



GEN ALPHA
IS READY TO

DISRUPT

BY TRACY D. HOLLOMAN

They're about to inherit \$84T and are itching to spend. The bad news, says **Maria Vallis, CEO of Hypothesis**, is that they couldn't care less about your executive agenda.

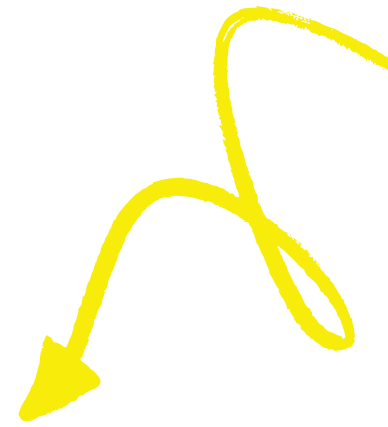


s you read this, Baby Boomers and Gen X'ers are passing down an unprecedented \$84 trillion—the largest intergenerational wealth transfer in history—to their children and grandkids, Gen Z and Gen Alpha (i.e., those born between 1997 and 2030). This isn't just a financial shift—it's a complete disruption of how businesses will need to operate in the coming years.

These next-gen consumers aren't just wealthier—they're rewriting the rules of the game. Case in point, Gen Z and Gen Alpha don't think like previous generations, and they certainly don't buy like them. Their expectations are sky-high, their patience is razor-thin, and their demands for digital-first, hyper-personalized, and ethically-driven experiences are non-negotiable.

While older generations learned to shop online, Gen Z and Gen Alpha grew up expecting instant, AI-curated recommendations, social influencers driving their purchase decisions, and seamless digital experiences. Uniquely, this generation is the first to be born into AI. They prioritize experiences over ownership, and if a company's values don't align with their own, they'll abandon it without hesitation. Forget brand loyalty—this generation is loyalty-proof unless businesses continuously earn their trust.

For senior executives, understanding Gen Z and Gen Alpha is no longer optional—it's mission-critical. The oldest members of this cohort are approaching 30, and they are already reshaping markets and industries. The question isn't whether businesses can adapt—the question is whether they'll survive if they don't.



AI DJ, which speaks to users, explains song selections, and adapts to mood and context.

This expectation extends beyond products to experiences. Gen Alpha is not just interested in tailored recommendations; they want AI to anticipate their needs, adapt in real-time, and make their interactions seamless. For Millennials, personalization was about customization where they made choices from pre-set options. For Gen Z and A, static personalization isn't enough – they are all about fluidity and adaptability that can

evolve with their changing identities. They want intelligent systems with integrated AI that refines recommendations, adjusts their experiences, and even co-creates with them. This extends from entertainment to retail, social media, and even healthcare. Unlike previous generations, which saw AI as something to be learned or adjusted to, Gen Alpha views AI as a seamless part of their reality. They are willing to share personal data but demand transparency and control over how it is used.

For businesses, this means a significant shift is required in marketing, product development, and customer engagement.

Companies that fail to integrate AI-driven personalization will find themselves outpaced by competitors that do. It's not just

To better understand pending impacts from these rising generations, *IQ* sat down with Maria Vallis, CEO of Hypothesis; an Elixirr company and strategic insights powerhouse that deciphers consumer behavior through cutting-edge data analysis, qualitative research, and trend forecasting.

IQ: First, can you tell us how Gen Z and Gen Alpha's expectations, attitudes, and preferences toward personalization are different from those of previous generations?

Ms. Vallis: Unlike Millennials or Gen X, who saw digital customization as a novelty or selling point, Gen Alpha truly demands hyper-personalization as a baseline experience. These younger consumers

ISTOCK

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-Maria Vallis, CEO, Hypothesis

have been immersed in AI-driven personalization since birth. They expect predictive curation of content, anticipating their needs before they can articulate them. AI is seen as a co-creator rather than just a tool—take, for example, Spotify's



about offering options—it’s about offering an intuitive, predictive, and interactive experience that feels natural to the user.

IQ: Have you and Hypothesis uncovered any surprising insights about Gen Z and Gen Alpha that businesses may not be fully prepared for?

Ms. Vallis: One major shift is that the traditional life path—education, career, homeownership—is no longer a given. Gen Z started to redefine work-life balance and career flexibility, and Gen Alpha is taking it even further. They value fluid, customizable life paths.

