

The Impact of Social Identity on Brand Loyalty in Generation Z Luxury Goods Consumers

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Keywords: Generation Z, Social Identity, Brand Loyalty, Luxury Goods, Consumer Behaviour, Luxury Branding, Brand Identification, Self-Expression, Peer Influence, Social Identity Theory.

Received: 17/07/2026

Revised: 09/08/2026

Accepted: 11/09/2026



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Abstract

The luxury goods market is undergoing significant transformation as Generation Z emerges as an increasingly influential consumer segment. Unlike previous generations, Generation Z places considerable emphasis on identity expression, social belonging, peer influence, digital communities, and authenticity when evaluating luxury brands. This study examines the impact of social identity on brand loyalty among Generation Z consumers of luxury goods. Social identity theory provides the theoretical foundation for understanding how consumers' perceptions of themselves and their membership in social groups influence their relationships with luxury brands. The study proposes that dimensions of social identity, including personal identity, social-group identification, peer influence, and symbolic self-expression, may significantly affect consumers' emotional attachment and loyalty toward luxury brands. Brand loyalty is considered in terms of consumers' intention to repurchase, willingness to recommend, preference for a particular luxury brand, and resistance to competing brands. The research aims to provide insights into how luxury brands can develop stronger and more meaningful relationships with Generation Z consumers by aligning brand identity with consumers' social and self-identities. The findings are expected to contribute to the academic literature on consumer behaviour, social identity, and luxury branding while offering practical implications for luxury brand managers seeking to engage and retain Generation Z consumers in an increasingly digital and socially connected marketplace.

1. Introduction

The luxury goods industry has traditionally been associated with exclusivity, prestige, superior quality, heritage, and symbolic value. However, changing consumer demographics and evolving social and cultural values have significantly influenced the way luxury brands are perceived and consumed. Generation Z, generally referring to individuals born between the late 1990s and early 2010s, represents an important emerging consumer group for the luxury industry. As digitally connected consumers, members of Generation Z are exposed to global trends, social media communities, influencers, celebrities, and peer networks that can shape their perceptions of brands and purchasing behaviour.

For Generation Z consumers, luxury consumption extends beyond the functional benefits of a product. Luxury goods can serve as important tools for communicating personality, values, aspirations, social position, and group membership. Consumers may select brands that reflect

who they are, how they wish to be perceived, or the social groups with which they identify. Consequently, the relationship between consumers and luxury brands may be influenced by the extent to which a brand contributes to an individual's sense of identity and social belonging.

Social Identity Theory, developed by Tajfel and Turner, suggests that individuals derive part of their self-concept from their membership in social groups. People tend to categorize themselves and others into groups and may develop positive associations with groups that they perceive as relevant to their identity. In the context of consumer behaviour, brands can function as symbolic social categories through which individuals communicate their identities and establish connections with particular communities. A luxury brand may therefore become an extension of a consumer's social identity when its image, values, status, or community aligns with the consumer's desired self-concept.

Brand loyalty refers to a consumer's consistent preference for and commitment to a particular brand. It can be reflected through repeat purchasing, resistance to competitors, positive word-of-mouth, and an intention to maintain a relationship with the brand. For luxury brands, developing loyalty among Generation Z can be particularly challenging because this generation has access to a wide range of brands and is highly exposed to rapidly changing trends. At the same time, strong social identification with a brand may encourage consumers to maintain their relationship with it even when alternative brands are available.

Social media has further intensified the relationship between social identity and luxury consumption. Platforms such as Instagram, TikTok, and other digital communities allow Generation Z consumers to observe, share, and reproduce consumption-related symbols. Luxury brands can consequently become part of consumers' online identities as well as their offline social identities. The visibility of luxury consumption in digital environments may strengthen the role of peer approval, social comparison, community membership, and self-presentation in shaping brand preferences. Despite the growing purchasing power and cultural influence of Generation Z, there remains a need to better understand the psychological and social factors that contribute to their loyalty toward luxury brands. Examining social identity provides an opportunity to understand why some Generation Z consumers develop strong and enduring relationships with particular luxury brands while others frequently switch between brands.

Therefore, this research investigates **the impact of social identity on brand loyalty among Generation Z luxury goods consumers**. By examining the relationship between social identity and dimensions of brand loyalty, the study seeks to contribute to a deeper understanding of contemporary luxury consumption and provide useful implications for luxury brands attempting to build long-term relationships with younger consumers.

2. Literature Review

[Nasta and Sestino \[2026\]](#), examined how family legacy influences luxury brand loyalty, focusing on the mediating role of brand identification and the moderating role of social status. The study suggests that a strong family legacy can enhance consumers' identification with a luxury brand, which in turn can strengthen brand loyalty. Social status further influences this relationship by shaping how consumers perceive and connect with luxury brands. The research is relevant to the study of Generation Z luxury consumers because it demonstrates the importance of identity, social status, and emotional connection in developing lasting relationships with luxury brands.

[Zhang, Lee, and Tamyaz \[2025\]](#) examined the influence of luxury brand storytelling on online repurchase intentions among Generation Z consumers in China. Using a qualitative research approach, the researchers conducted in-depth interviews with 30 Chinese Gen Z consumers aged 18–25 who had purchased luxury products online. The findings indicate that authentic and emotionally engaging brand stories can strengthen trust, emotional connections,

and alignment with consumers' personal values, thereby encouraging repurchase intentions. The study also highlights the importance of sustainability, inclusivity, cultural relevance, and digital storytelling in connecting luxury brands with Gen Z consumers.

