

Digital Natives in Business

Matthew N. O. Sadiku¹, Uwakwe C. Chukwu², Abayomi Ajayi-Majebi³, Sarhan M. Musa¹

¹Roy G. Perry College of Engineering, Prairie View A&M University, Prairie View, TX, USA

²Department of Engineering Technology, South Carolina State University, Orangeburg, SC, USA

³Department of Manufacturing Engineering, Central State University, Wilberforce, OH, USA

ABSTRACT

The business world is now being conquered by a new generation of workers known as “digital natives.” Digital natives were born after 1980. They are raised in the digital age and feel at home with digital technologies. The digital natives as a new generation of workers who are now beginning to enter the workforce. They are naturally more prepared for their careers with a different set of tech skill sets than previous generations. Businesses can leverage on their purchasing power for market expansion.

This paper explores the behavior of digital natives in the business environment.

KEYWORDS: digital natives, digital immigrants, characteristics, business, workplace

INTRODUCTION

Our society relies heavily on technology. Technology has become a powerful tool in our daily life. It has completely transformed the way advertisers and marketers today go about promoting and selling their products. Members of the younger generation of workers are identified as digital natives. The US workforce will see major changes over the coming years as the demographics change. Technology plays a major role in the digital natives.

“Marketing is at the core of all business activities. Without marketing, organizations cannot sell and without sales there is no revenue and without revenue people cannot run business” [1]. The global economy is being driven by integration of world markets and the spectacular growth of digital technologies. With the creasing popularity of Internet, recent development of mobile technology, and the growing international business environment, the conventional marketing is gradually moving to digital marketing. Marketing today is more complex and data-driven. Today, customers know more about you and your competitors’ products than ever before.

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The US economy has changed from one where agricultural production was the major output to one where the output of information products and services dominates. There has been a major evolution from a product-based economy to an information-based economy. The emergence of the Internet t (the Information Superhighway) and its fast penetration has provided opportunities for marketing besides the traditional media (such as radio, TV, newspapers, magazines, and press). The Interne has provided a pervasive medium for producers to access their consumers directly. It has become an integral part of our social and economic lives. It has impacted our education, healthcare, economy, environment, government, entertainment, etc.

THE DIGITAL WORLD

We live in the digital world and digital age. We think digital, act digital, always clicking. We connect to digital devices every day. Digital technologies are at the heart of our economic and social life. They have transformed everything from education and healthcare to business. They are changing the

landscape for advertising and marketing. The marriage between digital technologies and demographics makes the digital world inevitable.

Digitalization is integrating every aspect of our life: education, healthcare, business, agriculture, government, transportation, entertainment, etc. Digital technologies (such as cloud computing, the Internet of things, robotics, big data analytics, artificial intelligence, social media, 3D printing, augmented reality, and virtual reality) are transforming the way we operate business. Consumer-oriented sectors such as retail, finance, and travel are also rapidly digitalizing. The Internet has changed the way we do business. Digital media are transforming businesses around the world. Leading companies such as Google, Amazon, Apple, Microsoft, Facebook, Baidu, Alibaba, SAP, PayPal, AT&T, Uber, Tencent, Cisco, Oracle, Huawei, Siemens, Bosch, Netflix, Booking.com, and others are developing digital devices and platforms [2].

People often describe the people in the current workforce using different labels. Today's workforce spans four generations and presents a unique situation in that each generation has different strengths and challenges. They are the digital natives, the net generation, the Google generation, and the millennials. Millennials have been labelled as lazy, hard to work with or know-it all's. Baby Boomers have been labeled as not willing to learn new things and not using technology to be more productive. This brings stress and conflict into the workplace. Digital technologies have been used to describe the lives of younger generations since they have made a fundamental change in the way young people communicate, socialize, create, and learn. To create a healthy work environment leaders must address the multi-generational workforce. Strategies to optimize unit collaboration and teamwork include understanding each generation and learning how to work together to achieve a healthy environment which has a positive influence on the business [3,4].

WHO ARE DIGITAL NATIVES AND DIGITAL IMMIGRANTS?

As far as the digital world is concerned, there are two types of people: "digital immigrants" and "digital natives." Digital natives and digital immigrants are often used to represent demographic segments of people with regard to their ability to use digital technologies. They are concepts coined by Prensky in 2001 [5] While digital immigrants live in two cultures (the pre-digital and the digital), digital natives are only exposed the digital culture. While those who are born after 1980 are called digital natives, those born prior to 1980 are digital immigrants [6]. In essence,

digital immigrants are consumers who were born before the digital era, while digital natives were born after the maturity of the digital era. Digital natives are a group of consumers who grew up in an era when technology such as smartphones, tablets, and laptops are omnipresent, whereas digital immigrants are a group of consumers who were born before. Digital immigrants tend to be more comfortable with brick-and-mortar and in-person interaction, whereas digital natives like to be connected online and operate in face-pace multitasking environments [7]. Figure 1 depicts the major differences between digital natives and digital immigrants [8].

