**FROM MILLENNIALS TO GENERATION Z: CHANGING POPULATION DEMOGRAPHICS AND CHALLENGES FOR ORGANIZATIONAL THEORY AND PRACTICE**

***Abstract:*** *In this paper, we use insights from OB and OT to analyze ways in which firms can help serve the needs of newly emergent organizational subjects and consumers. Our analysis is based on newly emergent demographics that differ from earlier generations in significant, non-trivial and unique ways. This presents both a threat and an opportunity to firms, as they search for consumers to satisfy and organizational subjects to deploy in the service of economic success. We identify ways in which firms can deploy demographic shifts to their advantage and identify ten emerging industry segments where these shifts will prove critical.*

**INTRODUCTION**

The transmission of values, beliefs and behaviors across generations has occupied researchers and theorists in organizational behavior over time (Sabatier & Lannegrand-Willems, 2005), leading to a variety of theories of how such characteristics are generationally transmitted (Joshi, Dencker & Franz, 2011). The changing demographic landscape in the 21st century, and especially the emergence of a new generation of worker, subject and consumer, has been used by researchers to analyze firm structure (Woods, 2016), changing strategies of workplace motivation (Kultalahti & Viitala, 2014), emerging trends in organizational leadership (Barbuto & Gottfredson, 2016), and matters relating to organizational socialization (Durocher, Bujaki & Brouard, 2016). Such studies are not only useful, but essential to document the changing demographic landscape of the US economy. It has been estimated that over one-third of the population of the United States was born after 1980, presenting an important demographic shift. In this paper, we attempt to analyze this shift from the point of view of a firm, asking how they can leverage their understanding of one generation (such as millennials”) to that of future generations (such as Generation Z”). Scholars in organizational behavior have attempted to use such insights in the realm of the workplace (Graen & Grace 2015), and in the world of human resource management (Ehrhart, Mayer & Ziegert, 2012). In this paper, we attempt to use insights from organizational behavior and psychology to see how firms can design products and services for future generations.

The demographic shift among US youth shift is important on a number of counts. The new generation is technologically very sophisticated (having used the internet for their entire life), much more diverse than previous generations (over 40% identifying as non-white), and facing very different economic conditions (high student loans, exposure to the economic downturn). They tend to be more invested in education, with over 45% achieving a college degree and around 19% enrolling for graduate school. Their educational aspirations tend toward professional degrees in business and science/technology to a greater degree than their previous generations[[1]](#footnote-1).

Further segmentation of the new generation of US youth have tended to put them in two categories, *Millennials and Generation Z.* Millennials are defined as those who were born between 1980 and 2000, while those born after 2000 generally get classified as Generation Z. This, while Generation Z is still composed of minors, is a matter of time before they start entering the workforce, and they have already begun to assert themselves as consumers. In this paper, we wish to focus on the manner in which organizational researchers can assist practitioners prepare for Generation Z. We use examples from the organizational experience with Millennials as a way in which we can anticipate the requirements of Generation Z better, both in terms of capitalizing on past successes and in avoiding the pitfalls faced by those organizations and products that failed.

**DEMOGRAPHIC DEFINITIONS: MILLENNIALS AND GENERATION Z**

**Millennials**

Millennials are Americans born between 1982 and 2000, making them the largest generation in America with a population of 83.1 million (U.S. Census Bureau, 2015). Most members of this generation are at the beginning of their careers and will be an important engine of the economy in the decades to come. Millennials are also more diverse than previous generations, with 44.2% being part of a minority or ethnic race (U.S. Census Bureau, 2015). Millennials are the first generation to have access to the internet during their informative years. Many of them have come of age during a difficult time in our economy, with the first group of Millennials only in their 20’s during the 2008 financial crisis. Millennials tend to be skeptical of traditional advertising and they respond differently to advertisements than previous generations (Belch, 2015).

**Generation Z**

Generation Z are Americans that are generally considered to be born after 2000 (Hulyk, 2015). They have had a unique childhood so far. They were developing their personalities and life skills in a socio-economic environment marked by chaos and uncertainty. Generation Z have an advanced relationship with technology, which they have honed from a very early age. This up and coming generation spends up to 3 hours a day on their computer for non-school related activities, which includes 2 hours of YouTube (most visited site by Generation Z) every day, and they are described as “independent, hard-working, driven, conscientious, socially conscious, socially connected and entrepreneurial” (Hulyk, 2015). One thing to note about them is that they are natural information seekers. This can be attributed to them multitasking on up to 5 screens at a time (more than any other generation), using their phone, tablet, smart watch, laptop, and TV (Peterson, 2014). They know how to locate the information they are looking for using different platforms. Generation Z has shown that they have a hard time getting attached to things. This can be attributed to their short attention span of 8 seconds and them growing up in a constantly changing business environment that lead to them witnessing numerous technologies and brands go from relevant to obsolete. Even though they are still young (the oldest of this generation barely out of high school), Generation Z are estimated to have a buying power of about $44 billion (Armstrong, 2016).

