



Gen Alpha: An Influencing Power Driving CX

Is your business ready?



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Executive Summary

Today we have a new generation **comprising more than 14% of the world's population** who are influencing the purchasing behavior of their household and emerging as future consumers. **Say hello to Generation Alpha**, the children born after 2010, ranging from 0 to 12 years old.

In this report, YouGov, in partnership with Infobip, conducted online research across the UK and France to provide an overview of Generation Alpha, their technological and social expectations for CX, and how businesses can start preparing to win the future customer of 2030.

We explore what the next decade of connectivity-powered transformation looks like and how Gen Alphas' relationship with technology is shaping the future of customer experience. Some results suggest that this generation might even be more comfortable interacting with technology than humans.

With this research, we aim to be at the forefront of communication innovation by gaining a better understanding of

our future customers and how they communicate. Our platform will serve as a key platform for all global organizations looking to digitally transform, innovate and build a forward-looking customer experience framework that moves their companies into the future.

The combination of the age of the information and the age of the customer has borne the need for a digital transformation within customer experience. This has been growing steadily, but thanks to the pandemic, this has accelerated the need exponentially. To survive, businesses should carefully map their customer experience to ensure consistency and quality across every single touchpoint.

They will need to incorporate speed and agility into their business strategies and work effortlessly to discover new methods to engage with Gen Alphas and drive loyalty early on. Adopting omnichannel communication is also crucial as this younger generation is growing up with more channels at its disposal and is already gravitating

towards instant and frictionless interactions. They will demand improved customer journeys and will become more accustomed to a business's sustainability, ethical credentials, data privacy, and responsible governance.

Prediction isn't an exact science, but we can draw certain conclusions about the business landscape and CX of 2030 based on Gen Alpha's existing attitudes and behaviors. For businesses looking to thrive, it's time to act now. Invest in a "co-creator" cloud communications partner that will center the entire customer engagement, from marketing to sales to execution, around working together to discover solution requirements based on your business needs.



Ivan Ostojić
Chief Business Officer, Infobip



Today's generation of children has grown up in **a world of technology.**

It's a radically different upbringing to that of Baby Boomers, Generation X, Millennials, or even Generation Z. The way these young people communicate with others and the kinds of experiences they gravitate towards will be fundamentally different to those before them.

Members of 'Generation Alpha', the term we use to refer to anyone born after the

year 2010, are as inquisitive as they are technologically adept. And by 2030, they will have become customers in their own right, making purchases using their own money and interacting with businesses and organizations. They will bring their socially conscious attitude to the products and services they use or resistance to friction-filled customer

journeys.

Generation Alpha is growing up in a time of tectonic shifts. The pandemic accelerated digital transformation initiatives, with many businesses scrambling to adjust to the digital demands of online services and working remotely.

Young people are increasingly weighing up their decisions based on **climate impact.**

This had a direct effect on the way businesses interact with their customers: A study from McKinsey found that the health crisis accelerated the digitization of customer interactions globally by three years. The way that people connect with businesses has changed quickly, and Generation Alpha will push this digitization even further in years to come.

Meanwhile, climate change is driving another set of challenges. While businesses must negotiate the ongoing volatility, Generation Alpha's attitudes and behaviors will inevitably be shaped by it. Deloitte's latest report into sustainability and consumer behavior found that Generation Z is the most inclined to change their lifestyles based

on the environment, with 45% no longer purchasing from certain brands based on ethics or sustainability concerns. Young people are increasingly weighing up their decisions based on climate impact.

Introduction



Digital born and raised



The first members of Generation Alpha were born in the same year that the iPad was launched. Its members have only known a world of instant and on-demand technology. For them, information and entertainment are only a touch away. Of course, they have yet to become particularly active consumers,



but they already have plenty to say.

The best way to get to know today's young people is to ask them questions – so we did just that.

In June 2021, YouGov, in partnership with Infobip, conducted online research across UK and France. It produced



a range of findings, from the way members of Generation Alpha interact with others to the devices they use.

Some of the results suggest that Generation Alpha might even be more comfortable interacting with technology than humans.

