

Hospitality Review

Volume 13

Issue 2 *Hospitality Review* Volume 13/Issue 2

Article 5

January 1995

Senior Savvy: Mature Diner's Restaurant Service Expectations

Kimberly J. Harris

Colorado State University, null@colostate.edu

Joseph J. West

Florida State University, null@fsu.edu

Follow this and additional works at: <https://digitalcommons.fiu.edu/hospitalityreview>



Part of the [Food and Beverage Management Commons](#)

Recommended Citation

Harris, Kimberly J. and West, Joseph J. (1995) "Senior Savvy: Mature Diner's Restaurant Service Expectations," *Hospitality Review*: Vol. 13 : Iss. 2 , Article 5.

Available at: <https://digitalcommons.fiu.edu/hospitalityreview/vol13/iss2/5>

This work is brought to you for free and open access by FIU Digital Commons. It has been accepted for inclusion in Hospitality Review by an authorized administrator of FIU Digital Commons. For more information, please contact dcc@fiu.edu.

Senior Savvy: Mature Diner's Restaurant Service Expectations

Abstract

This article is a reflection of a study conducted with active mature consumers who enjoy dining out, traveling, and patronizing the service industry in general. The goal was to discover their restaurant service expectations in order to provide restaurateurs, hoteliers, educators, and students of hospitality management programs information about this important customer segment so that future plans for improving service would include considerations of their service needs.

Keywords

Kimberly Harris, Food and Beverage

Senior Savvy: Mature Diners' Restaurant Service Expectations

by
Kimberley J. Harris
and
Joseph J. West

This article is a reflection of a study conducted with active mature consumers who enjoy dining out, traveling, and patronizing the service industry in general. The goal was to discover their restaurant service expectations in order to provide restaurateurs, hoteliers, educators, and students of hospitality management programs information about this important customer segment so that future plans for improving service would include considerations of their service needs.

The 1991 Bureau of Census Report shows that citizens aged 55 and over are living longer and enjoying a healthier lifestyle than any comparable generation in the history of the United States. The demographic data suggest that these individuals are more educated and rely on organizations or services such as retirement homes, extended care nursing centers, senior citizen centers, Meals on Wheels, and the American Association of Retired Persons to provide services which were traditionally the domain of the family. Many mature Americans are choosing to remain in the work force beyond traditional retirement age, choosing to go into business for themselves, or becoming involved in volunteer work as a means of providing extra income as well as social and physical activity.

As a result of these active behaviors, this group has higher expendable incomes than mature seniors 20 years ago and expects high quality service and products. Active seniors, those in the 50 to 65-year-old group, are spending more time and money on entertainment, travel, and dining out than those of past generations, or even than their peers of just a decade ago. These seniors typically consider their activities as mirroring those who are 10 to 15 years younger than themselves. These mature citizens do not appreciate being referred to as "senior citizens," especially in marketing campaigns. They view themselves as quite different from those of previous generations. Today's mature

American is a more active, healthy, and environmentally conscientious person who continues to be a consistent contributor to the economy and has a strong voice in shaping the future of the maturing American.

Mature consumers contribute significantly to restaurant traffic in this country. Those 50 to 65 spend more of their discretionary income on food eaten away from the home. Consumers 66 to 74 years of age may not spend more of their income on food away from home, but are currently spending more than at any other time in history. According to a 1992 study commissioned by the National Restaurant Association¹, mature consumer households with incomes of \$40,000 or more spent an average of \$2,772 per year on food away from home. Since the older babyboomers are fast approaching the age of 50, these spending patterns and behaviors are expected to continue beyond the year 2000, making it extremely important that managers in the industry understand and properly serve this segment of the population.

Several Factors Shape the Mature Consumer

Several factors shape the attitudes of people born in 1937 and before. They experienced the end of the Great Depression, several wars, cultural upheaval, and economic instability. Those who have retired are considered to be influenced by these factors, and they express this influence in their spending habits. These demographic and psychographic factors seem to account for their savvy, sophistication, and higher disposable incomes. Many mature consumers are considered to be investors, meaning that they have been taught to save from their life experiences.

