

## Five Keys to Millennial Food & Beverage Success

By Larry Mogelonsky

The last decade or so has witnessed the emergence of a new era of dining with profound and dire implications for hotels across the world. Namely, internet-born resources have made it possible for any guest to readily locate a number of local eateries, making it harder for a property's onsite restaurants to gain traction amongst new customers and retain existing patrons.

We are talking about the millennials, of course, along with their swelling buying power now that members of this demographic are entering their 20s or 30s. This trend should compel full-service hotels to realize that substantial revenue can be harvested from their F&B offerings.

With exponentially boosted levels of competition, onsite dining isn't the cash cow that it once. Adaptation is necessary. Even if your restaurant is still a serious earner, I implore to nevertheless reconsider how you approach F&B as there's a powerful psychological undercurrent to this trend that will inevitably impact your bottom line.

When examining the hotel experience from a guest's perspective, the delineation between rooms, facilities and food is minimal at best, most likely nonexistent. In their minds, they desire a quality 'hospitality' experience – a word that encompasses both guestrooms and dining. Hence, a bad dining experience (whether the hotel owns the onsite restaurant or not) will reflect poorly on the hotel. The opposite is true for a good dining experience, demonstrating that even though your F&B may not be a foremost contributor to the bottom line, it can still have hidden effects on rooms sold and RevPAR.

And this emotional transference does not stop there. Simply spending more time with a given person, object or place will confer a stronger bond between the respective parties. When guests leave the property to dine elsewhere, you are missing a critical opportunity to not only satisfy their appetites for a profit but win their hearts and minds. In this new age where true brand loyalty (especially amongst the millennials) is waning, you need as many guests as possible dining in-house to counter this decline.

While investigating this property-restaurant emotional transference effect, I was put in contact with a relatively new brand, Johnny's Italian Steakhouse, and its founder and CEO, Mike Whalen. An energetic and preternaturally upbeat fellow, Whalen also had some profound insights as to what makes for an outstanding hotel dining experience – one that will motivate patrons, both millennials and those in other age ranges, to not only return but to preselect their next hotel based on the in-house eateries. I've summarized our talk into five key points.

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### 1. Accept that millennials are the most sophisticated eaters to date.

When I first brought up the issue of mass guest exodus from the hotel during supper time, the immediate rationale was that consumers have been afforded this flexibility by their smartphones.

Need a restaurant close by? No problem. Just whip out your mobile, turn on the GPS for any given foodie app then choose from the hundreds of proximal search results.

The internet has empowered us to always seek out the best, and the generation most attuned to this philosophy is the millennials. As we ease ourselves in the 21<sup>st</sup> century, your revenue reliance on this youthful cohort will only grow year after year. So, you had better be prepared.

I myself am a baby boomer, so it's at times difficult for me to comprehend such generational divides. Whalen was able to condense it for me. Boomers want unique experiences; millennials expect them. To put it another way, right now boomers are counting down to retirement and ultimately their demise whereas millennials are counting up to their total life journey. The buzz term left on the table to describe this mentality was 'Everyday Indulgence' or 'You Only Live Once' which is itself a very popular Twitter hashtag (#YOLO).

With this as a backdrop, it's much easier to understand how millennials have come to be such savvy and discerning eaters. Starting from a much younger age, they've been dining out far more than their predecessors. It's part of the Western cultural upbringing beginning in roughly the mid 1980s. A typical 20-year-old millennial has substantially more gastronomic awareness than your average 35-year-old boomer.

As such, you have to give them something genuinely unique because they really have 'seen it all before'. There's a rumor going around that millennials are a 'grab and go' generation – that they generally don't want a full sit-down dining experience. Listening to this is ill advised. Millennials, like their forbearers, want quality dining experiences (in much the same way that they want quality hotel experiences) but they are much more discerning when it comes to these occasions and they may quickly discount a restaurant because of low perceived value.

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## **2. Be cool through uniqueness and harmony of setting.**

Being cool and exuding that vibe is a central part of getting guests through the doors for a first time exposure. It's possessing a certain mystique or exceptional allure that will draw patrons in for a sampling. But being cool also means that you are not a try-once gimmick – it implies that the setting is good enough for more fun times ahead. And this isn't a portrayal that's exclusive to the millennials, but something that is welcomed across the board.

Attaining the 'cool' label requires a mysterious combination of ever-mercurial elements, but even with this ambiguity, on a gut level we all know cool when we see it. Even Whalen admits that no one in his organization actually knows the precise formula to make a place cool, but he has nevertheless distilled it down to two words: uniqueness and harmony.

The former is what brings eaters in by sparking the adventure-seeking dopamine centers in our brains. But it's the harmony of theme at an eatery which keeps our interest levels high – a congruence of food, menu design, website design, décor, cutlery, music, lighting and server uniforms to focus the narrative that a restaurant emanates. I describe this as 'experiential dining'.

When eating out, it's no longer just the food that keeps our attention, but everything else which contributes to the overall and distinctive atmosphere.

It's hard to talk about this in abstract terms, so let's use my meal at the Johnny's in the Holiday Inn in West Des Moines as an example. The interior is modeled after a 1940s supper club with elements of a 1920s speakeasy – luxurious drapery and dark woods. A medley of old and new, a Dean Martin Rat Pack photo was in sight while Michael Bublé rang through the speakers and our waiter approached in a crisp white shirt, black tie and bistro apron. At the center of the room is a U-shaped bar radiating a magnetic blue glow to cap off the Mad Men vibe. These are all peripheral to the cuisine, of course, but they establish a cool, edgy and congruent narrative for me to appreciate. Moreover, it isn't your ordinary testosterone-laden décor found in most other steakhouses. I happened to notice a fairly even ratio of the sexes while gormandizing my meal.

