

MILLENNIALS AT HOME ...In The Kitchen™

A comprehensive study
describing how Millennials
cook, live, and play
in the kitchen.

 AIMSIGHTS

 ALBING INTERNATIONAL
MARKETING

LLC

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Introduction

In 2010, Albing International Marketing, LLC (AIM) published *MILLENNIALS At HOME*. It was hailed as a “landmark” by the home products trade, the consumer press and the Millennials themselves. In the two years since then, we have continued to focus on the Millennials and have become the “go to” source for information about the Millennial generation, the products they buy and the behavior that takes place in their homes. We have continued to conduct extensive primary research with Millennial consumers and are pleased to present the next chapter of information about this emerging group of super consumers, *MILLENNIALS At HOME...In The Kitchen™*.

Why the kitchen?

To begin with, because you - our clients and friends - asked for it. But also, because AIM has long recognized that the kitchen is the heart of the American home. It is where we go to find “home” – our memories, our family and our better selves...

In many ways, Millennials resemble the preceding generations. As children, the kitchen was where they sought solace and shelter from an increasingly cold and technological world. As young adults, they seek that same type of environment, but are not finding it. The sheltering kitchen of their past and the ideal kitchen of their future are still a dream for most Millennials. They increasingly seek ways to inch current kitchens closer to that dream idealized image. The potential is strong in this category, especially for companies who can help this generation to realize those dreams.

Our clients have always created products for the kitchen, but this publication is not just important for housewares and home furnishings companies – it’s critical for home builders, realtors, furniture marketers, flooring and cabinet companies, food retailers, and anyone else whose business focuses on the kitchen. We invite you to enter the kitchens of the Millennials and learn how they live now, what they are looking for, and how their kitchens will evolve over the next ten years.

-Robin Albing, President/CEO, Albing International Marketing LLC

IN APPRECIATION

Thank you to Nancy Neumann and Trish Yula for editing assistance and support. Without their help, we never could have completed this study.

Whitney Ryan, AIM’s Millennial Associate and leader of Millennials Research, was the key implementer of this project. She lives the Millennial life and helps the Boomers and GenXers in our company better understand how her generation thinks and how they live. She helps us ask the right questions and get beyond the surface to probe deeply into their minds. She helps us not only understand how they are living today, but also to be predictive about how they will live in the future. For this, we are extremely grateful.

Methodology

MILLENNIALS At HOME...In The Kitchen™ combines primary research by Albing International Marketing with an extensive review of secondary sources, many on the Internet. This allowed us to be time efficient, cost effective, and current. Many quotes used throughout the report were gathered through in-depth interviews and focus groups with the Millennial MOVERS* and targeted Millennials. For these quotes, the speakers are identified by first names only.

Primary research included the following:

- Series of comprehensive online surveys of 300-500 Millennials each conducted between 2010 and 2012 – matching U.S. geographic, ethnic, gender, and income distribution. (Time sensitive questions were repeated in 2012 for trend updates.)

- 50 in-depth, one-on-one interviews with qualifying Millennial MOVERS* in each region of the US (January-April 2012)

