Currently ranging in age from 25 to 40 years old, Millennials have experienced a changing world for much of their lives. This demographic spans different ages and life situations, with some members still in college and others with families or grown children, and food and beverage manufactures need to keep this in mind to align with Millennials’ varying lifestyles. Used to adjusting in times of crisis, many underwent changes as colleges moved to remote learning and many jobs moved to remote work. Despite their ever-changing environment and diversity, Millennials know what they are looking for. From time saving products to match their busy lifestyles, to ethical claims and ethnic takes on their flavor favorites, let’s take a look at how Millennials are disrupting the food and beverage industry for today and beyond.
Millennials have a massive impact and say in the food and beverage space. Let’s take a look at the facts to see what differentiates them from other generations.

**ABOUT MILLENNIALS**

**AGE GROUP & POPULATION:**
Born between 1980-1994, Millennials are currently 25-40 years old. There are approximately 72 million in the U.S.

**RACIALLY & ETHNICALLY DIVERSE:**
Nearly half (44%) of Millennials are racial or ethnic minorities, slightly less than Gen-Z individuals, according to Pew Research.

**PERSONAL VALUES:**
Millennials believe in the value of political engagement and are socially and environmentally conscious when it comes to their food and beverage purchases.

**OPPORTUNITY:**
Millennial consumers represented the highest-spending generation in 2020 with a projected $1.4 trillion tab. They also led all generations at 46% of total income in the U.S. Millennials stand to inherit over $68 trillion from Baby Boomer and early Gen X parents by the year 2030, setting them up to potentially be the wealthiest generation in U.S. history.

**PANDEMIC EFFECTS**
The pandemic crisis is occurring a decade after Millennials were hit by the Great Recession when many were either graduating from college and trying to find work, had found work but lost their job, or kept their job but were unlikely to get raises or negotiate for better pay. COVID-19 has had a similar impact, derailing many Millennials’ careers and personal ambitions due to closures.

Source: Kasasa, University of Alabama at Birmingham, Pew Research
A number of food preferences stand out among this generation. Millennials like diverse, fresh, and health and socially conscious foods, but taste is also key. Millennials also report that new or unique foods and flavors make them feel satisfied at restaurants, and 40 percent of them will order something different on the menu at each restaurant visit according to a report by Chefs Best.

In addition, Millennials are interested in ethnic cuisines and new takes on their favorite flavors and dishes through “fusion cuisines”. A Chefs Best report states, “Their preference for a diverse range of foods can be seen in their frequent visits to fast food restaurants, juxtaposed with their appreciation for “fusion cuisines,” such as naanwiches, Sushirritos, and Korean barbecue tacos.”

As a large and diverse demographic, Millennials have varying interests and values and an increasing say in the market today. They represent an important group of consumers to the food industry, and though their varying interests and values may provide a challenge for food and beverage developers, they also provide much opportunity in this space.

“Today, American palates have become more diverse than ever — because of both an increased interest from white Millennials in foods with global origins and the increased buying power of immigrants and ethnic minorities in the U.S.”

– BUSINESS INSIDER

TASTE IS KEY

“60 to 70 percent (of Millennials) say appealing taste and flavor are the most important factors when choosing a restaurant. Similarly, they state that taste is one of the most important factors when choosing a snack.”

– CHEFS BEST
HOME COOKING INTEREST

Stay-at-home orders and the shift to remote work in the past year and a half incurred changes such as the increase in home cooking. Reports from Segmanta surveyed 2,000 individuals aged 15-39 and found the following:

- **Older Millennials** (30-39 years old) are the most likely to consume home-cooked meals compared to other surveyed age groups.
- 76% of the surveyed individuals prepare home-made meals at least a few times a week.
- 27% of the surveyed individuals claimed they eat fast food more than a few times a week.

Millennials are looking to create flavorful meals at home that might resemble dishes they could find at their favorite restaurants, while still keeping the prep easy and quick. The focus has shifted to meal kits and easy-to-make prepared dishes that can be kept on hand and prepared without much planning. Food and beverage developers can find opportunity by creating innovative products that will allow Millennials to improve their home cooking skills in convenient and tasteful ways.

“According to research by ReportLinker, home-made food is the preferred way to prepare meals for 98% of U.S. residents.”