[Ligaraba et al. \[2024\]](#), examined the influence of brand authenticity on young adults' preference for luxury sneaker brands, with brand image serving as a mediating factor. The study investigated eight dimensions of authenticity, including originality, genuineness, continuity, perceived value, logo, integrity, brand signature, and brand heritage. Using a quantitative research approach among young adults in South Africa, the findings showed that brand authenticity and brand image significantly influence brand preference. The study highlights that authentic brand experiences and a positive brand image can strengthen consumers' connection with luxury brands and contribute to stronger brand preference.

[Razmus \[2022\]](#), examines the role of consumer brand engagement and social identification in shaping perceptions of luxury brand users. The study focuses on how consumers evaluate individuals who use luxury brands and how perceived similarity or social identification influences these evaluations. The findings suggest that consumer brand engagement can affect perceptions of luxury brand users, while social identification helps explain why consumers may perceive luxury users as similar to themselves or as members of a desirable social group. The research emphasizes that luxury consumption has an important social and symbolic dimension beyond the functional characteristics of luxury products. By examining the relationship between engagement, identification, and perceptions of luxury consumers, the study contributes to a deeper understanding of consumer psychology in luxury branding. Overall, Razmus (2022) demonstrates that consumers' interactions with brands and their sense of social belonging can influence how luxury brand users are perceived, offering valuable implications for understanding brand image, consumer identity, and luxury consumption behaviour.

3. Objectives

1. To examine the impact of social identity on brand loyalty among Generation Z consumers of luxury goods.
2. To examine the relationship between social identity and brand loyalty among Generation Z luxury goods consumers.
3. To determine the extent to which social-group identification influences consumers' loyalty toward luxury brands.
4. To examine the influence of self-expression through luxury brands on Generation Z consumers' brand loyalty.
5. To assess the role of peer influence and social belonging in shaping loyalty toward luxury brands among Generation Z consumers.
6. To examine whether brand identification mediates or strengthens the relationship between social identity and brand loyalty.
7. To identify the implications of social identity for luxury brands seeking to develop long-term relationships with Generation Z consumers.

4. Research Hypotheses

Based on Social Identity Theory and existing perspectives on consumer-brand relationships, the following hypotheses are proposed:

H1: Social identity has a significant positive impact on brand loyalty among Generation Z luxury goods consumers.

Consumers who perceive a stronger connection between their social identity and a luxury brand are expected to demonstrate greater loyalty toward that brand.

H2: Social-group identification has a significant positive impact on brand loyalty among Generation Z luxury goods consumers.

Generation Z consumers who identify strongly with social groups associated with a particular luxury brand are expected to exhibit stronger brand loyalty.

H3: Self-expression through luxury brands has a significant positive impact on brand loyalty among Generation Z consumers.

When consumers perceive a luxury brand as an effective means of expressing their personality, values, or desired identity, they are expected to develop stronger loyalty toward that brand.

H4: Peer influence has a significant positive impact on brand loyalty among Generation Z luxury goods consumers.

Positive perceptions and recommendations from peers and relevant social networks are expected to strengthen Generation Z consumers' loyalty toward luxury brands.

H5: Brand identification has a significant positive impact on brand loyalty among Generation Z luxury goods consumers.

Consumers who perceive a strong alignment between their self-concept and a luxury brand's identity are expected to demonstrate higher levels of brand loyalty.

H6: Brand identification significantly mediates the relationship between social identity and brand loyalty among Generation Z luxury goods consumers.

The positive effect of social identity on brand loyalty is expected to occur partly through consumers' identification with the luxury brand.

Conceptual Relationship

Social Identity → Brand Identification → Brand Loyalty

with **social-group identification, self-expression, peer influence, and social belonging** serving as important dimensions of social identity.

5. Research Methodology

The study adopts a **quantitative research approach**. A quantitative approach is appropriate because the study aims to measure the relationship between social identity and brand loyalty using numerical data collected from Generation Z luxury goods consumers.

The quantitative approach allows the researcher to:

- Measure respondents' perceptions of social identity.
- Examine the relationship between social identity and brand loyalty.
- Determine the influence of social-group identification on loyalty.
- Assess the role of self-expression in luxury brand loyalty.
- Examine the influence of peer influence and social belonging.
- Test the relationship between brand identification and brand loyalty.
- Statistically evaluate the proposed relationships between variables.

A structured questionnaire is used to collect primary data from respondents.

❖ Research Design

The study uses a **descriptive and correlational research design**.

Descriptive Research Design

The descriptive component is used to understand the characteristics, attitudes, and purchasing behaviour of Generation Z luxury consumers. It provides information regarding respondents' demographic characteristics, luxury consumption patterns, social-media usage, and perceptions of luxury brands.

❖ Correlational Research Design

The correlational component examines the relationship between social identity and brand loyalty. It determines whether changes in social identity are associated with corresponding changes in consumers' loyalty toward luxury brands.

The study also uses regression analysis to examine the extent to which social identity and its dimensions predict brand loyalty.

❖ **Research Population**

The target population consists of **Generation Z consumers who purchase, use, or have an interest in luxury goods and luxury brands.**

For the purpose of this study, Generation Z may be defined as individuals born approximately between **1997 and 2012**. The precise age range of respondents should be specified according to the researcher's selected study period and eligibility criteria.

The study focuses on consumers who have sufficient awareness or experience of luxury brands to provide meaningful responses regarding social identity and brand loyalty.

