

FOOD AND BEVERAGE

How purveyors of dining experiences can keep millennials engaged

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LoyaltyPlant's Jim Steinberg helms a panel at the Restaurant Leadership Conference with Prakash Karamchandani (center), cofounder of Balance Pan-Asian Grille, and Chris Covelli (right), founder and managing partner of #getfried Fry Caf

By [Daniel Rubinstein](#)

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There has been a lot of the buzz around millennials, or Generation Y, over the last few years. Nevertheless, this topic is not going anywhere anytime soon, as millennials, who are now ages 18-36, are reshaping the economy.

As of 2015, there are more than **75 million millennials** in the United States alone, which makes them the country's largest living generation. Marketers cannot ignore this demographic cohort, and here is why:

- They are eager to give feedback, helping your brand make it to the next level
- They are ready to pay you back for the value your company provides
- You can easily reach out to them through digital channels
- They promote your business by recommending it to their friends and relatives
- They expect continuous innovation and change, pushing business forward

Insights into millennial engagement from millennial restaurateurs

Although some restaurateurs have start turning their attention to **Generation Z**, whose birth years are defined as being born after 1995, millennial engagement remains the key element for businesses, since this cohort has an estimated buying power of **\$170 billion per year**.

During one of the largest events in the restaurant industry, the **Restaurant Leadership Conference**, LoyaltyPlant held an Innovation Forum session, inviting two entrepreneurs and restaurant executives millennials themselves who are among those responsible for the growth in the industry.

Jim Steinberg, the director of enterprise partnerships at **LoyaltyPlant**, opened the session and then continued with the questions addressed to Prakash Karamchandani, a cofounder of **Balance Pan-Asian Grille**, and Chris Covelli, founder and managing partner of **#getfried Fry Caf**. The restaurant innovators shared their rich experiences and

expertise, answering how to successfully attract and engage millennials with a mobile application. Here is the conversation:

Jim Steinberg: Are there any segments of millennials? Do you agree with people who divide millennials into two generations: those who grew up with PCs and gaming stations and those who grew up with tablets, smartphones and apps?

Chris Covelli: Absolutely. We see less contribution towards our social media campaigns from the earlier generation, whereas younger millennials are the ones who are continually commenting on our posts and giving us great ideas. About 95 percent of customer engagement are from those who were born between late 80s and early 90s.

Prakash Karamchandani: Both generations of millennials are visually focused. But when it comes to interacting on social media, people who like a post are different from those who get in and comment on a post. And that's definitely the generation that grew up with smartphones, tablets and mobile apps. They are used to this level of community and interactivity.

Mr. Steinberg: How do you work with your employees?

Mr. Karamchandani: Millennial employees are used to a gamified experience in every aspect of their lives. The way we structured our work operations implies two avenues for growth.

For everybody who gets hired, there's a single position, which is a brand advocate, whose goal is to be a street marketing team. A large part of our marketing and advertising is done through social media.

Then there are four different positions, and employees can stack those as badges. It becomes a game. It's lateral growth. And then we offer the ability to gain responsibility, which is a traditional way of advancing in a company.

So, we give employees different mechanisms and multiple ways to go.

Mr. Covelli: You have to incentivize your employees.

We've put a lot effort into training to make them understand that for our clients it's also important to make our meal look as good as it's going to taste.

Through a lot of training and motivation we encouraged our millennial employees to interact with our guests and recommend what they like.



Prakash Karamchandani, co-founder of Balance Par-Asian Grille, at the Restaurant Leadership Conference

Mr. Steinberg: How do you view the mobile app universe for the restaurant industry and your apps, in particular?

Mr. Karamchandani: A customer facing the app is the end of the customer funnel. Everything we do is to get clients to download the app.

As long as your app is dynamic and is continuously providing the news and updates that people are looking for within your brand, it's allowing a high level of interactivity and the ability to submit their feedback.

Mr. Covelli: At the time when a high percentage of our customers were first-timers, we struggled to get them back. But when we launched an app, we had the opportunity to get the repeat business.

Now we can get in front of them and remind about #getfried. And there's a point system. Every time a client comes at the counter, they get points.

As we know, millennials love digital competition. In addition to that, we are now diving into digital ordering.

Mr. Karamchandani: As mobile apps continue to become the primary method of ordering, we are going to see how stalls' layout is changing and point-of-sales systems are being eliminated.

Mr. Steinberg: When it comes to the overall success of mobile apps, it's all about relevance and personalization. As for restaurant apps, is there's an ability to provide a continuing stream of news in the news feed?

Mr. Karamchandani: Yes, you have to do it.

If every time a millennial opens up your app and sees the same thing, they will open it less and less often.

To provide dynamic content, you need to provide the news feed with items that are relevant to your brand. You can add an ability to share it on social media directly from the app and put what you want to be shared.

Mr. Covelli: We do two weekly consistent posts. We love the interaction we give our customers.

Also, on Fridays we do "Friday FYI Day Fun Facts," posting some facts about potatoes. I think, pushing that out through the app can only strengthen our positions in the digital world.

Mr. Steinberg: How do you view the return on investment?

Mr. Karamchandani: Initially, we were looking at two factors: an increase in average ticket and an increase in frequency. We've ended up getting a lot more of it.

As we've grown, we've hit all new levels of metrics. Giving our guests an app allows us to create additional efficiency with an existing build-out, eliminating the need to do a new construction or modify the layout for the queue.

Mr. Covelli: A major point that we enjoy about the app is that once our clients make an order and eat in our restaurant, they have to fill a review on a scale from one to five stars.

If a customer isn't satisfied and gives three stars, we get the notification and are able to contact them to find out what went wrong and make sure they can come back for fries on the house.

Mr. Karamchandani: Another key component is sampling. You can find those of your guests who haven't tried particular menu items by using rich data that you can get out of the mobile app.

You can collect data based on what they order and what they order in-store, because they are scanning your loyalty card. You can then identify particular customers who have never tried this one snack and then just give it to them.

Takeaways

Engaging millennials can be especially challenging, because their lifestyle is characterized by a short attention span and high expectations for a seamless and highly personalized customer experience.

Companies that fail to keep up with these requirements will not be able to stay ahead of the competition.

Here are several takeaways from the panel discussion that restaurant brands and indeed, marketers across sectors need to keep in mind when building a strategy to engage millennials:

- The younger generation of millennials born between late 1980s and early 90s tends to engage more with brands on social media channels compared to the earlier generation
- Digital ordering is the future of restaurants. Consider implementing it into your mobile app to improve engagement, intensify customer loyalty and heighten foot traffic
- To engage millennials with your mobile app, you need to make sure you provide dynamic, relevant and newsworthy content through your app
- With mobile apps, you can respond to the negative feedback from your guests right off the bat
- Using rich data that you can get out of the mobile app, you can gain great insights into your customers' habits and preferences that enables you to create more attractive offers

WHEN IT COMES to engaging with millennials, your company must be as innovative as possible.

It is important to break away from the traditional tactics in your engagement strategy to provide them with what they are expecting from interacting with your brand.

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