For instance, traditional markers of adulthood, such as buying a home, getting a stable job, and starting a family, are no longer default goals. Instead, Gen Alpha and Gen Z prioritize experiences, self-expression, and flexible career paths that allow them to pursue multiple interests. Many are looking toward digital entrepreneurship, investing, and alternative career paths that give them independence and flexibility.

Another significant change is their financial sophistication. Many are already using investing apps, digital allowances, and financial planning tools before their teens. Unlike Millennials, who came of age during times of economic growth, Gen Z and Alpha came of age surrounded by news of economic instability, and are surrounded by tools that let them have a degree of control. Because they have grown up in a financially transparent era where economic discussions are more public, they are savvier about money than previous generations were at the same age. For businesses, this means that traditional marketing strategies won’t work.



Ignoring the demand for ethical business practices is a sure-fire way to alienate Gen Alpha and Gen Z, who can see through performative acts.

-Maria Vallis

Companies need to rethink consumer segmentation and messaging, recognizing that these young consumers are more financially literate and brand-savvy than previous generations. They aren’t just passive consumers; they are active participants in shaping markets and trends.

IQ: Which industries will be most disrupted by these younger generations’ demand for hyper-personalization?

Ms. Vallis: No industry is safe, but some are in the direct line of fire. Retail and e-commerce are already being transformed, as Gen Alpha expects shopping to be an immersive, AI-powered experience. They demand interactive shopping assistants, gamification, and real-time product customization. The days of static product catalogs and generic recommendations are over—shopping must be dynamic, evolving with their preferences at every touchpoint.

Financial services are also on the chopping block. Traditional banking is rapidly losing relevance as Gen Alpha gravitates toward AI-driven digital financial tools and cashless transactions. Their trust in banks is low, while their confidence in decentralized finance and peer-led financial platforms is surging. The old model of banking will not survive unless it adapts to this new digital reality.

Healthcare and wellness are undergoing a seismic shift as well. AI-powered mental health and wellness solutions tailored specifically for teens are gaining ground.

Not only do these young consumers expect healthcare services to be as personalized as their retail and entertainment experiences, but they are actively becoming their own healthcare advocates, using



“Gen Alpha & Gen Z’s expectations of AI, automation, and hyper-personalization are going to push industries to evolve faster than ever.”

-Maria Vallis

AI-driven diagnostics, telehealth, and on-demand walk-in clinics when they need to be seen. Legacy, one-size-fits-all healthcare models are becoming obsolete. On-demand, AI-assisted healthcare will become the standard, and any organization that fails to deliver hyper-personalized services will struggle to remain relevant.

IQ: How will the massive, \$80+ trillion intergenerational wealth transfer reshape consumer behavior?

Ms. Vallis: Gen Alpha and Gen Z won’t just inherit wealth—they will redefine how it’s managed and spent. They prioritize digital assets, social responsibility, and financial independence.

Many are already learning about investing through social platforms like TikTok and Reddit, where they trust peer-led financial guidance over traditional banking institutions. Additionally, they are more inclined to fund startups, social

enterprises, and projects that align with their values rather than following traditional wealth management strategies.

Brands that want to win their loyalty need to understand their values and provide financial tools and services that align with their digital-first, impact-driven mindset.

IQ: What common mistakes do businesses make when trying to win over younger consumers?

Ms. Vallis: One of the biggest misconceptions brands have is that brand loyalty still exists. It doesn’t. If companies aren’t continuously proving their value, Gen Alpha will move on without a second thought. This generation has endless choices, and they are quick to abandon brands that don’t keep up with their expectations. Another major mistake is relying on traditional advertising. Gen Alpha doesn’t engage with corporate messaging the way previous generations did.

Ms. Vallis’ VantagePoint
As CEO, Ms. Vallis leads Hypothesis’ strategic insights, design, and branding functions to help businesses solve complex challenges through custom research, creative storytelling, and data-driven strategies—transforming human understanding into actionable business impact.

They place far more trust in peer reviews, influencers, and AI-generated recommendations than in traditional marketing campaigns. If a brand isn't embedding themselves into digital ecosystems like Reddit, TikTok, and/or Discord, they risk missing the mark entirely.

Finally, ignoring the demand for ethical business practices is a surefire way to alienate younger consumers. Gen Alpha and Gen Z see through performative sustainability efforts. They expect real, measurable action. If a brand isn't genuinely committed to sustainability, diversity, and ethical sourcing, they will be called out and abandoned. Companies must align their operations with their values in a way that's authentic and transparent, or risk losing this generation's trust.

IQ: Looking ahead, what excites you most about Gen Alpha's emergence into the global marketplace?

