

Family Business Development from the Millennial Generation to Generation Z through Technology Adaptation and Innovation: A Case Study of Shenda Florist

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Abstract. This study aims to analyze the development of a family business from the millennial generation to Generation Z through technology adaptation and innovation in Shenda Florist. This research employs a qualitative approach using a case study method. Data were collected through in-depth interviews, observation, and documentation involving six informants, including millennial and Generation Z managers, employees, and customers. The findings reveal that the involvement of Generation Z since 2022 has significantly accelerated business transformation through the utilization of social media, live streaming, website-based systems, and digital financial recording, as well as product and service innovations such as bouquets, workshops, and brand collaborations. These changes not only expanded market reach but also enhanced customer engagement and operational efficiency, leading to substantial revenue growth from IDR 22,966,000 in 2021 to IDR 352,832,000 in 2025. This study highlights that Generation Z acts as a key driver of digital transformation, while intergenerational collaboration strengthens business resilience and adaptability. The findings contribute to the understanding of how generational synergy supports family business development in the digital era.

Keywords: Family Business, Generation Z, Technology Adaptation, Innovation, Business Development

I. Introduction

Family businesses play a significant role in economic development, particularly in creating employment opportunities and supporting the growth of micro, small, and medium enterprises (MSMEs). Family businesses are characterized by the involvement of family members in ownership and management, where decision-making processes are often influenced by family values, trust, and long-term orientation. According to Sabil Husein (2019), a family business is an enterprise in which ownership and control are primarily held by family members who are directly involved in managing the business.

In their development, family businesses face various challenges, including changes in consumer behavior, increasing market competition, and rapid digital transformation. These conditions require business actors to continuously adapt their strategies to remain relevant and competitive. Business development can be understood as a gradual process of growth, ranging from the establishment phase to expansion and maturity. Sari et al. (2023) state that business development reflects a firm's ability to create added value and capture growth opportunities sustainably.

One of the key factors in business development is technology adaptation. The utilization of digital technology not only supports operational activities but also enhances efficiency, improves service quality, and expands market reach. Rahmasari (2023) emphasizes that the ability to utilize digital technology is crucial for organizational success in the digital era. In addition, innovation also plays a vital role in supporting business development. Innovation includes not only new product creation but also service improvement, marketing strategies, and brand identity development. Maryati (2023), argues that innovation and creativity enable family businesses to remain competitive in a dynamic business environment.

In the context of family businesses, intergenerational transition is another important factor influencing business development. The transition from the millennial generation to Generation Z introduces new dynamics in business management. Millennials tend to possess operational experience and a cautious decision-making approach, while Generation Z, as digital natives, are more adaptive to technology, creative, and responsive to market trends. These differences can become a strategic advantage when managed collaboratively.

Shenda Florist is a family-owned florist business that has experienced significant development through the involvement of both millennial and Generation Z members. Initially, the business focused on selling cut flowers with limited marketing strategies. However, since the involvement of Generation Z in 2022, the business has adopted digital technologies such as social media, live streaming, and website platforms, along with product innovations including bouquets, flower boxes, workshops, and brand collaborations. These changes indicate a progressive business development process.

Based on this background, this study aims to analyze the development of a family business from the millennial generation to Generation Z through technology adaptation and innovation in Shenda Florist.

II. Literature Review

Family Business

A family business is an enterprise in which ownership and management involve family members, either directly or indirectly. Family relationships play a crucial role in decision-making processes, role distribution, and business direction. Unlike non-family businesses, decisions in family firms are often influenced by trust, emotional ties, and moral responsibility. According to Haryanto & Harjanti (2014), family businesses possess strengths such as strong commitment, loyalty, and long-term orientation, but they also face challenges related to succession and managerial professionalism.

Intergenerational Transition in Family Business

Intergenerational transition refers to the transfer of leadership, responsibility, and control from one generation to the next. This process is critical in determining the continuity and growth of a family business. Pahnke et al. (2024) state that successful succession depends on the readiness of successors, effective communication, trust, and structured planning. When properly managed, generational transition allows new leaders to continue the business while introducing innovation.

Millennial and Generation Z Characteristics in Business

Millennials are generally adaptive, collaborative, and experienced in managing business operations. In contrast, Generation Z, as digital natives, are highly familiar with technology, social media, and rapid information exchange. Arum et al. (2023) explain that Generation Z tends to be creative, quick learners, open to innovation, and responsive to trends. These characteristics position Generation Z as key drivers of transformation, particularly in digital marketing and branding. The collaboration between millennials and Generation Z creates a balance between experience and innovation.

