



 **LOYALOGY**

MILLENNIALS WITH MEANS
RESTAURANT LOYALTY/REWARDS PROGRAMS
LOYALOGY.COM - MARCH 2014

INTRODUCTION

Millennials with Means

This report takes a deeper look into the data derived from our recent Consumer Attitudes & Behavior Regarding Restaurant Rewards Programs, conducted in February 2014 with 1,100 participants between the ages of 25 – 65 earning a minimum of \$75,000 a year. The focus of this report is on a segment we're calling *Millennials with Means*.

Definition: Millennials with Means

Millennials with Means are defined as individuals between the ages of 25-34 who make a minimum of \$75,000 a year. The United States Census reports that per capita money income is \$28,051 (2012 dollars) while the median household income is \$53,046 – which is why this group of Millennials is considered to have means.¹ In this study, 35% of respondents were male while 65% were female.

1. <http://quickfacts.census.gov/qfd/states/00000.html>

RESTAURANT AVERAGE MONTHLY SPENDING

- 💡 Millennials spend more in all restaurant formats than other age groups. The difference is particularly extreme in the Full Service Fine Dining format.

Restaurant Format	25-34	35-44	45-54	55-65
QSR	\$78.29	\$73.96	\$43.64	\$35.76
Fast Casual	\$80.89	\$65.93	\$40.52	\$32.02
Full Service Casual Dining	\$143.86	\$113.53	\$99.14	\$98.24
Full Service Fine Dining	\$117.64	\$47.73	\$29.59	\$28.01
Total Monthly Spending	\$ 420.68	\$301.15	\$212.89	\$194.03

RESTAURANT AVERAGE MONTHLY SPENDING

💡 Millennials spend about *2.5 times* as much on Full Service Fine Dining as ages 35-44; and about *four times* as much as ages 45-54 and 55-65.

Restaurant Format	25-34	35-44	45-54	55-65
Full Service Fine Dining	\$117.64	\$47.73	\$29.59	\$28.01



RESTAURANT REWARDS PARTICIPATION

Question: Approximately how many restaurant rewards programs do you participate in?

Restaurant Format	25-34	35-44	45-54	55-65
QSR	1.6	0.9	0.4	0.2
Fast Casual	1.7	0.8	0.4	0.2
Full Service Casual Dining	1.6	0.8	0.6	0.6
Full Service Fine Dining	1.6	0.5	0.1	0.1
Total Restaurant Rewards Programs	6.5	3.0	1.5	1.1

💡 Millennials participate in more restaurant rewards programs than other age groups in all restaurant formats. More than double the number of programs as ages 35-44, four times the number of programs as 45-54 and more than five times the number of programs as 55-65.

PERCENT WHO FIND EACH BENEFIT APPEALING

Participants were asked which rewards program benefits were appealing. Following are benefits in which Millennials stood out compared to other age groups.

Rewards Program Benefits	25-34	35-44	45-54	55-65
Bonus rewards for bringing in a large party of a certain size.	51%	37%	30%	24%
Bonus rewards during certain time periods of the day.	61%	46%	40%	32%
Ability to donate my rewards to a 'green' cause.	43%	28%	17%	14%
Ability to donate my rewards to a charity of my choice.	46%	34%	28%	23%

 Millennials are more interested in charity and green causes



RESTAURANT USAGE: PLEASURE & BUSINESS

💡 Millennials are more likely than other age groups to be dining for both pleasure and business, while the other age groups are most likely to be dining strictly for pleasure.

Restaurant Usage	25-34	35-44	45-54	55-65
Both pleasure and business.	49%	37%	23%	14%
Just pleasure.	51%	63%	77%	86%

TYPES OF RESTAURANTS/FOOD

Question: Approximately how many times in a typical month do you spend money on the following types of restaurants/food?

Restaurant Type	25-34	35-44	45-54	55-65
Take and Bake Pizza	2.9	1.5	0.9	0.6
Gourmet Pizza	2.7	1.4	1.1	0.8
Gourmet Burgers	3.2	1.9	1.3	1.0



RESTAURANT RELATED WEBSITE & MOBILE APPS

Question: Which of the following restaurant-related services have you used in the past 90 days? Millennials are much more likely to be using these services.

Restaurant Type	25-34	35-44	45-54	55-65
Open Table - Website	33%	22%	16%	11%
Open Table - App	21%	12%	6%	3%
Yelp - Website	51%	32%	24%	16%
Yelp - App	28%	19%	9%	5%
Urban Spoon - Website	28%	17%	11%	5%
Urban Spoon - App	23%	12%	5%	2%
Trip Advisor - Website	46%	33%	28%	19%
Trip Advisor - App	21%	14%	10%	4%

ONLINE ORDERING FROM A RESTAURANT

Question: Approximately how many times in the past 90 days have you used online ordering from a restaurant using a website and/or mobile app?
Millennials are much more engaged with online ordering.

ONLINE ORDERING	25-34	35-44	45-54	55-65
Using a website	5.8	3.1	1.2	1.0
Using an app	4.7	1.8	0.5	0.2

REWARDS PROGRAM INTERACTION PREFERENCES

“For a rewards program, I would like to do everything using a smart phone app.”

Millennials are much more likely to want to use a mobile device app as their principal means for engagement with a rewards program.

25-34	35-44	45-54	55-65
57%	43%	26%	14%

IMPLICATIONS

- 💡 When thinking about restaurant rewards/loyalty programs, Millennials with Means are a very important market segment.
 - Of all the age groups with household incomes over \$75,000 a year, they spend the most on dining.
 - They are the most likely group to dine for business and pleasure and the least likely to dine for pleasure only.
- 💡 The findings of this research would indicate that business is an important driver of restaurant usage.
 - Understanding that much of their spending is related to business is an important consideration to be relevant to this group.
- 💡 Technology is central to the manner in which Millennials with Means engage with restaurants and rewards programs.
 - Millennials with Means use online restaurant services such as Yelp, Open Table and Urban Spoon most frequently they use online ordering the most frequently. They're also the group that is most likely to want to use a mobile app as a rewards program interface.

MORE INFORMATION

For more detailed information, data from the Loyalogy 2014 Consumer Study on Restaurant Rewards Programs may be reviewed at www.loyalogy.com. Segmented results may be downloaded as CSV files for further analysis.



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