Ask yourself: what mood do you wish to create with your food peripherals? Is all the attributing features married to a certain theme? Lastly and most importantly, does your choice in theme edgy and bold? Does it excite? Does it entice?

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### **3. The dining experience is lead by highly motivated servers.**

No matter what sort of coolness factor you bring to the table, if your servers aren't bringing a blisteringly positive spirit as well, then it's all for nothing. Patrons are coming to you to be 'served'. You are inviting them into your narrative and this requires you to lead with confidence. After all, if diners wanted to lead during mealtime, they'd stay at home and cook for themselves.

At no point is this more important than with the interactions between the waiter and his or her patrons. As humans, we can build emotional connections to inanimate objects, places or even animals, but none of these will compare to the bonds generated by face-to-face human-to-human interactions. If a server approaches a table with an effervescent and empathetic attitude – and backed up with extensive knowledge of the menu and drink list – then not only does this mean better tips but a heightened perception of the food quality and the overall dining experience.

In my attempt to think of a potent cross example, my mind couldn't help but picture my local butcher. Aside from never failing a health inspection, his shop is a zoo: meats laid out in no particular order, all other food haphazardly arranged on shelves, very few price tags in sight and décor unaltered since roughly 1965. But the man always has a smile on his face, even at closing time on Sunday afternoon. And, boy, does he know his stuff. Needless to say, whenever I enter, the place is packed. Key takeaway: consumers love affable experts.

I snuffed this out of Whalen during our interview when he mentioned two other intriguing facts about the Johnny's operations. Firstly, servers aren't called servers, they are 'Performers', as if the whole day was a theatre production. And the Performers must pass menu and steps of service testing before they're ready for the main stage. It's easy for a server to view his or her work as a 'job', but this simple nuance triggers a potent mental shift within the employee's mind; the theatre analogy gives the work a career allure. Secondly, and in line with the first point, Johnny's

makes it explicitly clear from the get-go that they promote from within. Thus, a performer who works hard knows that he or she will be well rewarded in the long run.

To help reflect on this, ask yourself two very important questions. How are you motivating your frontline staffers to continually excel with their guest or diner interactions? Next, how are you educating servers on your culinary fare so that they can proficiently talk about the product and build a rapport with patrons?

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#### **4. Prevent departmental ‘siloiing’ to prevent F&B marginalization.**

When I casually used the term ‘F&B department’ in our conversation, Whalen scoffed. Yes, F&B needs its own management team, but what’s happening these days is that by relegating it to the ‘token asset’ corner, it gets neglected. By cordoning off or ‘siloiing’ F&B, a property becomes a hotel experience with food, rather than a holistic hospitality experience.

Whalen noted that, amongst millennials, the modern hotel has three cardinal points of differentiation: food, fitness and finishings. They don’t want cookie cutter experiences; they strive for uniqueness wherever it can be obtained. Hence, cuisine is a primary tool to sell more rooms and eventually increase ADR. You simply cannot let it be ‘dumbed down’ to a stock menu, which is another prominent outcome of siloiing.

The best approach is to think of your restaurant as a brand within a brand, not as a separate entity all together. If people recognize the restaurant in a positive light, they’ll infer that the parent hotel is of equal worth. At the end of the day, a large number of hotel guests prefer to dine in-house because it’s the most trouble-free option – you need not even step outside to enjoy some fresh chow.

This is doubly true for business travelers. Sure, there are dozens of adventures waiting for you around the block, but after flights, meetings, presentations and handshakes, energy levels are probably in the red. As a business traveler, if I know beforehand that a certain in-house restaurant is going to deliver superior food and delectable cocktails, then I am all the more likely to select the adjoining hotel for my stay.

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#### **5. Continually reevaluate your approach.**

This last one is straightforward, and yet it is a continuous process that should never be put on the backburner or disregarded entirely. The chances of you getting it right the first time, even with all the theory and new age advice under your belt, are slim. You have to calibrate. The chances of improving your approach on the second pass are better, especially when you are attempting to grab that ever-elusive ‘cool’ sticker. But these fine-tuning efforts may also cause other problems to trickle to the surface, especially when it comes to retraining staff.

Whalen remarked how the Johnny’s brand went through several iterations and facelifts before finding its groove. Before installing its vintage noir look and hallmark blue bar, the restaurant

resembled a classic Tuscan bistro. At first, there was a palpable rigidity towards any décor progression, both from the cohort of loyal patrons and from members of the senior management team. All of them claimed that Johnny's was already a hit, so why bother trying to change?

Whalen took a big chance with his incremental revamps. After all, a survey amongst current clientele showed that they were content with the product. He could have lost all of them if they were unhappy with the remodeling. That's the risk you take. But, in reality, the opposite happened. The existing customers returned after the renovation hiatus and were pleasantly surprised with the direction taken as it added to the experience without diverting from the brand's DNA.

The Johnny's story of meandering renewals towards a greater achievement puts into action a mantra that I believe all hoteliers should know: *fortune favors the bold*.

A restaurant (or property for that matter) that plays it safe will never realize its full potential, especially when you throw millennials and their purchasing habits in the mix. Seeing as how revamping your dining experience – either in furnishings or menu – is relatively lower in cost in comparison to many other facets of hotel operations, it is therefore a prime turf for experimentation and boldness. In fact, given the multitude of dining options that millennials (or any other generation for that matter) enjoy these days, boldness is exactly what they expect, so give them what they want.