The only ‘true’ digital natives

It will come as no surprise that Generation Alpha is accustomed to using smart devices from an early age, whether it’s a tablet or a smartphone. Such devices have become ever-present in everyday life, from homes, workplaces, and, increasingly, inside the classroom.

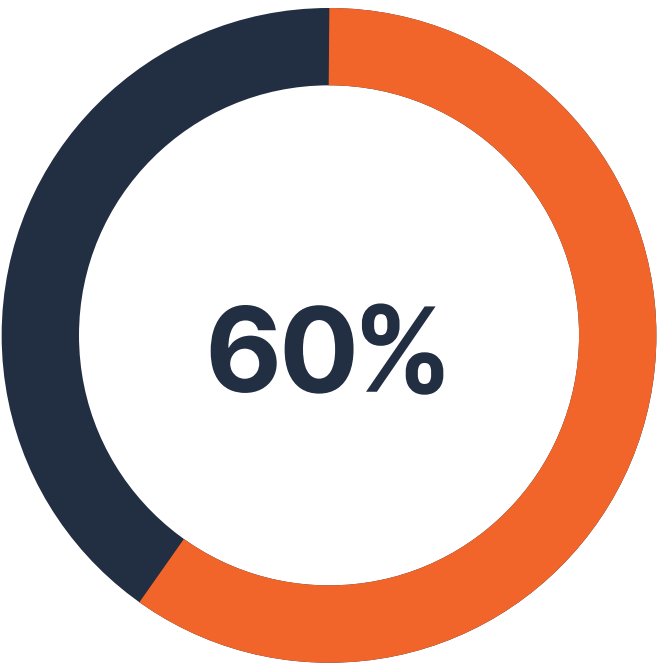
The extent of this younger generation’s usage is especially notable since it is taking place in its formative years.

Generation Alpha’s relationship with smart technology begins early.

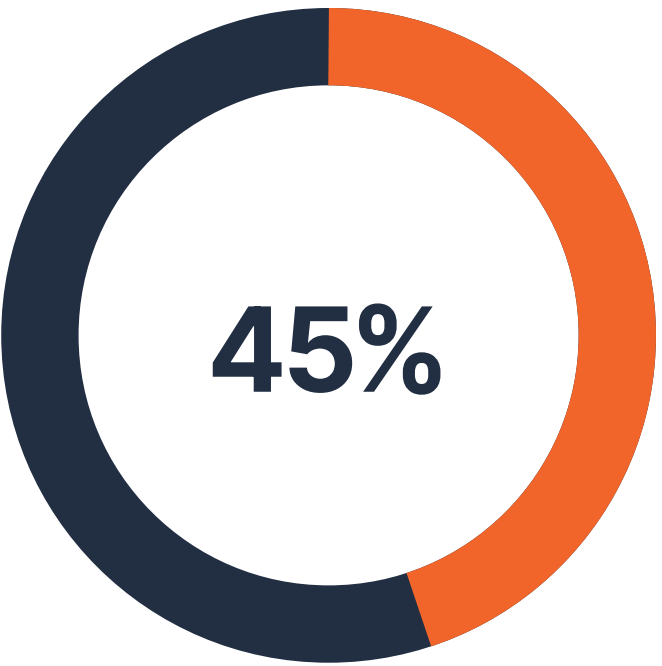
Between the ages of 6 and 11, more than two-thirds (77%) have access to a tablet, and more than half (59%) of them have access to a smartphone – in other words, the majority already have a sophisticated digital device in the palm of their hand. This understanding of Generation Alpha’s formative years is likely to be applicable across developed

nations in Western Europe.

The level of adoption of smart devices amongst young people in these regions is high. The UNCTAD’s Technology and Innovation Report 2021 found that 65% of individuals in developed countries have basic computer skills. This percentage is likely to grow in the coming years as Generation Alpha comes into its own as a tech-enabled generation.



of children surveyed who have an iPad or tablet used one by their fifth birthday, and almost 38% of those with a smartphone used it by the same age.



of these children have their own smartphone, while a further 46% use a smartphone belonging to a family member.

Instant interactions

Generation Alpha’s early adaptation to smart technology feeds into the way its members communicate. They are used to interacting with their peers and family using digital channels.