**Differences between Millennials and Generation Z**

Although Millennials and Generation Z have many similarities, they bare some key differences that are important to note. Compared with Millennials, Generation Z tend to be more conservative in spending their money. While Millennials are children of typically affluent Baby Boomers, Generation Z are children of Generation X, who are faced with harsh economic conditions. Given the parental influence of Generation Z and the current economic condition, Generation Z are more careful in where they spend their money (Wood, 2013). Another difference between them is that Generation Z is more entrepreneurial than Millennials. 72% of high school students (Generation Z) have said they want to start a business someday, compared to 64% of college students (Millennials). Additionally, 61% of high school student would rather be an entrepreneur instead of an employee when they graduate college, compared to 43% of Millennials (Schawbel, 2014). For Generation Z, they have less product loyalty than Millennials. Generation Z give more importance to the product itself over the companies that make them and they are willing to change brands without hesitation in search of a higher quality product. These differences can come in handy when marketing to members of Generation Z. They are independent and would not respond well if brands grouped them with Millennials in their marketing efforts.

**GENERATIONAL DIFFERENCES: WHAT DO WE KNOW?**

Each generation differs from the one before it in certain key respects. The current differences between Millennials and Generation Z relative to earlier generations are manifold and various, but a few salient aspects emerge. We highlight three aspects as relevant to our research, relation to the way in which these generations *learn* new things, their radically different use of *social media,* and the way in which they *participate* in the economies where they are consumers.

**Millennials and Generation Z learn differently**

When it comes to Millennials and Generation Z, both have a short attention span compared to generations before them. This needs to be considered during their learning and informative years. With that in mind, when creating a syllabus for school, they need clarification of the essentials. Many teachers experience is that today’s students do not function well in courses with a loosely organized syllabus. That is why instructors must deliberately over-estimate the desire of students for clarity (Wilson and Gerber, 2008). For this reason, public high school teachers have to submit a course syllabus and pacing guidelines at the beginning of each year. As they become accustomed to this, students expect the same predictable structure from college professors.

We also know that Millennials and Generation Z learn differently by decreasing the amount of content in general education courses. They can be overwhelmed by the vast amount of digital information available, so thoughtful processing and critical analysis, rather than content-mastery, is stressed. When teachers shorten both reading content and coverage expectations, in favor of deeper explorations, it made for more engaged students and deeper discussions. Examples of this are key-sentence extractions and critical summaries of assigned readings (Wilson and Gerber, 2008).

Millennials and Generation Z learn differently through playing video games. There are more than 320 million people in America, and 155 million of them play video games. According to a recent study, 56% of the people that play video games are under the age of 35 (Gates, 2015). This tells us that majority of the people playing video games are Millennials and Generation Z. In terms of learning, what video games do is force gamers to manager long, mid, and short-term objectives, which in turn, teaches them to determine priorities and discern relationships. Furthermore, contrary to popular belief, this can train the mind of Millennials and Generation Z to think in “more cognitively complex ways” (Wilson and Gerber, 2008).

**Use of Social Media**

The Millennials and Generation Z use social media in similar ways and it has become an important part of their lives, partly because social media has become much more than a way to connect about personal matters. One unique way they use social media is by accessing news. No longer is this generation consuming news through traditional platforms. According to a 2015 study titled *How Millennials Get News: Inside the Habits of America’s First Digital Generation* conducted by Media Insight Project, 88% of those surveyed received news from Facebook at least occasionally, 83% from YouTube, and 50% from Instagram. Furthermore, sizable minorities of Millennials also reported getting news from Pinterest (36%), Twitter (33%), Reddit (23%), and Tumblr (21%). While these numbers are smaller, they represent quite large percentages of those who use these social media platforms at all. Additionally, they participate in news in ways that are not possible through more traditional platforms. According to the same study, 6 in 10 say they regularly “like” a posted news story, headline, or link. Nearly half, 42 percent, say they regularly post or share news content to Facebook themselves, and 34 percent say they regularly comment on news stories, headlines, or links. At the same time, Millennials are using social media as a way to expose themselves to different opinions and views. This survey also states that “70 percent of Millennials say that their social media feeds are composed of a relatively even mix of similar and different opinions to their own. Just 12 percent say the opinions they see in social media are mostly similar to their own. A slightly larger number, 16 percent, say, interestingly, that the opinions and viewpoints they see are mostly different than their own” (How Millennials Get News: Inside the Habits of America’s First Digital Generation, 2015).

