

A group of diverse young people, including a man with glasses, a woman with curly hair, and a man with a beard, are smiling and hugging each other. The background is a soft-focus outdoor setting.

2021 CONSUMER INSIGHT Generation Z

It's been a whirlwind time for Gen Z consumers. Currently ranging in age from 6 to 24, Gen Z had their world turned upside down as classes moved to e-learning, sporting events came to a halt and stay-at-home orders took place due to the pandemic. Despite less-than-ideal impacts, consumers in this age group grew into their own, learning more about what is important to them especially in hard times. From their interest in adventurous flavors and health and wellness, to their value of brand ethics and use of their digital savvy, let's take a look at how these young consumers are disrupting the food and beverage industry for today and beyond.

GEN Z QUICK STATS

The youngest generation, Gen Z are primed to disrupt the food and beverage industry with their interest in health and wellness, sustainable brands and more. Let's take a look at the facts to see what differentiates them from other generations.



AGE GROUP & POPULATION:

Born between 1997 and 2012/15. Gen Z are currently between 6 and 24 years old. There are approximately 68 million in the U.S.



RACIALLY & ETHNICALLY DIVERSE:

Nearly half (48%) of U.S. post-millennials (or Gen Z) are racial or ethnic minorities according to Pew Research.



SOCIALLY AND POLITICALLY EDUCATED:

Gen Z are up to date with important social and political topics and strive to make an impact on the world.



DIGITAL NATIVES:

Gen Z are quick to learn new technologies and use digital media as a way to connect and share with others.

PANDEMIC EFFECTS

Gen Z were heavily affected by the pandemic. Virtual classes, postponed sports and social isolation took a toll on their mental health and wellbeing. Not only that, Gen Z faced the highest rate of unemployment out of all generations according to Business Insider, which has led to much financial stress.

On the other hand, Gen Z has become more interested in their health and wellness, educated on social and political issues and has used their digital savviness to connect with others in a time where they were forced to be apart.



“Generation Z isn’t far behind (Millennials), projected to hit \$33 trillion in income by 2030 – that’s more than a quarter of all global income – and pass Millennials in spending power the year after.”

-KASASA



FLAVOR PREFERENCES

Gen Z are experimental and adventurous in their flavor and food choices. The Food Institute reports that younger generations such as Gen Z enjoy experimenting with global flavors featured in Indian, Middle Eastern and African cuisines. Gen Z are open and excited to trying new offerings. In fact, they often use social media and the internet to search and share new food and beverage. With Gen Z accounting for 75% of Instagram users, brands can benefit from creating unique and aesthetically pleasing foods that Gen Z will want to share to their followers.

Gen Z enjoy experimenting with new cuisines, but classics that bring comfort and nostalgia have also increased in popularity during the pandemic. Food and beverage became a sense of comfort for these consumers in a time of uncertainty (and boredom) as they spent more time at home.

KEEP IT FRESH

“Gen Z also prioritize fresh food. A Y-Pulse Study showed that 56% said they favor food that is healthy and fresh. 55% also said it must be flavorful.”

- AMERICAN EGG BOARD



“Food is Gen Z’s top spending priority, taking 23% share of their wallet this spring, according to a semiannual report from Piper Sandler assessing teen spending and brand preferences. This figure is up from 21% in the fall of 2020 but down from 25% a year ago”

-FOOD DIVE



HEALTH DRIVERS

Prioritizing health and wellness has become a key factor in Gen Z's shopping habits. In fact, almost half (41%) of Gen Z say they would pay more for foods they perceive as healthier, compared to 32% of millennials, according to a Tufts Nutrition Report. Regardless of their young age, this generation has become very health conscious and are also interested in functional food and drink that will improve their daily living and keep them healthy long-term.

- 20% of Gen Z consumers currently eat or drink products that claim to provide the calming/ relaxing benefits.
- 20% consume those with focus-enhancing benefits.
- 15% consume those with beauty-enhancing benefits.

Gen Z consumers are also interested in implementing more plant-based options into their diet. They're known to prefer fresh and wholesome foods for a more nutritious diet (Produce Blue Book) and often choose meatless options for their claimed health benefits or more positive environmental impacts.

- 65% of Gen Z want a more "plant-forward" diet.
- 79% would eat meatless meals once or twice a week, according to a study conducted by Aramark.

41% of Gen Z say they would pay more for foods they perceive as healthier.