The vast majority are versed in instant messaging: a separate survey shows that by 11 years old, 73% of UK survey

respondents are using WhatsApp on their smartphone or tablet. Respondents favor video calls over other forms of communication such as voice calls or emails.

This younger generation is growing up with more channels at its disposal and is already gravitating toward newer

technologies.

Social media is also part of Generation Alpha’s channel mix, despite the minimum age for all major social platforms being 13. More than a fifth (22%) of all survey respondents have an active social media account.



Some members of older generations are most comfortable when talking to organizations over the phone. They will always prefer to bypass chatbots or instant messaging in favor of a voice-based interaction with a customer representative. We can already see that Generation Alpha’s preferences are fundamentally different, with a premium placed on instant messaging and video-based experiences, as well as interacting via social channels.”

Nikhil Shoorji, MD, Europe, Infobip

Here’s a **breakdown of the channels** used across the 6-11 age range

WhatsApp 37%
FaceTime 35%
SMS 29%
Voice Calls 26%
Emails 22%



Total sample size was 619. Fieldwork was undertaken between 25th - 30th June 2021. The figures have been weighted and are representative of all UK children (aged 6 to 11)

Tech knows best

One of the implications of Generation Alpha's **tech-savvy upbringing** is that its members are already accustomed to using smart devices connected to the internet as a source of information.

Interactions with AI are being normalized by the increasing use of smart speakers in homes to provide information and solve problems.

Members of Generation Alpha can find answers to their questions independently with the help of a search engine or an AI assistant. **Almost two-fifths (39%) of survey respondents who use a smart device to complete school work. 30% have used a smart device to answer a question or help them, rather than asking their parent or guardian.**

While in the past, the idea of a child reaching for a personal device in a classroom setting was unthinkable. However, the positive role that smart devices can play in education is increasingly being recognized. Individual tablets can be useful for tailored learning.

In contrast to traditional courses, which feature a single teacher instructing students, a digital tool can adapt to each child's level, depending on their

comprehension or level of attainment in a subject. This growing appreciation of smart technology in the classroom will only accelerate digital adoption within Generation Alpha. However, technology is not divided equally.

An OECD study found that more students in advantaged schools (59%) had access to an effective online platform than students in disadvantaged schools (49%).



Generation Alpha is learning habits that are radically different from the ones older generations developed at an early age. Its members are accustomed to a world of efficiency and smart technology, so when they're presented with problems, they expect to be able to receive swift answers and solutions. The way that they learn reflects this shift, although this does vary both in terms of socio-economic background and geographical location – young people in North America and Western Europe have more access to technology and STEAM education than those in other parts of the world."



Marin Trošelj,
Chief Executive Officer at STEMI

GEN ALPHA: AN INFLUENCING POWER DRIVING CX

Meet the customer of 2030

By 2030, the first members of Generation Alpha will be adults and begin to have more direct customer interactions with businesses. They are the customers of the future, with new values and new expectations that will challenge businesses to “do better”. Members of Generation Alpha will expect instant,

frictionless digital experiences using the same channels they use to interact with colleagues, friends, and family. This generation will demand improved customer journeys and services.

It will also be attuned to a business’s sustainability and ethical credentials.



(Im) patience is a virtue

As customers, members of Generation Alpha are likely to continue to have high expectations when it comes to frictionless experiences and instant gratification.

Their unprecedented adoption of smart technology at an early age places fact-finding and communication tools at their fingertips, and they will expect the right information at the right time, even when on the move.

If an authentication process at a specific bank is not frictionless and intuitive,

Generation Alpha is more likely to switch to a competitor that offers a better experience. These new customers will not wait for relevant services and experiences and will come to expect proactive communication that responds to their needs in real-time.

