Gen Z Insights:
What restaurants need to know
Meet Gen Z

Those born after 1997, are the latest wave of customers to have massive influence over the future of your business. Unlike generations before them, Gen Zers are true digital natives who haven’t experienced life without the internet.

With mobile phones attached to them at all times, Gen Z’s perception of the world is entirely unique. When it comes to getting them to walk through your doors, strategies and tactics that worked for prior generations won’t necessarily resonate with them. Reaching Gen Z requires an in-depth understanding of what makes them tick.

Many Gen Zers are currently students, with some already in college and others preparing to go — a time when people start to become more independent and begin forming lifelong affinities with brands. So it’s a no brainer: Now is a critical time for restaurant brands to engage Gen Z.

In August 2017, global student affinity network, UNiDAYS, surveyed over 1,800 verified student members in its US network to learn more about the dining habits and preferences of Gen Z. The results revealed major opportunities for restaurants to make inroads with Gen Z now by giving them what they crave.
10 things you should know about Gen Z

1. Willing to spend but want value

2. Born between 1997-present

3. As of 2017, 26% of the U.S. population

4. Estimated $143 billion in U.S. spending power

5. The most-diverse generation in U.S. history by 2020
6. They often communicate in images
7. Overwhelmingly mobile-first
8. 49% feel better socializing online than off
9. Don’t watch traditional TV
10. Purchases influenced more by friends than public figures
Tips for marketing to Gen Z
Move past the broke student mentality

We often hear the phrase “poor college student,” but it’s time to get over the misconception that students are completely broke. The current generation of students is not as down-and-out as we might’ve assumed. For the most part, Gen Zers have more disposable income since they’re not yet faced with expenses like rent, a mortgage, utilities or children. Even more surprising: 78 percent of survey respondents told UNiDAYS that aside from tuition and bills, they spend the majority of their money on food. When they do eat out, Gen Z spends more dollars on average than what we typically expect of students. Nearly half of those surveyed spend $10-$20 on an order, and 15 percent spend $20 or more.

Nearly 1/2 spend up to $20 when dining out.

But just because they’re willing to spend doesn’t mean they don’t appreciate value offers. Gen Z has already proven to be more financially savvy and responsible than previous generations. They have money to spend, but want to be careful about how they spend it.
Community-based incentives are key

Gen Z is constantly bombarded with brand messaging, yet they are notoriously resistant to advertising. This makes communicating things like new menu items more difficult than prior generations. In fact, of those surveyed, only 8 percent find out about new menu items from TV and only 4 percent from display advertising. The majority of Gen Zers surveyed (41 percent) say they learn about new menu items in the restaurant and the remainder rely on social media networks (20 percent) and friends (19 percent). So take a step back. If you’re one of the many chains trying to get their attention, it’s time to rethink your strategy. Chances are your marketing efforts are best spent on community-based platforms that build brand affinities vs. digital display ads.

93% are more likely to try a restaurant that offers discounts.

While social networks and word of mouth are key, that’s not enough to capture Gen Z’s attention. A whopping 93% of students surveyed told UNiDAYS they are more likely to try a restaurant that offers student discounts. Brands who embrace this feedback will stand out in a sea of noise.
For example, take the success of Apple and Amazon, two companies that have long embedded student incentive programs into their ethos to help them drive a strong loyal base of customers as they progress through different life stages. Like most generations, Gen Z likes to feel special. However, personalized offers are complicated to execute. A more scalable way to accomplish this is to deliver an exclusive offer to a community where Gen Z is an engaged member.

