

Millennials Design the Future of Foodservice

By Ann Roebuck, FCSI

Text messaging a lunch order? Checking out at the supermarket with your cell phone? For many of us this might seem a bit far-fetched, but it is happening now on many college campuses. The customer is today's college student, the latest Millennials (the generation born between 1980 and 2000) to hit post-secondary school.

While it is true that college students are our future, are they really dictating the future of foodservice? You bet!

The most popular method of communication for college students is text messaging. Text messaging accounts for the majority of mobile communications for 18 to 24 year-olds. Texting is convenient, quick, and can be done virtually anywhere.

Capitalizing on this trend is the ability to pay for food purchases via text messaging. Mocapay, a mobile phone payment company based in Boulder, Colorado, has many of its users at the University of Colorado. Mocapay stands for Mobile Cash Payments. All a user has to do is set up an account (basically a debit account) with Mocapay and then look for stores which display the Mocapay logo. Users text their four-digit pin to Mocapay and receive a transaction number and their account balance. The user then provides the transaction number to the Mocapay-participating merchant. The service is free to the consumer, but the merchant pays a flat transaction fee of 19



cents. Since most students already have a cell phone, with Mocapay there is no need to worry about cash, credit or debit cards. It is true convenience.

After using this mobile payment method, one student commented that it is so convenient and easy that it almost feels like "free money". He described the feeling as similar to when you find a \$20 bill in a coat pocket and this new-found money is like a free gift. Obviously, it is not a gift but the novelty of the payment method made it seem to this consumer like a stash of money waiting to be used.



Texting has become the new way to communicate. Is it now the new way to order and pay for food?

Mocapay started with about 800 users in the Boulder area and the service has now spread to merchants in the Denver area. A recent announcement indicated that they will soon be part of the University of Cincinnati and Cincinnati Bell program, called UC Mobile. Those on the UC Mobile network will be able to use Mocapay. Interestingly, UC Mobile is co-sponsored by Cincinnati-based Kroger Company, one of the nation's largest grocery store chains, which is already using Mocapay in two of its stores near the University of Cincinnati campus. Many other area merchants are also signing up.

The acceptance and use of Mocapay by students at the University of Colorado and the University of Cincinnati are indicators that mobile phone payment is the way of the future. And it was quickly adopted by the Millennials! In fact, Mocapay plans to launch nationally in 2008.

New Mexico State University's foodservice is operated by Aramark and they have contracted with Mobile Cam-

pus to advertise specific foodservice specials. Students can voluntarily sign up with Mobile Campus to receive free text messages for which Aramark pays a small fee. Joe Palmer, Aramark's associate district manager at New Mexico State, indicated that when the \$5 lunch special at a residential dining operation is announced, they see an approximate 44% capture rate from the number of text messages distributed. That also means an increase in traffic by non-residential diners who are utilizing a residential dining facility.

Text messages from Mobile Campus also advertise pizza or drink specials during non-peak hours at specific retail locations across campus. In order to take advantage of any of the text specials, the diner only has to show the text message to qualify for the special price. Due to this year's success, Aramark has signed a contract to continue the text messaging service for the 2008-2009 school year.

The Millennials are not averse to using technology to

meet their needs. For example, students regularly use online-ordering for pizzas. Papa John's is in the beginning stages of accepting orders via text messaging. First, a customer must set up contact/delivery information online with pre-set favorite orders. To place an order via mobile phone, the users would text Papa John's (4PAPA) and indicate Fav1, Fav2, Fav3 or Fav4 for their favorite order. The college student's crystal ball for peering into the future can patently see more and more opportunities for advance meal ordering and payment via text messaging. They are the generation that is driving the use of technology in our industry.

College students may not have been the first to use self-service kiosks, but these are everywhere. You'll find photo kiosks in almost every drugstore, and airports are lined with check-in kiosks. You would be hard pressed to find a grocery store or home improvement store that does not have self-service kiosks. It has been reported that Gen X'ers use self-service technology about 50% of the time, but the Millennials use self-service technology whenever possible. This may be a result of being time starved, so anything that is convenient and will save time becomes useful.

Self-service kiosks will continue to move into the foodservice industry. Many quick service restaurants use these now. Jack in the Box has reported that kiosks in general produce a higher check average than regular registers. Hardee's has found that the check average at a kiosk is 15% higher than with a cashier. And both companies report that kiosks increase the number of daily transactions.

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With self-service kiosks, mobile ordering and mobile payment, our well-wired Millennials are forcing our industry to keep up with them and their money. The future of foodservice is being mapped out by technology hungry college students. The rest of us are going to have to keep up with the changes. 🌐