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Sustainable development of cities and trends on international markets. The context of the Zalpha generation

Abstract

Background and purpose of the research: Focusing on the key role of digitalization and technological change, I analyze how contemporary trends in technology, consumer behavior, and global economic patterns can shape urban development strategies, especially taking into account the needs of the young generation.

Design/methodology/approach: In my discussion, I address the issue of the Zalpha generation, which is becoming a new observer and participant in economic and cultural changes in cities. I use the method of systematic literature review (SLP).

Results: Changes taking place within enterprises do not remain indifferent to the development of cities. The depopulation observed for years is associated with specific development cycles, for which a significant factor is jobs and offers tailored to future employees.

Added value and limitations: The article is a review, and the selected sources do not exhaust the topic related to the proposed observations. The information provided can serve as a starting point for further research into this developing topic.

Keywords: *sustainability, management, generation Z*

**JEL
Classification:** O30

Received: 2025-01-04; **Revised:** 2025-03-30; **Accepted:** 2025-05-14

1. Introduction

The pace and dynamics of civilization development are particularly visible in the transformation of modern cities. Contemporary changes focus mainly on globalization and information consumption in society, as well as broadly understood internationalization. It is worth mentioning that one of the fundamental roles in digital transformation, bringing both opportunities and challenges to organizations and institutions, is artificial intelligence. The key to success is the right approach to its implementation, which takes into account technological, human and ethical aspects (Ransbotham et al, 2019). The introduction of new technologies forces organizations and social institutions to develop new business strategies that are more flexible and adapted to dynamic market conditions (including those that require crises and times of uncertainty). Cities are currently undergoing intense changes in various areas, including demographic ones. The processes that build economic and relational reality remain important for the contemporary shape of social space. Consumer behavior on the market is shaped by many determinants, including influential social and cultural factors. As consumer needs and expectations have evolved, there has been a sharp increase in the demand for personalization of products and services. Although the topic of sustainable development is not a new area of research, its complexity is so important that it is worth undertaking research in this matter, especially in the context of the generation of times of uncertainty (generation of crisis - war, pandemic, international economic problems). Some processes are related to global changes, others are the result of local factors. However, it is certainly a multi-layered problem regarding physical space, its management and social life within it.

Current trends are an important factor in building a competitive advantage and maintaining the attention of modern recipients in a digitalized world (Jabłoński & Jabłoński, 2020, p. 1). These processes occur at the level of the individual, small group and large community. On the other hand, the idea of smart governance, which integrates both information, communication and technologies to implement strategies for building sustainable social values (smart city), still seems important.

2. Discussion: The micro-crisis generation versus market trends

The new Zalpha generation (children born between 1999 and 2015), also called the crisis microgeneration, was created at the junction of two generations - Generation Z (1995-2012) and Generation Alpha (born after 2013). The shared experiences of this generation have been shaped by times of uncertainty, such as the COVID-19 pandemic and the war in Ukraine. Analyzing the concept of uncertainty, it is worth paying attention to the interesting phenomenon described in the world literature "Black Swans" (Taleb, 2005). Nassim Nicholas Taleb, the creator of this term, believes that

“Black Swans” mean events and phenomena that are unpredictable, unreal. They do not seem to happen, but they do happen anyway. The opposite to this definition is the phenomenon of “White Swans”, i.e. events that are understandable and orderly. The contemporary “Black Swan” was the COVID-19 pandemic (Kotnis, 2014). Global pandemics have escalated significantly over the years, e.g. SARS in 2003, H5N1 in 2006 and H1N1 in 2009, each of which hampered economic activity and economic growth (Chung, 2015). Currently, researchers are observing the effects of the global COVID-19 and the war in Ukraine, which introduced a state of chaos, uncertainty and paralyzed many sectors of socio-economic life for a long time. The micro-crisis generation needs a space where it can act effectively and gain experience. These needs probably result from the fact that although Zalphas feel like they are a lonely generation (a consequence of times of uncertainty, including isolation), issues of the natural environment and social responsibility are important to them. “Research shows that 46% of teenagers say they are interested in climate issues: climate change or the state of the environment” (Zalpha, 2023).

Transformation is today a response to changing trends in business and social life. Especially in the area of digitalization and innovation, it directly corresponds to dynamic trends that shape every aspect of business and social life. Contemporary trends, both megatrends and short-term trends, have a very significant impact on consumer behavior, preferences and expectations, forcing companies to adapt (Schwab, 2017). An important element of the functioning of cities is their metropolisation. Contemporary socio-economic changes are uniquely transforming cities in all dimensions: social, economic, cultural and spatial. For metropolisation, it is important to transform the functions of cities, and thus move away from the production offer to services and the creation and dissemination of cultural values. In this respect, social communication remains important in the process of building sustainable social capital, especially in times of uncertainty and a new generation of recipients. The process of metropolisation is associated with cognitive and cultural capitalism, which Allen J. Scott described as characteristic of developed urban areas. It is based on the accumulation of capital in values such as knowledge and culture, where the basis of development is human creativity and is supported by the development of digital technologies (Ratajczak, 2015). For the contemporary shape of the social space of cities, the processes shaping the economic and relational reality remain important. Some of the processes are related to the general changes that are taking place in the world, while others are the result of local factors that build a given region and its specific conditions. Shrinking of urban areas is also a frequently noticed phenomenon in agglomerations, also related to depopulation and social changes among young residents. Many studies have analyzed its causes and transitions, especially in the United States. This phenomenon is perceived as a natural process of the city, where social changes result from the life cycle and behavior of generations (Lang, 2000) and the history of cities (Beauregard, 2003).