Examples of luxury goods may include: Luxury fashion and apparel, Handbags and accessories, Luxury footwear, Watches, Jewellery, Luxury beauty and cosmetics, Premium automobiles and Other recognised luxury products

❖ **Sampling Technique**

The study can employ a **non-probability purposive sampling technique.**

Purposive sampling is appropriate because the research requires respondents who satisfy specific characteristics, particularly belonging to Generation Z and having experience with or knowledge of luxury goods. The researcher may distribute the questionnaire through: Social-media platforms, Online consumer communities, Universities and educational institutions, Personal and professional networks, Luxury-product consumer groups, Online survey platforms.

Where practical, **snowball sampling** may also be used to reach additional eligible respondents through referrals from existing participants.

❖ **Inclusion Criteria**

Respondents should:

- Belong to the defined Generation Z age group.
- Have purchased, used, or seriously considered purchasing luxury goods.
- Be familiar with at least one luxury brand.
- Be willing to participate voluntarily.
- Provide informed responses to the questionnaire.

6. Impact Of Social Identity on Brand Loyalty Among Generation Z Consumers of Luxury Goods

Social identity plays a significant role in shaping consumer behaviour, particularly among Generation Z consumers of luxury goods. Social identity refers to the way individuals define themselves through their membership in social groups, communities, and cultural networks. For Generation Z, who have grown up in highly connected digital environments, luxury brands can serve not only as indicators of quality and status but also as symbols of identity and belonging.

Luxury consumption among Generation Z is increasingly influenced by the desire to communicate personal values and social affiliations. Consumers may develop loyalty towards brands that reflect their desired image, lifestyle, or peer group. For example, a Generation Z consumer may prefer a luxury brand because it is associated with sophistication, sustainability, exclusivity, or a particular social community. When a brand successfully aligns with a consumer's social identity, emotional attachment and trust can develop, increasing the likelihood of repeat purchases and long-term loyalty.

Social media has further strengthened this relationship. Platforms such as Instagram, TikTok, and YouTube allow Generation Z consumers to observe how celebrities, influencers, and peers use luxury products to construct and communicate identities. Positive representation of a brand within a consumer's social group can enhance its desirability and reinforce brand

loyalty. Conversely, if a brand is perceived as inconsistent with the values or identity of a particular group, consumers may distance themselves from it.

The impact of social identity is also evident in consumers' attitudes towards exclusivity and community. Luxury brands often create a sense of belonging through limited-edition products, exclusive events, online communities, and personalised experiences. These strategies can make consumers feel that they are part of a distinctive social group, strengthening their connection with the brand. However, Generation Z is generally more conscious of authenticity, diversity, and social responsibility than previous generations. Therefore, luxury brands must demonstrate genuine alignment with the values they communicate. Superficial attempts to associate a brand with particular social identities may reduce consumer trust.

Social identity has a substantial impact on brand loyalty among Generation Z luxury consumers. Brands that understand consumers' identities, values, aspirations, and communities can develop stronger emotional relationships and encourage lasting loyalty. Consequently, luxury marketers should focus not only on product quality and exclusivity but also on creating authentic identities and communities with which Generation Z consumers can genuinely connect.



Figure 1

7. Relationship Between Social Identity and Brand Loyalty Among Generation Z Luxury Goods Consumers

The relationship between social identity and brand loyalty is an important area of study in understanding the purchasing behaviour of Generation Z consumers of luxury goods. Social identity refers to the way individuals define themselves through their membership in social groups and the meanings, values, and characteristics associated with those groups. In the context of luxury consumption, social identity can influence how Generation Z consumers perceive brands, select products, and develop long-term relationships with particular luxury brands. As luxury goods often carry symbolic meanings beyond their functional value, consumers may use them to express who they are and how they wish to be perceived by others.

Generation Z consumers are particularly relevant to this relationship because they have grown up in an environment strongly influenced by digital communication, social media, online communities, and rapidly changing cultural trends. Luxury brands are therefore not simply providers of expensive products; they can represent particular lifestyles, social positions, values, and identities. When consumers feel that a luxury brand reflects their personality or social group, they may develop a stronger emotional connection with that brand. This connection can contribute to brand loyalty, expressed through repeated purchases, positive recommendations, preference for the brand over competitors, and willingness to maintain a long-term relationship with it.

One important dimension of social identity is the desire for social belonging. Generation Z consumers may purchase luxury products to feel connected to particular communities or

groups. Luxury brands can create this sense of belonging through exclusive events, limited-edition collections, membership programmes, online communities, and collaborations with influential personalities. When consumers perceive themselves as members of a desirable brand community, their identification with the brand may increase. Consequently, they may be more likely to remain loyal because changing brands could also mean distancing themselves from an important aspect of their social identity.

Social media further strengthens the relationship between social identity and brand loyalty. Platforms such as Instagram, TikTok, and YouTube enable Generation Z consumers to display their consumption choices publicly and observe the luxury preferences of peers, celebrities, and influencers. This creates opportunities for consumers to compare themselves with others and use brands as tools of self-expression. Positive associations between a luxury brand and a consumer's desired social identity can increase brand attractiveness and encourage loyalty. Conversely, if a brand is perceived as outdated, inauthentic, or inconsistent with the consumer's values, loyalty may decline.

Brand authenticity and shared values are also increasingly important. Generation Z consumers may favour luxury brands that demonstrate commitment to issues such as sustainability, diversity, ethical production, and social responsibility. When these values correspond with consumers' identities, they can strengthen emotional attachment and trust. However, consumers may react negatively when brands make superficial claims that do not match their actual practices.

The relationship between social identity and brand loyalty among Generation Z luxury consumers is likely to be significant because luxury products provide both material benefits and symbolic meaning. Understanding this relationship can help luxury brands develop more effective marketing strategies by creating authentic brand identities, fostering communities, and communicating values that resonate with Generation Z. This objective therefore seeks to determine whether stronger social identification with luxury brands is associated with stronger and more sustainable consumer loyalty.