**Not passive consumers**

Millennials and Generation Z are part of a *participation economy*. A participation economy is when customers are able to actively participate, help create, and be included as partners in the brands they love. For them, it’s almost an expectation that companies should want to seek out their opinion. For example, craft beer brewer Samuel Adams took an unprecedented step by letting Facebook fans create a new brew. The company decided gather ideas by asking their Facebook fans input in determining their next beer. Samuel Adams got feedback from their fans regarding a beer’s color, clarity, body, hops, and malt. The ideas that received the most votes were made into a beer and served at the popular festival South by Southwest in Austin, Texas (Fromm & Garton, 2013, Pg. 9-10). Another example of companies taking advantage of the participation economy is when Pepsi attempted to target Millennials with their “Live for Now” campaign. This campaign tried to engage the millennial generation by focusing on being where they are, talking in their language, and connecting with them in ways that keep them feeling like they want to be part of their brand. In 2012, for one of its concert series featuring major artists, Pepsi used the tweets from the live audience in determining songs to be played and encores (Fromm & Garton, 2013, Pg. 84). This generation wants and craves a higher degree of engagement. It’s important that companies do not do this as a rarity and continue to engage Millennials and Generation Z. Even though brands can enjoy a big spike in interest when they engage, they risk losing their customers when they fail to continually engage them after their big even or launch. An example of this continuing engagement is MTV’s strategy for their *Teen Wolf* TV series. In 2012, *Teen Wolf* had just launched its second season. In the time between the first and second season, the show was steadily growing its fan base. During this time, MTV kept its fans (who were hungry for more) engaged through social media. They used Twitter, Facebook, Tumblr, and YouTube to create a monthly online campaign dedicated to Teen Wolf fans, which included solving a mystery through online interactions with the show’s creator and cast members. In addition to this, MTV launched a contest that rewarded a fan with a trip to the set of *Teen Wolf* as they were shooting the second season. This resulted in a positive outcome for MTV and the show. When the second season began, Teen Wolf had increased in popularity, gained 50% more Facebook fans, and received a 26% bump in their ratings. According to Stephen Friedman, President of MTV at the time, “This strategy allowed us to create multiple layers to a season, leading to a much tighter relationship between audience and shows, which is always appealing to sponsors” (Fromm & Garton, 2013, Pg. 93). For a company*,* it is no longer enough to provide a product or service, it is now just as important to engage the consumer in the product development and marketing process.

**MILLENNIALS AS INDUSTRY DISRUPTORS**

As Millennials reach their prime spending and working years, they are proving to be a disruptive force. Their sophisticated use of technology sets them apart from previous generations. While most generations have experienced technological advancements, the sheer amount of computational power and access to information that Millennials have had at their fingertips from an early age is unmatched by previous generations. Their close relationship with technology has set high expectations for companies trying to reach them. This has led to multiple industries being disrupted because Millennials are now becoming important consumers in the market place and companies that don’t keep up with their demands will not be able to survive. One of the industries being disrupted by Millennials is the cable industry. This insight will be important for companies that begin developing products for Generation Z because trends set by Millennials will only sharpen with Generation Z.

**Cable Industry**

Across the board, cable companies are seeing a shift in viewing trends. That is because more and more Millennials are choosing to stream video through over-the-top- (OTT) services, which deliver content through the internet without the need for traditional cable. Less than half of Millennials say they are paying for cable (Bliss, 2016). Furthermore, over half of Millennials are spending their money on online video subscriptions like Netflix, Amazon Prime, and Hulu Plus. These services are more likely to be a part of a Millennials budget than cable in an average month (Bliss, 2016).

With this shift in viewing trends, cable companies have begun focusing more on online video streaming. In 2015, Nielson reported that 40% of all U.S. households with a TV and internet used streaming services like Netflix, Amazon Prime, and Hulu Plus. Millennials demand for standalone and tailored services which provide more flexibility and less commitment, have already shifted the strategies of multiple cable companies. For example, in 2015, Verizon said that fully one-third of its FiOS customers had chosen the company’s custom TV skinny bundle, which gives the customer the option to customize their channels and provide more flexibility. Another example is Cablevision, which is now offering standalone streaming services such as HBO NOW and Hulu to meet the demand of Millennials choosing to video stream over pay-tv (Isidore, 2015).

