

A COMPARATIVE STUDY OF BRAND LOYALTY FACTORS BETWEEN GENERATION Z AND MILLENNIAL CONSUMERS

Dr Sachin Maruti Nimbhore

Assistant Professor, Saikrupa institute of management science Ghargaon, Tal. Shrigonda,
District Ahilyanagar , SPPU Pune University.

Dr. Santosh Sopan Shinde

Associate Professor, Saikrupa institute of management science Ghargaon, Tal. Shrigonda,
District Ahilyanagar, SPPU Pune University.

Prof. Haridas Vilas Lagad

Assistant Professor, Shri Swami Samarth Institute of Management & Technology, Malwadi
Post-Bota Tal. Sangamner District Ahilyanagar, SPPU Pune University.

<https://doie.org/10.65985/pimrj.2026783901>

ABSTRACT

In today's competitive consumer marketplace, loyalty to a brand has become one of the most vital ingredients for long-term success. Consumer behavior toward brands has changed with the arrival of Generation Z, coupled with the Millennials' continuing purchasing power. This leaves marketers to find out which factors give rise to consumer brand loyalty, as both generations exhibit different traits, and the need to understand where loyalty is developed and sustained among brands has grown rapidly.

The paper analyzes and compares the determinants of brand loyalty of Generation Z and Millennials. This research used a quantitative research methodology whereby a structured questionnaire was used to collect data from 400 respondents made up of 200 Generation Z and 200 Millennials. Data were analyzed using descriptive analysis, reliability analysis, correlation analysis, and multiple regression analysis. They found that both generations' trust and loyalty to brands are related and strong, but Gen Z can be very easily influenced by engagement on social media and online experiences, whilst Millennials focus on perceived brand quality.

Keywords: Brand Loyalty, Generation Z, Millennials, Consumer Behavior, Brand Trust, Social Media Engagement, Customer Experience, Emotional Attachment

1. INTRODUCTION

Brand loyalty has been one of the most extensively studied constructs within the marketing literature because it directly contributes to retention, profitability, and long-term organizational sustainability. Loyal customers not only result in repeat purchases, but also encourage positive word-of-mouth communication, reducing acquisition cost and creating value. In the contemporary digital marketplace, the mechanism of what creates brand loyalty to which consumers are attached has assumed greater and greater importance as consumers are exposed to multiple options and marketing messages on several platforms. However, due to the rapid development of technology, social media and e-commerce, the consumer buying behavior has undergone some changes.

Product quality and customer satisfaction still matter a lot, but today customers tend to focus on building relations, personalization, and authentic brands. As a result, branding methods have to be adjusted with respect to different generations, which in turn necessitates organisations to

change their branding strategies to serve the various needs of different consumers. Among contemporary consumer groups, Generation Z and Millennials are two of the most powerful segments within the market. Millennials, who are often born from 1981 to 1996, make up a large part of the world's workforce and consumer market.

They appreciate convenience and quality and have meaningful brand connections. Generation Z, individuals born approximately from 1997 to 2012, are known as the first generation of digital natives. Influencer marketing, brand values, social media platforms and online reviews influence their buying decisions drastically. Previous studies found that generational differences impact consumer attitudes, purchase behavior, and loyalty behavior. Millennials will develop very deep emotional connections with brands but Gen Z are more adept at switching, and engage in digital campaigns more. These contrasts call for a comparison of those loyalty drivers in the two generations. The rapidly-paced penetration of smartphones, payment gateways, social commerce and online shopping has accelerated shifts in consumer behaviour in India in particular. Although Generation Z and Millennials are increasingly prominent in the Indian marketplace, very few empirical studies investigate factors affecting brand loyalty in this generational cohort.

Consequently, the proposed research aims at addressing this gap, exploring brand trust with respect to perceived quality, customer experience, social media engagement, and emotional attachment in the context of brand loyalty in Generation Z and Millennial consumers. Consequently, the present study aims to enrich the literature for marketers, brand managers, and policymakers concerning generation-wise customer retention strategies with respect to this study. In addition, the study extends the theoretical perspective on generational consumer behavior in developing market contexts.