– SEGMENTA

PRODUCTS OF NOTE

- **CAROLYN’S COOKIE COMPANY DOUBLE CHOCOLATE WITH SEA SALT FROZEN COOKIE DOUGHBALLS** are a bake at home product is said to be crafted with fresh ingredients like real butter, eggs, pure vanilla, wholesome oatmeal, plump raisins, locally sourced nuts and San Francisco’s own Guittard chocolate.
  - 25% of consumers responded that they likely or definitely would buy this product.

- **SIMPLE TRUTH NATURAL BLEND BEEF + MUSHROOM PATTIES** contain 19g of protein per serving, is also said to taste and eat like all beef patties, and is free from preservatives, antibiotics, added hormones, animal by-products and gluten.
  - 37% of consumers responded that they likely or definitely would buy this product.

- **ORGANIC & FREE RANGE BONELESS SKINLESS CHICKEN BREASTS WITH LEMON PEPPER SEASONING** is made from 100% farmer owned chicken, hatched, raised and harvested in the USA.
  - 22% of consumers responded that they likely or definitely would buy this product.

- **PARMIGIANO REGGIANO FILLED PASTA** is described as a delicate egg pasta formed into a cheerful sunflower, or “girasoli” shape which is suitable for home freezing and cooks in three to four minutes.
  - 47% of consumers responded that they likely or definitely would buy this product.
ETHICAL EATING

Millennials are the most likely to prefer "ethical" snacks. They also tend to be more interested in issues such as environmental sustainability, fair trade and zero waste, giving brands that value these topics an advantage with Millennials who also often purchase products based on these factors. Brands can find opportunity in developing flavor products with ethical or sustainable benefits that Millennials feel good purchasing.

- 32% of Millennials say they are willing to pay more if a product is made ethically.
- 33% of Millennials say they are willing to pay more if a product is sustainable.

Source: Mintel

64% of Millennials don’t think there are sufficient grab-and-go items meeting their ethical standards

- FOOD DIVE

PRODUCTS OF NOTE

HELLO! I’M UGLY 100% UPCYCLED APRICOTS are now available. This all-natural product is made from locally sourced ugly fruit that was upcycled to help prevent food waste.

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

JUST LIKE HOME KITCHEN RECIPES N.Y. LIP-SMACKIN’ GARLIC PASTA SAUCE is said to be inspired by home recipes from across America. This home-crafted product is all natural, is gluten free and retails in a 25-oz. recyclable pack. The manufacturer claims to donate twenty five cents from every jar sold to local homeless shelters.

23% of consumers responded that they likely or definitely would buy this product.

RITUAL SWEET TOOTH CERRO BUENA VISTA COFFEE BEANS are described as a single origin espresso with notes of kiwi, lime and cherry pie. This company is dedicated to environmental conservation, improving local public health and growing exceptional catuai beans.

NUMI ORGANIC 65% DARK CHOCOLATE DRINK with Dash of Salt is said to comprise the purest ingredients which have been ethically-sourced straight from nature. It is described as a molten drinking chocolate that is a decadent, rich, indulgent and satisfying treat.

35% of consumers responded that they likely or definitely would buy this product.
While Millennials’ shopping behavior indicates that they spend more of their money online and on higher quality items, convenience meals and sweet and cheesy snacks are still significant purchases for them. In fact, convenience is the number one reason (72%) why fast food is attractive to the surveyed Millennials, above other factors such as taste or nutritional value according to a Segmanta report. Brands may be able to find success in developing convenient products that consumers can create at-home in a pinch, leaving them less likely to choose fast food as often.

This generation also likes to experiment with foods and beverages and aren’t as loyal to brands as other age groups, studies have found. If a product is fresher, healthier and more convenient, or they find a brand that appeals to them in a new and innovative way, they may be more likely to switch.

“Millennials spent more money shopping for food online than any other age group—a habit undoubtedly driven by the increase in working from home.”

— ORACLE
Often defined by their health-conscious eating and shopping habits, today’s Millennial is also giving in to guilty pleasures in what they eat (like glazed donut sticks, frozen pizza rolls, sweet, cereal-flavored coffee creamer and more) and how they purchase it.

