Adapting to Circumstances

While they may have had their schooling interrupted, they are formulating new plans for the future that will keep them closer to home in an attempt to further their education while trimming their spending. Even as Gen Z trims their spending however, this group exhibits measurable patterns for eating, food preparation and social sharing, identified by market research and surveys.

Bloomberg describes Gen Z as the group of young adults, teens and children roughly between the ages of 7 and 22 in 2019, which means the oldest is finishing undergraduate studies at college and getting ready to launch into society. The youngest are still living at home with their parents, who make the majority of food purchasing decisions. Even the youngest however, are not without their influence.

Recently, Forbes tracked Gen Z as accounting for between $29 billion and $143 billion in direct spending, although the current employment situation has caused them to hold their money closer to the vest. Nielsen reports that Gen Z makes up 26% of the current U.S. population, a larger group than millennials. The ways in which a fourth of the country decides to spend its available cash and what it chooses to eat will play a considerable role in the thinking and planning of restaurateurs, product formulators and marketers for years to come.

Comfort Foods

Despite their adaptability, Gen Z faces the same extraordinary concerns as the rest of the population. This is on top of the normal concerns any previous generation faced at their age, as they decide which path to follow for their future. The president of Menu Matters, Maeve Webster, wrote that these societal concerns will bring comfort foods to the forefront for at least a time, in addition to generating “mounting interest” in functional foods and beverages. While the definition of what constitutes a “comfort food” for the Gen Z cohort remains unclear at this point (although ramen and sushi are certainly in the mix) whatever it is needs to fit this group’s desire for foods that are authentic and ethically and sustainably sourced. One clue for comfort foods might exist in the latest Datassential report, which shows pizza topping the list of foods all consumers ordered from restaurants.

Fresh & Convenient

While both Gen Z and millennials have a set of likes, their dislikes are equally as important, or what one publication called their “non-negotiables.” As part of their awareness of foods and demands for traceable sourcing, they eschew foods with artificial ingredients and seek out products that present themselves as more natural or even organic. They prefer to avoid
additives and keep preservatives to a minimum. This couples with their desire for authenticity and socially-responsible manufacturing.

Convenience ranks pretty highly, with up to 40% of Gen Z rating it as an important characteristic in the food they purchase, and the foods they prepare. The American Egg Board commissioned a proprietary Y-Pulse study, surveying more than 1,000 respondents within Gen Z or their parents (in the case of the youngest cohorts) and discovered, among other data, that the microwave ties with the stove for most-used appliances as a convenient method of preparing meals and snacks. It’s easy to see why. Millennials as young parents are strapped for time, and Gen Z is either busy with their studies or just launching their careers.

Above all, Gen Z expects their food to have “fresh components.” And they are more likely to embrace flexitarian dining, with vegetables as the star of the show coupled with a complementary protein, such as the egg.

Buzzwords that resonate with Gen Z include “fresh,” “organic” and “sustainable.”

Diversity

Gen Z is the most ethnically diverse generation in the U.S. with almost half (48%) listed as non-Caucasian. This could be the root of their experimentation with ethnic flavors. Parents report the younger Gen Z (children under 18) enjoys Indian, Middle Eastern and African cuisines.

In addition to experimental flavors, this group is also open to sharing their food experiences; searching out that which is personable and photogenic. This is partly due to the fact that more than any other generation, Gen Z has grown up with a phone in hand and social media as a part of life. The iPhone launched in 2007 when the oldest in the Gen Z population hit age 10. They are “always-on” in terms of technology.

Speaking of always being “on,” the very youngest subset of consumers or Generation Alpha, comes into a world filled with electronic devices. Millennials give birth to more than 2.5 million Alphas every week, meaning this group someday will surpass the size of Gen Z, and they will have access to more technology, education and wealth than any previous group. Both of these younger groups, handheld tech natives, will cause marketers to battle for “screen real estate” to promote brands, ideas and products in order to influence purchase decisions.

