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# Boutique burgers and fancy fowl: the hipsterisation of fast food

**For all the recent media stories about how the fast food industry is having trouble attracting young people—whether it's Millennials shunning McDonalds, or hipsters opting for a more 'bespoke' dining experience—the latest findings from Roy Morgan Research indicate that Generations Y and Z are still markedly more likely than older generations to visit most big-name quick service restaurants. However, in many cases, their visitation rate is declining, so the stories are certainly more than hipster hype.**

## *Burger breakdown*

Between 2012 and 2016, the proportion of Australians visiting McDonalds at least once in an average four weeks has declined from 31.2% to 29.4%. While this is due partly to the shrinking proportions of Generations Y (from 39.4% to 35.3%) and Z (from 40.3% to 36.1%) eating at or taking away from the hamburger giant, Generation X and Baby Boomers also appear to be losing interest.

McDonalds' smaller rival Hungry Jacks remained steady, with the total proportion of Aussies visiting it shifting by an almost negligible fraction (from 13.1% to 12.7%). While visitation by Gen X and Baby Boomers slipped incrementally, Generation Y showed a more pronounced decline (from 19.2% to 16.5%). Gen Z customers, on the other hand, picked up (from 15.7% to 16.8%).

**% of each generation* who visit burger chains in an average four weeks: 2012 vs 2016**

| | McDONALD'S | | HUNGRY JACKS | | GRILL'D | | OTHER HAMBURGER SHOP | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2016 | 2012 | 2016 | 2015* | 2016 | 2012 | 2016 |
| Generation Z | 40.3% | 36.1% | 15.7% | **16.8%** | 8.3% | 8.1% | 3.7% | 3.4% |
| Generation Y | 39.4% | 35.3% | 19.2% | 16.5% | 8.0% | 5.4% | 4.7% | **6.4%** |
| Generation X | 36.0% | 33.9% | 14.9% | 14.3% | 3.6% | **4.2%** | 5.6% | **5.9%** |
| Baby Boomers | 23.5% | 21.2% | 9.0% | 8.0% | 3.0% | 1.8% | 4.8% | 4.5% |
| Pre-Boomers | 14.4% | 14.1% | 4.4% | **5.1%** | 0.3% | **0.5%** | 1.9% | **2.2%** |

***Source:*** *Roy Morgan Single Source (Australia), Oct 2011-Sept 2012 (n=21,026) and Oct 2015-Sept 2016 (n=14,416), except for *Grill'd, measured from Oct 2014-Sept 2015 (n=15,668).* ***Base****: Australians 14+. (NB: red = increased visitation) 'Visit' includes eating in, taking away, and/or placing an order. **NB: Roy Morgan 'Generations' definitions: Pre-Boomers — Born pre-1946; Baby Boomers — born 1946-1960; Generation X — born 1961-1975; Generation Y — born 1976-1990; Generation Z — born 1991-2005.*

So if younger generations are seeking out less mainstream fast-food options, does this mean the more niche and gourmet-oriented burger chain Grill'd is attracting those young customers who have abandoned its long-established forebears? Well, no: the data doesn't bear this out.

Grill'd has seen a slight year-on-year* increase among Generation X visitors, but a noticeable drop among Gen Y (from 8.0% to 5.4%), and little change among Gen Z (8.3% to 8.1%).

Tellingly, the proportion of Generation Y who pay at least one visit to 'other' hamburger outlets in an average four weeks has grown from 4.7% to 6.4%, suggesting they could be frequenting smaller, hipsterised burger chains (alternatively, they could be going to no-frills 'mom-and-pop'-style outlets).

## *Hip chicken*

Just as McDonalds is the Big Daddy of burger joints, KFC rules the roost in the world of fast-food chicken. Between 2012 and 2016, the proportion of Aussies visiting the chain at least once in an average four weeks slipped slightly, from 20.4% to 19.3%. Like McDonalds, KFC's popularity is strongest with Gens Y (23.9%) and Z (26.2%). Intriguingly, though there has been a decrease among Generation Y visitors to KFC since 2012, Gen Z are more likely to go there now than they were four years ago.

Generation Y (9.1%) also outstrips the older generations for visitation to Red Rooster; Gen Z (6.0%), in contrast, is below average. Both generations seem to be moving away from the WA-founded chain, consistent with a broader decline in visitation from 8.5% to 7.0% of Australians 14+ per month.

**% of each generation who visit hot chicken chains in an average four weeks: 2012 vs 2016**

| | KFC | | RED ROOSTER | | NANDO'S | | OPORTO | |
|---|---|---|---|---|---|---|---|---|
| | **2012** | **2016** | **2012** | **2016** | **2012** | **2016** | **2012** | **2016** |
| **Generation Z** | 25.1% | **26.2%** | 9.1% | 6.0% | 8.0% | 6.0% | 4.4% | **4.9%** |
| **Generation Y** | 27.2% | 23.9% | 11.1% | 9.1% | 8.4% | 5.8% | 5.0% | 4.4% |
| **Generation X** | 24.1% | 22.2% | 9.9% | 8.4% | 3.7% | 2.9% | 2.7% | 1.9% |
| **Baby Boomers** | 15.0% | 12.4% | 6.7% | 5.8% | 1.9% | 1.1% | 0.9% | 1.0% |
| **Pre-Boomers** | 7.7% | 7.6% | 3.9% | 3.6% | 0.6% | 0.5% | 0.6% | 0.3% |

***Source:** Roy Morgan Single Source (Australia), Oct 2011-Sept 2012 (n=21,026) and Oct 2015-Sept 2016 (n=14,416). **Base**: Australians 14+. (NB: red = increased visitation. 'Visit' includes eating in, taking away, and/or placing an order)*

Then there are the smaller, more epicurean chicken chains Nando's and Oporto, visited by 3.4% and 2.6% of Australians respectively in an average four weeks. Once again, Generations Y (5.8%) and Z (6.0%) far outstrip their elders for visitation to these smaller players, but have mainly declined since 2012. Unlike burger restaurants, there is no obvious shift towards 'other' hot chicken joints.