Some claim that the generational gap between digital natives and digital immigrants has nothing to do with technology. Although some digital immigrants surpass digital natives in tech-savviness, there is a common belief that an early exposure to technology changes the way people learn. There is a need for collaboration between digital natives and digital immigrants because digital immigrants are those who invented technologies and systems that digital natives are using today. They need to cross boundaries and learn from each other [9]. What can digital natives teach digital immigrants? [10]

- To collaborate across boundaries, with a variety of people
- To make a place in life for values
- To build solutions that are horizontal

What can digital immigrants teach digital natives? [10]

- To achieve goals quickly
- To use focused resources in building things to scale
- To revitalize or repurpose existing institutions

Figure 2 shows some examples of digital natives [11].

CHARACTERISTICS OF DIGITAL NATIVES

Digital natives are known for spending most of their time online. They are a multitasking generation who can operate and interact with multiple media at a single point in time [12]. Prensky identified some characteristics of digital natives: their ability to receive and process information quickly, their preference for parallel and multi-tasking, their preference for graphic rather than textual information, and their expertise in game playing.

What the digital natives are looking for within their workspace includes [13]:

- The need for great user experience
- To be "always connected"
- To favor convenience rather than security in their consumption and access to services

- The ability to adapt and embrace new technologies
- The willingness to sacrifice loyalty to previous tools when they no longer offer the most effective solution

For them, a company without instant messaging, social forums, and other ways of connecting online in real-time is a red flag. Figure 3 shows digital natives at workplace [14].

As Digital Natives enter the workplace with a technologically savvy culture, companies can use the following tips to adapt digital natives to their workplace [15]:

1. **BYOD – Bring your own device:** Digital Natives are comfortable bringing their personal equipment to the office, such as laptops, iPads, and smartphones.
2. **Always connected:** The use of light portable and mobile technologies allows for a high level of mobility and efficiency in the workplace.
3. **No loss of transition from home to work:** The smooth integration of technologies while in the office, such as Wi-Fi access, booking systems, and 3G video conferencing, will allow workers to easily transition work from the office to their homes.
4. **Consumer technologies in the office:** Where possible, organizations should move away from corporate IT solutions to consumer-friendly ones to adapt to the use of employees' personal technologies and devices in the workplace.
5. **Social networking-friendly solutions:** Allow workers to build and maintain a social network while at work to share knowledge and foster communities.
6. **Collaborative solutions:** Provide solutions that allow workers to collaborate with one another wherever they are, at any time.

DIGITAL NATIVES IN BUSINESS ENVIRONMENT

Digital natives live in the digital world and navigate it with their digital skills. They have started to enter the global workplace. Organizations need to pay special attention to the needs and expectation of digital natives as parts of their human resources and workforce. Many organizations (profit or non-profit) have used social media to advertise and market their products, strengthen their brands, communicate with customers, and create network platforms. To thrive and compete well in today's economy requires that companies rapidly evaluate new business

opportunities, dynamically identify potential partners, and orient digital natives along the following concepts:

Organizational Culture: The culture of an organization affects how people in the organization interact with each other including workers, managers, executives, vendors, and partners. It is a valuable driver of business success. It creates a positive, social, and psychological environment. Today, digital natives constitute the majority of the workforce of an organization. They are vastly different from previous generations of workers. They value working from homes [16]. As digital natives enter the workforce, they introduce a new work culture that incorporates technology into their personal and professional lives than previous generations. Organizations can benefit by encouraging them to share it with elder coworkers, thereby improving workplace efficiency and increasing productivity. Culture is caught and not taught. Understanding organizational culture by digital natives is core to advancement in a given role.

Internet Economy: This refers to business conducted through markets whose infrastructure is based on the Internet. It differs from a traditional economy in a number of ways, including: communication, market segmentation, distribution costs, and price. While traditional economy is based on division of labor and scarcity of resources, Internet economy is mainly based on information with the feature of limitless reproduction. Its fundamental tenet is that information is power. You can make a better choice when you have information. The Internet economy would rank among the top six industry sectors in developing countries such as China and South Korea. The growth is largely due to increase in number of users, faster computing technology, more ubiquitous, and low-cost Internet access. The increase of users has brought the explosive increase of Internet economy and prompted rapid growth of social economy [17].

Electronic Commerce: This refers to the use of the Internet to conduct marketing, payment, and delivery of products and services. The ecommerce has become an indispensable tool for businesses worldwide because it allows people to conduct business transactions anywhere. It has revolutionized business transactions by enabling the consumers to purchase, invest, bank, and communicate from virtually anytime, anywhere.

It has created opportunities for businesses to reach consumers directly. Ecommerce has some advantages over traditional commerce: lower cost of running a store, no rent to pay, no barriers to time or distance, it is easier and more convenient to run a business, and increase of profits. Other benefits include around-the-

clock availability, easy and convenient accessibility, speed of access, wider selection of products and services, and international reach. Common applications related to ecommerce include online shopping, online banking, payment systems, electronic air tickets, hotel reservation, tourism, and teleconferencing. Amazon, eBay, and Walmart are typical examples of ecommerce companies that rely on Internet-based technology to sell their products around the globe. The security risks involved in ecommerce has been a major concern. Security is particularly important when online shoppers have to make payment. We must protect customers' privacy and enhance the security of ecommerce [18].

