

# Buying Behaviour of Gen Z Towards Luxury Products

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## *Abstract*

The buying behaviours of Gen Z, a generation defined by its digital nativity and distinct social values, has become a focal point for marketers, especially within the luxury sector. This research paper explores the unique dynamics that drive Gen Z consumers towards luxury products, examining the psychological, social, and economic factors that influence their purchasing decisions. Unlike previous generations, Gen Z exhibits a paradoxical relationship with luxury, where traditional notions of exclusivity intersect with a desire for authenticity, sustainability, and social impact. This study utilizes survey, to analyse the motivations behind Gen Z's luxury purchases. The primary goal of this study is to provide a full understanding of Generation Z's impulsive purchasing behaviours when it comes to luxury things. Furthermore, it tries to understand the different elements and factors that influence their proclivity to make unplanned online purchases of luxury goods. For the purposes of this study, we used a 130 samples. A standardized questionnaire was used to collect data, which was done methodically. Key findings reveal that social media influence, brand identity, and the alignment of luxury brands with personal values are critical determinants of purchasing behaviours. The research also highlights the role of impulsivity, peer influence, and the need for self-expression in driving luxury consumption among Gen Z. By understanding these factors, brands can better tailor their marketing strategies to resonate with this influential demographic, ensuring relevance in an increasingly competitive market.

*Keywords* -Consumer Preferences, Luxury Consumption, Impulse Buying, Buying Behaviour, Social Media

## **1. INTRODUCTION**

The buying behaviour of Generation Z, individuals born between 1997 and 2012, towards luxury products has become a subject of interest. As digital natives, they are tech-savvy, digitally connected, and possess a high level

of consumer knowledge, making them Gen Z is distinguished not only by their comfort with technology but also by their unique approach to consumption, particularly in the context of luxury products. Unlike Millennials, who tend to prioritize experiences over material possessions, Gen Z exhibits a complex and multifaceted relationship with luxury, merging traditional desires for exclusivity with a growing demand for authenticity, sustainability, and social impact (Francis & Hoefel, 2018). This duality reflects a broader shift in consumer values and behaviours, making Gen Z a critical demographic for luxury brands to understand and engage with.

Luxury brands have historically been seen as symbols of status, wealth, and prestige, catering primarily to older, affluent consumers who value heritage and craftsmanship. However, the emergence of Gen Z as a powerful and influential consumer segment is fundamentally reshaping the dynamics of the luxury market. This generation, characterized by its unprecedented access to information and global connectivity, is not only digitally savvy but also profoundly influenced by social media platforms, where they are constantly exposed to curated images of opulent lifestyles and high-end products. As a result, Gen Z's purchasing decisions are increasingly driven by online engagement, influencer endorsements, and peer recommendations, positioning them as trendsetters in the luxury space.

Even though they are still relatively young, this generation of consumers is already quite keen on luxury products—not so much as a status symbol but as a way of self-expression. This is most evident in their interest in brands that stand for ethical and environmental values, hence driving the luxury industry towards greater sustainability and social responsibility. And due to their symbolic meaning and inherent value for individuals, items such as jewellery and other luxury goods have emerged as primary examples that appeal powerfully with impulsive purchasers. As the global economy grows, there has been an unusual pattern in demand for luxury commodities. Luxury products, unlike ordinary commodities, frequently violate the conventional law of demand, as an increase in price does not always imply a decrease in demand.

It is, therefore, very important that marketers, brand strategists, and other related industry stakeholders targeting the capture and retention of this emerging market understand buying behaviour in relation to luxury products among Gen Z. The aim of this research is to understand the complex factors affecting the luxury consumption of Gen Z with regard to psychological motivations, far-reaching effects of social media, brand perception, and economic considerations. It therefore tries to make an analysis of the diverse elements and provide comprehensive insights into how luxury brands can effectively make strategy adjustments to serve evolving preferences and values of Gen Z consumers toward relevance and competitiveness in the ever-dynamically changing market landscape.