2. OBJECTIVES OF THE STUDY

1. To understand the difference between Millennials and Generation Z on commitment to a brand .
2. To find out the effect of brand trust on brand loyalty of Millennials and Generation Z.
3. To quantify the impact of Generation Z and Millennials' perception of quality on their brand loyalty.
4. To investigate the impact of social media usage of Gen Z and Millennials on their brand loyalty.
5. To know the effect of consumer experience and emotional attachment on brand loyalty of Generation Z and Millennials.

3. RESEARCH HYPOTHESES

H1: There is a significant difference in the factors influencing brand loyalty between Generation Z and Millennial consumers.

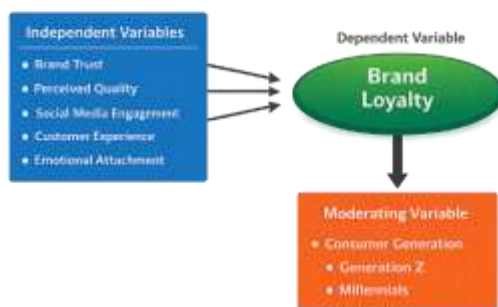
H2: Brand trust, perceived quality, social media engagement, customer experience, and emotional attachment have a significant positive impact on brand loyalty.

4. SIGNIFICANCE OF THE STUDY

The current study offers a strong contribution to academic knowledge and practice for managers. The study, from the theoretical point of view, contributes to the literature on

consumer behavior by comparing brand loyalty determinants across two prominent generational cohorts. Results enhance the literature on generational marketing, relationship marketing, and consumer psychology. The results provide a managerial toolkit for businesses to develop more successful customer retention strategies. Understanding generational differences gives marketers the tools to allocate resources efficiently and communicate according to consumer preferences. While businesses targeting Generation Z can lean more towards social media engagement and digital experiences, they can position their brands according to their Millennial consumers: product quality, trust, and emotional branding. The research is also relevant to digital marketing practitioners, ad agencies, and e-commerce platforms that want to increase customers' loyalty in an ever-competitive environment. Lastly, the findings may be used by policymakers and educators to decipher new habits of consumption in the digital economy.

5. CONCEPTUAL FRAMEWORK



The framework proposes that the identified loyalty factors directly influence brand loyalty while generational differences moderate the strength of these relationships.

6. Literature Review

6.1 Brand Relationships and Consumer Loyalty.

Indeed, with every other study done to figure out how consumers will remain faithful to a brand; brand trust has become more and more popular as a reliable predictive factor. In the Indian context, Sharma and Jain (2020) found that trust significantly affects repeat purchase intentions among online consumers. As a result, consumers who view brands as trustworthy, transparent, and ethical will want to nurture long-term relationships with them. Likewise, Gupta and Verma (2021) suggested that trust is one of the factors that increases customer commitment and prevents the switching behavior in the Indian retail sector. Consumer expectations for consumers' credibility, consistency of brand communication on digital platforms were found to be growing with them.

6.2 Quality perception and brand loyalty.

Consumers' overall assessment of how superior or outstanding a product is, known as perceived quality. Patel and Deshmukh (2021) observed Indian smartphone users and

concluded that perceived quality positively affects customer satisfaction and brand loyalty. Accordingly, the consumers perceive quality for reliability and performance which result in even more loyalty intentions, according to the study. Relatedly, Kumar and Singh (2022) found that the perceived product quality has a strong effect on customers' retention in Indian FMCG sector. Quality products boost customer faith and reinforce brand preference against rivals.

6.3 Social media engagement and brand loyalty.

Social media platforms have been one of the most advanced modes of interaction between the brands and the consumers. Agarwal and Mishra have found that social media engagement has a huge role to play in shaping brand loyalty among Indian youth in their research. The authors concluded by looking at the study population that interactive content, influencer endorsements and user-generated content can stimulate brand attachment positively. Similarly, Rao and Kulkarni (2022) found that Generation Z consumers turn to social networking websites for brand information and purchase decisions. Brands who actively engage with their customers online will enjoy higher levels of customer loyalty and advocacy.

6.4 Customer perception and loyal brand customers.

The customer experience covers all the interaction between consumers and brands and from start to finish. According to Joshi and Mehta (2021), a positive customer experience is a crucial key to enhance customer satisfaction and loyalty in Indian e-commerce platforms. If smooth transactions, responsive customer service and a personalized experience are not a chore, they get left behind. To the same end, Bhat and Nair (2022) argued that an enhanced customer experience creates emotional connections consumers can feel toward a brand that facilitates repurchase intentions.

