

Role of Social Media in Cultivating Brand Loyalty among Millennials and Gen Z

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Abstract

Social media advertising is a novel approach to brand or goods advertising, aimed at cultivating a favourable public opinion and encouraging brand loyalty. This research looks at how loyalty to brands among millennials and Generation Z—a group that is highly engaged with technologies and social media—is affected by social media influencers. The research applied different users of Instagram from Indonesia and made a route analysis and Sobel investigated to look at the indirect impact. Testing for accuracy, dependability, and traditional presumptions was performed to ensure the information was suitable for extra examination. The findings highlighted that buying intentions may act as a mediating factor between social media experts and Millennial devotion to brands, as well as the way social platform influences can affect Generation Z and millennials' loyalty to a brand. This study emphasizes how crucial it is to develop promotional strategies that work with millennials and Generation Z.

Keywords: social media, generation Z, millennials, purchase intentions; brand loyalty

INTRODUCTION

Background:

Social media is becoming more and more important to societies; as of 2019, there were over 3.5 billion active users globally. Social media marketing expenses are predicted to reach \$219.8 billion in the year 2024, as advertisers increasingly use these platforms to interact with new clients. Influential figures are often used in advertising programs to advertise their companies, products, or goods by projecting a positive image of themselves onto products or businesses to draw in supporters. Due to their high level of digital knowledge, Generation Z and millennials are very active in social media advertising, so 85% of them learn about new items via social media and aren't nervous about making purchases online. Of the younger generation, 44% had made a purchase decision based solely on the recommendation of social media. When it comes to connecting with Generation Z, who are often difficult to reach via conventional media outlets like TV and printing, social media engagement is very important.

Because it boosts earnings, drops clients' fees, and cuts down cost-sensitiveness, loyalty is crucial for businesses. Customer loyalty is impacted by intention to buy, which is the result of understanding and mental processes. While social networking has been the subject of several studies analysing corporate loyalty and intention to buy across a range of sectors, no study has looked at the impact of social media influencing factors on Generation Z's buying decisions.

Conception of the Gen Z and millennial generations:

Two separate groups that have had a major impact on shaping communities and today's globe are the millennials and Gen Z generations, commonly referred to as Generation Y and Generation Z, respectively. As they embrace technological devices, social media, and electronic interaction, millennials—those born between the year 1980 and the mid-1990s—are upbeat, flexible, and friendly. On the opposite side, People born in the latter stages of the 1990s to the beginning 2010s are referred to as Gen Z. They continuously utilize gadgets for social interaction and independence, handling them with comfort as digital natives. They're socially concerned, involved in politics, wide-ranging, and enterprising (Conrad, 2020). Classical turning points and current problems, such as the COVID-19 epidemic, technology advancements, shifting social norms, and the economic meltdown of 2008, have affected the two generations. Technologies, journalism, sales, and politics are just a few of the areas that have been impacted by their observations and opinions, which have

also developed their beliefs, goals, and tastes. As the biggest and most powerful audience segments in the globe right now, companies, advertisers, teachers, and governments must know the current generation.

Aim and objectives:

Aim: The study aims to explore the role of social media in Cultivating Brand Loyalty among Millennials and Gen Z.

Objectives:

- To understand the conception of the Gen Z and millennial generations.
- To explore the social media promotional activities, brand loyalty, and brand experience.
- To understand the social media's function for millennials and Generation Z.
- To find out the limitations and suggestions for more study.

LITERATURE REVIEW

Social media promotional activities:

Because social media promotional activities allow companies to communicate with consumers and participate with public groups, they have completely changed ways of marketing. Awareness in this field has risen as a result of the advertising sector's rising curiosity about how social media affects consumer decisions. Social media marketing efforts are advanced electronic advertising activities within firms that effectively accomplish focused advertising efficiency through using social media platforms and involving stakeholders. Social media promotional activities are popular because of their enjoyment value, flexibility, style, interaction, and public relations (Mandagi, and Aseng, 2021). Style, variation, interactivity, fun, and level of risk are crucial elements that impact its efficacy, according to research by Seo and Park (2018). According to Malarvizhi et al. (2022), by encouraging enjoyment, customized service, and trendy, and good online referrals, businesses may build strong reputations and brand loyalty via social media promotional activities.

Brand loyalty:

Fig 1. Brand loyalty among Gen-Z and Millennials

Brand loyalty is the faith that a business can provide items and solutions that satisfy customers' requirements and desires. Public faith in the company's power to provide wanted rather than scary effects have an impact on it. Things like brand awareness and trust, in addition to how simple it is to find and finish purchases on social media sites, all have an impact on brand loyalty. Prioritizing the welfare of their customers and working to enhance loyalty-related elements like accuracy, protection, and regularity are important for corporations (Serbanescu, 2022). Because social media engagements make content easier to acquire and more readily available, they are also vital in building confidence in a company. To build loyalty in their companies, firms need to put the needs of their customers first and work to enhance loyalty-related factors.