Mature consumers enjoy their independence and have been part of the "me" generation, participating in more leisure activities than their parents. They are considered to be savvy and not impressed with frills, thrills, lacy amenities, and crafty marketing. They prefer solid investments, sincere service, and quality products. A recent article in *Business Week*² reported that this generation can afford the time and the cost associated with getting what its members want. Having invested in securities such as real estate, trusts, and savings bonds, their expendable income is unmatched by their younger counterparts.

Mature consumers are an information-rich generation, environmentally conscientious, interested in technology, and more educated than their peers of two decades ago. Sixty-one percent of mature people are high school graduates, and 13 percent have completed a four-year college education. They are utilizing their skills and education in the workplace longer. With income streams intact and without the demands of child raising, they spend their income differently than younger adults who are establishing careers, raising children, and purchasing major assets.

Mature people live by the credo "work smarter, not harder," dedicated to making work less complicated and more efficient. They schedule their time, are considered the best dressed segment of society, and are more health conscious than previous mature generations.

The average life expectancy of Americans is rising. The average lifespan today is 75.6 years and projected to increase to 77 years by the year 2000. The government expects that the segment of the population 55 years and older will grow 13 percent over the 1989 level by the turn of the century. Marriage, healthy diets, and exercise contribute to increased lifespans in this country. In America, almost all mature people have been married. Those that have never been married represent only 4.9 percent; more than half are presently married (56.4 percent) and more than one-third (38.7 percent) are now either divorced or widowed. In addition, both partners in the marriage are living longer than their peers of 20 years ago; the number of widowed mature people has dropped by 4 percent since 1970. Regardless of marital status, most mature people live in some type of shared household arrangement; almost all mature people live with spouses, relatives, or significant others. Less than 1 percent are living in institutional group settings and 23 percent live alone.

People Are Willing to Pay for Service

During the late 1970s, prior to the current recession, Americans enjoyed the benefits of dual incomes and less stringent tax programs. Relief from the Vietnam war budget, more women entering the workforce as providers, and low unemployment rates allowed the American family to enjoy a more leisurely lifestyle. Americans began to enjoy the benefits of an expanding economy, dining out of the home, traveling, and enjoying many different types of entertainment. Services became popular and somewhat necessary as women chose to remain in the workforce after marriage or chose to rejoin it as the children were grown. Families began to purchase more meals prepared outside of the home, take family vacations or quick three day get-aways, and generally experience a newer, more consumption-oriented lifestyle. They become concerned with healthy eating, exercise, and higher quality public services—and are willing to pay for it.

In the 1990s, Americans have experienced a slowly expanding economy. Families have been forced to re-evaluate where their discretionary income is spent. This decade has produced a different expectation of Americans; they still want quality in items and indulgence in services they enjoyed in the 1980s, but are less willing to pay for it. Many managers of hospitality organizations are attempting to gain a competitive edge by giving their guests the best service at the most affordable price. Good price-value has become one of the most effective tactics in the market share war. With a continued desire for services and an associated price-value consciousness, expectation of receiving high quality service and products has become paramount in the consumption decision.

High quality hospitality service and products have been concerns of managers in the industry for many years. They have discovered that the consumer's concept of quality is subjective and changeable. The service desired, the method in which it is delivered, and the prediction

of the impact of the service and the delivery method on future guests are considered crucial components in the service equation. In every target market, the variables influencing the perception and interpretation of quality possesses differing weights of importance, depending on individual needs and desires.

In May of 1991, the National Restaurant Association conducted a nationwide telephone survey to determine consumers' price-value perceptions³. The researchers discovered that while the quality-determining variables differed depending on the type of restaurant the consumer visited, there were several which were important to all segments: cleanliness, food quality, and comfortable atmosphere.

Quality Becomes Increasingly Important

The Marriott Corporation is attempting to discover what quality means to the different target markets it services. As an integral part of its Total Quality Management (TQM) program, the company surveys customers of the different segments, asking them to share their attitudes and feelings about what they consider to be quality service. These responses are then graphed, analyzed, prioritized, and disseminated, enabling various business groups within the company to develop service plans at the appropriate level for their market. This type of quality plan has been successful in identifying what each market needs. Companies are finding that the mature segment of the population is beginning to frugally spend its discretionary income, demanding a higher quality service than ever before for the dollar.