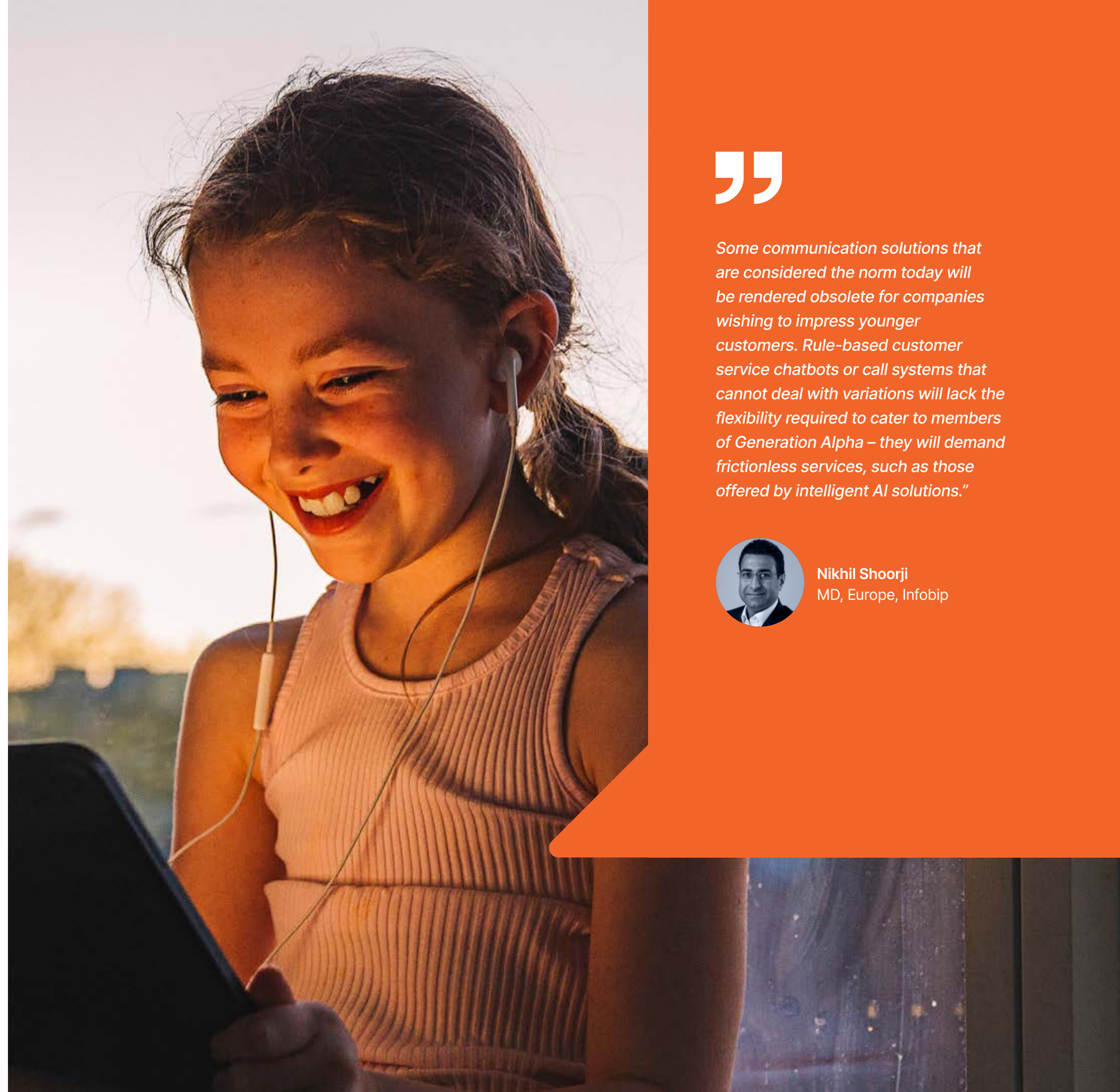
Businesses will need to optimize towards time, using solutions with the flexibility to deliver outcomes for customers fast and in a way that's tailored to them.

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Some communication solutions that are considered the norm today will be rendered obsolete for companies wishing to impress younger customers. Rule-based customer service chatbots or call systems that cannot deal with variations will lack the flexibility required to cater to members of Generation Alpha – they will demand frictionless services, such as those offered by intelligent AI solutions.”



Nikhil Shoorji
MD, Europe, Infobip



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Generation Alpha will expect to interact with businesses in the way that is most convenient for them, be that physically or virtually.

In 2030, technology will allow businesses to be closer to customers than ever before: Experiences should be tailored to each customer, both in terms of content and how they are delivered.”