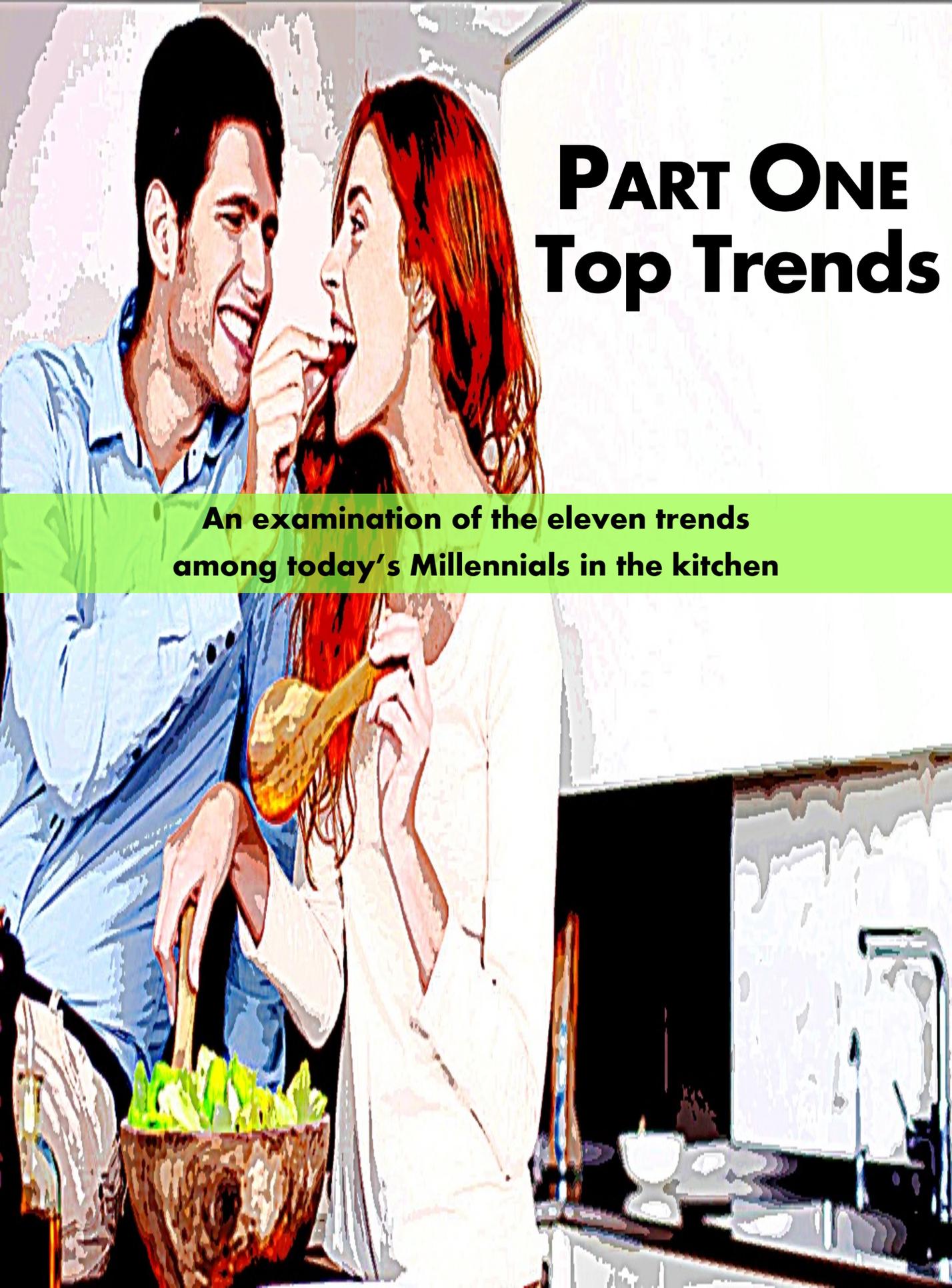
- 30 home audits, geographically distributed throughout the US

- Series of online focus groups with targeted Millennials (Fall 2011 - Spring 2012)

- Telephone interviews with 30 industry experts (Fall 2011 - Spring 2012)

Secondary research included relevant published reports, which are listed at the end.

*The Millennial MOVERS™ are AIM's panel of 500+ diverse young people between the ages of 20-32, who are living on their own.



PART ONE **Top Trends**

**An examination of the eleven trends
among today's Millennials in the kitchen**

PART ONE: TOP TRENDS

Following the synthesis of primary and secondary research, we identified 11 major trends that affect the Millennial kitchen today and will continue to influence its development over the next decade:



With each trend, we also refer back to trends among Millennials that were defined in detail in AIM's 2010 study, **MILLENNIALS At HOME (MAH)**. At the conclusion of each Trend section, we have included a list of opportunities as food for thought.

Millennials cook often. The majority of Millennials eat a meal cooked from scratch at home at least four times per week. On nights when they do not cook from scratch, they still spend time in the kitchen preparing meals. 68% say they cook semi-homemade meals on these nights, using a combination of fresh and pre-packaged ingredients. While they enjoy cooking, Millennials admit that there is room for improvement; only 45% consider themselves to be a “good cook” (vs. 61% of 30-45 year olds).

But young people do not let a lack of expertise get them down. In fact, they are always up for more practice and experimentation in the kitchen. According to market research company Mintel, two out of three Millennials are “cooking enthusiasts” who make an average of 4.4 “elaborate” or “gourmet” meals every six months. 41% of Millennials are interested in preparing and serving diverse cuisines. They not only want to *consume* diverse cuisines, but also want to prepare them in their own kitchens. Millennials seek to create exotic dishes themselves. They are also interested in putting a new spin on classic recipes. A 2010 Butterball survey found that 60% of Millennials were looking for new, experimental recipes to help contemporize their Thanksgiving meal.



Cooking courses are a fun way for Millennials to expand their skills

28% cook 1-2 times per week

40% cook 3-4 times per week

32% cook over 5 times per week

Millennials are the “Food Network Generation.” Food Network made cooking cool and took it mainstream. When selecting their two favorite types of TV shows, 24% of Millennials included “cooking shows” (versus 20% of Gen X). Cooking is a counter-balance to the antiseptic world of technology for young people. “Food uses all your senses, which is just the opposite of the virtual world” (from a catering blog).

