HRIM 381 Class Three: Analyzing Consumer Marketing Trends

• Goals for Today:
  Examine Consumer Marketing Trends
  Apply Trends to Food and Beverage Operations

Analyzing Consumer Marketing Trends

• F&B Operators need to look outward
• Competitive focus needs to be on cost & service
• Increased dependence on repeat or lifetime customers
• Lifecycles and business cycles often collide

Popcorn’s Consumer Marketing Trends

• Egonomics
• Cocooning/Clanning
• Ninety-Nine Lives
• Fantasy/Adventure
• Staying Alive
• Small Indulgences
• Cashing Out
• Down Aging
• Vigilante Consumer
• Save Our Society

Source: Faith Popcorn
Popcorn Report & Clicking(1991-97)
**Egonomics (demassification)**

- Impact: restaurants must micromarket
- Technology becomes key driver
- Application of ideas and knowledge about your customers becomes primary
- "Me, Me, Me" mentality means customer wants control over choices

**Cocooning:**
*def=* withdrawing to safe environment

- Impact: Restaurants must re-define their customers
- Home appliances such as VCR and microwave helped to create this trend
- Takeout sales have increased (15-20%) of total food expenditures
- Rise in pre-packaged foods
- Clanning is the newest form of cocooning

**99 Lives**
*def=* individuals forced to assume a variety of roles

- Impact: product line and brand extension, creation of product portfolios
- Multiple concepts for individual operators
- Allows for growth & balance of earnings streams
- Often cheaper/easier to launch new ideas than revamp the old!
- Requires careful differentiation
**Fantasy/Adventure**

* Definition: need to experience the exotic without travel or danger

- Impact: exotic foods, fantasy experiences need for value marketing
- Consider the explosion of themed restaurants
- Examine the growth of specialty produce
- Popularity of ethnic menus and restaurants
- Have to exceed customer expectations

**Jekyll and Hyde**

* Provides a safe fantasy “tour”
  * Stools move up and down
  * Bathrooms hidden in bookcase
  * Costume, props
  * ENTERTAINMENT

**Staying Alive**

* Definition: healthy lifestyle extends longevity

- Impact: informative menus, rise in “healthier” product design
- Consumer focused on caloric and total fat intake
- Restaurateurs working with growers and producers
- Food engineering
- Foodaceuticals
How do we view food?

Small Indulgences def=I deserve it, I work hard for my money!

- Impact= Positioning via merchandising
- Examine the rise in “affordable luxury” foods
- Premium branding via differentiation
- Exotics can fall into this category
- Requires careful merchandising

Can You Say 29% Butterfat?
Merchandising Tips:

1. Focus on need to indulge/pamper/splurge
2. Proactive suggestion drives efforts
3. Staff training is critical
4. Make sure products are in-place and that you meet/exceed expectations!

Cashing Out

- Impact: Return to traditional values
- 1. Cash Out To Cocoon
- 2. Cash Out To Country
- 3. Vicarious Cash Out
- Simplification of lifestyles

How far do we want to cash out?
Down Aging def= end of youth dominated culture

- Impact=nostalgia marketing focus
- Diner food/comfort food is back!
- Graying of America
- As of 2000, median age in U.S. was 36.4, 35-44 and 44-54 age groups make up the majority of population
- This requires a change of marketing focus!

Median Age Continues to Increase

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<td>Median age (years)</td>
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(Source U.S. Census)

Caveats

- What are the special needs of this market?
- Do we focus on this niche and exclude others (what are the costs)?
- Are we looking to the future to consider other emerging niches?
Vigilante Consumer def=customer wants to influence business environment

- Impact=Adoption of A True Marketing Orientation
- Requires a Selling, Product, and Operation Orientation that focuses on consumers who are: non-smokers, smokers, grays, gays, MADD etc…
- Collective power is the key
- Need Gov’t/Public strategies

Save Our Society def=Stewardship of society

- Impact=Greening of Food Service, long term view v. pursuit of profit
- Social Responsibility can be minor/major theme
- In-House water treatment/recycling efforts
- Requires strong government/public strategies

Why do we care......