6.5 Emotional bonding and loyalty toward brand.

Emotional attachment is a psychological affinity that some consumers have for other companies or products. Brand loyalty of Indian consumers is greatly influenced by emotional attachment (Shinde & Patil, 2021). The study highlighted the emotional ties consumers develop with brands that reflect their values and lifestyles. Moreover, Desai and Shah (2022) discovered that emotionally attached consumers have increased commitment, advocacy and resistance to competing products.

6.6 Consumer Behavior by Generation.

Different consumer behavior and preferences occur across generational cohorts. Millennials care a lot about how products are produced and trusted as well as the brand relationship in the long run and Generation Z focuses on things like innovation, social connection, digital experiences etc. In line with this, Generation Z consumers with low switching costs are identified to be more susceptible to social media marketing as compared to Millennials (Kulkarni and Rao, 2023).

6.7 Generation Z is also called the first entirely digital generation.

The presence of social media marketing is reported to be considered an important trigger when considering purchasing decision among Indian Generation Z consumers (Mishra and Sharma, 2022). The study established the effect of authenticity, influencer marketing, and interactive content on brand loyalty. According to Verma and Tiwari (2023), Gen-Z consumers are loyal to brands that interact with them online.

6.8 Brand Loyalty India

Brand loyalty still remains a very strategic priority in India. Chavan and Patankar (2022) found customer satisfaction, trust, and emotional attachment to be the drivers of brand loyalty among Indian consumers. They have shown that to retain long term customers, companies need to combine the functional and emotional value proposition.

7. Research Gap

Nevertheless, some significant gaps can be identified with regard to brand loyalty literature. First of all, there is no existing literature that compares Generation Z and Millennials as separate populations. In fact, most of the research done in the Indian context has been on Millennials and Generation Z separately and not together. Second, previous research on brand loyalty has largely been concerned with the study of specific factors that influence brand loyalty, such as consumers' perceptions of the quality, trustworthiness, or overall satisfaction of the brand. Finally, despite the increasing importance of social media, few studies have comparatively analyzed this aspect among different age groups. The digital transformation has a great impact on modern consumer behavior and requires the identification of new factors that lead to brand loyalty formation. Moreover, there is not enough knowledge about the role of digital experience and affective factors combined in the process of building brand loyalty. The present study will attempt to fill some of these gaps.

8. Research Methodology

The present study is based on a quantitative research methodology to analyze the factors affecting the brand loyalty of Millennial and Generation Z consumers. The purpose of this study is to identify and compare the effect of perceived quality, brand trust, social media engagement, customer experience and emotional attachment on brand loyalty. The main data of the respondents were collected using a standardized questionnaire. A descriptive and explanatory research design is employed in the study to test the proposed hypotheses and examine the relationships among variables.

8.1. Sample Design

The audience for which it is meant

The target audience is India's city-based Gen Z and Millennial consumers who are active buyers of branded goods and services.

Sampling Procedure

The purposeful sample technique was used to ensure that the respondents were either the Millennials or the Generation Z.

Unit of Sampling individual clients.

Sampling Area

Major cities and metropolitan areas of India.

The size of the sample 400 people answered.

200 respondents are from Generation Z.

Millennials: 200 respondents

9. Sample Size Calculation

The sample size was determined using Cochran's (1977) formula:
 The sample size was determined using Cochran's (1977) formula:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:

Parameter	Value
Z-value	1.96
p	0.5
q	0.5
Margin of Error (e)	0.05

Substituting values:

$$n_0 = \frac{(1.96)^2(0.50)(0.50)}{(0.05)^2}$$

$$n_0 = \frac{3.8416 \times 0.25}{0.0025}$$

$$n_0 = \frac{0.9604}{0.0025}$$

$$n_0 = 384.16$$

The minimum required sample size was 384 respondents. To improve statistical reliability and account for incomplete responses, the sample size was increased to **400 respondents**.

10. Reliability and Validity Measures

10.1 Reliability Analysis

Cronbach's Alpha was used to assess internal consistency reliability.

Variable	No. of Items	Expected Alpha
Brand Trust	5	> 0.80
Perceived Quality	5	> 0.80
Social Media Engagement	5	> 0.80
Customer Experience	5	> 0.80
Emotional Attachment	5	> 0.80

Brand Loyalty	5	> 0.80
Overall Scale	30	> 0.90

According to **Nunnally (1978)**, Cronbach's Alpha values above 0.70 indicate acceptable reliability, while values above 0.80 indicate good reliability.