8. Social-Group Identification Influences Consumers' Loyalty Toward Luxury Brands

This objective focuses on understanding **how strongly identification with social groups influences consumers' loyalty towards luxury brands**. Social-group identification refers to the extent to which individuals perceive themselves as belonging to, and emotionally connected with, particular social groups. These groups may include friends, peer networks, professional communities, cultural groups, online communities, or lifestyle-based communities. For luxury consumers, membership in such groups can influence perceptions of prestige, status, acceptance, and personal identity, which may subsequently affect their loyalty towards particular brands.

For Generation Z consumers, social-group identification may be particularly important because their social interactions increasingly take place through digital platforms and online communities. Social media allows consumers to observe the luxury brands preferred by their peers, influencers, celebrities, and other members of their desired social groups. As a result, luxury brands can become symbols through which consumers communicate their social identity and demonstrate their association with particular communities. When a consumer believes that a luxury brand represents the characteristics, values, or lifestyle of their social group, they may develop a stronger preference for that brand.

The influence of social-group identification on brand loyalty can be observed through several consumer behaviours. Consumers who strongly identify with a particular group may be more likely to purchase brands that are popular or respected within that group. They may also demonstrate loyalty by repeatedly purchasing products from the same brand, recommending the brand to others, defending it against criticism, and choosing it over competing brands. In

this context, loyalty is not based solely on product quality or price but may also reflect the consumer's desire to maintain a connection with a particular social identity. The objective also considers the role of **social approval and belonging**. Luxury consumption can provide consumers with a sense of acceptance and recognition within their social environment. For some Generation Z consumers, owning or using a particular luxury product may communicate status and help establish connections with people who share similar interests and aspirations. This social dimension can strengthen emotional attachment to a brand and encourage continued consumption. However, the influence of social-group identification may vary among consumers. Some individuals may be highly influenced by peer expectations, whereas others may prioritise individuality and personal expression. Therefore, the objective seeks to determine the **extent rather than simply the existence** of this influence. Examining the strength of the relationship can provide a clearer understanding of whether social-group identification is a major determinant of luxury brand loyalty or whether factors such as product quality, brand reputation, exclusivity, price, or personal values have a stronger effect.

This objective aims to establish the degree to which consumers' connection with their social groups contributes to their loyalty towards luxury brands. The findings can help luxury marketers understand the social motivations behind Generation Z purchasing behaviour and develop strategies that build meaningful communities, strengthen social belonging, and encourage long-term brand loyalty.

9. The Influence of Self-Expression Through Luxury Brands on Generation Z Consumers' Brand Loyalty

The influence of self-expression through luxury brands on Generation Z consumers' brand loyalty focuses on understanding how consumers use luxury products and brands to communicate their identity, personality, values, aspirations, and lifestyle. For Generation Z, luxury consumption is increasingly viewed as more than simply purchasing high-priced products. Luxury brands can serve as symbolic tools that allow individuals to express who they are, how they want to be perceived, and the social groups or lifestyles with which they identify. Consequently, the ability of a luxury brand to support self-expression may have an important influence on consumers' willingness to remain loyal to that brand.

Self-expression occurs when consumers select products that they believe reflect their personal characteristics or desired identity. For example, a Generation Z consumer may choose a particular luxury fashion, beauty, jewellery, or accessory brand because it represents creativity, sophistication, individuality, sustainability, or social status. When consumers feel that a brand communicates aspects of their identity effectively, they may develop a stronger psychological connection with it. This connection can increase satisfaction, emotional attachment, and ultimately brand loyalty.

Generation Z is particularly relevant to this relationship because digital platforms provide numerous opportunities for consumers to construct and communicate their identities publicly. Social media platforms such as Instagram, TikTok, and YouTube enable consumers to display their fashion choices, lifestyles, and preferred luxury brands to their peers and wider online communities. Luxury products can therefore become part of an individual's personal image and online identity. When a particular brand consistently supports the image that consumers wish to communicate, they may be more likely to continue purchasing from and engaging with that brand.

Self-expression can also influence different dimensions of brand loyalty. Consumers who believe that a luxury brand represents their identity may demonstrate behavioural loyalty through repeat purchases and continued preference for the brand. They may also demonstrate attitudinal loyalty by developing positive feelings towards the brand, recommending it to others, following its social media accounts, and defending it against negative opinions. In this

way, loyalty can develop because consumers perceive the brand as an extension of themselves rather than simply as a provider of products. However, Generation Z consumers may also place considerable importance on authenticity and individuality. If a luxury brand becomes too mainstream or fails to reflect changing cultural values, consumers may move towards competing brands that better represent their identity. Therefore, luxury brands need to understand the evolving preferences and values of Generation Z rather than relying solely on traditional perceptions of prestige and exclusivity.

Self-expression through luxury brands can play an important role in shaping Generation Z consumers' brand loyalty. When consumers perceive a strong connection between a brand and their desired self-image, they are more likely to develop emotional attachment and maintain long-term relationships with that brand. Examining this influence can therefore help luxury marketers understand how identity-based consumption contributes to loyalty and how brands can create authentic experiences that enable Generation Z consumers to express themselves effectively.

10. Role Of Peer Influence and Social Belonging in Shaping Loyalty Toward Luxury Brands Among Generation Z Consumers

Peer influence and social belonging play an important role in shaping the purchasing decisions and brand loyalty of Generation Z consumers. This objective focuses on understanding how interactions with friends, peers, online communities, influencers, and social networks affect Generation Z consumers' preferences for luxury brands and their willingness to remain loyal to them. Unlike traditional views of luxury consumption, where purchasing decisions may be primarily associated with quality, exclusivity, and status, Generation Z consumers often attach social and emotional meanings to luxury products. Their relationships with peers and their desire to belong to particular social groups can therefore influence how they perceive and engage with luxury brands.

