

APPEALING TO GENERATION Y

At Intergastra 2018 in Stuttgart, Germany, a roundtable of experts, including four FCSI professional members, convened to discuss how foodservice can attract and retain Millennial customers and employees for future success



Michael Jones (MJ): Tell us about your business and specific challenges you are facing in terms of attracting Millennials as customers.

Hildegard Dorn-Petersen (HD): I've been a management advisory services (MAS) consultant for 25 years, after I came out of the hotel business, and I'm one of the founding members of FCSI Germany. I am board member of FCSI Germany-Austria and responsible for public relations. The majority of my customers are spa resorts. For 20 years now, we had 'silver agers' as customers in these

resorts, but now younger people come and they have a different approach to spas than their parents.

Marcus Beran (MB): I started my career as a butcher and cook. Now I am a certified 'diet chef'. Because of my own gluten intolerance, I specialise in allergen-free cooking, catering and nutrition counselling. I have developed an allergy management system for AIDA cruise ships and the Vapiano restaurant franchise. My sister, who is studying food science, had the idea to develop special recipes for Millennials. We have a small,

gluten-free cooking studio where we produce YouTube videos. For this target group, there is a lack of education as former generations were taught cooking by their mum or grandmother. Younger generations now want to know exactly what's in the pot and how it becomes a tasty and healthy dish.

Martin Rahmann (MR): I'm the managing director of Agere and president of FCSI Worldwide. We are focussed on younger people. In German hotel schools you make a career as hotel manager, but when I was at Heidelberg hotel school, I was

already focussed on consulting. For us it is about making consulting interesting for young people, showing them a business that has lots of challenges and is changing day by day.

Maïke Nuyken (MN): My colleague Marius and I run 1520. We both studied business administration and have experience in hotels. With 1520, we aim to specialise in Millennial marketing. One of the things we focus on is vegetarian and vegan cooking, because that's very much linked to Millennials. We want to enable small restaurants to incorporate attractive vegetarian and vegan options on the menu. I don't think it's a huge challenge to get Millennials through the door as they are happy to spend a lot of money on food outside the home. They [restaurants] just need to change their way of doing things a little.

Marius Zürcher (MZ): I think the biggest problem is stubbornness among restaurant owners. I don't think the restaurant industry in general is in trouble – it's just individual restaurants.

Erhard Trotter (ET): I've been in the consultancy business for 45 years and 14 years ago I decided to put a strong focus on inclusion projects. We are working with handicapped people, who need the same chances and access to the market. Maïke and Marius told me about their ideas and plans and asked me if I could assist professionally. One of the problems we are facing in Germany is that training patterns for cooks have not really changed. Therefore, a lot of young people lose interest and quit.

Patrick Dehner (PD): I am responsible for business development for Messe Stuttgart, in the industrial and technology sector, not especially the food sector, but also binary growing and harvesting technologies in food production. Attracting Millennials is hard, because you have to use social

media. Millennials want a better experience than just visiting a booth. And they don't go to hotels just to stay overnight – they want an experience.

Anna Hammer (AH): I did my apprenticeship at Messe Stuttgart as event management assistant. Now I'm working as project assistant in the department of economy and education and I'm also organising the Bakery Trade Fair Südback. One challenge in our business is to attract young customers. Nowadays when young customers are looking for a product they go onto the internet to get information, instead of visiting our platform.

Philipp Ghadri (PG): I started my first business in fast-moving consumer goods. We produced different type of drinks in Austria and shipped them all over the world. I took the company public in 2011.

Afterwards, I spent four years as a private equity manager. Then I invested in the burger and steak chain, The Bird, which is the oldest German burger manufacturer when it comes to high-quality burgers. We have three spots in Berlin, one in Hamburg, one in Cologne and one in Jackson Hole, Wyoming, US. The first challenge, when it comes to Millennial customers is attracting them online. If you're not online you don't exist and a lot of purchases happen online. Second, they are not loyal. Years ago, when you had customers who loved your brand, they would love it forever, this has changed. Millennials are well informed, but they're demanding and want everything instantly.

Bettina von Massenbach (BM): I've been in the hospitality industry for 20 years. I started in London at Zuma and ROKA >

Michael Jones, chair



Martin Rahmann FCSI



Hildegard Dorn-Petersen FCSI



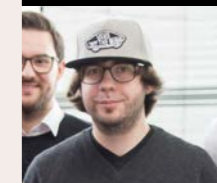
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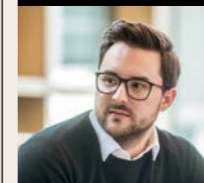
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Erhard Trotter FCSI



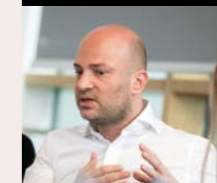
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Anna Hammer



Philipp Ghadri



Bettina von Massenbach FCSI



restaurants. Then I came back to Munich and I worked for Tantris restaurant for about five years. After that I founded my own company, Oyster Hospitality Management, in order to focus on ‘the pearls’ – the people. It’s not the job of the Generation Y to come to us; it’s up to us to go to them and to get them on board. And that’s not just in our industry.