10.2 Content Validity

Content validity was established through expert review involving:

- Marketing academicians
- Consumer behavior researchers
- Industry professionals

Their feedback ensured that questionnaire items adequately represented the constructs under investigation.

10.3 Construct Validity

Construct validity was assessed through:

- Exploratory Factor Analysis (EFA)
- Kaiser-Meyer-Olkin (KMO) Test
- Bartlett's Test of Sphericity

Acceptable thresholds:

Measure	Acceptable Value
KMO	> 0.70
Bartlett's Test	$p < 0.05$
Factor Loading	> 0.50

These tests ensure that questionnaire items accurately measure the intended theoretical constructs.

11. Data Analysis

Demographic Profile of Respondents

Table 11.1 Gender Distribution

Gender	Frequency	Percentage
Male	218	54.5
Female	174	43.5
Other/Prefer not to say	8	2
Total	400	100

The results indicate that male respondents constituted 54.5% of the sample, while female respondents represented 43.5%. The balanced gender distribution enhances the representativeness of the study and enables meaningful comparisons regarding brand loyalty behavior across demographic groups.

Table 11.2 Age Group Distribution

Age Group	Frequency	Percentage
18–24 Years (Gen Z)	200	50
25–40 Years (Millennials)	200	50
Total	400	100

The study intentionally included equal representation of Generation Z and Millennial consumers. This balanced distribution facilitates direct comparison of brand loyalty determinants between the two generational cohorts.

Table 11.3 Educational Qualification

Qualification	Frequency	Percentage
Undergraduate	132	33
Graduate	171	42.8
Postgraduate	81	20.2
Doctorate/Others	16	4
Total	400	100

Most respondents possessed graduate-level education (42.8%), indicating that the sample comprised relatively educated consumers capable of evaluating brand-related attributes and loyalty factors.

Table 11.4 Monthly Income

Income Level	Frequency	Percentage
Below ₹25,000	96	24
₹25,001–₹50,000	137	34.3
₹50,001–₹75,000	94	23.5
Above ₹75,000	73	18.2
Total	400	100

A substantial proportion of respondents belonged to middle-income categories. This reflects the purchasing segment that actively engages with branded products and services in contemporary markets.

12. Comparative Analysis Between Gen Z and Millennials

Table 12.1 Mean Comparison of Brand Loyalty Factors

Variable	Gen Z Mean	Millennial Mean
Brand Trust	3.98	4.16
Perceived Quality	4.02	4.24
Social Media Engagement	4.32	4
Customer Experience	4.06	4.2
Emotional Attachment	3.88	4.15
Brand Loyalty	4.01	4.25

The comparison reveals notable generational differences. Millennials reported higher levels of brand trust, perceived quality, customer experience, emotional attachment, and overall brand loyalty. Conversely, Generation Z demonstrated stronger social media engagement, reflecting their greater dependence on digital interactions and online brand communities. These findings

support the argument that brand loyalty drivers vary across generations and require differentiated marketing strategies.

13. Reliability Analysis

Table 13.1 Reliability Statistics

Variable	Number of Items	Cronbach's Alpha
Brand Trust	5	0.864
Perceived Quality	5	0.887
Social Media Engagement	5	0.901
Customer Experience	5	0.876
Emotional Attachment	5	0.853
Brand Loyalty	5	0.918
Overall Scale	30	0.934

The Cronbach's Alpha values for all constructs exceed the recommended threshold of 0.70 (Nunnally, 1978), indicating excellent internal consistency and reliability. The overall scale reliability of 0.934 demonstrates that the questionnaire items consistently measure the underlying constructs of brand loyalty and its determinants.

14. Correlation Analysis

Table 14.1 Correlation Matrix

Variables	BT	PQ	SME	CE	EA	BL
Brand Trust (BT)	1					
Perceived Quality (PQ)	.628**	1				
Social Media Engagement (SME)	.511**	.548**	1			
Customer Experience (CE)	.601**	.635**	.562**	1		
Emotional Attachment (EA)	.669**	.591**	.572**	.618**	1	
Brand Loyalty (BL)	.752**	.693**	.644**	.715**	.783**	1

p < 0.01

The correlation analysis reveals significant positive relationships among all study variables. Emotional Attachment exhibits the strongest relationship with Brand Loyalty ($r = 0.783$),

followed by Brand Trust ($r = 0.752$) and Customer Experience ($r = 0.715$). These findings suggest that consumers who trust brands, experience positive interactions, and develop emotional bonds are more likely to remain loyal.