Although seniors are more affluent than in prior years, they have found that they are dependent upon under-performing assets to fund their retirement years. As a result, the issue of quality and price-value is becoming increasingly important as they make spending decisions. According to one researcher,⁴ the quality of the basic food products offered by restaurants, as well as their handling, preparation, and presentation are significant variables used by mature consumers in formulating price-value judgments. This sentiment is echoed in a recent report⁵ by Kenneth Leventhal & Company, whose researchers have observed that the national economic instability of the past few years has created a new approach to personal spending patterns; value, not price, is the critical issue.

Industry Responds to the Mature Market

The mature market has been recognized by several leading restaurant firms as a vital part of their market. In order to establish what leading firms in the industry were doing to capture and retain the mature guest, the authors contacted marketing directors and executives of the consumer relations departments and asked them to respond to the survey. Executives of four restaurant companies shared their marketing plans. Denny's and Howard Johnson's represented family dining, and McDonald's and Burger King represented quick service dining. All four organizations discussed freely their attitudes

toward the mature consumer and expressed their plans to not only attract this market segment but continue to be sensitive to their service needs in order to secure their patronage.

• **McDonald's:** McDonald's is known as the world's most successful fast food restaurant. This company is usually the first to respond to service issues and leads the fast food market segment in environmental awareness, market segment attraction, and, recently, in their outreach program to attract the mature market. McDonald's has identified the mature market as a vital part of its customer base and has, as a result, directed its marketing strategies toward this segment of the populations. The company has, as a result, been very successful in attracting their tastes.

When asked why mature people are attracted to their restaurants, Cheryl Smith, marketing director of the Southern Region, stated that mature consumers patronize McDonald's for a variety of reasons, including the company's highly publicized commitment to employing the mature worker and its special pricing of products. Mature consumers get discounts on coffee which, according to Smith, is the most consumed product by this age group.

Smith also states that many McDonald's restaurants and staff make a special effort to recognize their regular mature guests, greeting them by name and often having their order waiting for them when they arrive. She also stated that mature customers respond positively to the same factors as other guest, including:

- the non-threatening atmosphere which is also attractive to children
- the low-priced menu items served a la carte
- the quick service
- the seating arrangements which allow customers to sit in groups

High quality and efficient service in a clean environment is what McDonald's relies on for repeat business. Unlike the original company which was counter service only, patrons are further attracted by the delivery of the meal product to their table if the order cannot be served immediately. Patrons can stay as long as they desire. Seating arrangements may even include viewing a television from a booth or tables with attached swivel chairs, both in close proximity to the free coffee refills.

Socialization is also an important behavioral factor which McDonald's cultivates. The "breakfast club," "mid-morning club," and "afternoon club" are the most frequent cliques that gather for a quick, limited-menu breakfast with friends. Often small groups of mature customers meet at McDonald's before traveling on to a planned activity. The company encourages the "clubs" and often pays special attention to groups that often frequent their restaurants. The company recognizes that due to their retirement, mature adults often miss the socialization that their working lives offered them and believes that it

is an honor to have their restaurants designated as an alternative socialization spot.

Don Demsky, McDonald's vice president of marketing, added that the company's mature employees are among their best. Not only are they available to work during hours that are often difficult to staff, they bring life experiences to the property that are unique. They exhibit mature behavior often missing in younger employees such as promptness, pride in their work, patience, and warm, sincere congeniality toward guests; they often act as trainers to younger employees. McDonald's continually seeks to employ mature people and believes that there is a strong correlation between the company's support of mature adult employment and the increasing patronage of mature adults.

- **Burger King:** According to Mark Koschny, marketing director of Burger King, convenience of location, discounts offered to mature diners, and the "Breakfast Buddies" menu items are the reasons seniors patronize Burger King restaurants.

The company's prime target market is those aged 18 to 49; however, marketing executives and the organization's researchers are recommending that the company broaden its target market to include maturing consumers. To attract the older age group, Koschny says that they are going to have to concentrate on sanitation, specials on meal combinations for seniors, and encouragement of senior breakfast clubs to patronize their local Burger King.