**SUCCESSES AND FAILURES**

To better anticipate the needs of Generation Z as consumers, it is important to look at the ways companies have effectively marketed to Millennials and examples of companies that were unsuccessful at marketing to them. Before attempting to market to Millennials, companies need to know their pre-purchase habits, which include asking their friends and family, checking review sites, and searching multiple places for cheaper prices, deals, and coupons (White, 2015). This shows that Millennials research potential purchases by using the resources available to them. When it comes to reaching Millennials, companies need to remember that they are socially conscious and social media and internet advertisements are more effective than TV and radio advertisements. Marketing to Millennials through social media can be complicated because they like to connect with companies on social media, but only through their own terms. Most Millennials follow and “like” companies through social media but to get them to interact with a brand, there needs to be a promotion, coupon, or a post that applies to them (White, 2015). An important aspect for companies to remember is that Millennials can be easily turned off by advertising on social media that is perceived as too aggressive or inauthentic. This inclination will sharpen with Generation Z.

**Successes**

One characteristic to know about Millennials is that they are socially conscious. One company that understood this and implemented a marketing plan is Mondelez International, which makes Oreo cookies. In 2012, they took a bold step and decided to show their support for equality by creating an ad that had a rainbow color Oreo cookie. This ad was posted on Facebook and 38,000 comments and 226,000 likes, with most of the responses being positive (Neal, 2012). Millennials believe in equality for all and this ad gained much support from this. Another example of this comes from TOMS, a company that designs and sells shoes. TOMS has a unique business model, which for every pair of shoes they sell, they donate a pair to someone in need. This business model has helped TOMS grow into a multi-million dollar company and Millennials are happy to support this cause because “the company has created a culture where philanthropy and profit can co-exist and has encouraged customer interaction. Customers can share their stories, experiences, and photos as a way to raise awareness” (Weinstein, 2015). TOMS allowed Millennials to support a cause they believed in and made them feel they were making a difference by purchasing their shoes.

When marketing on social media, companies should keep in mind that Millennials are more responsive when they are rewarded for their participation. For companies, this can be an opportunity to let their customers know that they are not just a number and show that they are interested in building a relationship with them. For example, Sprinkles, a cupcake company based out of Beverly Hills, California, employs this strategy on Facebook. They do this by posting a secret word on their Facebook page that the customer can use to receive a free cupcake (White, 2015). Another example of this revisits the company Mondelez International. In 2014, at the South by Southwest festival, the company set up a “Trending Vending Lounge”, a “vending machine that invited attendees to print a custom 3D edible Oreo based on a trending topic/hashtag on Twitter…in real-time” (Kirkpatrick, 2014).

**Failures**

Along with looking at examples of brands that succeeded at marketing to Millennials, it’s equally beneficial to look at examples of when they were unsuccessful in their efforts to market a campaign or product to Millennials. This provides a deeper understanding of the way Millennials respond to advertisements and what companies can avoid when marketing to Generation Z. For companies, being perceived as young and dynamic is very desirable for their brand image. One way companies try to achieve this is by using “emojis” in their advertising and communications. An Emoji is a “visual representation of an emotion, object or symbol” (Da Costa, 2015). They have become a popular way for Millennials to communicate and over six billion emojis are sent around the world each day (Johnson, 2015). As a result, companies have started using emojis for everything from communicating with customers to customer feedback. Unfortunately, sometimes when companies use emojis to connect with Millennials, they can be perceived as trying too hard and awkward. It’s as if your parents are trying to connect with you by using the same language your friends use. This can make the attempt seem inauthentic and that can be a huge turn off for this generation. Millennials have a sensitive radar that starts going off whenever they sense somebody trying too hard to communicate with them. While it is true that 53% of Millennials think using emojis in text help them better understand each other, it is also worth noting that 60% of Millennials feel that businesses should tone down the use of emojis (Gitlen, 2016).

For example, during her campaign, to reach more young voters, Hillary Clinton often used Twitter. On August 12, she tweeted “How does your student loan debt make you feel? Tell us in 3 emojis or less.” This is a sensitive topic since 43.3 million students have taken out loans to finance their education and the total outstanding student loan debt in America is at $1.35 trillion (Gitlen, 2016). This tweet attempted to incite a conversation with Millennials who were struggling to pay back their loans in a fun and relatable way. Instead, it failed to capture the attention it was trying to get and was mocked by many Millennials. Some participated and responded with three emojis but many of the responses ended up poking fun at the candidate for trying too hard and using emojis to talk about a serious issue.

Another company that has used emojis to reach Millennials is Chevrolet. On June 22, 2015, Chevrolet released a press release in all emojis. The press release stated “Words alone can’t describe the new 2016 Chevrolet Cruze, so to celebrate its upcoming reveal, the media advisory is being issued in emoji, the small emotionally expressive digital images and icons in electronic communication.” The company also produced a TV commercial that features various focus groups evaluating 2016 Chevy Cruze using only emojis. This came off as trying too hard and it missed its mark. The TV ad on YouTube has 295 likes and 1,509 dislikes, which indicates that Millennials are not impressed with this attempt to reach a younger audience.

