

Looking Into the Future for Hospitality Services

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Third and final article in a series about the role of dining and hospitality services in the post-recession era.

Forget “same old-same old.” Life at work and on campus isn’t going to be the same next year and in the years after that, as we roll through the second decade of the 21st century.

Campus and corporate dining and hospitality service providers are going to have to adapt to – and stay a step ahead of – on-going and fast-paced change. Even the sluggish recovery isn’t going to change some trends that are now underway and will affect your dining, catering, conference and other hospitality services.

March of the Millennials

One change unaffected by the economy is demographics. Already, the Millennials (18 to 29 years old, also called Gen Y) are on college campuses and making their presence felt in the workforce, 52 million strong, as Gen X moves into middle age and the Baby Boomer generation fades into retirement. Like the generations before them, the Millennials are entering the adult world full of ambition, energy and idealism and have ideas, expectations and aspirations that differ from those of their predecessors.

“In reaching out to them, it’s important to understand that Millennials are not a one-size-fits-all generation and their needs and wants vary,” says Bonnie Flagg, author of a report on the cohort for The NPD Group, a market research firm, quoted in the San Diego (CA) *Union-Tribune*.

One important characteristic is their diversity, greater than in prior generations. More racial, ethnic and national groups are represented, not just the familiar African-Americans and Latinos, but people from all over South America, the Caribbean, Asia, Africa, the Middle East and elsewhere. They all have their own traditions, tastes and customs, blended in varying degrees with their acculturation into American life.

For example, Indians, a large segment of the high-tech world, often pool foods from home for lunch in the employee café, a sort of pot luck meal that includes little, except beverages, from the servery. What will it take to make them regular customers? Possibly, a chef from their home region, making meals to order at an action station in the servery would work.

Common Threads

But there are some common threads, NPD’s research found. Not surprisingly for a group entering its earning years, affordability is at the top of their list when deciding what and where to eat.

“They snack at twice the rate of the balance of the population, and usually later in the day, from 4:00 p.m. on,” Ms Riggs told the *Union-Tribune*. They’re apt to be good customers at a campus’s late night café. Millennials say they place a premium on healthy foods when dining out, NPD found, although their list of favorites sounds familiar: french fries, burgers, Mexican and pizza. (In-N-Out Burger is Millennials’ favorite fast food choice, a recent survey by *Nation’s Restaurant News* found.)

Conference Service Challenges

With the emergence of virtual conferencing, campus and other conference centers are facing new challenges. (See “Meeting Activity Up, But Some of It is Virtual,” *Dining Insights*, Summer 2011.) This may, over time, reduce the frequency and size of conferences and similar events held on campuses. It also may have an effect on companies’ internal meetings and their catering and other support services.

Companies seem to have a “pent-up demand for conducting business, particularly when it comes to . . . building relationships with customers and employee training,” according to *Meetings Focus* magazine, but “keeping costs in check remains a priority.” Hybrid meetings use technology “to extend the reach of face-to-face meetings,” says Issa Jouaneh, vice president of Maxvantage, a meetings planning firm, quoted in *Meetings Focus*.

The best way to meet the challenge may be to make your conference services more attuned to new priorities, including virtual meeting and other technological capabilities.

The Future Workplace

“Office work is in the midst of a managerial and technological revolution,” says a report by the International Facility Management Assn. “Business re-engineering, cost consciousness and rising worker productivity have combined with rapid advances in [technology] to create opportunities for re-designing the North American workplace.”

The Millennials’ impact is being felt. “It is critical for companies to understand . . . what today’s and future workers value most,” says Mark Sekula, president of Facility Futures, a consulting firm, writing in IFMA’s magazine, *FMJ*.

Changes starting to be implemented include replacing traditional offices and cubicles with open spaces designed for different and varying types of collaborative work and encouraging socializing and networking.

This will change the nature and purpose of corporate on-site dining and catering services. The central employee café may become obsolete in large offices, replaced by smaller units, strategically located, serving lighter fare than the traditional café menu. The dining service also will have to adapt to smaller and varying on-site populations as more employees work off-site.

Popups and Trucks

One way to deal with fluctuating demand is the “popup” café – a cart offering food and beverages that pops up whenever and wherever it’s needed. The cart just needs utility connections at the sites where it is set up.

Some colleges are embracing an old competitor – the food truck that pulled up at the edge of urban campuses. The Massachusetts Institute of Technology now leases space to several operators on its campus. Other colleges operate their own mobile venues.

Clarion can develop the strategic plan and adapt your dining and hospitality facilities to meet the challenges of the “new reality.” Contact Tom Mac Dermott, 603/642-8011 • Angela Phelan, 973/544-6223 • Ernie Wilder, 703/282-3030 or e-mail us at info@clariongp.com. Visit our website, www.clariongp.com.