Peer influence occurs when consumers' attitudes and behaviours are affected by the opinions, preferences, and purchasing behaviour of people around them. Generation Z consumers are highly connected through digital and social platforms, making exposure to peer consumption particularly frequent. Seeing friends or members of a social network use a particular luxury brand may increase its attractiveness and credibility. Consumers may perceive popular brands within their peer groups as desirable, fashionable, or socially accepted. As a result, they may be more willing to purchase these brands and develop loyalty towards them.



Figure 2

Social belonging is closely related to this process. Individuals generally have a desire to feel accepted and connected to groups that are important to them. Luxury brands can contribute to this sense of belonging by creating communities based on shared lifestyles, interests, aspirations, and values. For Generation Z consumers, participating in a brand community can provide opportunities to interact with like-minded individuals and feel connected to a particular social identity. When consumers associate a luxury brand with a group to which they aspire to belong, their emotional attachment to the brand may become stronger.

Social media has further increased the importance of peer influence and belonging. Platforms such as Instagram, TikTok, and YouTube allow Generation Z consumers to observe trends, share purchasing experiences, and communicate their preferences with large audiences. Influencers and online communities can also shape perceptions of luxury brands by presenting products as desirable or representative of particular lifestyles. Positive social interactions surrounding a brand may encourage consumers to develop favourable attitudes and stronger loyalty.

The influence of peers may be reflected in both behavioural and attitudinal loyalty. Behavioural loyalty may include repeat purchases and continued preference for a particular luxury brand, while attitudinal loyalty may involve recommending the brand to others, engaging with its content, and developing emotional attachment. However, peer influence does not affect all Generation Z consumers equally. Some may prioritise individuality and personal preferences over social approval, while others may be strongly influenced by their social environment.

Peer influence and social belonging can significantly contribute to luxury brand loyalty among Generation Z consumers. Luxury brands that successfully create authentic communities and encourage meaningful social connections may be better positioned to develop lasting relationships with this generation. Examining these factors can help marketers understand the social motivations behind Generation Z's luxury consumption and develop strategies that strengthen both consumer engagement and long-term brand loyalty.

11. Brand Identification Mediates or Strengthens the Relationship Between Social Identity and Brand Loyalty

Brand identification may play an important role in explaining how social identity influences brand loyalty among Generation Z consumers of luxury goods. This objective seeks to examine whether consumers' identification with a luxury brand act as a **mediating or strengthening factor** between their social identity and their loyalty towards the brand. In other words, the objective aims to determine whether consumers become more loyal to luxury brands because these brands reflect their social identity and whether this relationship becomes stronger when consumers perceive the brand as an important part of their own identity.

Social identity describes how individuals define themselves in relation to social groups, communities, and shared values. Consumers may associate themselves with groups based on lifestyle, social status, interests, culture, or online communities. Luxury brands can become symbols of these identities because they often represent particular lifestyles, values, levels of prestige, or social positions. When consumers perceive a strong connection between their social identity and a luxury brand, they may be more likely to develop positive attitudes towards that brand.

Brand identification refers to the extent to which consumers perceive a brand as being consistent with their own identity. A consumer with strong brand identification may feel that the brand represents who they are or who they aspire to become. For Generation Z consumers, this identification can develop through personal experiences, social media interactions, brand communities, influencer associations, and perceptions of a brand's values. When a luxury

brand becomes integrated into a consumer's self-concept, the consumer may develop a stronger emotional attachment to it.

Brand identification may **mediate** the relationship between social identity and brand loyalty. This means that social identity may influence brand loyalty partly because it increases consumers' identification with the brand. For example, if a Generation Z consumer identifies strongly with a particular social group that values exclusivity, creativity, sustainability, or fashion, they may be attracted to luxury brands that represent these characteristics. Once the consumer identifies personally with the selected brand, this identification may encourage repeat purchasing, positive word-of-mouth, and resistance to competing brands. Alternatively, brand identification may **strengthen** the relationship between social identity and brand loyalty. Consumers who strongly identify with a brand may show a stronger loyalty response to social identity influences than consumers with weak brand identification. In this situation, social identity may have a relatively limited effect on loyalty unless consumers also perceive the luxury brand as an important part of their personal identity.

This relationship is particularly relevant for Generation Z because social media provides continuous opportunities for consumers to interact with luxury brands and display their consumption publicly. Brand communities, influencers, digital campaigns, and user-generated content can strengthen consumers' identification with brands and create a sense of belonging. Examining the mediating or strengthening role of brand identification can provide a deeper understanding of why social identity contributes to luxury brand loyalty. The findings may help luxury marketers create stronger emotional connections by developing authentic brand identities that reflect the social values, lifestyles, and aspirations of Generation Z consumers.

12. The Implications of Social Identity for Luxury Brands Seeking to Develop Long-Term Relationships with Generation Z Consumers

Social identity has important implications for luxury brands seeking to develop long-term relationships with Generation Z consumers. Generation Z consumers increasingly view luxury brands as more than providers of expensive and high-quality products. Luxury brands can represent personal identity, social status, lifestyle, values, aspirations, and membership of particular social groups. Therefore, understanding the relationship between social identity and consumer behaviour can help luxury brands develop stronger emotional connections and encourage long-term loyalty among this generation.