Technology Adaptation in Business

Technology adaptation refers to the ability of individuals or organizations to adopt and utilize digital tools in business activities. Digital technologies such as social media, marketplaces, websites, and messaging applications enhance efficiency, improve customer interaction, and expand market reach. Rahmasari (2023) highlights that technology adoption significantly strengthens business competitiveness. In family businesses, this process is often accelerated by younger generations.

Innovation in Family Business

Innovation is the process of creating new value through products, services, or business strategies. It enables businesses to respond to changing market demands and maintain competitiveness. Maryati (2023) emphasizes that innovation and creativity are essential for sustaining business growth. In family businesses, innovation may include product diversification, service improvement, and marketing strategies, often driven by the younger generation.

III. Research Method

This study employs a qualitative approach using a case study method to gain an in-depth understanding of family business development from the millennial generation to Generation Z through technology adaptation and innovation in Shenda Florist. According to Sugiyono (2023), qualitative research is used to examine phenomena in natural settings and provide comprehensive insights.

The research was conducted in Surabaya, Indonesia. Informants were selected using purposive sampling, including millennial and Generation Z managers, employees, and customers who were directly involved in or experienced the business development process. Data were collected through semi-structured interviews, observation, and documentation. Data analysis followed the Miles and Huberman model, consisting of data reduction, data display, and conclusion drawing. Data validity was ensured through source and technique triangulation.

IV. Results and Discussion

Results

The findings indicate that the development of Shenda Florist has evolved progressively from a traditional operational model to a more digitally integrated business system. Initially, the business was managed by the millennial generation with limited marketing strategies and basic financial management, reflecting an early-stage development pattern. However, the involvement of Generation Z since 2022 marked a turning point, introducing structured financial recording, product diversification, and digital-

based marketing strategies. The use of platforms such as Instagram, TikTok, and live streaming not only increased visibility but also transformed the way the business interacted with customers.

Furthermore, the adoption of website-based catalogs and digital transaction systems indicates a shift toward a more professional and scalable business model. Innovation was not limited to product diversification, such as flower boxes and custom bouquets, but also extended to experiential services like workshops and brand collaborations. These developments demonstrate that business growth was driven not merely by expansion, but by strategic transformation. As a result, the business experienced significant improvements in market reach, customer loyalty, and revenue growth, indicating that technology adaptation and innovation function as key enablers of family business development.

Discussion

The findings demonstrate that intergenerational collaboration plays a crucial role in accelerating business transformation within family enterprises. In the case of Shenda Florist, the millennial generation provides operational stability and accumulated experience, while Generation Z introduces digital capabilities and innovative thinking. This synergy supports the argument proposed by Pahnke et al. (2024) that effective succession is not merely about leadership transfer but also about integrating new competencies into the business.

From a technology adaptation perspective, this study confirms Rahmasari (2023) that digital technology enhances competitiveness; however, it extends this understanding by demonstrating that generational characteristics significantly influence the speed and effectiveness of technology adoption. Generation Z, as digital natives, not only adopts technology but strategically utilizes it to reshape customer engagement and business processes. This finding addresses a gap in previous studies by emphasizing the active and transformative role of younger generations rather than viewing them solely as successors.

In terms of innovation, the study supports Maryati (2023) by showing that innovation is essential for sustaining competitiveness. However, this research reveals that innovation becomes more impactful when combined with digital platforms and experiential business models. The integration of product innovation and customer experience strategies indicates that modern family business development requires not only creativity but also strategic alignment with digital trends. Overall, the study highlights that family business growth in the digital era is driven by the dynamic interaction between generational transition, technology adaptation, and innovation.

V. Conclusion

This study concludes that the development of Shenda Florist is significantly influenced by the integration of intergenerational capabilities, particularly the collaboration between the millennial generation and Generation Z. Generation Z plays a strategic role as a driver of digital transformation by introducing technology-based strategies and innovative business models, while the millennial generation provides stability and foundational business knowledge. The novelty of this study lies in highlighting Generation Z not only as successors but as active agents of transformation in family businesses.

The findings imply that successful family business development in the digital era depends on the ability to combine experience with digital competence. Therefore, family businesses are encouraged to create collaborative environments that empower younger generations to contribute to strategic decision-making. This approach will enhance adaptability, competitiveness, and long-term business sustainability in an increasingly dynamic market environment.

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