Brand experience:

Consumer' inner reactions, including their emotions, thoughts, feelings, and how they react to events associated with the company, are referred to as the brand's experience. Decoration, branding, wrapping, messaging, and settings all depend on how people feel about a brand. Brand affection, loyalty, feelings for the company, and brand happiness are just a few of the benefits that brand experiences offer to the brand (Dobre, et al. 2021). The way that brand awareness is affected greatly by the use of Social Media Advertising Activities. The impression of brand experience and social media advertising activities have been proven to have an overall positive link. The application of useful social media advertising strategies produces digital brand skills.

Because a client's connection with a company is formed by their interaction with it, the company's experience is very important for building the value of a brand (Fernandes, and Inverneiro, 2021).

The components of brand recognition are customer loyalty, advertise awareness or association, and opinion of value among the many that are directly and significantly impacted by brand value. The influence of the branding experience on quality perceptions, recognition, and reputation is thought to be important. According to Salem & Salem (2019), effective social media promotional activities may increase a brand's consumer loyalty.

METHODOLOGY

Every study project adheres to a certain methodology and mindset for data collection. Secondary data gathering has been the approach used in the research for data collection. Since this is empirical study, following this procedure has been quite beneficial in gaining general insights into the subject for analysis at a later time. Later, a qualitative method was employed to analyse the data.

ANALYSIS

Social media's function for millennials and Generation Z:

The choices, interests, and purchasing habits of millennials and Gen Z are greatly influenced by social networking sites, social media for influencer marketing, and content created by users. These current generations are the product of the age of technology, where they are always linked and shaped by the material that they see on social networking sites. The main social media locations for youngsters and Generation Z to interact, share, and discover ideas include Facebook, Instagram, Twitter, and Tinder. They enable people to be informed about current affairs, activities, and popular culture by acting as their primary outlets of information, headlines, and fashions.

Because youngsters and Gen Z connect to and have faith in social media influencers as much as they do older advertising approaches, social media advertising has become increasingly trendy among these audiences. Those who have gained a large audience on social media due to their knowledge, standing, or connection are known as social media influencers. Brands may more successfully engage the people they want and provide information that appeals to their following by working with celebrities (Cagnin, and Nicolas, 2022). Consumers in Generation Z and

Millennials see such recommendations as authentic, and they are prone to interact with companies that share their choice of influencers' beliefs.

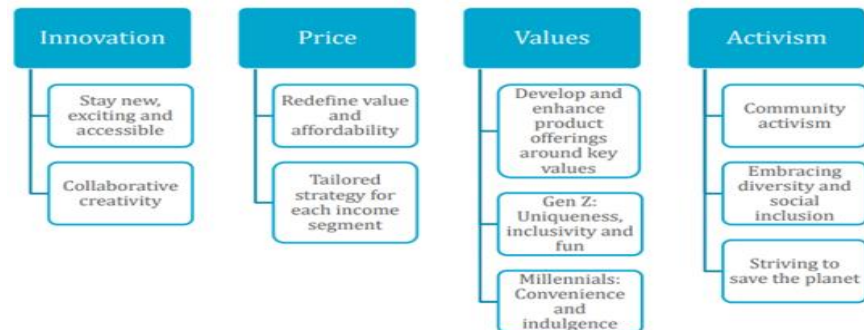


Fig 2. Engagement of people on social media

Since youngsters and Gen Z demand real and appropriate experiences, content created by people is essential to their making decisions. By seeing other people apply and profit from a good or service, users can build confidence and make well-informed selections thanks to user-generated material (Korombel, and Ławińska, 2021). Through making content, building relationships, and sharing their knowledge, millennials and also Gen Z take part actively in content that users create strengthening their brand connections and fostering a feeling of community.

The study's Implications:

According to the survey, social media advertising has a big influence on millennials and Gen Z, devotion to brands, high business loyalty and a positive brand reputation are key factors. The study also showed that social media sales have an impact on self-awareness, which is a crucial component of company loyalty. This implies that social media advertising may raise self-consistent, which eventually results in brand loyalty. The results advise advertisers to maximize client connections while using social media's special features to represent fun, engagement, and trendy aspects. Marketing professionals may enhance brand loyalty and buy willingness by customizing materials and advertising efforts that align with the opinions of prospective young people.

DISCUSSION

Social Media's Function for Millennials and Generation Z:

Millennials and Generation Z use social media a lot, and it has a big impact on their decisions, interests, and buying habits. Because these generations have grown up with technology, they are constantly linked and deeply affected by the content they see on sites like Tinder, Instagram, Facebook, and Twitter. These sites are where people mostly talk, share ideas, and find new things (Duguay *et al.*, 2020). They have a big effect on how these generations deal with current events, activities, and pop culture.