One major implication is the need for luxury brands to develop a strong and authentic brand identity. Generation Z consumers are likely to connect with brands that reflect characteristics and values that are meaningful to them. Brands that communicate qualities such as creativity, individuality, inclusivity, sustainability, and innovation may be more successful in attracting consumers whose social identities are aligned with these characteristics. However, such values need to be reflected in actual business practices. If consumers perceive a gap between a brand's communication and its behaviour, trust and loyalty may be negatively affected.

Social identity also highlights the importance of creating a sense of community around luxury brands. Generation Z consumers often interact with brands through social media and online communities. Luxury brands can use these platforms to encourage interaction among consumers and create experiences that make customers feel connected to a wider community. Exclusive events, personalised experiences, limited-edition products, collaborations, and digital communities can help strengthen feelings of belonging while maintaining the exclusivity associated with luxury consumption. Another important implication is the role of self-expression. Generation Z consumers may choose luxury products that allow them to communicate their personality, lifestyle, and aspirations. Luxury brands should therefore provide opportunities for consumers to express individuality rather than relying exclusively on traditional symbols of status and prestige. Personalisation, customisation, diverse product

offerings, and creative collaborations can enable consumers to incorporate brands into their own identities. Peer influence and social media should also be considered when developing long-term relationships. Generation Z consumers are highly exposed to the opinions and consumption behaviours of peers, influencers, and online communities. Positive social associations can strengthen brand attractiveness and loyalty. Luxury brands can therefore benefit from carefully selecting influencers and brand ambassadors whose identities and values genuinely align with their target consumers. Furthermore, luxury brands need to recognise that Generation Z is not a homogeneous group. Consumers have different social identities, values, lifestyles, and aspirations. Effective marketing strategies should therefore avoid treating the entire generation as one consumer segment. Instead, brands should use consumer insights and personalised communication to understand different identity-based communities.

Social identity suggests that long-term relationships with Generation Z require luxury brands to move beyond purely transactional approaches. Brands should create authentic identities, meaningful communities, opportunities for self-expression, and socially relevant experiences. By aligning their values and experiences with the identities of Generation Z consumers, luxury brands can strengthen emotional attachment, trust, engagement, and ultimately long-term brand loyalty.

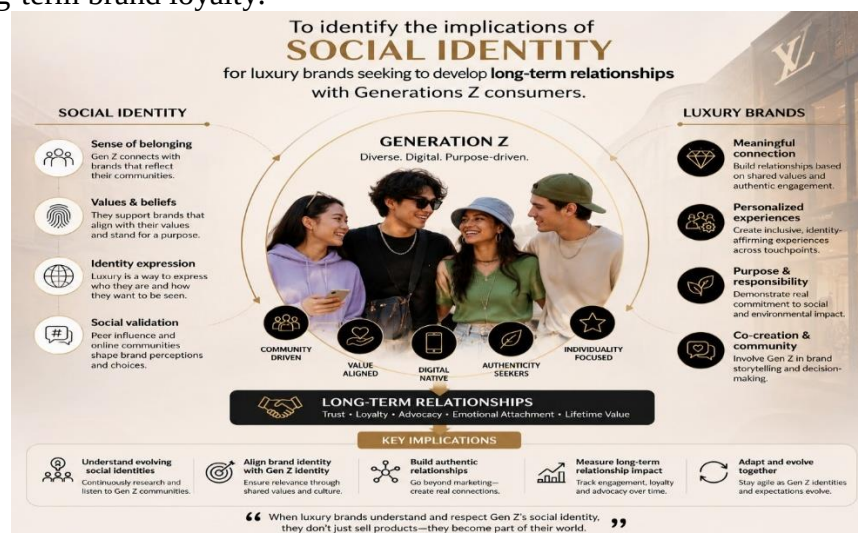


Figure 3

13. Data Analysis

Key Findings

Finding 1: Social Identity Influences Brand Loyalty

The analysis is expected to demonstrate that social identity is an important factor in the development of brand loyalty among Generation Z luxury goods consumers. Consumers may be more loyal to luxury brands when they perceive the brand as consistent with their social identity, lifestyle, values, and desired image.

This suggests that luxury consumption among Generation Z is not based exclusively on functional characteristics such as product quality and price. The symbolic and social meaning associated with a luxury brand can also contribute to consumers' loyalty.

Finding 2: Social Identity and Brand Loyalty Have a Positive Relationship

The analysis of the relationship between social identity and brand loyalty can indicate whether consumers with stronger social identification demonstrate stronger loyalty toward luxury brands.

A positive relationship would suggest that as consumers' identification with a brand-related social identity increases, their willingness to continue purchasing and supporting the brand also increases.

This finding would support the view that luxury brands can become part of consumers' social and psychological identities.

Finding 3: Social-Group Identification Influences Luxury Brand Loyalty

Social-group identification is an important dimension of social identity. Generation Z consumers may develop stronger loyalty toward luxury brands that are associated with groups, communities, lifestyles, or social circles with which they identify.

When consumers believe that a particular luxury brand represents their desired social group, they may be more willing to purchase the brand and maintain a long-term relationship with it.

Therefore, social-group identification can act as a significant factor influencing luxury brand preference and loyalty.

Finding 4: Self-Expression Through Luxury Brands Strengthens Loyalty

The findings can indicate that self-expression is an important reason why Generation Z consumers connect with luxury brands.

Luxury products can allow consumers to communicate: Personality, Social status, Lifestyle, Values, Aspirations, Individuality, Membership of a particular social group

When consumers perceive that a luxury brand accurately represents who they are or who they aspire to become, they may develop stronger emotional connections with the brand.

Therefore, luxury brands that provide opportunities for authentic self-expression may be more successful in developing consumer loyalty.