We can also look at FAFSA for examples of when marketing to Millennials has backfired. The federal student aid agency posted a photo meme on twitter of Kristen Wiig from the movie *Bridesmaids*, with the caption “Help me. I’m poor.” This tweet immediately sparked a controversy and received a flurry of negative tweets which accused the organization of being insensitive to the college students they serve. As mentioned above, student debt can be a sensitive topic, especially to the Millennials that are affected by it. While FAFSA’s intention was to relate to Millennials and the reality of their financial needs, their failure to be more considerate forced them to post an apology immediately (Ross, 2014).

***Google Glass***

Alongside rejecting marketing strategies, Millennials have also rejected products geared towards them. Google Glass is a famous example of this. Google Glass is an optical head-mounted display designed in the shape of a pair of eyeglasses. It was the must have gadget that was going to set the gold standard for wearable computers, but it failed to catch on and was not embraced by Millennials. One reason Google Glass failed was that it was released earlier than it should have, which caused it to lack in its utility and aesthetics. Rather than taking their time developing Google Glass and keeping it a secret, “Google trotted it out as an early ‘beta’ product that was somewhat functional but finicky and literally in your face” (Metz, 2015). Google Glass was plagued with bugs and technical issues. Google could have gotten away with having an unattractive and inconvenient design, with a bulky battery, if it performed its functions seamlessly. “Glass does a handful of things—it can take videos, give you turn-by-turn directions, make phone calls, or search the Web—but it doesn’t do any of them all that well” (Metz, 2015). Google’s intentions were in the right place with Google Glass because it attempted to create an assistant that allowed people to consume digital information at a glance, without reaching for your smartphone. The problem that led to its demise was that people couldn’t see the value in it.

Google Glass also raised privacy concerns, which received a great deal of negative attention in the press. Millennials feared it was invading their privacy and people were afraid of being recorded during private moments. “Right now, the implicit narrative in the popular press is that many people could be surreptitiously monitored by users of Google Glass at any time, and do not perceive any kind of value in return” (Hong, 2013). This perceived invasion of privacy contributed to the failure of Google Glass. The concern of privacy has come up many times in the past when new technology is introduced. For example, when cameras in the 19th century made it easy for consumers to take photographs in seconds, it sparked a public outrage. Some of the fears at the time were that people would use cameras on public beaches to take pictures of females bathing or people could have their picture taken while acting foolishly (Hong, 2013). While this type of concern might still exist today, it has largely been overcome due to transformations in technology and change in social norms and laws. Another, more current, example where invasion of privacy became an issue is Facebook’s popular News Feed. Before News Feed, you could only see a person’s status by going to their personal page. What News Feed did was bring together the status updates into one place. When it was first introduced, it was met with much negative feedback. Many Facebook groups were formed denouncing News Feed and even Mark Zuckerberg went public to respond to the press and defend News Feed. (Hong, 2013). Facebook stood its ground and did not budge on this new way of interacting with one another, and it proved to be a success. In just few months, much of the negative feedback faded away because people began to see the value in News Feed and embraced it (Hong, 2013). These examples can give us an insight to the challenges companies can expect to face when marketing to Generation Z. The lesson can be learned from this that over time, expectations tend to change about technology and understanding the real value in new and innovative technologies is a big factor driving that change.

**TRENDS FOR GENERATION Z**

As companies try to reach Generation Z, it’s important they know some key trends about them. These trends include Generation Z’s focus on innovation, insistence on convenience, underlying desire for security, and tendency toward escapism. Members of this generation were born into technology and they have an inherent comfort with the virtual world. They have never seen a world without the internet. As they grew from pre-teens to teenagers, great advances were made in technology which continue today.

**Innovation**

Because of this, technological product innovation is an expectation for Generation Z. “This generation is not surprised by product obsolescence and has a high expectation for the pace of ‘more, smaller, and better’ versions of technological products. Rather than feel outpaced and over-charged by planned obsolescence (as evidenced by their more frugal or market-cynical parents and grandparents), these consumers are likely to feel that constant innovation is a given” (Wood, 2013). Because this generation has had more choices in the market place than their predecessors, they rely on a products innovation, not just technologically but also in terms of design and aesthetics, to make their choices.