MJ: Marius and Maïke, as Millennials, you understand this demographic. Why was it important for you to work with Erhard to get experience and expertise from someone who understands another generation?

MN: Next to our consulting activities, we’re trying to build a hotel brand. And since Erhard is an experienced hotel consultant he helped us. We always had this plan to combine the consulting and hotel or restaurants. And, like most Millennials, I like inclusiveness, so I like working with older people and younger people. It’s beneficial in every way.

MR: In the hotel sector, you can attract Millennials as customers easily. You have to be online, and then you can attract them for conservative four-star hotel groups, like Travel Charme. Millennials have many interests. One day they want sushi, the next vegan food. They have no loyalty. But if my product is good and I have the best employees – professional, friendly, helpful, quick – then you can have success with Millennials in every business. Whether it’s a conservative five-star hotel or a backpacker hostel.

MJ: What about restaurants, how are they adapting?

PG: We are on Facebook and Instagram. We have a website and are on YouTube. Three years ago Facebook was the big thing for restaurants – you can like, share, comment, but you have to talk to your audience; you have to tell them what to

do otherwise they won’t do anything. Just to post a picture is not enough. Our likes grew to 50,000. And we can reach between 50,000 and 1 million people per week through Facebook, which is great. Then Instagram popped up and all of a sudden these food bloggers came and now Instagram is a big thing. Google AdWords is a very important tool, if you play the social media ‘piano’ well. I think everybody can be successful in the restaurant business, but you need Millennials to facilitate this. I can’t hire somebody in their 50s or an old marketing agency to do my social media.

BM: Restaurants are adapting their product. Where is the niche? How do I target Millennials?

HD: I think about the customers of [restaurateur] Rebecca. She’s a yoga teacher and a vegan. She opened a café in Munich just selling Buddha bowls. It has a yoga space next to it, so it’s a whole concept, combining food and health.

MB: From a chef’s perspective, one of the easiest tools is the design of the menu. No more big volumes in a classy leather cover. Many menus are far too large with too many options. It’s important that with one glance I find something interesting. It’s a hit if I go there and I am not only satisfied, but also surprised. Food that is free from allergens is important too. The number of young people with allergies is increasing. Therefore I did intensive training to become a diet chef.

HD: There’s one famous TV cook in Germany, Alfons Schuhbeck, and in front of his restaurant in Munich he has a big sign that says: ‘Please, no people with allergies’. The message seems to be: We can’t serve you and we don’t want to.

MJ: So it’s a requirement for Marcus to be very flexible – if you’re changing your menu frequently – in a way that Alfons Schuhbeck is inflexible?

HD: Yes it is. But restaurateurs must also raise expectations. So if you, as a Millennial, come to the restaurant the product must be excellent – even better than your expectation.

MJ: Do you think there are any specific companies or brands in German foodservice at the moment that have done particularly well in making themselves attractive to Millennials?

PD: Munich-based dean & david, with their style of food, the way the restaurants are set up and their locations. They have good menus, also gluten-free, allergen-free food. For salads, you just go and grab. Another German company Forster Convenience Food, is also making an impact. Their slogan is: “The perfect alternative to self-cooking”. They sell their chilled convenience products in retail as well as restaurants. The labelling is important – all ingredients are clearly declared on the packaging – every peppercorn with its country of origin. So you know exactly what you’re getting.

MN: The organic supermarket and online shop Alnatura does really well here.

MZ: There is an old established company in Germany called Rügenwalder Mühle.



They make packaged sausages, mostly for the supermarket. In the last three years they have started to make a lot of vegetarian sandwich fillings.

PG: Two very successful chains in Germany are Hans Im Glück, founded by Thomas Hirschberger, who also used to run Sausalitos across Germany. He combines burgers (both meat and vegetarian) with cocktails and creates a forest within the restaurant. Young people love it. The other big player is Vapiano and their competitors L’Osteria, from Nurnberg. They have 70 outlets and are still growing. I see only young people at L’Osteria. It’s a typical chain for Millennials.

MJ: How is the wellness sector attracting young people?

HD: The wellness sector must sell its products online. I know one spa resort for young couples in Bavaria, Kuschelhotel, that just has a video on their website. People are visiting on the strength of a website showing a video of couples cuddling in bed, swimming at the pool

and spending time at the spa. It’s about selling a special and unique experience.