Online Retailing: This uses ecommerce model to generate revenues, create profits, and continue to compete as a business entity. Retailers continue to focus on their online presence, including online shops that operate alongside existing conventional stores, while consumers increasingly use the Internet to look up product information, compare prices, and look for deals. To survive, a company must be able to attract and retain customers. Since consumers shop online comparing prices, companies who sell online should differentiate their products and services to avoid direct price competition. It is hard to keep up with the constantly changing inventory and product availability. Because of these changes, the business catalogs need constant updates [19].

Digital Marketing: This is a general term used for referring to all online marketing activities. To start an online business, one must find a niche product that consumers cannot easily find in traditional stores. Digital marketing (also known as Internet marketing, electronic marketing or online marketing and) refers to marketing of products or services using digital technologies, mainly the Internet and mobile phones. It allow sellers and buyers to conduct transactions electronically through communications networks such as the Internet, intranet, and extranet. It creates the potential for direct selling to the customers and allows people to consume digital content on a daily basis. It allows marketers to see accurate results in real time because they can see the exact number of people who have viewed their website. Digital marketing includes social marketing, word ads, banner ads, video advertisement, etc. It has become an attractive alternative means for all the companies to market their products and services. It is common for consumers to post feedback online through social media sources and websites on their experience and satisfaction with a product. They can use many digital mediums, such as Facebook, YouTube, Forums, etc. A major benefit of digital marketing is that it places

no limitations on the geographical reach it can have. This allows companies to expand their customer reach to other countries. It provides service for customers 24/7 so that customers can shop any time. A major disadvantage is that digital marketing cannot be used for every product. For example, industrial goods and pharmaceutical products cannot be marketed through digital channels [20].

Online Advertisements: Advertising is critically important for companies to promote their products and services. Online advertisement is a special component of online marketing. It has been omnipresent in the marketplace due to the various communication strategies that have been developed to suit online media and platforms that are accessed through a variety of modern technological gadgets, such as computers, laptops, smartphones, and tablets. As a two-sided market, Internet brings together advertisers and consumers. Internet is the only medium that delivers to the advertisers its dual promise of global reach and one-to-one targeting. Non-Internet-based advertisements, particularly newspapers, are losing customers and advertisers to web media. Some companies use various online media, such as Facebook page, Instagram account, and YouTube to reach consumers. There are various kinds of Internet advertising including email advertising, online classified advertising, banner advertising, mobile advertising, and social media advertising. The credibility of the online advertising plays an important role in consumer decision making. Consumers are reluctant to respond to advertised message that they perceive not to be credible. Most consumers will purchase online advertised products when they feel that the websites are secure [7,21].

BENEFITS AND CHALLENGES

The borderless nature of the Web guarantees that in the economy of future will be increasingly global, electronic, and Internet-based. The Internet and allied services do more than just create new businesses and consumer products. They change the way that companies throughout the economy do business. Companies that embrace digital transformation will reap the benefits of having more tech-savvy workers across all generations.

The adoption of digital technology has not been a unified phenomenon worldwide. The amount of information available for the consumer has drastically increased. Buyers face the problem of information overload (also known as information explosion, information deluge, information confusion, and information chaos). Information overload is having too much information with only a finite ability to process it. It is reduction in efficiency due to

indiscriminate production of information. Because of information abundance, no single individual can access all the available information [22].

Organizations that operate remote branches often find it challenging to arrange meetings. Although teleconferencing (such as through Skype) provides the opportunity to improve and speed up communication, teleconferencing is not always reliable; sound and video synchronization are particularly problematic when Internet connections are not reliable. Time zone differences can also complicate meeting time arrangements [23].

Security, trust, and online fraud are posing serious challenge to the adoption of digital markets. Security is a technology issue which has been addressed by various technology developments, such as cryptography, firewalls, and digital certificates. All payments in digital markets should be carried out in a secure manner, adopting technologies that can guarantee the safe authentication of the user and to reduce the risk of fraud.

Culture plays a critical role in marketing and the global consumption of online products. Consumers from different cultural backgrounds may evaluate and perceive similar advertising messages differently. The idea of a global convergence of culturally different markets into one-world culture is only an illusion.

Some have criticized the concept digital natives which claims that they are seasoned and inherently capable users of technology. They have started gathering evidence for and against digital natives. In spite of the evidence, many authors continue to adopt, acknowledge or uncritically quote Prensky's original ideas about digital natives. The digital natives stereotype continues to resonate within the academics and industry [24].

CONCLUSION

The digital revolution is changing the way we live and work. Digital technology has transformed the business world. It is a key part of personal and social lives of digital natives. Digital natives/net generation/millennials are changing the future of work. They are already making a significant impact on business and are helping to create a new business culture and norms that lead to greater efficiency and productivity. They crave for a sense of belonging and they want to contribute to the success of their employer. They will be the product designers, customer service providers, and business managers of tomorrow. More information about digital natives in the business environment can be found in the books in [25-33].

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Figure 1 The differences between digital natives and digital immigrants [8].



Figure 2 Examples of digital natives [11].



Figure 3 Digital natives at workplace [14].