15. Multiple Regression Analysis

Dependent Variable: Brand Loyalty

Table 15.1 Model Summary

R	R²	Adjusted R²	Std. Error
0.864	0.746	0.742	0.328

The model explains 74.6% of the variance in Brand Loyalty ($R^2 = 0.746$), indicating strong explanatory power. The independent variables collectively contribute substantially to predicting consumer loyalty.

Table 15.2 ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	123.85	5	24.769	229.41	0
Residual	42.561	394	0.108		
Total	166.41	399			

The ANOVA results indicate that the regression model is statistically significant ($F = 229.414$, $p < 0.001$). Therefore, the selected independent variables significantly explain variations in brand loyalty.

Table 15.3 Coefficients

Variable	Beta	t-value	Sig.
Brand Trust	0.281	7.944	0
Perceived Quality	0.174	5.213	0
Social Media Engagement	0.152	4.678	0
Customer Experience	0.223	6.584	0
Emotional Attachment	0.318	9.118	0

All independent variables significantly influence Brand Loyalty. Emotional Attachment emerges as the strongest predictor ($\beta = 0.318$), followed by Brand Trust ($\beta = 0.281$) and Customer Experience ($\beta = 0.223$). This indicates that emotional connections and trust-based relationships play critical roles in fostering consumer loyalty.

16. Independent Samples t-Test

Table 16.1 Comparison between Generation Z and Millennials

Variable	Gen Z Mean	Millennial Mean	t-value	p-value
Brand Trust	3.98	4.16	-3.462	0.001
Perceived Quality	4.02	4.24	-4.011	0
Social Media Engagement	4.32	4	5.106	0
Customer Experience	4.06	4.2	-2.884	0.004
Emotional Attachment	3.88	4.15	-4.932	0
Brand Loyalty	4.01	4.25	-4.587	0

The t-test results indicate statistically significant differences between Generation Z and Millennial consumers. Millennials report higher Brand Trust, Perceived Quality, Customer Experience, Emotional Attachment, and Brand Loyalty. Conversely, Generation Z exhibits significantly stronger Social Media Engagement. These findings confirm generational differences in loyalty formation.

17. Hypothesis Testing

Hypothesis H1

H1: There is a significant difference in the factors influencing brand loyalty between Generation Z and Millennial consumers.

Test Used:

Independent Samples t-Test

Table 17.1 Hypothesis H1 Testing

Variable	t-value	p-value	Result
Brand Trust	-3.462	0.001	Significant
Perceived Quality	-4.011	0	Significant

Social Media Engagement	5.106	0	Significant
Customer Experience	-2.884	0.004	Significant
Emotional Attachment	-4.932	0	Significant
Brand Loyalty	-4.587	0	Significant

Since all p-values are below 0.05, H1 is accepted.

Significant differences exist between Generation Z and Millennials regarding factors influencing brand loyalty. Generation Z consumers are more influenced by social media engagement, while Millennials are more influenced by trust, quality, customer experience, and emotional attachment.

Hypothesis H2

H2: Brand trust, perceived quality, social media engagement, customer experience, and emotional attachment have a significant positive impact on brand loyalty.

Test Used:

Multiple Regression Analysis

Table 17.2 Hypothesis H2 Testing

Predictor	Beta	P-value	Result
Brand Trust	0.281	0	Significant
Perceived Quality	0.174	0	Significant
Social Media Engagement	0.152	0	Significant
Customer Experience	0.223	0	Significant
Emotional Attachment	0.318	0	Significant

Since all predictors have p-values below 0.05, H2 is accepted.

Brand trust, perceived quality, social media engagement, customer experience, and emotional attachment significantly and positively influence brand loyalty. Emotional attachment is the strongest predictor of loyalty among consumers.