Food Network introduced the Millennials to new cuisines and new cooking methods, and they want to continue to learn as they grow in their own kitchens. They are interested in learning gourmet techniques and taking courses to develop cooking skills. They spend hours researching and discussing recipes. They post reviews online with their own variations on recipes. They learn about the origins of ingredients in precise detail to better understand the stories behind food. They look at ingredients’ history, sources, and availability to become knowledgeable about the dishes they create.

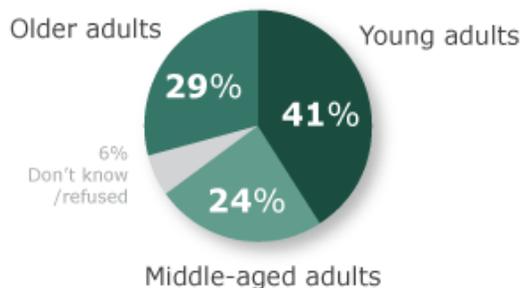
Moneyball

TRENDS from MAH: Millennials want deals not discounts
Millennials are cost-conscious
Millennials are planners and strategists

Millennials came of age during a time when jobs were hard to come by and money was tight. They adapted and learned to squeeze every penny they could from a dollar to stretch it to support themselves. This sense of frugality stays with them now, and will likely remain throughout their lives.

Young Adults Hardest Hit

All things considered, which age group is having a tougher time in today's economy...?



PEW RESEARCH CENTER

Millennials are the hardest hit generation in the current economic downturn. According to a Pew research study, 41% of the public believes young adults are having the toughest time in today's economy, and an analysis of government economic data suggests this perception is correct. Only 1/3 of Millennials would describe their finances as "good" or "better", compared with 1/2 in 2004.

Young people are making sacrifices and adapting to deal with the current economic climate, and for this, Fiserv (provider of technology solutions to the financial industry) calls Millennials "fiscally responsible." 69% are working in less-than-perfect positions at work, and say their current employment is a "stepping stone" or "just a job", rather than a career. 49% have taken a job they did not want just to pay the bills. 24% have moved back home with their parents to save money. 77% of Millennials are delaying some type of major life change due to economic constraints. 44% are putting off buying a home, 23% starting a family, and 18% getting married.

Trend Watch: MILLENNIALS At HOME ... Out Of The Kitchen

Ever the creative thinkers, Millennials have found ways around the issue of socializing in the kitchen.

Shared / Progressive Dinner Parties

Shared dinner parties, where each person brings an element of the meal (appetizer, salad, side dishes, dessert) are popular with Millennials. This not only cuts down on the amount of time the host needs to spend cooking in the kitchen, it also taps into the Millennial mentality of working together as a team to create a great final product. Progressive dinner parties, where the party moves physically from one person's home to another for each course, are also quite popular among Millennials, for the same reasons.

"We have once a month games night at our home and we prepare a dish. The rest of attendees would also bring a dish and the serving station would be stationed in my kitchen. So everyone would come into the kitchen and serve themselves throughout the night." – Luther

Outdoor Entertaining

Millennials also utilize the more abundant spaces in their homes to entertain. Setting up serving stations in the living room or basement allows guests to have ample space to move around while eating. Outdoor entertaining, like barbecuing, is very popular among Millennials. When the weather permits, Millennials love to host events outdoors, where there is more space to entertain. Even cramped city apartments often offer some rooftop space for tenants to use. Millennials enjoy bringing their meals outdoors, either pre-made in the kitchen or cooked on the grill, and spending time outside.

"My favorite way to entertain friends when food is involved is actually outside. I'd entertain more inside if our kitchen and living room area were bigger." – Jamie



PART TWO Dream Kitchens

An exploration of the Millennial kitchen would not be complete without gazing into the future and mapping out what these consumers want in their “dream” kitchens. Each of the five dream kitchens AIM developed focuses on a specific set of priorities.



**An exploration of what the ideal kitchen
looks like for Millennials NOW
and in their FUTURE homes**

PART TWO: DREAM KITCHENS

Now that we have presented the 11 most important trends for Millennials in the Kitchen, let's take those trends and apply them. Our exploration of the Millennial kitchen would not be complete without gazing into the future and mapping out what these consumers want in their "dream kitchens." We have created five prototype kitchens, each focusing on a specific set of priorities.



How did AIM develop the "dream kitchens"?

- Toured real Millennial kitchens (both in person, via webcams, and in photos)
- Synthesized the data/research collected over the past five years
- Developed prototype "dream kitchens"
 - What would the "dream kitchen" look like now?
 - Achievable in the short-term
 - Maybe not today, but soon
 - What would the "dream kitchen" look like in 5 or 10 years?
 - When finances are better
 - When they may have started families (or be further along)
- Reviewed "dream kitchens" with a panel of real Millennials to get their feedback and make sure we got it right