PRODUCTS OF NOTE



THE REPUBLIC OF TEA BEAUTIFYING BOTANICALS DAILY BEAUTY BLUEBERRY LAVENDER TEA features beautifying botanicals including blue butterfly pea flower and blueberry said to promote collagen, hibiscus for hydration and more. It claims to nourish your skin from the inside out.

28% of consumers responded that they likely or definitely would buy this product.



NESTLÉ PURE LIFE + REVIVE LEMON STILL WATER BEVERAGE with Magnesium is said to help reduce tiredness and fatigue providing an easy way to get 35% of daily magnesium. Its lemon flavor is said to have a refreshing taste.

44% of consumers responded that they likely or definitely would buy this product.



MORNINGSTAR FARMS VEGGITIZERS POPCORN CHIK'N is made from 100% plant protein with 36% less sodium than the leading frozen popcorn chicken. It provides 19% of the daily recommended amount of complete protein.

32% of consumers responded that they likely or definitely would buy this product.



PATH OF LIFE LIVE SIMPLE DEEP ROOTS QUINOA BLEND is made with organic quinoa, root vegetables and kale. The product is said to be microwavable, plant-based and gluten-free.

MORAL MISSION

While older Gen Z consumers in college or just starting in the workforce may be more financially independent, younger consumers still depend on their parents for their food and beverage purchases. Regardless, Gen Z consumers look to make a positive environmental change through their own (or their parents') purchasing decisions. They are educating themselves on how they can make an impact and are drawn to brands that recognize social, environmental and ethical topics they care about, from sustainability to support for local and black-owned and local businesses.

33% of Gen Z food/drink buyers state 'sustainable product' as being important to their purchase decision.

- MINTEL



"...studies have shown that Gen Z is interested in racial, gender and income equality, as well as environmental issues. Standing up for these values is becoming a differentiator for brands."

-ADWEEK, KASASA



PRODUCTS OF NOTE



SPEAK FOR THE TREES DARK ROAST ARABICA COFFEE BEANS comprise of an African coffee blend grown to restore the rainforest of Gorongosa National Park. Every cup is said to help restore 17,500 acres, remove 56 million tons of CO2 from the atmosphere every year, and produce enough oxygen for 1.75 million people.

24% of consumers responded that they likely or definitely would buy this product.



AMAZON SUPERBERRY ACAI BOWL contains acai berry blend with granola. The product is made sustainably with fair trade, organic, and wild-harvested ingredients.

35% of consumers responded that they likely or definitely would buy this product.



BETTER BODY FOODS OATSOME ORIGINAL ORGANIC OAT MILK is described as fantastically frothable and suitable for making rich, creamy and frothy lattes. The manufacturer claims the oats are one of the most sustainable grains on the planet, and require 80% less water to grow.

26% of consumers responded that they likely or definitely would buy this product.



FARM TO FORK CARAMELIZED ONION & ROASTED GARLIC SAUCE is said to feature big flavor and contains fresh basil and certified sustainable tomatoes. The manufacturer claims to donate a portion of proceeds to Big Green, which promotes youth wellness through a network of learning garden and food literacy programs.

34% of consumers responded that they likely or definitely would buy this product.

CONVENIENCE & SPEED



Between work, school, and other activities, Gen Z are commonly on-the-go. Though they've been at home more often in recent months, their busy nature has not changed. And while some have dabbled in their cooking abilities throughout the pandemic, others sought for

convenience in quick service foods and product introductions.

From pre-made meal kits to individually wrapped snacks, mobile delivery and curbside pickup, Gen Z seeks speed and convenience in their food and beverage purchases. While COVID-19 has heightened these purchasing decisions, it is likely these trends will stay relevant post-pandemic.



“Convenience also ranks high with Gen Z, with up to 40% rating it as an important characteristic in the food they purchase and prepare. The American Egg Board survey found a tie between the microwave and the stove for most-used appliances as a convenient method of preparing meals and snacks.”

-THE FOOD INSTITUTE



PRODUCTS OF NOTE



DEL MONTE OATS TO GO MAPLE & BROWN SUGAR CRUNCH OATMEAL contains farm grown apples topped with steel cut oats with almond milk, brown sugar and maple flavor, granola, almonds and pumpkin seeds. The microwaveable and ready to eat product can be consumed warm or cold.

50% of consumers responded that they likely or definitely would buy this product.



TYSON AIR FRIED CHICKEN BREAST STRIPS are described as a fully cooked boneless, skinless breaded product with rib meat and white meat chicken. The product does not require an air fryer and can be cooked in the oven for pure crispy perfection.