Adrian Benić,
Chief Product Officer, Infobip

The future is personalized

We have all seen retinal scans used to identify individuals in blockbuster films such as the Minority Report for decades. Such forms of biometric authentication are already being used to offer convenient security processes for customers.

But the broader principle of knowing who customers are goes beyond

identifying their retina or fingerprints – companies need to understand what makes them tick.

Every customer is unique, and members of Generation Alpha will expect to be treated as individuals with their own interests and values. Personalization will be paramount when communicating with customers.

It will need to be relevant and triggered-based on their contextual experiences throughout their purchasing journey. In response, businesses should leverage customer data relating to behavior and sentiment to tailor messaging, content type, and timing.

Values and environmental, social and corporate governance (ESG)

By 2030, ethical practices will be non-negotiable – especially for Generation Alpha. While fair treatment of workers, diversity and inclusion, and environmental initiatives that were once considered “nice to haves” are now a must for businesses with increasing pressure to offer well-thought-out ESG programs that go far beyond paying lip service to an individual’s values.

We are already seeing younger consumers placing a premium on their values when compared to older generations. Our research found that nearly a quarter of UK gen alphas aged 18-24 (24%) are more likely to engage with, or purchase from, a brand giving back to society through sustainability, environmental, or charitable initiatives.

A fifth of 25-34 year-olds felt the same. However, only 13% of people aged 55+

care if a brand is giving back. When it comes to ESG, the direction of travel is clear.

On our current trajectory of greenhouse gas emissions, the world is likely to have warmed to 1.5°C degrees above pre-industrial levels by 2030. This will be accompanied by a rising number of extreme weather events, which will disproportionately affect economically developing nations.

Generation Alpha will expect businesses to put their money where their mouth is when it comes to sustainability. Research from Accenture in 2020 found that two-thirds of consumers (67%) already expected companies to invest in sustainable and fair solutions for the long term. The consumer of 2030 will place even more emphasis on solutions. **Forms**

of “greenwashing”, by which companies apply a veneer of social responsibility to otherwise environmentally deleterious products and services, will no longer be accepted – especially given Generation Alpha’s ability to easily access information.

Some companies are already delivering upon these higher expectations. Examples include outdoorwear brand Patagonia donating 100% of their Black Friday sales to environmental causes and COOP DK, a Danish grocery chain that enables shoppers to see the carbon footprint of their basket using an app. There are ways that we can meaningfully give back, educate, and innovate to create better solutions to the challenges we face, and Generation Alpha will compel us to explore them.

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Consumers today are more aware of ESG issues than those in the past, and this trend will continue into 2030. Generation Alpha understands the need to reduce greenhouse gas emissions and change behaviors. Equally, it will not stand for unethical business practices.”



Marin Trošelj,
Chief Executive Officer at STEMI

There are ways that we can meaningfully give back, educate, and innovate to create better solutions.

My data, my choice

The adage “if something is free, you are the product” has been around since the 1970s, but it has gained new meaning with consumers increasingly aware that information about their interests and habits drives targeted advertising.

Data privacy fundamentally comes down to trust – this is the case today and will remain so in 2030. Research from McKinsey found that consumers are more likely to trust companies with their data’s privacy and protection based on specific actions. 52% of consumers consider a business trustworthy if it doesn’t ask for information that is not directly related to the products or services.

Other actions considered trustworthy include responding quickly to data breaches and not collecting passive data such as clicks or browsing history.

Generation Alpha is likely to have more awareness of data privacy and responsible governance. Although the majority of its members are unlikely to engage with the complexities of specific regulations, such as GDPR or the California Consumer Protection Act, they will be attuned to corporate behaviors such as good governance, due diligence, and clear communication.

Laying the foundations for the future

Generation Alpha will be a catalyst for change. While older generations have grown used to certain standards and ways of interacting with businesses, members of this generation won't settle

for the status quo. They will demand better from businesses – better customer journeys, better services, and better ESG. The businesses that deliver this will thrive.

But what does delivering upon these expectations **mean in practice?**



Work like it's 2030

Before digital transformation projects commence and new technology or people are introduced, businesses need to get their houses in order. Rigid, “old-fashioned” management models often lack the flexibility required to innovate – a problem that becomes more significant in larger companies. In major corporations, change is often based on incremental improvements, rather than radical change, due to the scale of cultural and organizational barriers.