Social Sharing

These younger consumers, in addition to experimental flavors, are looking for an elevated eating experience called experiential dining or a truly unique experience whether dining out or ordering in. Datassential research shows that drive-thru, delivery and pickup have leapt in popularity recently as consumers are faced with a changing world. Interestingly experts anticipate this off-premise dining trend will not diminish much in popularity once the nation returns to normal operations. Gen Z was already known for their preference to stay in with a Netflix
A New Generation to Feed: Zeroing in on Gen Z’s Preferences

There are several benefits, both social and emotional, for those sharing these food photos. Researchers in a study in the Journal of Consumer Marketing report that the act of photographing our food to post on platforms like Instagram causes a momentary delay in consumption. This has the effect of increasing the savoring associated with consumption of pleasurable (i.e., indulgent) foods and, in effect, increases positive attitudes toward and taste evaluations of the experience when consumption “actually takes place.” This delayed gratification can also lead to “more favorable outcomes” even for less pleasurable, or healthy foods.

In addition to spending on food, Gen Z is into sharing their food online. Gen Z accounts for 75% of all Instagram (IG) users and one of the highest shares of meals eaten at restaurants. Millennials aren’t far behind; more than half of their totals are active on IG. One recent study said that 69% of millennials take a photo or video of their food before eating. In addition to sharing their own food, Gen Z and millennials rely on Instagram to help them decide where or what to eat next.

Hashtags on social media posts provide a window into favorite photo shares. Plenty of articles mention the fact that #food on Instagram brings up more than 350 million posts. A deeper dive into popular Instagram hashtags reveals that of those posts, #breakfast has more than 90 million posts while #eggs is upwards of 12 million. These shared shots of breakfast and other meals often feature eggs.

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The key for marketers is that it is the act of posting a food on Instagram or photographing the food that makes it more appealing, so this phenomenon can be applied to any food, i.e., healthier meals, bowls or snacks, not just indulgent desserts.

Brands...Follow Me

This group also has been brought up with certain expectations regarding food, raised in cultures that entertain with and celebrate food; deemed “unintentional foodies.” This mindset has given them the expectation that food and brands will respond to their needs with them leading, rather than the other way around.

Despite the seeming generational boundaries, life stage is highly relevant to food purchasing behavior. These stages cross-generational groupings. For example, millennials who are young parents are more likely to prepare meals and eat at home. They’re still looking for convenience and the feeling of participating in meal preparation, but meal kits and frozen foods help them fix meals faster. The older cohort of Gen Z, now young adults, exhibit the same life stage behaviors that millennials and other generations did as young adults. So, while they invest a good deal of their disposable income eating out, this is predicted to change as they enter a new life stage as parents.
The investment in dinner preparation and the time it takes to cook it is forecast to grow over the next five years, according to NPD.\footnote{18}

**Flexitarian**

There are some key categories that have cropped up for these younger cohorts that will impact food and beverage formulating for some time to come. The first category of increasing interest in the marketplace is plant-based anything.\footnote{8} Gen Z and Millennials are more likely to enjoy plant-based dishes and enthusiastically embrace flexitarianism.

Flexitarians seek a greater emphasis on plant-based products and advocate for going meatless more often.

*In fact, 79% of Gen Z states they wish to go meatless more often.*\footnote{19}

This doesn’t mean they are abandoning certain nutrients in this quest to eat more sustainably and responsibly. An FMI study\footnote{20} revealed that top mentions for dietary concerns when consumers check food product labels are 1) low carb and 2) high protein.

While the discussion about plant-based dietary patterns often focuses on an “either/or” mentality, pairing the greens with an acceptable protein makes the most sense nutritionally and suits the flexitarian mindset. With 94% U.S. household penetration, the egg is an acceptable protein source that also happens to supply a full complement of the nine essential amino acids the human body is unable to produce.

**Snacking**

The younger generation has moved further away from the culture of three sit-down meals a day to several eating experiences throughout, fueling a culture of snacking.

Frequent snackers, according to IFIC, are more susceptible to cravings, habit and convenience. Those who snack more than once per day (one in every four consumers) say they do so out of a craving for something sweet or salty; they might do it out of habit or because snacks are available or convenient.