To go a step further, community-based incentives can help you get a holistic view of a customer segment vs. standard loyalty programs. While loyalty programs are undoubtedly a rich source of data, they tend to be skewed towards your best customers. Being able to get a complete picture of a particular audience segment will help you better identify consumer behaviors and preferences. Furthermore, community networks can offer a platform for new customer discovery and acquisition, which can address data from less frequent customers and offset those blind spots.
Today’s students are somewhat open-minded and spontaneous when it comes to eating out, suggesting that a well-timed, well-placed offer could easily draw them in. Nearly half (48 percent) of the respondents told UNiDAYS that they try a new quick-service restaurant chain once a month, and only 5 percent of them said they plan their meals in advance. Restaurants can take advantage of that openness and spontaneity by using tactics such as mobile push alerts for promotions of menu items and pricing geared toward Gen Z. After all, we know that Gen Zers rarely leave home without a phone or other mobile device, so it’s an opportunity to reach them anytime and anywhere they’re hungry.

Students are also flexible on meal times — especially when it means saving money. Close to all of the survey respondents (91 percent) said that they’d eat at an off-peak time if it meant they could get a discount. This reveals a big opportunity for restaurants to help boost slower dayparts and offset higher labor costs during off-peak hours with campaigns designed to draw foot traffic from students at those times.
Only 5% plan their meals in advance.

Restaurants can start by leveraging Gen Z’s trusted online and in-real-life communities to not only better introduce new menu items, but listen, interact and build trust. The opinions of peers and family play a big part in Gen Z decision-making. Asking their opinions on menu items and service at your restaurant will help establish a two-way dialogue and keep the conversation going. So when you send a targeted special offer - via mobile alert, for instance - they’re more likely to pay attention.

Finally, keep in mind that Gen Z often communicates in images and restaurants are lucky to sell a very photogenic product. Make sure you’ve dedicated resources to leverage images and video snippets of your food across social and in promotions targeted at Gen Z. Also keep in mind that their average attention span is 8 seconds. You need to make their mouths water quickly enough in that time frame to get them in the door.
What Gen Z is craving: It's not about the meal plan

When it comes to where and how they eat, Gen Z students prefer going to restaurants over dining halls or cooking. Almost 48 percent of survey respondents don’t have campus meal plans, and 18 percent of them eat out even though they have meal plans. And if they’re not coming to you, then they’re checking out your competition — which includes local and independent restaurants. Although almost all of the respondents (94 percent) said they have access to kitchens, less than half of those that do (43 percent) said they prepare meals often at home, and 14 percent said they never cook at home. Meanwhile, local competition can be fierce. Students shared that almost half of local eateries provide special offers for them and 78 percent are taking advantage.

78% of students are using student discounts at local restaurants.

So students are already telling us that they want options beyond their kitchens or dining halls - we don’t need to spend much time convincing them to eat out. It’s just a matter of getting them to choose your restaurant and providing them with a reason to walk through your doors and keep them coming back.
Gen Z and food

The stats

93% are more likely to eat at restaurants that offer special values for students.

91% of students are willing to eat at an off-peak time if it means they can get a discount.

78% of students spend the majority of their money on food (aside from tuition and bills).
The summer 2017 report, "What Restaurants Need to Know About Gen Z," was generated through a quantitative online survey fielded among 1,873 verified Gen Z students in the US, via UNiDAYS private online community network. The survey was fielded August 1 - 31, 2017. Throughout the survey, the report refers to individuals surveyed as students and Generation Z.
About UNiDAYS

UNiDAYS is the world’s leading Student Affinity Network. We connect brands to more than 10 million Gen Z college students around the world, giving them the power to make every experience more valuable and rewarding. Our award-winning marketing platform provides student verification technology and integrated marketing solutions to some of the world’s most recognizable brands, including Apple, Adidas and Samsung. Founded in 2011 by CEO Josh Rathour, UNiDAYS is headquartered in Nottingham, UK, with offices in London, New York, and Sydney. We have the ability to verify 192 million college students across 114 countries in 30 languages. In 2018, UNiDAYS was named the fastest growing tech company in England by the Sunday Times Lloyds SME Export Track 100.

Get integrated real-time verification and marketing solutions to connect with college students across 114 countries and 30 languages.

Partner with UNiDAYS to reach Gen Z:
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Top Facts About Gen Z

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