MJ: Can you see a time in the future when fast-food giants, such as McDonald’s, KFC and Burger King, become irrelevant to young people?

AH: The trend now is for healthy food, even vegan and vegetarian offerings. If they won’t change their concept, I think in five or 10 years McDonald’s, KFC and Burger King will be much less relevant.

MR: Hans Im Glück creates different types of burgers, for example. They even sell shirts and watches.

MN: One advantage of McDonald’s offering salads is that if I go there, as a vegetarian, I don’t feel I’m missing out. If I go to a more traditional restaurant and everybody’s eating all of these nice foods and I just get some grilled cheese, I feel I’m not even part of the experience.

MZ: One disadvantage of McDonald’s is they’re so big. They created a wrap a few years ago containing guacamole, and

they had to pull it because there aren’t enough avocados in the world to meet the demand if they were to sell it. But their size is also an advantage, because they’re too big to fail.

MN: They have a huge influence on the masses. I could see them as the first adopters of lab meat, which could have a huge impact on clients.

HD: What’s growing is shared dinners. People cook private dinners in their home and offer them as shared experiences. It’s a big problem, because they have no supervision, licence, hygiene checks or professional training.

MB: However, I do understand how it is an appealing offer. These private hosts assume the former role of a local pub or bar, bringing together different people and entertaining them. I am a trained butcher and I’m amazed by how the butcher shops have changed. Most of them have a coffee shop, snack corner, party service and catering. There are just a few left producing their own sausages. They have developed a successful new business model.

MZ: As for restaurants losing customers to home dining and shared dinners, I think the problem is that a lot of restaurants are bad. Either there are no restaurants around you or they’re not very good. So people look elsewhere.

MJ: And Millennials have disposable income as well.

MZ: Yes, which also ties into their loyalty. A lot of people say they’re not loyal, but I don’t agree – they are loyal if they think you take them seriously and you make an effort, and they feel represented. If you represent them, they represent you.

MJ: Why should a show such as Intergastra be of interest to the young people in this industry? >



PD: Networking. You can see everything from kitchen equipment to TV chefs, and meet people that you could work for one day. It's also a recruiting thing.

AH: I think a lot of Millennials are interested in gastronomy, taste, eating and nutrition.

MZ: A lot of people talk about the internet, but it's actually not that easy to find information on the internet. So I like that shows like Intergastra provide a central place to actually see what's out there. What I don't like is, for an exhibitor, they're all expensive. Even small ones are expensive and it's high threshold for young companies.

PD: You can participate in special programmes that are funded, like BMWi. For example, as a start-up, you get 70% refund on your spend. Yes, exhibitors have high costs, but look at the mass of people attracted by the shows. You may have more leads if you just advertise online, but you have better leads here.

MJ: Let's talk about Millennials as

employees. What are you looking for, and what do you think they're looking for from your company?

PG: I'm looking for talent. As soon as I find the talent I won't let him or her go. It doesn't matter what it takes or what it costs; I will do anything possible to educate the talent, to help him or her grow personally, but training is very important. I have two chefs and a service leader, all men. I need to break these unconscious biases and try to empower more females in top positions in the companies I run. This is my personal challenge at the moment.

MJ: And are you treating Millennials any differently to older employees?

PG: Yes, definitely; 100%, yes. You cannot work with hierarchies; it's not possible. There are a lot of different systems you have to adopt and they won't work 40, 50 or 60 hours a week. They want to have a lot of spare time. On weekends they want to party and the next day they have a hangover and they stay at home. This is how it works basically

at the moment, and we are not the high payers like Netflix. Netflix can afford to pay \$300,000 a year for an Ivy League student. We can't, so we have to work hard to attract young people.

MN: Attracting more women to restaurants could be what helps restaurants adapt to Millennials. Where the restaurant industry struggles is with the working environment. It is male-dominated, rough, stressful and loud. Attracting more females could do wonders for the working environment in restaurants.

MJ: What can chefs do to encourage young women to join?

MB: I always had woman as supervisors and trainers. Therefore I am used to it. Female cooks have a different approach. Men work diligently, but women will find the icing on the cake, to deliver an experience more on the emotional side. How can we motivate young women? They are ambitious, they want to achieve something.

MN: It's no longer acceptable to have a kitchen in the basement with no natural light or air. So create a nice environment to work in, and don't focus too much on how they work, but what they achieve.

BM: It's also important to ask each person, each member of staff: What is your target? What is your vision? Where do you want to go and how can I support you?

PG: Statistically, shared values are more important than money. More than 50% of Millennials would take a pay cut of up to 15% if they feel the business they work for positively develops the community. Results are more important than processes, so don't obsess over how you think it should be done, because a lot of Millennials will do it differently. But they'll get it done. ■