Consumers appreciate indulgence, and it’s a balancing act for brands to strike between that and a clean label. For example, snackers tend to want premium products, but they also want healthier and transparent ingredients, and it can be tough for manufacturers to maneuver their products to meet these changing customer expectations. Indulgent, yet better-for-you options can be a successful offering for Millennials looking to indulge guilt free.

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<thead>
<tr>
<th>PRODUCTS OF NOTE</th>
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<tr>
<td><strong>TERRA SOUR CREAM &amp; ONION VEGETABLE CHIPS</strong> are said to be crunchy, and are free from GMO and gluten. The product features parsnip, taro, sweet potato and ruby dipped vegetables, and retails in an easy-open 5-oz. pack.</td>
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<td>50% of consumers responded that they likely or definitely would buy this product.</td>
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<td><strong>SKINNY COW SKINNY MINIS CHOCOLATE FUDGE CONES</strong> are light ice cream snack size crunchy cones made with 100% cocoa, light chocolate ice cream topped with rich fudge sauce and milk from hormone free cows, 100 calories per cone, half the fat than a similar portion of regular ice cream.</td>
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<td>54% of consumers responded that they likely or definitely would buy this product.</td>
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<td><strong>INCREDPUFFS ELOTE FLAVORED SNACK</strong> is said to feature a classic Mexican street corn flavor with sweet and spicy notes to put the taste buds in a headlock. This vegan friendly and kosher certified product is free from gluten, trans fat, peanut, GMO and artificial flavors.</td>
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<td>38% of consumers responded that they likely or definitely would buy this product.</td>
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<tr>
<td><strong>KIND NUT CLUSTERS ALMOND &amp; COCONUT CLUSTERS</strong> are made with almonds and coconut. The kosher-certified product provides 3g of plant protein. The manufacturer is said to choose healthy and tasty, convenient and wholesome, economically sustainable and socially impactful ingredients.</td>
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<td>52% of consumers responded that they likely or definitely would buy this product.</td>
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According to Mintel, “while they (Millennials) may not be digital natives like Gen Zs, they are digital pioneers and are used to having to navigate new technologies.” Millennials are keen to the digital world, becoming professional online shoppers, avid social media users and using these technologies to enhance their daily lives in different ways.

- **67% of Millennials** expect to shop online more after the pandemic than they did before.

The availability and ease of access of these tools has made them choosier though, especially in their shopping habits. Over half of Millennials and Gen Z shoppers are likely to be influenced by the presence of reviews on brand websites or by influencers. And as “foodies”, Millennials like to share their own reviews online as well. Millennials also often join online communities to connect with others and share recipes, favorite products, reviews and more.

“**Millennials and Gen Z shoppers are even more likely to be influenced by the presence of reviews. Over half (53%) of each of these age groups indicate they’re more likely to click through to a product page if there are ratings and reviews highlighted on the homepage or in search results.**”

– POWER REVIEWS

**NOTEWORTHY OFFERINGS:**

**CRUMBL COOKIES WEEKLY BOX OPENINGS** have trended on Tik Tok as of late. The cookie shop, who releases new flavors every week, has gained social media traction as Tik Tok users have reviewed the weekly flavor lineups online.

Photo Source: Crumbl

**WHAT I EAT IN A DAY VIDEOS** have become a popular trend across social media platforms where social media users share their daily food and beverage consumption and sometimes review the food and beverages in their diet.

Photo Source: USA Today

**NOOM** is a lifestyle and wellness program/app designed to help users make healthy changes. The community within can add to the recipe selection on the app to give users healthy food options.

Photo Source: USA Today
THE TAKEAWAYS

Millennials hold the buying power to dictate food and beverage trends across the market. These are busy and adventurous consumers who are searching for convenient, ethical and innovative products that taste great – providing a clear opportunity for success for today’s food and beverage developers. Convenient at-home meals to sustainable snacks, indulgent treats and more, there’s plenty of opportunity in this space, and we can help simplify the challenge. Let’s figure out your “what’s next.”

YOU DESERVE MORE. LET’S GET STARTED.

What does true partnership look like? You deserve a flavor partner ready to turn these trends into the tangible.

Let FONA’s market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your “what’s next.” Our technical flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. Let’s mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

From concept to manufacturing, we’re here for you — every step of the way. Contact our sales service department at 630.578.8600 to request a flavor sample or chat us up at www.fona.com/contact-fona/

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