Ms. Vallis: What excites me most is their ability to redefine the world as we know it. They are the first generation to grow up in the digital age, which means they don't see limitations the way previous generations did. They are bold, innovative, and unafraid to challenge outdated norms. Their expectations of AI, automation, and hyper-personalization are going to push industries to evolve faster than ever before. They are incredibly entrepreneurial and financially literate at a young age, meaning they will likely create wealth in ways we haven't seen before. The potential for innovation and disruption is endless, and that's thrilling.

IQ: Does anything about Gen Alpha keep you up at night?

Ms. Vallis: While I'm excited about Gen Alpha's potential, I also worry about the pressures they face. They are constantly connected, which means they never escape the influence of social media and the demand for instant gratification.

If we don't create ethical and sustainable systems that align with their values, we risk alienating them or, worse, failing them entirely.

-Maria Vallis



78%

EXPERIENCE = EVERYTHING

Despite their digital upbringing, 78% of young consumers, including Gen Alpha, prefer shopping in-store, highlighting the importance of physical retail experiences.¹



66%

BRACE FOR IMPACT

Gen Alpha shows a strong preference for brands that positively impact the world, with 66% drawn to companies with ethical and sustainable practices.²



Approx. 2.5 million Gen Alphas are born globally each week; total population is expected to reach 2 billion in 2025.³



The "Great Wealth Transfer" is projected to shift ~\$84 trillion from Baby Boomers to Gen Alpha over the next two decades.⁴

Mental health challenges are on the rise among young people, and the pressure to perform, curate their lives, and stay ahead could be overwhelming.

Additionally, the pace of technological advancement means that businesses, governments, and institutions may struggle to keep up with their expectations. If we don't create ethical and sustainable systems that align with their values, we risk alienating them or, worse, failing them entirely.

IQ: Lastly, what should executives keep top of mind as they prepare for the next five to ten years?

Ms. Vallis: The most important thing is to listen. Gen Alpha and Gen Z expect brands to hear them, engage with them, and evolve based on their feedback. Companies that remain rigid in their strategies will be left behind. The future belongs to businesses that embrace hyper-personalization, ethical business practices, and the new digital reality of consumer engagement. **IQ**

A Numbers Game
Gen Alpha and Gen Z's impact on financial markets and industries will be nothing short of disruptive, which is on-brand for these combined generations, for whom brand loyalty is a thing of the past.

SEEKING ALPHA



HOW COMPANIES AROUND THE GLOBE ARE PREPARING FOR GEN ALPHA & Z.

By Tracy D. Holloman

Baby Boomers, Gen X, Millennials, Gen Z, and now Gen Alpha. With all of these generations in the workforce at the same time, it requires companies to hyper-personalize how the work gets done to match each generation. Companies like FedEx, EY, and Mitel are already considering what will be needed as Gen Z and Gen Alpha enter the workforce. These organizations recognize that environmental sustainability, mental health, flexible work schedules, social responsibility, and technological advancements in AI and virtual reality will be necessary for Gen Z and Gen Alpha.

FedEx has focused its attention on sustainability initiatives, mental health support, and the implementation of environmentally responsible business practices that attract and retain future Gen Z and Gen Alpha talent.

Mitel has focused its attention on the remote experience of the incoming Gen Z and the future incoming Gen Alpha. Since Gen Alpha and Gen Z experienced their parents working

from home during the pandemic, they have missed opportunities to build foundational skills and professional relationships in the same way as their more experienced colleagues. Mitel will also focus on providing flexible work experiences, promoting a sense of purpose, and investing in digital tools and AI integration.

EY is preparing for the future as Gen Z and Gen Alpha enter the workplace. The organization's strategy is to develop innovative approaches to teach transferable skills so that future workers can adapt to constant change and find meaningful work. They are also focused on investment in technology and digital tools, fostering diverse and inclusive work environments, implementing feedback systems, finding commonality across generations, and focusing on outcomes rather than inputs through flexible work schedules. EY will also emphasize learning and development, which enhances skill development and supports curiosity. More importantly, EY is preparing for the shift in workforce composition as Gen Z and Gen Alpha begin to make up a large portion of the workforce.

The future is happening faster than the speed of light. Every organization should consider the generations to come and understand how they will impact the world of work, what they will need to be successful, and what they can do to meet them where they are. **IQ**

Organizations recognize that environmental sustainability, mental health, flexible work schedules, impact, and technological advancements in AI and virtual reality will be necessary for Gen Z and Gen Alpha.

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