Influencers on social media and marketing:

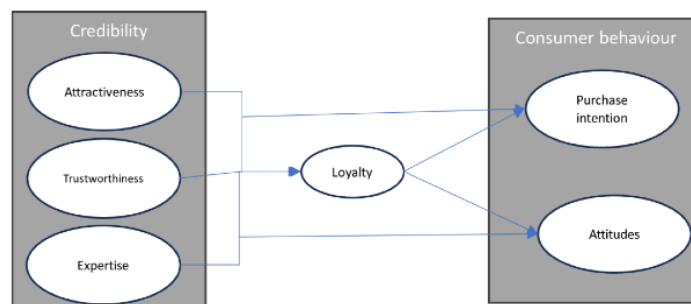


Fig 3. Loyalty by Gen-Z

The role of followers in marketing is one of the most important parts of social media's power. Influencers, who have large followings because of their knowledge, status, or approachable personality, are now at the centre of advertising campaigns aimed at millennials and Gen Z. Most of the time, these people have more trust and power than standard advertising. According to Morton, (2020), brands can better reach their target audiences when they work with influencers and give their followers material that really speaks to them. Millennials and Gen Z are more likely to buy from brands backed by influencers they look up to because they feel like the tips are real and in line with their values.

User-Generated Content (UGC) and Making Decisions:

Another important thing that affects the choices of millennials and Generation Z is user-generated content (UGC). For these generations, real and useful events are very important, and UGC gives

them that. Users build trust and make smart choices when they see other people using and gaining from a product or service. Reinikainen *et al.*, (2020) say that millennials and Gen Z create and share content that not only adds to business stories but also builds community and connections. People who actively help make content have stronger ties with companies. This makes them more loyal to those brands and builds a sense of community among consumers.

Implications of Social Media Influence:

Ads on social media have a big impact on the brand loyalty, business loyalty, and positive brand image of millennials and Gen Z, according to the study. Social media not only changes what people buy, however it additionally lets them discover more about themselves, which is crucial for staying loyal to a brand. Leban *et al.* (2021) say that people are more inclined to remain associated with a brand if the things they see on social media complement their views and perceptions of who they are. For this reason, marketers require to make certain that the things they publish on social media are fun, interesting, and in a way that kids will enjoy.

Advice for marketers on how to plan their strategies:

People who work in marketing can get the greatest out of social media by using the site's lively and fun features to connect with customers better. Teenagers and young adults are more inclined to buy a brand if the ads and material are specifically geared towards their likes and ideals. They ought to attempt to make content that is authentic and easy to relate to so that it not only gets and keeps the attention of Gen Z and millennials (Mäkitalo, 2020). Brands can connect with their customers more deeply and gain their loyalty by working with influencers who share their ideals and encouraging users to create content.

LIMITATIONS AND SUGGESTIONS FOR MORE STUDY

There are several shortcomings to this social media advertising study as well as suggestions for more investigation. First, the majority of the participants were made up of Generation Y and millennials, which would restrict how broadly the findings can be applied. Customer views of social media advertising and its effect on loyalties may vary depending on their age and country.

Bigger, diversified datasets from various generations will need to be used in future studies, and results from industrialized and developing regions must be compared. Second, the use of a closed-ended survey might highlight drawbacks such as concepts that participants weren't aware of. Thirdly, the cross-sectional style was an attempt to save time and money, but it may not have been sufficient to demonstrate long-term causal connections. Consequently, findings on cause-and-effect linkages and improved accuracy might be drawn from ongoing research designs. The precision and dependability of the findings may also be impacted by other controlling variables like sex, wealth, or mental functions like confidence and self-awareness To clarify how regulators influence the correlations shown in this study, further studies should look at a wider range of factors.

Aspect	Summary
Influence of Social Media	Millennials and Gen Z are heavily influenced by social media in their choices, interests, and purchasing habits.
Primary Platforms	Facebook, Instagram, Twitter, and Tinder are key platforms for interaction, idea exchange, and staying informed.
Role of Influencers	Influencers are trusted and play a significant role in marketing, making brand messages feel authentic and relatable.
User-Generated Content	UGC is crucial for decision-making, providing authenticity and fostering a sense of community among users.
Brand Loyalty	Social media advertising enhances self-awareness and brand loyalty by aligning with personal values and creating engaging content.
Marketing Strategies	Marketers should focus on authentic, engaging content and collaborations with influencers to build strong connections with millennials and Gen Z.

CONCLUSION

Generation Z's buying plans are greatly influenced by social media celebrities, and loyalty is a crucial component. Selecting the appropriate celebrity for promotion is crucial for advertisers, since positive perceptions of the influencers may positively impact the brand. Although Gen Z is easily frustrated, special goods may foster brand loyalty. The link connecting brand devotion and

intention to buy is mediated by the fact that dedication results from repeat purchases from an identical brand. Members of Generation Z may suggest items to their nearest contacts.

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