- **Denny's:** Since Flagstar's takeover in 1987 of TW Services, the once parent company of the Denny's franchise, Denny's has developed a segmented marketing strategy with an awareness of the mature consumer market. Executives of the company cite two reasons that the company is popular with mature guests: the competitive prices and reduced portion sizes offered on their menu in the "senior section." The menu features reduced prices, smaller portion sizes, and a la carte selections. Items ordered from the senior section can be specially ordered and prepared to meet many of the dietary restrictions common to older Americans. Like the guests of McDonald's, those frequenting Denny's are often greeted by their first name, making the guests feel a part of the Denny's family.

- **Howard Johnson's:** HoJo's uses a number of marketing tactics to attract the mature patron. Their menu features "Smart Meals" which are designed to satisfy health conscious guests regardless of their age. Selections contain 2,000 calories or less, 300 mg. of cholesterol, 3,330 mg. of sodium, and only 30 percent of the daily recommended allowance for fat. In addition, a pamphlet titled *The Healthy Dining Guide* is placed at every table. This colorful pamphlet features the "healthy heart" icon, identifying low fat, low calorie, and low salt menu selections. The pamphlet contains information about the importance of eating healthy and keeping physically active. It also lists an exchange

for foods offered by the restaurant. Charts in the guide help the diet conscious patron count food exchanges, amount of fat, cholesterol, calories, and sodium intake for all of the Smart Meals items, including in Tallahassee, Florida, in 1991, 185 mature people aged 55 and over were surveyed. Participants were asked to complete a survey concerning their attitudes toward restaurant services. The study also collected behavioral information such as how much money they spend in a week when dining out, how many times per week they dine out, and which types of restaurants they preferred.

The data were analyzed using Kruskal-Wallis analysis of variance (KW-ANOVA) for the categorical data and one-way analysis of variance (ANOVA)⁶ for the rank-order and listing data. The results of this study indicate that mature people 55 and older have definite service expectations of restaurant employees, and in their opinion, managers, cooks, and waitstaff responsible for delivering quality food products and service are not performing at the level expected.

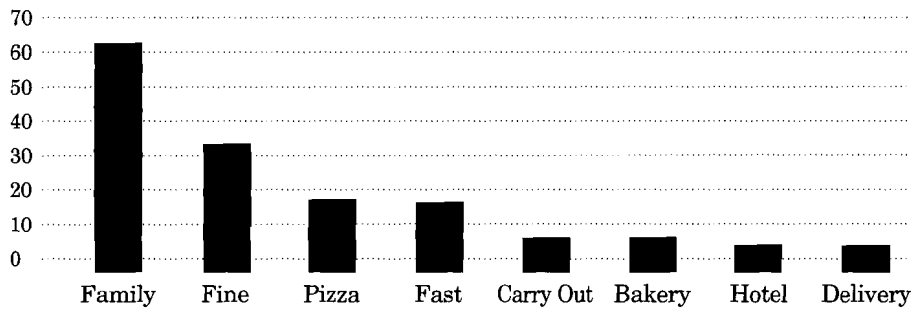
The limited numbers of mature persons represented in the study should be considered when reading the results. While generalizations can be made of mature, active, retired seniors, many do not enjoy the activities and income levels of the active retired American. The mature people attending AARP are usually retired from long careers of active employment, have retirement incomes, enjoy traveling and attending educational meetings such as this one, and are healthy.

Research indicates that there are three different distinct groups of older people with regard to the ability to spend on food eaten away from the home: those who are over 55 who do not receive retirement benefits and are often supported by state and federal programs; those who are retired and receive retirement benefits; and those who are not only retired but have considerable income from investments and other sources of income. This study addresses mainly the second group.

As can be seen in Figure 1, most mature consumers prefer restaurants offering full service over other types of service. It should be noted

Figure 1
Seniors Consumers Preference of Restaurant Type

Percentage of Mature Consumers



that the percentages are of the total sample and are greater than 100 percent due to a significant number of respondents making multiple choices instead of following the directions on the survey, which requested that they choose only one. From the list of restaurant types, respondents selected the two full-service options as their favorites. Pizza, sandwich shops, and fast food are distant but still select choices. It is surprising that fast food scored high with mature consumers. Its ranking seems to be based on the popularity of the breakfast and luncheon meal times for older consumers.