## 2. LITERATURE REVIEW

**Francis, T., & Hoefel, F. (2018)**- This article examines how economic factors, such as income levels and spending power, affect Gen Z's luxury consumption. The study reveals that while Gen Z may not have substantial income yet, they prioritize quality over quantity and view luxury purchases as investments. The authors discuss the concept of "affordable luxury" and how brands are responding to Gen Z's economic realities by offering high-quality products at more accessible price points.

**Kumagai, Nagasawa (2020)**- This paper explores the effect of sustainable plastic apparel on consumer brand attitude and purchase intention. The moderated mediation analysis with data from 440 respondents collected using an online survey in Japan shows that the introduction of sustainable plastic apparel relates positively to brand attitude and that it relates to purchase intention directly and indirectly. Further, studies also find that the influence of this sustainable product launch is moderated by the brand luxury and brand experience, while the influence of sustainable product experience is not significant.

**Kim, Chi, Yuen (2020)** - The study contributes to understanding motivations of Chinese millennial luxury consumers, an increasingly important segment for the global luxury market, the research provides insights into the complex factors driving Chinese millennials' luxury consumption across income levels, offering valuable implications for luxury brands targeting this lucrative consumer segment.

**Lin (2023)** - This paper analyses the marketing strategies of different luxury brands from the perspective of consumer psychology to provide insight and suggestions for the luxury market, so as to improve the marketing strategies of luxury brands and improve consumer satisfaction. The study found that consumer behaviour toward luxury brands is often influenced by these factors, including the exclusivity, scarcity, personalized service and prestige of these brands. The study suggests that luxury brands harness the power of social media to create campaigns that are more in tune with trends.

**Gupta et al (2023)** - The study explores luxury experience is a growing and crucial component of luxury marketing. Experiences inspire consumers to engage with luxury brands. Although several research studies have shed light on the origin, development, and prominence of luxury experiences among consumers, there is a scarcity of research that analyses the current knowledge holistically. As a result, this study uses a systematic literature review technique to better understand the trends in the luxury experience and consumer Behaviour literature and suggest future research directions to further develop the subject area

**Zhao et al (2023)** - The purpose of this study was to collect literature and analyse the current state of research related to sustainable luxury and consumer purchase intention. The results of this review indicate that the related epistemology has been strongly advanced, and luxury brands should approach the topic of manufacturing and retail

sustainability on a case-by-case basis and measure whether it translates into better purchasing Behaviour. The practical implications for luxury retail are discussed.

**Indhumathi, Vasanthakumar, Ramamani (2024)** - Women's attitude towards purchasing luxury products of different brands has increased nowadays. Luxury products, to women, are a means of expressing personal style, feeling confident and empowered, and signalling to others. This paper aims at understanding the factors that influence the attitude of female consumers towards luxury products and behaviour. Product quality, as is found in the study, has been a major factor for buying luxury products.

**Savic et al (2024)** – The study focuses on what kind of consumer profile is formed by the new generations born in the digital age that is, what kind of changes are occurring in the behaviour of consumers of Generations Z and Alpha. They researched their behaviour on a sample of over 500 respondents.

### **3. OBJECTIVES –**

1. To analyse the factors influencing Gen Z's purchasing decisions for luxury products.
2. To determine the extent of impulse buying behaviours among Gen Z in the context of luxury products.
3. To study the impulsive buying behaviour towards luxury products of Gen Z.

### **4. WHAT ARE LUXURY PRODUCTS -**

Luxury products are highly qualitative, unique, and extremely prestige goods or services. They are crafted with utmost care from the finest materials, often combining tradition with innovation. Luxury brands like Rolex, Louis Vuitton, and Ferrari epitomize quality workmanship and give out a feeling that such products represent more than functionality through class, elegance, and sophistication. What makes luxury items, often produced in small quantities, even more attractive is their exclusiveness. The excesses of heritage and reputation make the product very illustrious; thus, in turn, form an integral part of the value intrinsic to luxury products. The act of purchasing is another critical element of luxury; it includes customized service and the ability to customize or tailor options according to the taste of the buyer. These products are not commodities but symbols of personal achievement, social distinction, and luxury. Take, for example, luxury goods, which have been used as self-expression and to signal to others a certain lifestyle and values, whether in the realm of fashion, automobiles, or high technology. Because of this, they exert a very great attraction on people for whom quality, uniqueness, and belonging to the heritage of a prestigious brand are very important.