This doesn’t mean they wouldn’t welcome snacks or other food categories to serve up healthy options. Almost half (41%) of Gen Z’s say they would pay more for foods they perceive as healthier, compared to 32% of millennials, according to a Tufts Nutrition Report.\footnote{21} Overall, despite the snacking, consumers claim they are eating healthier. The most recent IFIC study says consumers report they are trying to limit sugar intake, eat more fruits and vegetables, eat less carbohydrates and eat healthier protein sources.
**Frozen/Meals (NPD Group study)**

A few years ago, the focus for retail outlets was the store’s perimeter. Frozen foods were discussed in hushed terms if at all, as if visiting the bedside of a sick friend. While channels blur and c-stores compete more vigorously for market share with an emphasis on fresh food and fresh prepared grab-and-go sandwiches and snacks, the frozen food aisle has experienced a bit of a revival. Studies show millennials are largely responsible for this resurgence. As parents of children aged 7 to 12, the individuals most likely to spend time in the frozen food aisle are older millennials. IRI data shows that nine of the top ten major frozen food categories saw sales growth in 2018.22

A look at top categories experiencing sales increases in 2018 is telling, as smoothies rose by 13 percent, followed by frozen breakfast meals (8.3%), waffles (4.9%), breakfast sausages (4.4%) and breakfast sandwiches (3.9%).23

The number of breakfast-style offerings in this data is indicative of Gen Z’s attitudes toward breakfast. Nearly two-thirds of Gen Z (62%) like to eat breakfast at non-traditional times. They crave variety with 73% of Gen Z respondents saying they prefer multiple options for breakfast, compared to 67% of the total populations. And they enjoy non-traditional mashups like ‘wonuts’ (a waffle-doughnut hybrid) or ethnic flair such as shakshuka.24

While convenience is cited by more than half of consumers as the primary driver for their frozen food purchase, variety and innovation and improved quality bring them back, with new product launches, flavors, colors and ingredient combinations.

 Millennials seem to have accepted the idea that frozen foods lock in the freshness. Portion control is extremely important to the younger generation, as well, since this is linked to less food waste. The idea that they can pop a breakfast sandwich or burrito into the microwave and almost instantly have a flavorful, filling snack or meal in a single portion size has helped fuel that category and others like it in the frozen food sector.
These benefits are not channel exclusive. In foodservice channels, eggs are typically purchased at restaurants, but those who buy eggs from non-restaurant channels do so frequently, with non-restaurant channels including coffee shops, c-stores and cafeterias.

Ninety-two percent of Gen Z shoppers purchase eggs and egg-based products from retail locations.

The Made with REAL Eggs® seal can be displayed on menus, food wrappers, product displays or near the cash register to catch the interest of the Gen Z consumer.

Gen Z thrives on spontaneity. This behavioral benchmark means marketers must employ innovative methods of capturing their attention in order to achieve positive results. Keep it portable, keep it convenient, keep it tasty and keep it REAL, and you might find your product is the latest sensation shared on social media by an enthusiastic crowd of Gen Z shoppers and influencers.

The American Egg Board recently introduced its Made with REAL Eggs® certification seal. It requires the use of real eggs with no imitations or egg substitutes in the product. In addition, the eggs must be domestically sourced and processed to fall within U.S. government food safety protocols.

Research shows the Made with REAL Eggs® certification seal improves overall perception of quality in retail stores and foodservice segments. In addition to conferring quality, the Made with REAL Eggs® seal exhibits customer care, promises a good-tasting product and makes consumers more likely to purchase the item again.
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7. https://www.foodbusinessnews.net/articles/14461-next-gen-flavors-in-focus
9. https://www.foodbusinessnews.net/articles/8222-how-boomers-and-gen-z-are-changing-food
About the American Egg Board (AEB)

The American Egg Board (AEB) is the research, education and promotion arm of the U.S. egg industry. Its mission is to increase demand for eggs and egg products through research and education. The AEB supports American egg farmers by promoting the consistent high-quality and functionality of U.S. eggs and egg products. Visit AEB.org for more information.