

How can businesses connect with Gen Z

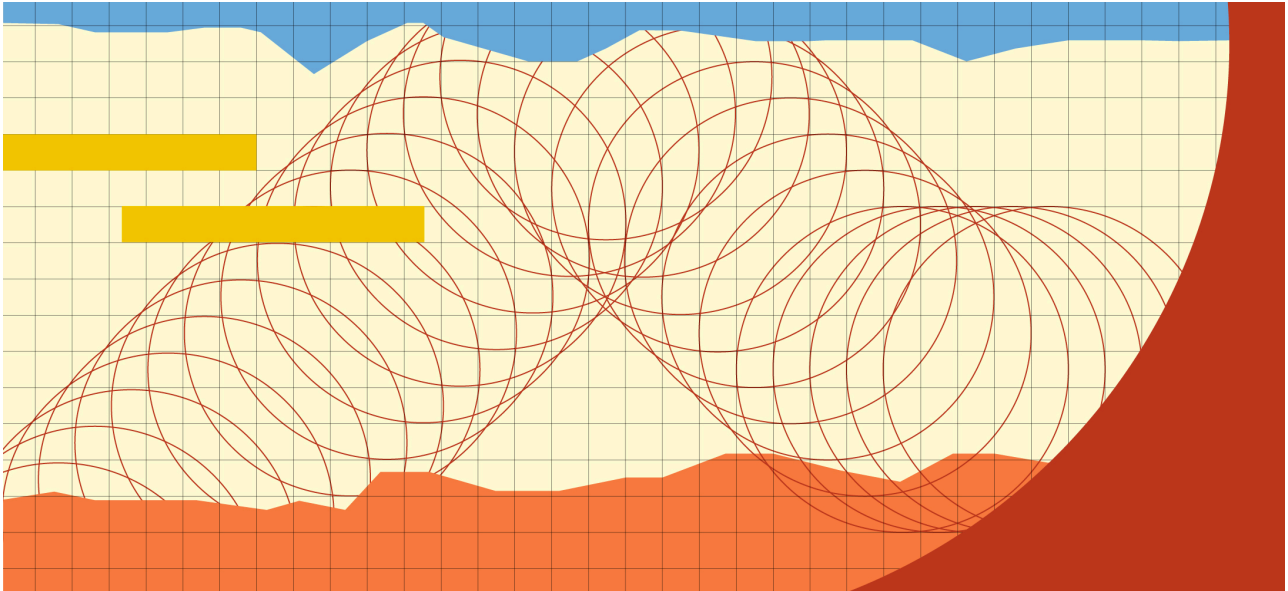
Public opinion among Gen Z now increasingly represents a clear and present threat to business. During the next ten to fifteen years, humanity will fundamentally change in terms of what and how we buy and consume, and why we decide to work for any given company.

Temps de lecture : minute

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The purchasing power and employment choices of Gen Z, (those born between 1997 and 2012, will decide who succeeds and who fails in the future. This generation knows that their elders and the governments and businesses they operate are responsible for all global societies reaching a precipice of globally catastrophic proportions. With economic instability, complex international relationships and climate change constantly knocking at their door, this generation faces a range of unique challenges not experienced by any who came before them.

The question Gen Z is asking themselves is, which companies will they support, ones contributing to the solution, or worsening the status quo?



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What is the impact of how you choose to tackle this shift?

The bottom line? The consumers and employees of 2025-2040 will expect more, and the companies which don't match up to that will fail. Those who take advantage of this can create new forms of differentiation, causing customers and employees to gravitate towards them. It is likely that those who choose to wait and see, or at least their businesses, will perish.

It is counterintuitive to imagine that departure from the feature-battle competitions can result in achieving greater differentiation. Success will demand people embrace fundamental changes in their lives - both business leaders and others. At first, those focusing on making a change will be outliers, nonconformist or contrarian. The mindset of those inside the core normality will resist new ways of thinking. Businesses will need to navigate that so the tangent, or alternative way of working proposed is

one that can and will, be embraced by all.

The choice not to act upon disruptive shifts like this one is behind many peaks in company failures. When many factors, stemming from younger generations and their beliefs, meet the society-wide consequences of many businesses' unsustainable practices, such a peak is likely to happen again. It will occur across many markets and multiple organisations will struggle as a result. This will be transformational as we accelerate towards a precipice beyond which the fabric of markets must be irreversibly changed. Inaction will label a business as part of the problem.

What Generation Z (and Y) are thinking and how that differs from elders

Our youngest generations have inherited a machine that has built-in resistance to change and cannot change by itself. They've inherited a world that has no time left to bargain with. This realisation unequivocally unites them all, globally. The reality in today's integrated, over indebted and consumerist-focused world is that the machine cannot cope with the change that we need it to self-impose. The machine is addicted to growth. Millennials and Gen Z are beginning to realise there's no hope in asking a sick man to amputate his own leg. We can't trust the machine to change by itself. The only answer is to slow down, but the machine won't do that. It cannot do that because it's addicted to growth.

Millennials and Generation Z know what is needed. They need to stop the madness. Those with early clarity, admittedly not quite yet the majority, are telling us all that we need to slow down and buy more modestly. They are imploring those who produce to do so more sensibly.

How can business succeed through this Great Shift?

To capitalise on this Great Shift successfully, businesses need to prove a genuine strategy for ethical action, towards resilience and sustainability, doing this everywhere that their business has an impact, for any and all stakeholders. To achieve that, some profit might need to be sacrificed in exchange for sustainability. This generation demands it constantly, yet what they witness is that the machine is incapable of changing.

Shareholders and investors of the past resisted wasteful investment for the sake of being better citizens, but the truth today is that such investment is a prerequisite for security of future profits. The cause and effect of these have never been clearer than they are today.

If a company proves that it is part of that solution, then the loyalty of a generation will be theirs. They must do this respectfully, avoid green washing, and be diligent by inclusiveness of people in all age groups and with varying points of view. They must look deep across interconnected value chains that the business affects and be challenging and deliberate about how they can invoke changes over the next 2, 3 or 4 time horizons.

Organisations should make an impact. If they form a purpose based around principles that they know future employees and customers will care about most deeply, they will establish truly defensible differentiation around those themes. If a business is truthful and genuine in their purpose, Gen Z will become evangelists on behalf of their brand, as their employees, customers, partners, and suppliers.

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Steve's new book, *Five Horizons: How To Succeed In the Age of Stakeholder Capitalism* is a deep dive into how to succeed in the age of stakeholder capitalism, touching on the end of shareholder primacy and how companies can transition to becoming principles-led and more ethical, sustainable, and resilient in their operations.

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