## **5. FACTORS INFLUENCING BUYING BEHAVIOURS**

Understanding the factors that influence buying behaviour is crucial for businesses, especially in the luxury sector where consumer motivations are often complex and multifaceted. In the context of Gen Z, these factors are particularly dynamic, reflecting the generation's unique characteristics, values, and interaction with technology. This section explores the key factors influencing the buying behaviour of Gen Z towards luxury products.

### **5.1. PSYCHOLOGICAL FACTORS**

Generally, psychological factors drive consumer purchasing behaviour among the Gen Z consumers seeking to acquire luxury goods. These drivers include motivations, perceptions, attitude, and beliefs. In most cases, luxury products are purchased by Gen Z consumers to express themselves or even find their identity. Compared to other generations, they relate luxury more to personal values of authenticity, sustainability, and ethical production rather than only status or money. This desire of the generation to associate their purchase with their person identity and social values is what mostly drives brand choices and loyalty.

### **5.2. SOCIAL AND PEER INFLUENCE**

Social influence is another critical factor in Gen Z's buying behaviour. As a generation that is deeply connected through social media, peer opinions and endorsements significantly impact their purchasing decisions. The desire to belong to a social group or community often drives Gen Z consumers to purchase luxury products that are popular or endorsed by influencers and peers (Gentina & Parry, 2021). This social validation is crucial in a digital age where appearances and social status are constantly scrutinized online. Consequently, luxury brands that successfully leverage social media platforms and influencer partnerships can effectively influence Gen Z's purchasing behaviour.

### **5.3. ECONOMIC FACTOR**

Other economic factors that affect the buying behaviour of this generation toward the consumption of luxury products are their level of income, purchasing power, and perceived value. Even though many of them are still not earning much, they will be willing to purchase luxury commodities, ever mindful of quality as opposed to quantity, according to McKinsey & Company in 2018. For Generation Z, purchases of luxury goods are long-term investments and not impulsive. This trend is highly influenced by the fact that they have been exposed to online content introducing them to financial literacy. Moreover, with the emergence of more "affordable luxury" brands that offer quality at pocket-friendly prices, it certainly places luxury consumption within reach for this generation.

#### **5.4. BRAND PERCEPTION AND LOYALTY**

Brand perception and brand loyalty are also principal factors when it comes to Gen Z's luxury buying behaviour. This generation wants more from the brand than just products; they want storytelling brands that would communicate with them in a real, very human way, and contribute to their sense of identity. Storytelling that includes transparency and authenticity reinforces trust and loyalty in the consumer. Moreover, brand loyalty becomes imperative to them because this generation wants brands to offer them a personal experience that comes in the form of tailored or customized products, special offers, or by engaging with them directly on social media.

#### **5.5. IMPULSE BUYING BEHAVIOUR**

Even though younger baby boomer purchase behaviour is typically careful and deliberate, purchase behaviour from Gen Z influenced by digital media may sometimes be characterized by impulsive buying behaviour, more so in the luxury sector. In fact, the immediate and gratifying nature of online shopping, coupled with targeted advertisement and algorithms in social media, can lead to impulse buying from Gen Z consumers. There is also the aspect that the fear of missing out is pumped up by the momentary availability of items via limited-time offers, flash sales, and exclusive product drops. In that respect, the drivers of impulse buying should be useful to luxury brands that are deciding on what marketing strategies to come up with so that they can tap into such psychological cues while being in line with Gen Z's values and preferences.