**Convenience**

Another trend is their insistence on convenience. This demand may be inherited from their parents, who are mostly part of the Generation X. Members of Generation X are roughly born between 1966 -1976. “Many Gen X-ers were latch-key kids, responsible for taking care of themselves and siblings as they grew up. They aren’t necessarily expert multi-taskers and have a heavy reliance on convenience goods. This use of convenience goods in the home is likely to rub off on Generation Z” (Wood, 2013). This demand for convenience is also a result of increased pressure on this generation to excel from an early age, so naturally they prefer products that offer convenience. For this reason, this generation is less affected by the characteristics of this new business environment than their parent’s generation, which include delivery charges for products, consumer monitoring, and lack of brick-and-mortar presence. Like Millennials, Generation Z are less concerned about privacy issues, if the result is convenience in their products (Wood, 2013).

**Security**

It is important to note that members of Generation Z were growing up during the 2008 financial crisis and “research from both the recessionary periods around the Great Depression and the 1970’s show that kids who grow up in recessions are often less confident, ‘settle’ in lower paid jobs, and are more fearful about financial difficulties” (Wood, 2013). However, how children respond to this kind of environment can differ by age, family situation, and personality. Because members of Generation Z experienced their parents being impacted by the financial crisis, they are more concerned with securing their future. That is why, in general, there is a greater interest in saving money and spending conservatively.

**Escapism**

The last trend for Generation Z is escapism. Escapism, defined by the Merriam-Webster dictionary, is the tendency to seek distraction and relief from unpleasant realities, especially by seeking entertainment or engaging in fantasy. This is very relevant for this generation. This desire to escape can be linked to the technology advances that “1) make entertainment products like video games more real and compelling, 2) offer greater 24-7 access to social networks, and, 3) offer greater mobility in devices that offer escapism (e.g., mobile phones with media and internet availability)” (Wood, 2013). Because of this trend, powered by computer based technology and products, Generation Z is likely to be a strong market for goods that cater to escapism. It’s important to note this trend has also been linked to childhood obesity and may gradually damage the skills in face to face social encounters and relationships (Wood, 2013). These trends and factors will have to be considered in order to successfully market to this new generation.

**SERVING GENERATION Z: AN INDUSTRY-SPECIFIC OBSERVATION**

As an example of how different businesses may serve the new generation consumer, we wish to focus on the restaurant industry as an example of the way in which firms can respond to a new generation of consumer. The restaurant industry has already begun to assess and tailor to the needs of Generation Z. When it comes to food, Generation Z wants convenience, choice, and customization. This generation is influencing restaurants market strategies, menus, and designs. Restaurants like Denny’s, Taco Bell, and Toppers Pizza are just a few companies attempting to market to this group of people. John Dillion, chief marketing officer for Spartanburg, S.C.-based Denny’s Corporation has said “Like other brands, we definitely are very in tune with the growing needs of Generation Z” (Ruggless, 2016).

Denny’s understands that Generation Z is tech-savvy and socially connected through their devices, which makes them a very informed consumer. This generation has so much knowledge at their fingertips so “they fact-check everything and turn to their online communities for advice and answers” (Ruggless, 2016). With this information at hand, Denny’s is communicating with Generation Z through social media platforms like Tumblr, Twitter, and Instagram. For example, a recent tweet by Denny’s included a poll, with more than 7,350 votes, that asked “favorite kin? 1) nap 2) pump” and pumpkin won with over 53 percent of the votes. This is Denny’s way to connect with Generation Z outside of their restaurants. “What we are trying to do in the digital and social space is to extend the diner booth and conversations that happen in the diner booth to play directly into that Generation Z mentality” said John Dillion from Denny’s (Ruggless, 2016).

Because Generation Z is a diverse group of people, they are more comfortable and familiar with different cultures, races, and ethnicities than previous generations. This also means that they have been exposed to global and regional foods, as well as, the health and wellness benefits of their diets. In response to this increased health awareness Taco Bell has obtained American Vegetarian Association certification for 12 menus items and has listed over 5.7 million possible vegetarian combinations available at their restaurants (Ruggless, 2016). It is also important that Generation Z know where their food is coming from and Toppers Pizza is listening to them and making changes. Scott Iversen, Toppers’ vice president of marketing has indicated that Toppers is investing in a new point-of-sale system, expected to go system wide by late 2017, that will disclose sources of ingredients data on each check (Ruggless, 2016).

Restaurants are also improving on their designs to better meet the needs of Generation Z. Having a social atmosphere has been key for some restaurants that want to attract this generation. This push to have a social aspect to a restaurant blurs the boundaries between restaurants and hangout spots. For example, Manchester Center, a firm that designs hospitality and leisure destinations recently designed a social club for their client in El Paso, Texas. This social club included food and beverages service, along with many opportunities to engage social interactions, including arcade games and foosball (Ruggless, 2016).