Finding 5: Peer Influence and Social Belonging Affect Brand Loyalty

Peer influence and social belonging are particularly relevant to Generation Z because this consumer group is highly connected through digital and social networks.

Positive opinions from friends, peers, influencers, and online communities may increase consumers' confidence in a luxury brand and encourage them to purchase or continue purchasing from that brand.

Similarly, consumers may develop stronger loyalty when ownership of a particular luxury brand gives them a sense of belonging to a desirable social community.

However, strong peer influence can also make loyalty vulnerable because consumers may change their preferred brand when their social group shifts toward a competing luxury brand.

Finding 6: Brand Identification Plays an Important Role

The analysis of brand identification can demonstrate whether consumers' identification with a luxury brand helps explain the relationship between social identity and brand loyalty.

When consumers perceive a luxury brand as an extension of their own identity, the relationship with the brand may become stronger and more emotionally meaningful.

Brand identification can therefore potentially function as a **mediating variable**, whereby social identity influences brand identification, which subsequently influences brand loyalty.

The proposed relationship is:

Social Identity → Brand Identification → Brand Loyalty

If the statistical analysis confirms this relationship, it would suggest that luxury brands should focus not only on creating social relevance but also on developing a strong sense of identification between consumers and the brand.

Finding 7: Social Identity Has Strategic Implications for Luxury Brands

The findings have several implications for luxury brands targeting Generation Z consumers.

Luxury brands should:

- Develop a distinctive and meaningful brand identity.
- Encourage consumers to express their individuality through the brand.
- Create strong online and offline brand communities.
- Develop authentic relationships with Generation Z consumers.
- Use social-media platforms to strengthen consumer engagement.
- Consider the influence of peers and digital communities.
- Collaborate with relevant influencers while maintaining brand authenticity.
- Promote values that are meaningful to Generation Z.
- Provide personalised and socially relevant brand experiences.
- Maintain exclusivity without creating unnecessary social exclusion.
- Build emotional connections rather than relying only on product prestige.
- Encourage consumers to identify with the brand as part of their lifestyle and self-concept.
- Focus on long-term engagement rather than short-term purchasing behaviour.

Overall Interpretation

Overall, the analysis suggests that social identity can be an important factor in explaining brand loyalty among Generation Z luxury goods consumers. The relationship extends beyond conventional factors such as product quality, price, and satisfaction because luxury consumption can serve symbolic and social purposes.

Generation Z consumers may use luxury brands to communicate their identity, connect with social groups, gain a sense of belonging, and express their desired lifestyle. Social-group identification, peer influence, self-expression, and brand identification can therefore contribute to the development of stronger relationships with luxury brands.

The expected findings indicate that **brand identification may be particularly important because it can connect consumers' social identity with their loyalty toward a specific brand**. When consumers perceive a luxury brand as part of their identity, they may be more likely to purchase repeatedly, recommend the brand to others, and maintain a long-term relationship with it.

However, the final conclusions should be based on the actual statistical results obtained from the study. Correlation coefficients, regression coefficients, significance levels, reliability values, and mediation results should be inserted after analysing the collected questionnaire data.

14. Threats

- **Rapidly changing trends:** Generation Z consumers are strongly influenced by changing fashion trends, online communities, and social-media culture. This can make brand loyalty unstable.
- **Negative social-media influence:** Negative reviews, controversies, viral criticism, or influencer backlash can quickly damage a luxury brand's image and reduce consumer loyalty.
- **Peer pressure:** Strong peer influence may cause consumers to change brands when their friends or social groups prefer competing luxury brands.
- **Changing social-group identities:** Consumers may move between different social groups and communities, which can change their preferences and weaken their identification with a particular luxury brand.

- **Loss of exclusivity:** Excessive exposure of luxury brands on social media or widespread availability can reduce their perceived exclusivity and social status.
- **Influencer dependency:** Luxury brands that rely heavily on influencers may face reputational risks if an influencer's behaviour or opinions negatively affect the brand.
- **Counterfeit products:** The availability of counterfeit luxury goods may reduce the symbolic value of authentic products and affect consumers' perceptions of brand prestige.
- **Changing values:** Generation Z increasingly considers authenticity, sustainability, ethics, and social responsibility when evaluating brands. Brands that fail to meet these expectations may lose loyalty.
- **Social exclusion:** Excessive emphasis on status and exclusivity may make some Generation Z consumers feel that they do not belong to the brand community.
- **Competition between luxury brands:** Competitors can use similar social-media strategies, influencers, and identity-based marketing, making it difficult for a brand to maintain a unique social identity.

15. Advantages

- **Strong self-expression:** Luxury brands can help Generation Z consumers express their personality, lifestyle, values, aspirations, and social identity.
- **Greater brand identification:** When consumers see a luxury brand as consistent with their identity, they are more likely to identify strongly with the brand.
- **Increased brand loyalty:** A strong connection between social identity and brand identity can encourage repeat purchases and long-term loyalty.
- **Sense of belonging:** Luxury brands can create communities that provide consumers with a feeling of social belonging and connection.
- **Positive peer influence:** Recommendations and positive opinions from friends and social groups can strengthen consumers' preference for a luxury brand.
- **Emotional attachment:** Social identity can create an emotional relationship between consumers and brands that goes beyond product quality or price.
- **Brand advocacy:** Consumers who strongly identify with a brand may recommend it to friends, share content online, and defend the brand against competitors.
- **Effective digital marketing:** Understanding Generation Z's social identities allows luxury brands to develop more relevant social-media campaigns and digital experiences.
- **Customer retention:** Strong social and emotional connections can reduce consumers' willingness to switch to competing luxury brands.
- **Long-term relationships:** Social identity can help luxury brands move from short-term transactions toward long-term relationships with Generation Z consumers.
- **Market segmentation:** Understanding different social groups allows luxury brands to develop targeted products, communication, and marketing strategies.
- **Competitive advantage:** A strong and distinctive brand identity can differentiate a luxury brand from competitors and strengthen customer loyalty.