#### **5.6. TECHNOLOGY INFLUENCE AND DIGITAL ENGAGEMENT**

As digital natives, Gen Z's consumption behaviour is highly influenced by technology. The role that the digital landscape- including e-commerce websites, social media, and mobile applications - plays in their shopping experience is very important. Francis and Hoefel say that Gen Z consumers love to shop seamlessly across channels and spend more time searching, comparing, and purchasing luxury goods online. They also utilize digital content - such as reviews, unboxing videos, and virtual try-ons - to drive informed purchase decisions. Embracing digital innovation and delivering engaging online experiences, luxury brands could make a dent in the consciousness and win over Gen Z consumers.

#### **5.7. PAYMENT EASE OPTION**

This would also be one of the important components of transaction convenience: the availability and variety of payment options. If anything, Gen Z consumers are very comfortable with online transactions, including support for payments via multiple payment methods: credit/debit cards to mobile wallets such as Apple Pay or Google Pay, Phone Pay, and even new technologies. These luxury brands realize the tech-savvy generation and hence come up with flexible payment methods that bring much less friction to the point of sale, creating a much better shopping experience.

## 6. RESEARCH METHODOLOGY

Sample and Data Collection Primary and secondary data are both sources of information. A systematic questionnaire survey is conducted to Gen-Z participants to collect primary data, which includes multiple-choice and Likert- scale questions to examine impulsive buying behaviour, motivations, and influencing variables. Secondary data on impulsive purchase behaviour and luxury products is gathered through a literature review, academic articles, and online sources. Data collection entails the distribution of questionnaires as well.

**Variables used** - This study includes individuals from various age groups like 16-18(comprising 24.6%), 19-22(37.7%), 23-26(37.7%). We then have gender distribution which comprised of Male at 56.2% and Female at 43.8%. The occupation was classified under three categories – Student (45.4%), Employee (33.8%) and other professions (20.8%). These were the demographics that we have used in the study for measurement.

### **TEST 1 – Occupation Vs Amount of Spending**

H0: There is no relationship between the occupation and the amount of spending's

H1: There is relationship between the occupation and the amount of spending's

Chi Square Value - 11.10909091

Critical Value - 9.488

Since Chi Square Value = 11.10 is greater than 9.488, Null Hypothesis will be Rejected

**Therefore, we can say there is a relationship between occupation and the amount of spending**

### **TEST 2 - Age vs Frequency of Unplanned Purchase**

H0: Age does not affect the frequency of unplanned purchase

H1: Age affects the frequency of unplanned purchase

Chi Square Value - 8.291081132

Critical Value - 12.592

Since Chi Square Value = 8.2910 is less than 12.592, Null Hypothesis will be Accepted

**Therefore, we can say there is no enough evidence to suggest an association between Age and Frequency of unplanned purchase**

### **TEST 3 - Gender and Impulsiveness in buying Luxury goods**

H0: Gender does not affect impulsiveness in buying luxury items

H1: Gender affect impulsiveness in buying luxury items

Chi Square Value -1.859560273

Critical Value - 7.815

Since Chi Square Value = 1.8595 is less than 7.815, Null Hypothesis will be Accepted

**Therefore, we can say there is no enough evidence to suggest an association between Gender and impulsiveness of buying luxury goods.**

#### **TEST 4 - Age Vs Influence by other Gen Z**

H0: There is no relationship between the age and other gen-z

H1: There is relationship between the age and other gen-z

Chi Square Value -5.81353853

Critical Value 9.488

Since Chi Square Value = 5.8135 is less than 9.488, Null Hypothesis will be Accepted

**Therefore, we can say there is no enough evidence to suggest an association age and influence by other Gen Z.**

#### **TEST 5 - Gender Vs Enjoy buying**

H0: There is no relationship between gender and the person enjoy buying luxury goods

H1: There is a relationship between gender and the person enjoy buying luxury goods

Chi Square Value - 2.796291091

Critical Value 3.841

Since Chi Square Value = 2.796 is less than 3.841, Null Hypothesis will be Accepted