Many businesses today also operate in silos, both organizationally and technologically. The result of these silos is compartmentalized insights and decision-making that limit their ability to seize market opportunities or tackle challenges. Without breaking down these silos, it's impossible to deliver consistent experiences to customers.

A decentralized organizational model is the future. By moving beyond

hierarchies and silos, businesses can empower employees to collaborate and work across teams, delivering the best possible experiences for customers. Smaller businesses will find it easier to adopt an adhocracy-based model with the flexibility to serve the right need in a particular moment, rather than a bureaucracy with strict hierarchies and rules.

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The most important thing a business can do is change its operating model. Organizational problems are holding companies back – if they can overcome them, they will see compounding value in the long term with every opportunity seized and solution delivered.”

Adrian Benić,
Chief Product Officer, Infobip

Data, data, data

Data plays a fundamental role in driving the technologies that can provide members of Generation Alpha with the experiences they will expect in 2030. **Without data, it's impossible to deliver intelligent, seamless customer journeys.**

To achieve this, data needs to be connected and made available across all verticals and technologies, as well as being sorted and embedded properly in customer journeys.

Any digitally-enabled interaction generates data. This data can then be leveraged to improve future communications, providing insights into customers' interests and the kinds of experiences they engage with. This is especially important if they have a

negative experience: There's nothing more frustrating than having an issue with a retailer, and the company continues to send you communications about irrelevant products and promotions as if there's nothing wrong.

Data can shape consistent journeys and experiences that demonstrate a clear appreciation of a customer's circumstances.

With the right customer data management platform, businesses can

also predict customers' needs. Predictive analytics can draw from an array of variables to inform communications with customers and forecast behaviors. This could be anything from the buying or engagement patterns of similar customers to factors such as the weather. **The more high-quality data algorithms have, the better their predictions are, and they can improve over time via machine learning. The earlier companies embark on their data journeys, the better.**

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Businesses should implement platforms that enable them to capture data and structure it in a way that can be used effectively. Based on this data, they can start being more proactive with their customers and tailor journeys to their wants and needs. This is an ongoing process, both in terms of improving systems architecture and observing changing regulatory environments, especially around data sovereignty.”



Nikhil Shoorji, Managing Director,
Europe, Infobip

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Friction is the enemy of convenience, and businesses today are full of friction. The idea that customers should come to you to communicate via a particular channel is a thing of the past. As customers are given more and more choices, there will be less and less loyalty, and it will be the nimble companies that can engage with them on their terms that succeed. A channel-agnostic approach is at the heart of delivering these kinds of flexible experiences.”



Adrian Benić,
Chief Product Officer, Infobip



The future is channel agnostic

The customer journey of the future needs to be delivered with intelligent communications solutions that can deliver exceptional experiences. Customers won't think in terms of discrete channels, so neither should businesses.

This is something that so-called 'multi-channel' approaches overlook; by defining a finite number of channels, they risk closing off opportunities to engage with customers on their terms. In practice, channels are the means of providing relevant and valuable

content to consumers. Focusing on experience allows for a broader view of how businesses can interact with customers. Customer management should be approached within a single platform for clear visibility of all the relevant information and previous communications. A unified, 360° view of your customer interactions allows for a true omni-channel communication approach.

The secret to great customer journeys is providing all the options and letting the customer choose. With the right

platform, businesses can cater to customer needs, irrespective of the channel they prefer. The future is likely to be video and mixed reality content and new digital technologies.

This could also include metaverses, which allow for more immersive online interactions using technologies such as virtual reality. Using the right channels at each stage of the customer journey is key to ensuring your business is prepared for the hybrid digital-physical experiences that await us.

The right answer at the right time

The customer of 2030 will **demand better journeys** than those we see today.

Any customer journey mapping exercise will result in them being linear, but this isn't how customers behave today, and it won't be in the future.

Rather than mapping linear processes, businesses should once again think in terms of experiences. Event-driven processes allow different parts of a journey to trigger any number of relevant experiences based on a customer's preferences and location.

