

How can businesses cater to Gen Z, the digital natives?

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VR, AR, AI, 5G, machine learning and robots... These trendy words in the tech world are nothing new to Generation Z.

Highly dependent on the mobile internet, Gen Zers have left massive amounts of information and data online and exposed themselves to algorithms like never before. While this group enjoys the convenience of technology, they are also imprisoned by it.

With more Gen Zers entering the workforce, they will soon make up a big part of the consumer market. As such, companies will need to transform.

01 — How do Gen Zers engage with technology?

Gen Zers are enchanted by personalised products and customised services. Most mobile phone models, for example, are difficult to distinguish. In the hands of Gen Zers, however, they are often personalised with screen protectors and cases to express individuality.

They are keen to use and highly depend-

ent on technology to acquire and analyse information. Whether to purchase a product or contact others, Gen Zers are comfortable collecting information from different sources through the internet, far outperforming previous generations.

Gen Zers are impatient and accustomed to a fast-paced lifestyle. In the past, we appreciated the convenience of receiving goods a week after placing an online order. Now, Gen Zers often expect products to be delivered the same day. Similarly, they don't want to wait a day or two to get feedback from customer service teams. Thus, when brands fail to update their products and tactics, they risk losing this impatient group of customers.

Finally, Gen Zers are fascinated by digital presentations. Tokyo art collective TeamLab, for example, has become a hit by catering to new artistic forms favoured by young people. TeamLab creates artwork using digital technology and aims to create an immersive experience for visitors.

02 — Breaking the shackles of algorithms

Gen Zers have embraced algorithm-

powered services more than others. But, what are the costs?

For one, Gen Zers live, work and shop online; they have left a long trail of personal information online, raising concerns for their privacy.

Being addicted to the internet and e-sports may also be a danger lurking in the digital world. Data from iResearch shows that, by 2020, Gen Zers made up the majority of online gamers. Many of them spend more time and money online than in the real world, and their decisions are often influenced by online celebrities and popular gamers.

The possible negative impact of fragmented reading should be noted, too. Online platforms are popular sources of information for Gen Zers. Baidu, Xiaohongshu, Douyin (Tiktok) and more are filled with appealing, yet superficial, content. When such platforms become the main channel of access to information for Gen Zers, it creates the illusion that they have acquired new knowledge. This knowledge, however, may lack value (despite its abundance).

Finally, with a solid grasp of their habits and preferences, algorithms can target Gen Zers precisely. As algorithms further integrate with popular platforms, Gen Zers will be at their mercy while shopping, pursuing leisure activities or accessing information. By leveraging algorithms, platforms may influence them by promoting specific articles/events. While embracing their convenience, Gen Zers have fallen into the trap of relying on algorithms.

03 How can Gen Zers overcome the pitfalls of algorithms?

Gen Zers should learn more about the logic behind algorithms. Whether you rule or are ruled by algorithms depends on how much you know about them. The architects of algorithms often build human biases into their products, but even big data-powered algorithms are not entirely accurate. The more Gen Zers understand algorithms, the more they will be aware of their biases, and the more rational their decisions will become. Gen Zers must also learn to shake off algorithms by accessing different sources and various perspectives.

They should also be cautious about over-entertainment. When we swipe through short videos on our mobile phones, for example, we usually finish one every 15 seconds or so before going to the next one. Psychologically, we are constantly getting instant gratification. In an hour, we can swipe through hundreds of different short videos, but the seemingly large amount of information is nothing other than entertainment.

Essentially, life revolves around three questions: Who am I? Where did I come from? And, where am I going? Algorithms may help you define who you are, but they can't tell you where you came from or where you are going. We need to

overcome our dependence on algorithms, electronic devices and the internet. When you have self-control, you can harness the power of technology to improve your life.

So, will our future be dictated by algorithms? Will machines dominate humans? And, will artificial intelligence (AI) take our jobs? There are, broadly speaking, two schools of thought on these questions. The first holds that algorithms are so powerful that will someday learn on their own and come to dominate us.

In the coming decades, many highly-repetitive and standardised jobs will be replaced by robots which are able to process information more efficiently and accurately than humans in certain scenarios. They

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do not have the cognitive limitations nor emotional biases and needs of humans, and they do not ask for overtime pay. Though automation can help companies reduce costs and increase efficiency, machines usually lack innovation capacities and are unable to make analytical judgments in complex situations since most algorithms employ linear thinking. When it comes to complex scenarios and problems, humans tend to be more reliable. As such, there is a long way to go before AI displaces us.

At the same time, AI has created new job opportunities. As the demand for AI rises, companies are increasingly looking

for machine learning engineers, robotics engineers and data scientists. While it is still debatable whether AI is taking away existing jobs or creating more of them, Gen Zers need to focus on two things: either learning to use AI to create more value for businesses, or focusing on improving their general analytical skills and innovation capacity to become stronger in areas where machines are not good at.

The other school of thought underestimates AI and holds little confidence about the prospect of the virtual world and the internet. I think this is too pessimistic. Technology has delivered convenience and efficiency to our lives. We must keep a close eye on the application of new technologies, and explore how to use technology to serve consumers, while at the same time adjusting resources to keep up with technological developments.

All in all, without collaboration between technology and humans, a better future would be impossible. Rather than machines displacing humans (or vice versa), the future will be about human-machine collaboration.

04

How can businesses win over Gen Z?

Gen Zers will soon become a mainstay of the workforce and consumer market. Digital transformation will not only help companies win their attention, but also attract more Gen Z talent in the future.

To win Gen Z customers, for example, businesses should ensure their products fulfill a function, cater to Gen Zers' emotional needs, and help them mix with their friends.

In the past, many brands focused on functionality and the convenience that technology brought. Gen Zers, however, are attracted to products that meet their emotional needs and help them socialise.

Brands should also employ distinct product designs. Gen Zers prefer visually appealing products and value personalisation over cost. Based on this preference, marketing strategies that used to emphasise function have pivoted to design and appearance, leading to the emergence of many online brands and the transformation of traditional brands.

Companies need new retail models powered by the internet and digital media to attract Gen Zers. Businesses will find it difficult to attract young people without

online promotional activities. Gen Zers look for unique stories and digital product displays. Integrating technology with traditional retail is an effective method of appealing to this group.

Companies should also engage Gen Zers in their R&D processes. Gen Zers are more willing to participate in this process than previous generations because they value personalised services. Brands should leverage private domain traffic and help Gen Zers express their desires to create better products.

Finally, digital transformation can help companies attract Gen Z talent. The internet tops Gen Zers' list of preferred industries, followed by finance. Even in the finance industry, Gen Zers prefer companies that embrace technology. They are unwilling to accept traditional operational methods and cultures. Ultimately, any enterprise that relies on conventional methods will generate a negative impression about not only itself, but also its industry.