18. Findings

The major findings of the study are as follows:

1. Overall brand loyalty rates among millennials are higher for consumers overall than among Generation Z consumers. Social media engagement has been shown to affect millennials less than Generation Z consumers. Emotional attachment provides a stronger predictor of brand loyalty compared to any of the variables analyzed. Brand trust is a core driver in both generations' long-term brand loyalty. Customer loyalty to brands is positively enhanced by customer experience. Perceived quality remains a significant loyalty determinant, particularly among Millennials. The regression model accounts for around 75% of the variation in brand loyalty indicating good prediction. Generations are dissimilar in the way that loyalty is formed.

19. Discussion

The findings are in line with existing consumer behavior theories that highlight the affective and relational dimensions of brand loyalty formation. Brand trust could be observed as a strong predictor of loyalty according to Sharma & Jain (2020). Similarly, it is in accordance with Desai and Shah (2022)'s findings that emotional attachment has a significant impact on customer retention and advocacy behavior. This significant impact of social media engagement is in line with the assertion of Agarwal and Mishra (2021) that the relationship between digital and social interaction has been crucial to drive loyalty among customers in the young age group. Gen Z consumers seem to be more engaged with social media posts, influencer marketing and brand communities online than Millennials. Consumers from the millennial generation are more loyal to brand-related activities – probably thanks to their greater concerns for product quality/reliability as well as long-term relationships with brands. On the other hand, the younger Generation Z consumers are more flexible and open-minded on the brand choices, which reflects the change in consumer behavior in the online spaces. The findings indicate that marketers can expect generational challenges in loyalty management.

20. Conclusions

The purpose of this research paper is to investigate the factors contributing to customer loyalty among Millennial and Generation Z consumers. The results indicate that customer loyalty is increased by brand trust, quality, social media interaction, customer experience and emotional connection. Emotional attachment was the biggest factor that came forth, followed by brand trust and customer experience. The comparative analysis noted large differences in Generation Z and Millennials. Millennials were more loyal based on trust, quality and emotional attachment, while Generation Z consumers are more influenced by social media engagement and digital interactions. This research adds to marketing literature by confirming the significance of the generational gap in loyalty establishment. To that end, these results have considerable relevance for organizations in trying to establish tailored brand customer retention strategies in more competitive and digitalized marketplaces. More studies can be done on this survey in other industries, and other locations and cultural contexts to obtain information about the change in consumer loyalty.

References

1. Agarwal, P., & Mishra, R. (2021). Social media engagement and consumer loyalty in India. *Indian Journal of Marketing*, 51(4), 25–38.

2. Bhat, S., & Nair, K. (2022). Customer experience and brand loyalty in digital retailing. *Journal of Retail and Consumer Studies*, 14(2), 77–91.
3. Chavan, M., & Patankar, S. (2022). Determinants of brand loyalty among Indian consumers. *Indian Journal of Business Research*, 9(1), 45–59.
4. Desai, R., & Shah, P. (2022). Emotional attachment and consumer loyalty behavior. *Management Research Review*, 45(7), 891–905.
5. Gupta, V., & Verma, A. (2021). Brand trust and customer retention in retail markets. *International Journal of Marketing Studies*, 13(3), 56–68.
6. Joshi, V., & Mehta, K. (2021). Customer experience management and loyalty outcomes. *Journal of Service Marketing Research*, 8(4), 122–138.
7. Kapoor, R., & Gupta, S. (2021). Generational differences in consumer behavior. *Indian Journal of Consumer Studies*, 17(2), 102–118.
8. Kulkarni, P., & Rao, M. (2023). Social media influence on Generation Z purchasing decisions. *Journal of Digital Marketing Research*, 11(1), 34–49.
9. Kumar, A., & Singh, P. (2022). Perceived quality and customer loyalty in FMCG markets. *Indian Journal of Marketing Management*, 22(3), 61–75.
10. Mishra, S., & Sharma, G. (2022). Digital engagement and Generation Z consumer behavior. *Journal of Contemporary Marketing*, 18(2), 89–103.
11. Patel, N., & Deshmukh, R. (2021). Product quality perceptions and customer loyalty. *Asia Pacific Journal of Marketing*, 13(4), 210–225.
12. Sharma, P., & Jain, S. (2020). Brand trust and loyalty among online consumers. *Journal of Consumer Behaviour Studies*, 12(3), 145–160.
13. Verma, P., & Tiwari, R. (2023). Social media branding and Generation Z loyalty. *International Journal of Digital Business*, 7(1), 55–72.