Restaurants should keep updating and innovating their strategies to appeal to Generation Z. This generation is always looking for what’s next and what they haven’t seen before. As mentioned above, restaurants are already catering to Generation Z’s needs by changing and updating their designs, technology, marketing strategies, and their menus. In order to keep in touch with Generation Z, restaurants must connect with them through multiple social media platforms. It’s through the different social media platforms that restaurants can get their messages seen.

**FUTURE INDUSTRY SEGMENTS**

In the previous section, we discussed a mature industry (restaurants), and how it could respond to the demographic changes that it encountered as millennials and Generation Z became consumers. In this section, we identify ten industry segments that are emerging and poised to become highly relevant industries in the industrial landscape of the future (Manyika, et al., 2013). We use our understanding of behavior by the new demographic to recommend what product categories might be useful to consider when attempting to serve Millennials and Generation Z as consumers in these newly emergent industries. Of course, traditional markets are not going to decline or go away, but the important variable to consider here is the emergence of new markets and industry segments, which will serve Millennials and Generation Z consumers predominantly.

**Mobile Internet**

In a matter of few years, internet enabled devices have gone from a luxury for a select few to a part of everyday life for more than a billion people with smartphones and any other internet enabled device. The technology of Mobile Internet, which consists of wireless technologies, small, low-cost computing and storage devices, advanced display technology, and advanced low-cost batteries is growing at a very fast pace and is being used to increase efficiency in business and the public sector. By the year 2025, Mobile Internet has a potential economic impact of about $3.7 trillion-$10.8 trillion. Firms need to realize that the mobile internet affects not just those firms that are in the industry, but those who can be potentially disrupted by it (in the way that Uber is disrupting the taxi industry).

**Automation of knowledge work**

Automation of knowledge work is intelligent software systems that can perform knowledge-work tasks. This can be used to augment the talents of highly skilled employees. As this is done and knowledge worker task can be performed by machine, it is possible that some skilled jobs could become fully automated. By year 2025, automation of knowledge has a potential economic impact of about $5.2 trillion-$6.7 trillion. Firms can use the automation of knowledge work to develop newer customer segments, more holistic models of customer service (like personalized medicine or 360 degree financial systems) and a better understanding of market needs. In order to do that, they can harness the power of Generation Z workers, who are not as intimidated by such regimes of automation than earlier generations.

**The Internet of Things**

The Internet of Things embeds sensors and actuators in machines and other objects to connect them with each other. This can be used to monitor the flow of goods through a factory and also monitor the flow of water through pipes. The Internet of Things allows businesses and public sector organizations to manager their assets, increase performance, and create new business models. By year 2025, Internet of Things has a potential economic impact of about $2.7 trillion-$6.2 trillion. The new generation represented by millennials and Generation Z is more likely to use, and devise uses for IOT that will provide avenues for increased productivity. This could be in the realm of work (RFID-based inventory control), leisure (gaming), and domestic use (security, energy efficiency, shopping applications) and a variety of other uses.

**Cloud technology**

Cloud technology can help deliver any computer application or service over a network or the internet. Cloud technology is already enabling the growth of internet based services, for example, search, streaming services, and offline storage of personal data. This technology will be able to provide greater flexibility and responsiveness for companies and government. By year 2025, Cloud Technology has a potential economic impact of about $1 trillion-$6.2 trillion. A variety of vendors offering customized cloud services are going to make traditional paradigms of IT services obsolete, and newer generations of workers are better suited to take advantage of cloud services, and future versions of it, such as fog computing. Also, cloud computing is better suited to serve the needs of younger consumers, who seek applications and programs that run on mobile devices.

**Advanced robotics**

Advanced robotics are capable robots with enhanced sensors, dexterity, and intelligence. They can be used to automate many tasks. These robots can allow the substitute for human labor in multiple manufacturing tasks and they can be applied in service jobs as well, such as cleaning and maintenance. By year 2025, advanced robotics has a potential economic impact of about $1.7 trillion-$4.5 trillion. Automated and precisely programmed robots can help obviate the need for humans to participate in hazardous work, and also provide precision in work that requires high levels of dexterity, such as the assembly of highly calibrated electronics. They can also help in providing long term care for an ageing population, perform complicated repairs of spacecraft, and work in atmospheres where human life is unviable (such as underwater).