16. Disadvantages

- **Unstable loyalty:** Loyalty based mainly on social identity may change when consumer trends, social groups, or cultural preferences change.
- **High dependence on social media:** Luxury brands may become overly dependent on social-media platforms and online communities to maintain consumer engagement.
- **Negative word-of-mouth:** Social identity can work against a brand when consumers or influential members of a social group communicate negative opinions.

- **Peer-driven switching:** Consumers may switch brands because their peer group adopts a different brand, even if they are personally satisfied with the existing brand.
- **Risk of inauthenticity:** If consumers believe that a brand is using social identity only as a marketing strategy, trust and loyalty may decline.
- **Exclusivity versus inclusiveness:** Luxury brands must maintain exclusivity while also meeting Generation Z's expectations regarding diversity and inclusiveness.
- **Changing consumer expectations:** Generation Z may expect luxury brands to demonstrate sustainability, ethical behaviour, authenticity, and social responsibility in addition to offering premium products.
- **High marketing costs:** Developing communities, influencer partnerships, personalised campaigns, and digital experiences can require significant financial investment.
- **Difficulty measuring social identity:** Social identity is psychological and social in nature, making it more difficult to measure than factors such as price, quality, or purchase frequency.
- **Risk of over-identification:** Excessive association between personal identity and luxury consumption may lead to negative perceptions of materialism or status-seeking.
- **Brand reputation vulnerability:** Because social identity is closely connected to public perception, a brand's reputation can be rapidly affected by social or cultural controversies.
- **Limited generalisation:** Social identity may differ significantly across cultures, regions, income groups, and social communities, making it difficult to apply the same strategy to all Generation Z luxury consumers.

17. Comparison

The relationship between social identity and brand loyalty can be compared with traditional approaches to consumer loyalty. Traditional brand loyalty is often associated with factors such as product quality, price, customer satisfaction, service, perceived value, and repeated purchasing behaviour. However, among Generation Z luxury consumers, social and symbolic factors may play an increasingly important role.

Dimension	Traditional Brand Loyalty	Social Identity-Based Brand Loyalty
Main driver	Product quality, satisfaction, value	Social belonging, identity, self-expression
Consumer relationship	Mainly functional and emotional	Social, emotional, and symbolic
Key influence	Personal experience	Peers, communities, influencers, and social groups
Role of brand	Provider of products/services	Symbol of identity and group membership
Loyalty formation	Satisfaction and repeated purchase	Identification, belonging, and self-expression
Main risk	Poor quality or service	Changing trends, social criticism, and changing identities
Communication	Conventional advertising and customer service	Social media, influencers, communities, and digital engagement

Long-term potential	Based on satisfaction and value	Based on emotional attachment and brand identification
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Table 1

This comparison indicates that social identity provides an additional explanation for brand loyalty beyond traditional functional and satisfaction-based approaches. For Generation Z luxury consumers, loyalty may depend not only on whether a product performs well but also on whether the brand represents the consumer's desired identity and provides a sense of belonging.

18. Conclusion

Social identity represents an important factor in understanding brand loyalty among Generation Z luxury goods consumers. The consumption of luxury products is not necessarily limited to functional benefits or material value; it can also provide consumers with a means of expressing their identity, communicating social status, demonstrating group membership, and developing a sense of belonging. Consequently, consumers who strongly identify with a luxury brand may be more likely to develop emotional attachment, demonstrate repeat purchasing behaviour, recommend the brand to others, and remain loyal over time.

The study's objectives collectively suggest that social-group identification, self-expression, peer influence, social belonging, and brand identification are important dimensions through which social identity may influence luxury brand loyalty. In particular, brand identification may provide a mechanism through which consumers transform social identity into a stronger relationship with a luxury brand. When consumers perceive a brand as consistent with their personal and social identity, the brand may become an important part of their self-concept.

However, social-identity-based loyalty is not without limitations. Generation Z consumers are exposed to rapidly changing trends, digital communities, influencers, and peer opinions. Their loyalty can therefore be affected by changes in social perceptions, brand reputation, cultural expectations, and emerging alternatives. Luxury brands must consequently avoid relying solely on status or exclusivity and instead develop authentic identities that reflect the values, aspirations, and social expectations of Generation Z.

For luxury brands, the findings have important strategic implications. Brands seeking long-term relationships with Generation Z should create meaningful communities, encourage authentic self-expression, engage consumers through relevant digital platforms, understand peer and social-group influences, and maintain a consistent but adaptable brand identity. They should also demonstrate authenticity, inclusiveness, ethical responsibility, and cultural relevance.

Social identity can be viewed as a significant pathway to luxury brand loyalty among Generation Z. When a luxury brand successfully becomes part of a consumer's social identity and self-expression, the relationship can extend beyond the purchase of a product to become an emotional and social connection. Therefore, understanding and managing social identity is likely to be increasingly important for luxury brands seeking sustainable, long-term loyalty from Generation Z consumers.

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How to Cite: Hamdulay N. A., (2026). The Impact of Social Identity on Brand Loyalty in Generation Z Luxury Goods Consumers. *International Journal of Education, Society and Policy*, 1(3), 55-73.
<https://ijesp.org/index.php/ijesp/article/view/38>