

Gen Alpha: The next economic force

There has been considerable discussion of Generation Z and their purchasing power. Marketers' strategies have evolved to communicate with a younger generation that values transparency and authenticity when making purchases. However, before marketers declare victory, it's important to note that the next generation, Generation Alpha, has already arrived and is demonstrating incredible purchasing power.



Source: www.pexels.com

Who is Generation Alpha exactly? They were born after 2010, which means the oldest member of this group is only 12 years old. And, while they are not physically holding the card or hitting the purchase button, they are making several behind-the-scenes decisions and are ultimately the customer for a large number of purchases.

According to research conducted in the United States, four out of every five Gen Alpha children have a substantial influence on family purchases, and children under the age of 12 impact \$500bn in purchases each year.

Marketers who continue to disregard this generation as too young should consider the fact that they are already generating revenue on social media platforms. And, if you're still not convinced, consider this: 87% of parents report that their children have an effect on their shopping habits.

Here are insights into why businesses should include Generation Alpha in their marketing plans.

Generation Alpha will determine the line between success and failure

Generation Alpha is significantly more informed about what is available in the world than previous generations, and simply need to tug on their parents' heartstrings - or, more precisely, wallet strings - to get what they desire.

"Typically, Alpha generation children have parents who are between the ages of 20 and 50. These are the most digitally active and economically able cohort on earth. This, combined with a modern world where the ability to purchase and deliver products has never been more convenient, means that Generation Alpha might truly make the difference between success and failure in certain industries," explains Brent Haumann, MD of Striata Africa.



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According to Haumann, this enables businesses to benefit from the Alpha Generation Effect, which is the capacity to build purposely inclusive marketing experiences that consider both parents and children. This creates potential for tourism, retail, banking, and not-for-profit organisations. Marketers may use the Generation Alpha Effect by developing digital experiences targeting the parent (they can determine the parent's profile, travel context, and channel preferences, for example), but they design the content to appeal to the child.

A generation where social issues matter

"Gen Alpha, born in the same year as the iPad, has had such unfettered access to screens, the internet and social media, that their influence on purchasing decisions has multiplied," explains Amy Duncan, client service manager at Sea Monster.

However, their influence can, and should, be leveraged for the greater good. Duncan adds that data from Lemonade Day, an educational, entrepreneurial programme aimed at children between the ages of 7 and 13, indicated that 20% of participants planned to open a savings account. And they weren't the only ones opening accounts. Parents, influenced by their children, were also actively looking to save.

"Generation Alpha has been exposed to not only screens, but also to social issues such as diversity, equality, and mental health issues. In short, Generation Alpha's influence extends far beyond which cereal brand ends up in the trolley; their true power is as a force for good, influencing their parents to learn more, to make better financial choices, and to take better care of their health and the environment."

A digital presence is a must

"As a digital-first market age group, Gen Alphas' buying habits will be centred around tech, from the moment they first hear about your product or service to when they purchase it," says Tshepo Matlou, head of marketing and communications at online travel platform, Jurni.

"As a business, you have to recognise the shifts happening in social behaviour and divert from traditional strategies by timeously adapting your consumer-interfacing strategies to survive," he adds.



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Matlou also urges anyone in the tourism sector to do all they can to grow their digital footprint to meet the modern travellers of both today, and tomorrow. As the parents of Gen Alphas, Millennials already search, shop and pay for their travel accommodation and experiences online - a trend that will only grow as tech-savvy Alphas become economically active.

“In just a few years, people have gone from using travel agents and pamphlets at tourist boards to find holiday accommodation, to exploring properties in virtual reality. Imagine the dramatic shifts to come with Alpha customers, who will probably prefer to interact completely virtually instead of in-person. If your product or service offering has no online presence, you’ll be invisible to consumers for whom technology is intrinsic.”

Expectations are higher than those of Generation Z

Generation Alpha, according to Andrew Bourne, regional manager at Zoho Africa, will place an even larger focus on the expectations that Generation Z now has.



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Andrew Bourne 13 Sep 2021



"These include authenticity (how are you helping the environment), transparency (assist them in comparing and making sound purchase decisions), a real customer relationship (they like bots and AI, but they also want to speak with a real human), mobile-first (if you email a PDF that requires printing, they will not do business with you), and efficiency (assist them in saving time).

"By focusing on delivering an exceptional customer experience that exceeds your consumers' expectations," Bourne continues, "you can earn Generation Alpha's loyalty."

Long-lasting connections

Brands who continue to downplay Generation Alpha's importance in their marketing efforts are playing a dangerous game. Early engagement with this younger population will result in a long-lasting brand connection, leaving competitors in the dust.

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