AI chatbots will be vital tools for more flexible interactions, delivering timely communications that provide useful information and accurate answers. The majority of Generation Alpha's members will not have the same reservations about AI-powered interactions as their elders. They will value personalization, consistency, and proactivity in any solution or product they purchase.

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Businesses will need to be proactive in the way they provide future customers with relevant information and content. Connected journeys will allow for personalization, as well as the removal of friction – for example; a journey would use a single, secure authentication process, rather than forcing customers through multiple disconnected interactions.”



Nikhil Shoorji,
Managing Director, Europe, Infobip



Listen to Generation Alpha. Listen to what's in the news. Don't fight change – you can delay it, but you can't avoid it."



Ivan Ostojić
Chief Business Officer

The prospect of new customers and a smart new world may seem daunting to some businesses. Change can be difficult, especially on an organizational level, and the demands of Generation Alpha will be different to any generation that came before.

Digitalization is at the heart of the transformation that businesses need to undergo. By investing in CX solutions, they can position themselves to better serve the customer of the future. Businesses shouldn't be afraid of legacy systems as they undergo change; they can be augmented by platforms. Ultimately, a unified view of

customer data and all the interactions they have had with a business can deliver frictionless and personalized experiences. 2030 is closer than you might think, and we are already seeing industry leaders digitizing rapidly. A failure to develop systems or invest in the right technologies will leave your business lagging behind.

While such slick experiences will get Generation Alpha's attention, it is a comprehensive ESG strategy that will address the issues of sustainability and social justice. These customers will have the tools and the know-how to hold businesses accountable, so businesses

will need to practice what they preach. This starts with measuring the impact that they have on the world around them: Once they know the environmental and social impacts of their operations, they can take steps to deliver better ESG outcomes. At this point, it is incumbent on organizations to take action.

To meet Generation Alpha's expectations, businesses must undergo a transformation. Done right, they can adapt to the needs and behaviors of Generation Alpha, appealing to them with personalized experiences that blend effortlessly into their connected lives.

Summary

To discuss the steps you need to take to **engage the customer of 2030**

[Contact An Expert](#)

The Infobip Advantage



Global reach and local presence

- ✓ 700+ Direct operator connections
- ✓ Connect with over 7 billion people and things
- ✓ Strong enterprise client base
- ✓ 70+ offices on 6 continents

Our local presence enables us to react faster and have everyday interactions with our customers, providing solutions in-line with their needs, local requirements and based on proven global best-practices.

Remarkable customer experience

- ✓ Technical expertise
- ✓ Solutions consultancy
- ✓ Customer success management
- ✓ 24/7 support and network monitoring

We will help you to get up and running in no time, whether it's assisting with integrations, messaging best practices or solutions consultancy.

Scalable, fast and flexible solutions

- ✓ Best-in-class delivery rates
- ✓ High speed and reliability
- ✓ Low latency
- ✓ In-house developed platform

Our solutions are created to adapt to the constantly changing market and communication trends at speeds and levels of precision and personalization that only an in-house solution can offer.

Own infrastructure

- ✓ Locally available services
- ✓ Compliance to local regulations
- ✓ 40 data centers worldwide

Our worldwide infrastructure easily scales horizontally, leveraging the hybrid cloud model to never run out of resources. Our built-in global compliance engine is constantly updated with the latest in-country regulations and operator requirements.



Platinum Winner as the Best SMS Firewall Provider 2022
Platinum Winner as the Best CPaaS Provider in 2022 & 2021
Platinum Winner as the Best RCS Provider in 2021
Platinum Winner as the Global CPaaS Provider in 2020
Platinum Award as the EMEA CPaaS Provider in the 2020
Platinum Award as the Best RCS Provider in 2020
Gold Award as the Best Digital Identity Solution in 2020



CPaaS Leader in IDC
Marketscape 2021



Messaging Winner 2021
Best Customer Engagement
Platform 2020



ROCCO

Best A2P SMS Vendor as rated by MNOs 2017, 2018, 2019, 2020, 2021, 2022
Best A2P SMS Vendor as rated by Enterprises 2019, 2020, 2021
Best SMS Firewall Vendor as rated by MNOs 2017, 2018, 2019/2020, 2021
Top Vendor Innovator of 2022



Winner -
COVID-19 FAQ
Chatbot over
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