Dining Is Also Social

Other behavior patterns uncovered by the study revealed that like other groups, to mature patrons, dining is as much of a social function as a biological one. The majority (89 percent) stated that they never or rarely dine out alone and they also plan to continue their present dining patterns.

Respondents were asked to indicate the most important element used to determine the restaurant of choice. As can be readily seen in Table 1, one third chose service by waitstaff. A strong second choice was clean bathrooms. Unfortunately this is an area that many food service managers do not always manage properly. McDonald's has built a reputation that few have been able to emulate—a loyal base among the traveling public by paying particular attention to this aspect of customer service. Other service issues important to mature patrons are menu variety and a quiet dining area away from families with children.

Respondents were also asked to indicate the importance/non-importance they place upon such services as non-smoking areas, large

Table 1
Most Important When Dining Out:
Opinions of Seniors

Considered Important	Response
Service by waitstaff	33%
Clean bathrooms	28%
Wide variety menu	20%
Quiet dining area	20%
Greeted/seated by host/hostess	16%
Salad/hot food bar available	14%

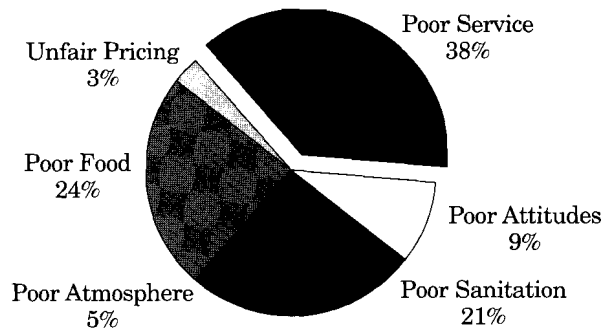
Table 2
Dining Patterns of Seniors

Behavior	Response
Dine out once a week	95%
Prefer no smoking sections	89%
Always leave a tip	76%
Almost never use drive throughs	76%
Prefer separate areas for families with children	63%
Desire music during meal	56%
Nutritional analysis on menu not important	56%
Never dine out alone	50%
Spend over \$16 per week on meals out of home	50%
Desire hot food bars and salads	37%

type, caloric and nutritional content of menu items written on the menu, and drive-thru window service. As may be seen in Table 2 most seniors dine out at least once per week and overwhelmingly desire non-smoking and quiet, adult-only dining areas. Contrary to a popularly held belief by restaurant service employees, the majority (76 percent) of those surveyed believe that it is important to tip the waitstaff. An overwhelming majority never use drive-thru windows and most do not think that the listing of calories on the menu is important.

Finally, and perhaps most important, respondents were asked to indicate the worst mistake made by restaurant management or staff. These results are listed in Figure 2. Once again, their opinions of worst mistakes seem to mirror those often expressed by the general public, such as poor service, poor food and poor sanitation.

Figure 2
Worst Mistakes Made By Staff



These Americans represent a growing, affluent sector of society which restaurant managers must address. Almost 95 percent stated that they consume meals away from the home at least once a week—50 times a year. The oldest baby boomers are fast approaching the age of 50 and definitely think that they are part of the mainstream of America.

Mature Americans demand many of the same services as their younger counterparts: cleanliness, kindness, patience, and experience. They want value in products and high quality services for their dollar.

If restaurants are to prosper in a future which features an expanding mature population, they must be prepared to view themselves from the perspective of their mature guests and understand the motivations behind their behaviors and expectations.

References

- ¹R. Iwamuro: "Seniors: Who they are and how they spend," *Restaurants USA* (September 1993): 37-41.
- ²*Business Week*, "Marketing consumers: U.S. companies go for the gray," (April 3, 1989): 64-66.
- ³*Restaurants USA* 12, No. 2 (February 1992): 37-41.
- ⁴L. Champlain, "Finding communication services," *The Gerontologist* 46, No. 5 (May 1991): 78.
- ⁵"The Case of Shifting Priorities in Discretionary Spending Resort Report," Kenneth Leventhal & Company, Florida, 1992.
- ⁶BMDP Statistical Package, University of California - Berkeley 1998.

Kimberley J. Harris is an assistant professor and **Joseph J. West** chairperson of the Department of Hospitality Administration at Florida State University.