Current trends are important for understanding the future directions in which new professions, technologies, as well as attitudes, expectations and behaviors of consumers of new times will develop. Trends, which constitute an important point of market analysis (Brynjolfsson, McAfee 2014), precisely show significant changes in customer behavior and preferences. It is important to recognize them, observe, analyze them and indicate key tools for effective understanding of the market and the possibility of predicting changes. We distinguish two types of trends: megatrends, which are long-term, global changes, and short-term trends, characterized by dynamics and often local character (Westerman, Bonnet, McAfee, 2014). The micro-crisis generation is currently present in several megatrends, which are also observed in sustainable urban development strategies:

- green transformation,
- technological changes,
- supply chain transformations,
- changing consumer expectations.

Market trends primarily generate demand for new jobs in industries and regions. It is worth bearing in mind that the positive factors are primarily the growing geoeconomic tensions and cost of living, both in local areas and in international markets.

Currently, trends shape almost every aspect of business and social life. They are crucial for understanding the future directions in which markets, technologies, as well as consumer behaviors and societies will develop. One of the responses to contemporary digital transformations is the use of tools based on artificial intelligence (AI). Research on the use of artificial intelligence (AI) tools in digital transformation and their impact on changes in urban areas, institutions and the creation of new jobs, including various methods and approaches. The use of artificial intelligence (AI) tools and digital transformation focuses primarily on aspects such as communication efficiency, personalization, overcoming language and cultural barriers and the impact on customer satisfaction (message recipients).

Trends, as an important element of market analysis (Brynjolfsson & McAfee 2014), reflect changes in consumer behaviors, preferences, and expectations. Their recognition and analysis are essential for effectively understanding the market and predicting change. We distinguish two types of trends: megatrends, which are long-term, global changes, and short-term trends, characterized by dynamism and often a local nature, also in the context of cities (Westerman et al., 2014).

An apt reference to the above considerations is the current research report *Future of Jobs Report 2023*, conducted in 2010/2022/2023. The perspective of several years shows the scale of the phenomenon and the development of specific areas and socio-economic changes. Over 800 enterprises employing over 11 million employees took part in the study. Company representatives represent 27 industry clusters and 45 economies from all regions of the world.

The survey included questions on topics such as: macro trends and technology trends, their impact on jobs, skills and the workforce, and the transformation strategies that companies plan to apply. One of the most important elements of research is how and in what areas macro trends drive business transformation. Business development influences the development of services, and thus changes in local and regional centers, the transformation of cities and the creation of new jobs (Fig. 1.)

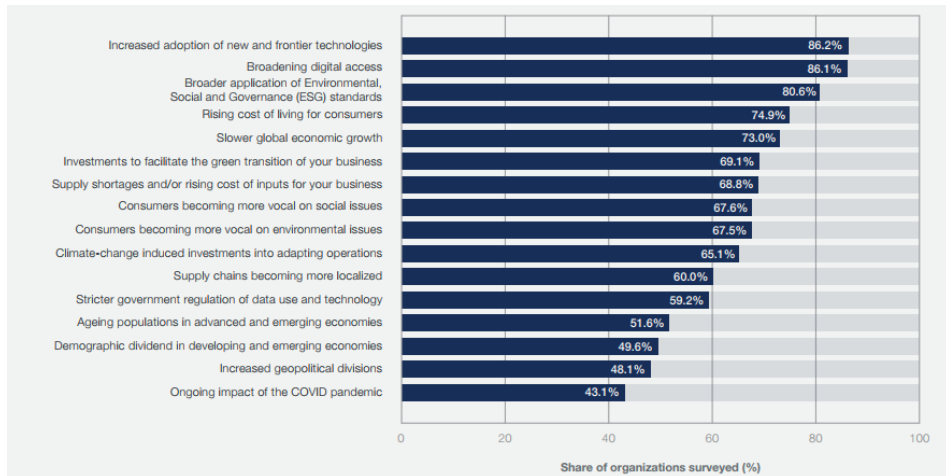


Figure 1. **Macrotrends driving business transformation**

Source: World Economic Forum (2023, p. 21)

The most important changes include:

1. **Company identification**

In this area, it becomes necessary to implement new technologies and expand digital access for current and potential employees and recipients of the organization.

2. **ESG**

Changes that occur in all levels related to the environment, society, as well as organizational management issues (ESG), which have a direct impact on the organization's social responsibility activities.

3. **Cost of living**

Related primarily to the economic crisis and inflation.