66% of consumers responded that they likely or definitely would buy this product.



LAUNCHBOX JUMPIN' TURKEY JACK SANDWICHES are comprised of turkey breast and Colby jack natural cheese in wheat bread. The product claims to be easy to make and eat and contains 8g of high quality protein.

27% of consumers responded that they likely or definitely would buy this product



JIMMY DEAN MORNING COMBOS MINI MAPLE PANCAKES AND MAPLE SAUSAGE BITES are ready to eat or heat. The product contains 8g protein per serving and claim to be “ready to eat or heat.”

50% of consumers responded that they likely or definitely would buy this product.

SNACKING



Product developers can find opportunity in flavorful on-the-go snacks as Gen Z search for convenience and energy in their busy schedules. According to Packaged Facts research, Gen Z is big on snacking with 40.6% agreeing that they eat

several small meals throughout the day. Then often snack throughout the day to hold them over and provide energy until their next meal.



“Gen Z are at an active lifestage where convenient, on-the-go energy is much sought after, especially if combined with fun, taste, and indulgence.”

-MINTEL



80% of Gen Z responded that taste is the most important quality when choosing a snack.

- SEGMENTA RESEARCH

PRODUCTS OF NOTE



KODIAK CAKES PROTEIN-PACKED OATS & HONEY CRUNCHY GRANOLA BARS are described as nourishing, filling and balanced option with delicious flavor to satisfy and help fuel adventures.

40% of consumers responded that they likely or definitely would buy this product.



LIFE CUISINE LOW CARB LIFESTYLE UNCURED TURKEY BACON & AGED WHITE CHEDDAR EGG BITES are microwavable egg bites that contain 18g protein per serving. The product takes about 2 minutes to cook.

27% of consumers responded that they likely or definitely would buy this product.



CASTLE WOOD UNCURED BLACK FOREST HAM WITH GOUDA CHEESE AND DARK CHOCOLATE CRANBERRIES is described as a chef curated snack with 12g of protein and no preservatives, added nitrates or nitrites, or artificial flavors.

52% of consumers responded that they likely or definitely would buy this product.



CHOBANI PROBIOTIC RASPBERRY ACAI BERRY DAILY YOGURT DRINK is said to provide multi-benefit probiotics for the immune health; digestive health; and gut health. It is said to be a low-fat yogurt drink with nothing artificial.

36% of consumers responded that they likely or definitely would buy this product.

DIGITAL WORLD

The pandemic placed an even greater emphasis on Gen Z's innate digital intelligence which led to innovation in new recipes and flavor pairings. A rising popularity in TikTok also brought innovation in at-home recipes such as Dalgona (or whipped) coffee, pancake cereal and the newest trend "nature's cereal," which features a mix of fruits with coconut water and ice.

Brands have taken advantage of this demographic's use of social media by collaborating with popular celebrities and up and coming social media influencers to intrigue Gen Z with new and unique offerings. By engaging with their younger consumers, brands are creating innovative collaborations that Gen Z feel are post worthy on their social media platforms.



NOTEWORTHY OFFERINGS:



CHARLIE D'AMELIO & DUNKIN
Dunkin collaborates with TikTok star Charlie D'Amelio on her go-to drink, "The Charli," a cold brew with whole milk and three pumps of caramel swirl. Dunkin also offers "The Charli Remix" a cold brew with sweet cold foam, three pumps of caramel and cinnamon sugar on the top.

Photo Source: Dunkin



TRAVIS SCOTT & MCDONALDS
McDonalds teamed up with rapper Travis Scott to create "The Travis Scott Meal", a limited-edition meal featuring a quarter pounder with lettuce, pickles, onion, ketchup, mustard and bacon, fries with barbeque sauce and a sprite.

Photo Source: McDonalds



BTS & MCDONALDS
McDonalds will partner with Korean pop band, BTS for their next celebrity meal. This time the meal will be global, featuring a 10-piece Chicken McNugget meal, medium fries and a Coke with the new U.S. debut of sweet chili and cajun dipping sauces.

Photo Source: McDonalds

THE TAKEAWAYS

Gen Z is primed to disrupt food and beverage categories from alcohol and dairy to alternative meats and more. These are busy and growing consumers, who are searching for convenient, healthy, ethical *and* “insta-worthy” products that taste great – quite the to-do list for today’s food and beverage developers. With plenty of opportunity in this space, we can help simplify the challenge. Let’s figure out your “what’s next.”

SOURCES

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- CNN
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- Business Insider

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