

Why Restaurants Can't Neglect Baby Boomers

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Baby boomers hold an estimated \$30 trillion in wealth and enjoy 70 percent of discretionary income.

For all the talk about millennials and Gen Z, the OG generation in terms of retail appeal, baby boomers, still holds a great deal of purchasing power. Restaurants and retailers aren't funneling as much effort into attracting this juggernaut generation, which represents a missed opportunity of lucrative proportions.

Who are they?

Born between 1946 and 1964, baby boomers were named for the population "boom" that swept the U.S. and Europe after World War II. At their peak in 1999, members of this generation numbered some 78.8 million, more than their predecessors and successors alike.

Their reign as the largest age demographic will soon come to an end. According to the Pew Research Institute, millennials—most of whom are the children of boomers—are estimated to surpass baby boomers this year.

The golden goose of generations

While this generation's numbers may not be growing and snatching new market share, retailers should not abandon this group. By many reports, American baby boomers hold an estimated \$30 trillion in wealth and enjoy 70 percent of discretionary income in the U.S., per Nielsen. Some of this money will trickle down to their inheritors but not all. As a relatively healthy, active group, boomers—including empty nesters and retirees—are expected to enjoy their discretionary money on leisure activities such as travel, sport, and, yes, restaurants.

Loving labels

Health-conscious millennials and Gen Z may get credit for the rise in transparency and clean labels, but in actuality, the movement started with baby boomers.

"Boomers were at the leading edge of many of contemporary food and beverage trends, not the least of which was the desire—and demand—for fresh, less processed foods and beverages," says Blaine Becker, senior director of marketing for the Hartman Group. "This demand can be seen played out as consumers are developing new expectations for quality cues at [quick serves]."

According to the Hartman Group research, boomers are also the first aging generation to view quality of food as a key to a better, longer life. That, however, does not mean their health priorities are in step with younger generations. Per Nielsen, 37 percent of boomers consider low- or no-sugar food options to be very important, compared to 31 percent of millennials and 26 percent of Gen Zers. The latter groups instead prioritize sustainability and other factors.

And while boomers may consider food quality key to health, they are tighter with their wallets: Only 21 percent are willing to pay a premium for sustainably sourced ingredients, versus 32 percent of millennials and a whopping 41 percent of Gen Zers.

Big business

That's not to say that boomers can't be big spenders. When it comes to business travel, this generation outspends its counterparts. According to Dinova, baby boomers are the most likely to "wine and dine" clients while traveling for business (52 percent compared to 36 percent for both Gen X and millennials). They also don't shy away from pricey tickets.

Seventy-nine percent of these travelers prefer upscale-casual establishments, while fewer than half (41 percent) choose fast casual and one-fifth picks fast food.

Winning them over

Thanks to a combination of surplus time and disposable income, baby boomers could be a considerable boon to limited-service operators—if they play it right.

Market fresh, less-processed food. As Hartman's Becker points out, boomers—like their successors—have higher expectations of restaurants today than they did in years past.

Up the ante. Per Dinova, this generation has a fancy for upscale and casual. Traditionally these descriptors fell more in line with full service, but as fast casuals push the boundaries with premium offerings and more linger-worthy settings, boomers could flock.

Talk tech. A common misconception about older generations is that they are technologically clueless. Sixty-seven percent own a smartphone, 57 percent use social media, and 52 percent own a tablet computer (that's just two percentage points less than millennials), according to the Pew Research Institute. Long story short: Keep boomers in mind when marketing through various channels, and don't underestimate their tech savvy.

Don't call them old or out of touch. Boomers may be retiring and declining in number, but they still represent an active and substantial consumer group. Don't leave them out and don't patronize.