4. COVID-19 and the current impact of the geopolitical situation

A consequence of times of uncertainty, the effects of which are felt by all market participants.

Observing changes in the market and, consequently, the development of local communities (cities), it can be concluded that understanding the impact of technology on the development of the professional market is crucial to determining whether future employees (especially the Zalpha micro-crisis generation) will be able to quickly, safely and effectively implement new professional competences. and adapt to changing circumstances. The changes concern not only the form (technology), but also soft skills related to the way we work, *the content of our work* and interpersonal skills. It should be noted that the crisis generation consists primarily of people who experienced the lockdown and learned to work independently, without dividing tasks and responsibilities in a team.

The organization's competences related to the adoption of new technologies in the structures of its activities and strategies are also undergoing transformation (Fig. 2.).

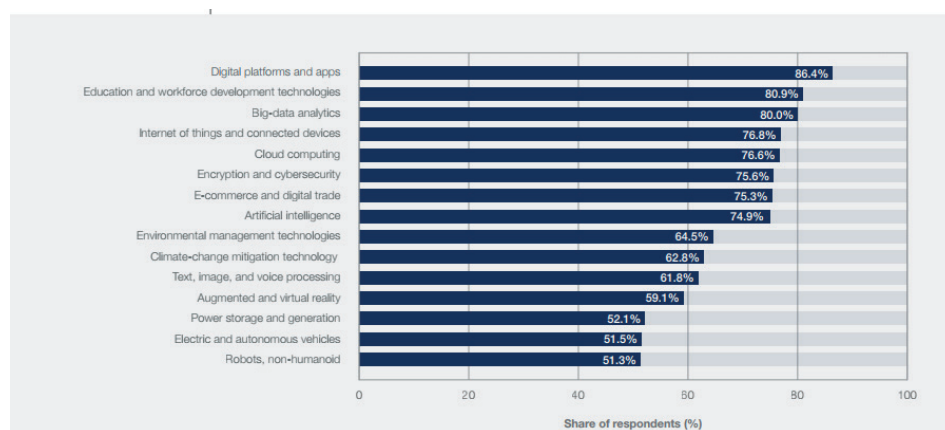


Figure 2. **Technology adoption, 2023-2027**

Source: World Economic Forum (2023, p. 24)

The results clearly show that big data, the Internet of Things and artificial intelligence are the areas associated with the greatest transformation of organizations in the coming years, and over 75% of companies will use them in the next five years. The impact of the e-commerce market and the Marketplace platform and applications, which will be used by over 86% of companies, are also important in this perspective. In this area, it is worth

emphasizing that e-commerce and digital commerce will be adopted by more than half of the world's businesses.

These changes are also dictated by consumer expectations and needs. Decision making in enterprises under conditions of uncertainty is much more difficult and requires different actions in risky situations and conditions (Tyszka, 2010). It should be noted that uncertainty increases primarily with the volatility and speed of events, which are difficult to predict and at the same time control from the management of the organization. The geopolitical crisis (today the war in Ukraine, previously the pandemic) has also contributed to the formation of a new type of customer, who is characterized by greater uncertainty of tomorrow, purchasing/financial restrictions and increased price sensitivity, as well as environmental (awareness of nature protection, care of the environment) (Żmijowska, 2023, p. 738).

Markets are a moving element today, which we must search for new opportunities through global networks of cooperation, as well as customer segmentation based on frequent data analyses. It is necessary to invest in modern technologies, modern technologies, which are associated with the coordination and cooperation of all partners, reducing the investment risk (Manyika et al., 2012). All entities of the global network of cooperation will have to adapt to changes not only technological, but also those related to the constantly changing behaviors and needs of employees and customers, for whom there is a need to create new services and offers that are culturally current.

3. Conclusions

The transformations taking place within enterprises are not indifferent to the development of cities. The depopulation that has been observed for years is associated with specific development cycles, for which jobs and offers tailored to future employees are a significant factor. Many changes in the city's development are possible thanks to the use of exogenous factors that set the direction for the transformation of urban agglomerations. An extremely important aspect of the development of cities that respond to international trends is the inter-sectoral cooperation of the city's cognitive and cultural economy, thanks to which processes that build social and human capital can develop, regardless of crisis factors. Entrepreneurs focusing on business transformations and market trends must take into account that their future employees are people whose social, educational and cultural development occurred in times of crisis. It is worth remembering that "AI can help scientists from various fields, from astronomy to genomics, analyze complex data, discover patterns, and conduct new research" (Kenchakkanavar, 2023, p. 223). However, the topic of relationships and interactions using AI becomes a key aspect, as "there is a positive relationship between AI and customer experience" (Abu Daqar, 2019, p. 30). Research on the use of AI in digital transformation shows that these tools have the potential to significantly increase

efficiency, personalize, and overcome language barriers. However, there are also challenges, such as managing cultural diversity and limitations related to the lack of human empathy. As the technology develops, further research will be crucial to better understand how to effectively integrate AI with the challenges facing social change in urban areas to maximize benefits while minimizing risks.

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