**Autonomous and near-autonomous vehicles**

Autonomous or near-autonomous vehicles can navigate and operate autonomously in many situations. This technology can spark a revolution in ground transportation. The possible benefits from this technology include better safety, reduction in CO2 emissions, and increased productivity in the trucking industry. By year 2025, autonomous or near-autonomous vehicles have a potential economic impact of about $0.2 trillion-$1.9 trillion**.**  Automated vehicles have the potential to transform the trucking industry, transportation technology, reduce accidents and serve the needs of those consumers whose ability to drive has been impaired by age or disability.

**Next-generation genomics**

Next-generation genomics are fast, low-cost gene sequencing, advanced analytics, and synthetic biology that can allow scientists to test how genetic variations can bring about specific traits and diseases. This can allow scientists to improve medicine, agriculture, speed up process of drug discovery, and write DNA. By year 2025, next-generation genomics has a potential economic impact of about $0.7 trillion-$1.6 trillion. The emerging trends of personalized medicine have the potential to lengthen life expectancy, provide highly specialized regimen to patients facing life-threatening injuries, calibrate the delivery of nutrition to infants, and provide monitoring facilities to a variety of patients.

**Energy storage**

Energy storage technology are devices or physical systems that store energy for later use. In the coming years, advances in energy storage will make electric vehicles cost competitive with vehicles that use gas. Another benefit of this is it can potentially bring power to developing countries in areas that have never had power. By year 2025, energy storage has a potential economic impact of about ~$0.1 trillion-$0.6 trillion. Millennials and Generation Z are more likely to use a lot of energy-consuming devices on the move. The presence of dependable energy sources such as self-charging phones, solar-powered devices and self-recharging batteries, which are renewable and present a smaller carbon footprints than traditional batteries, are a welcome source of optimism to conservationists and convenience-seekers alike.

**3D printing**

3-D printing uses additive manufacturing techniques that create objects by printing successive layers of material using digital models. With this technology, an idea can go straight from a 3D design file to a finished product, eliminating the needs of some manufacturing steps. It can also reduce the waste that is created in the manufacturing process and create objects that are difficult to produce with current and traditional techniques. By year 2025, 3-D printing has a potential economic impact of about $0.2 trillion-$0.6 trillion.

**Advanced materials**

Advanced materials are materials that have superior characteristics such as better strength and conductivity or enhanced functionality such as memory or self-healing capabilities. This kind of material could help create new types of displays and efficient batteries and solar cells. By year 2025, advanced materials have a potential economic impact of about $0.2 trillion-$0.5 trillion.

**Advanced oil and gas exploration and recovery**

Advanced oil and gas exploration and recovery are advancements in exploration and recovery techniques that make extraction of additional oil and gas economical. As these techniques improve, it will provide access to more energy and help industries grow that rely on it. Also, it can help unlock new types of energy sources like coalbed methane, tight sandstones, and methane clathrates. By year 2025, advanced oil and gas exploration and recovery has a potential economic impact of about $0.1 trillion-$0.5 trillion.

**Renewable energy – solar and wind**

Renewable energy is energy that come from sources such as solar, wind, hydro-electric and ocean waves that reduce the harmful impact on climate. These energy resources are being adopted by advanced economies. Also, developing countries like China and India have also set plans for solar and wind adaptation. By year 2025, renewable electricity has a potential economic impact of about $0.2 trillion-$0.3 trillion.

**CONCLUSION**

In this paper, we attempted to use insights from organizational behavior and organizational theory to analyze ways in which firms can help serve the needs of newly emergent organizational subjects and consumers. In that respect, our research joins those who study the impact of demographic shift on firm structure (Woods, 2016), workplace motivation (Kultalahti & Viitala, 2014), organizational leadership (Barbuto & Gottfredson, 2016), socialization (Durocher, Bujaki & Brouard, 2016). Broadly, our study responds to a call by researchers to study the impact of generations on organizations (Joshi, Dencker & Franz, 2011). We conclude that the demographic shifts in the workplace and in the consuming workforce presents formidable challenges to firms, some of whom view this as an opportunity, while others experience as a debilitating threat. We also analyze products that worked and products that failed, in an effort to conclude ways in which firms may create products for generation Z. This can be based on the understanding that new generation consumers *learn* differently, use *social media* differently, and *actively participate* in the creation of products, through engaged feedback with firms.

Our analysis is based on the realization that the new emergent demographic differs from earlier generations in significant, non-trivial and unique ways, which presents both a threat and an opportunity to firms, as they search for consumers to satisfy and organizational subjects to deploy in the service of economic success. It is well known that as generations emerge into maturity, it presents multiple challenges for firms. However, in this age, the challenges have become much more intense due to technological trends. Millennials have been at the forefront of this. These trends will carry on and become more relevant with Generation Z. Generation Z will define the immediate future of consumer behavior. Companies that learn how to market to this generation and engage with them will have a competitive advantage in the market place.

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