## *Pizza people*

The inexorable rise of Domino's Pizza is the key theme when it comes to the pizza segment of the quick service restaurant scene. Despite its mainstream status, Domino's continues to draw the younger generations, with Gen Y up from 13.6% to 15.3%, and Gen Z up from 14.2% to 18.5%, a growth also seen across other generations.

Meanwhile, Crust Pizza and Pizza Capers, both much smaller and known for focusing on a much more ‘foodie-oriented’ product, have gained Generation Z customers over the past four years. The latter has also experienced a boost in Gen Y visitation, but at this stage, the figures pose no threat to the big guys.

**% of each generation who visit pizza chains in an average four weeks: 2012 vs 2016**

| | DOMINO'S | | PIZZA HUT | | CRUST | | PIZZA CAPERS | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2016 | 2012 | 2016 | 2012 | 2016 | 2012 | 2016 |
| Generation Z | 14.2% | **18.5%** | 8.3% | 5.3% | 0.7% | **1.8%** | 0.6% | **1.1%** |
| Generation Y | 13.6% | **15.3%** | 7.4% | 3.6% | 3.7% | 3.0% | 0.8% | **1.5%** |
| Generation X | 10.2% | **14.0%** | 5.2% | 4.0% | 1.6% | **2.2%** | 1.8% | 1.1% |
| Baby Boomers | 6.5% | **7.3%** | 3.3% | 1.8% | 1.0% | **1.3%** | 0.9% | **1.1%** |
| Pre-Boomers | 3.6% | **4.7%** | 1.9% | 1.0% | 0.2% | **0.4%** | 0.8% | 0.2% |

***Source:*** *Roy Morgan Single Source (Australia), Oct 2011-Sept 2012 (n=21,026) and Oct 2015-Sept 2016 (n=14,416).* ***Base****: Australians 14+. (NB: red = increased visitation. *‘Visit’ includes eating in, taking away, and/or placing an order)*

**Norman Morris, Industry Communications Director, Roy Morgan Research, says:**

*“Like any industry, quick service restaurants have changed over the years, adapting to evolving consumer preferences and needs. From Hungry Jacks introducing a vege burger to their menu more than two decades ago, to the appearance of gourmet pizza chains like Crust and Pizza Capers, this is not an industry that is resistant to change.*

*“But as Australia’s ‘foodie’ culture grows—evidenced in our changing cuisine preferences and the move towards vegetarianism, for example—the fast food industry is obviously going to be affected. And the much-reported trend among ‘Millennials’ (a group which spans approximately the first half of Generation Z and the second half of Gen Y) for hipster culinary experiences cannot be ignored. In fact, McDonald’s is actively addressing this, even opening an almost unbranded café (The Corner) in Sydney to try out potential hipster-friendly menu items before rolling them out in their stores.*

*“While Roy Morgan data shows that the proportion of Australians (of all generations) who visit hamburger, pizza and hot chicken quick service restaurants is mainly declining, Domino’s Pizza seems to be bucking this trend. As we reported recently, Domino’s clever use of technology at all stages of the ordering, delivery, pick-up and purchasing process has won it many new fans in recent years.*

*“It’s also worth noting that Generations Y and Z are showing a growing penchant for Mexican fast food, and we will be monitoring visitation of relative newcomers such as Guzman y Gomez and Mad Mex in coming months.*

*“Fast food brands wishing to gain an advantage over their rivals in this competitive and ever-changing market need to ensure they have an in-depth understanding of their customers (as well as those of their rivals) and how their culinary tastes are evolving—*

*and Roy Morgan's extensive Single Source database can provide them with all the insights necessary to achieve this understanding."*

### For comments or more information about Roy Morgan Research's quick service restaurant data, please contact:

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**Related research findings**

Browse our Quick Service Restaurant customer profiles, including profiles of McDonald's customers, Nando's customers, and Crust Pizza customers.

Compiled with data from Roy Morgan's Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

**About Roy Morgan Research**

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

**Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

| Sample Size | Percentage Estimate | | | |
|---|---|---|---|---|
| | 40%-60% | 25% or 75% | 10% or 90% | 5% or 95% |
| 5,000 | ±1.4 | ±1.2 | ±0.8 | ±0.6 |
| 7,500 | ±1.1 | ±1.0 | ±0.7 | ±0.5 |
| 10,000 | ±1.0 | ±0.9 | ±0.6 | ±0.4 |
| 20,000 | ±0.7 | ±0.6 | ±0.4 | ±0.3 |
| 50,000 | ±0.4 | ±0.4 | ±0.3 | ±0.2 |