams and textures in drinks, not just "dalgona") is paramount.



DALGONA GOOGLE SEARCHES PEAK MARCH 2020



It has never been a more exciting time to be a chef - or a designer of food and beverage.

### Let's chat.

www.theculinaryedge.com