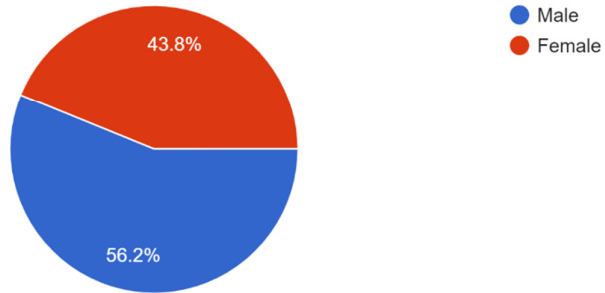
**Therefore, we can say there is no relationship between gender and the person buying luxury goods**



## 6.1. DATA INTERPRETATION

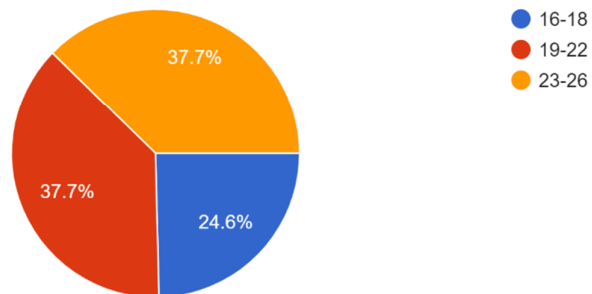
### Gender

130 responses

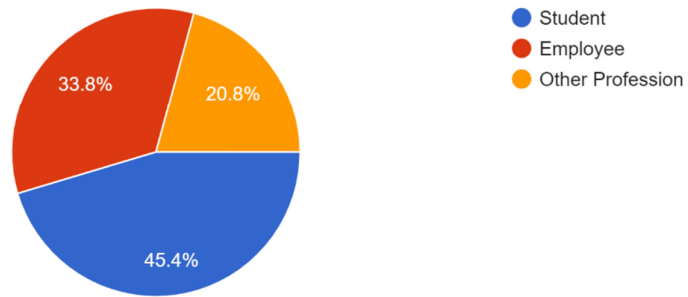


### Age

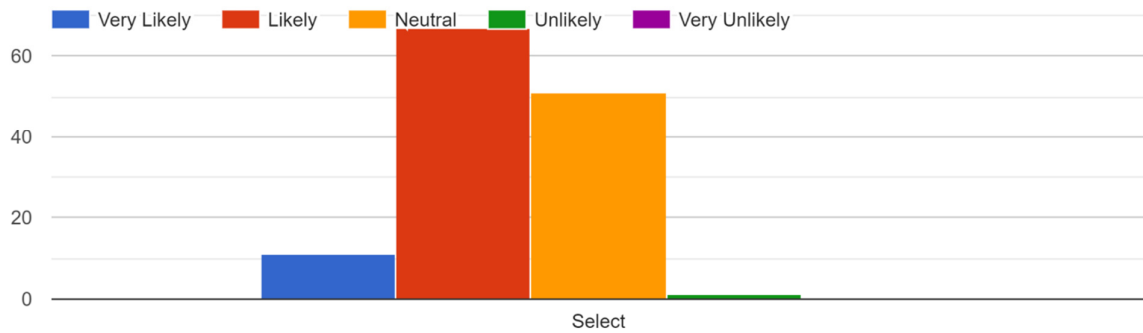
130 responses



Occupation  
130 responses

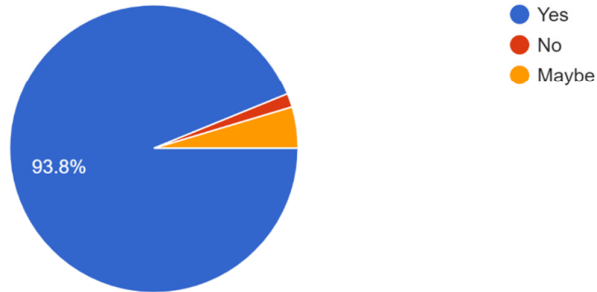


How often do you purchase luxury items on impulse ?



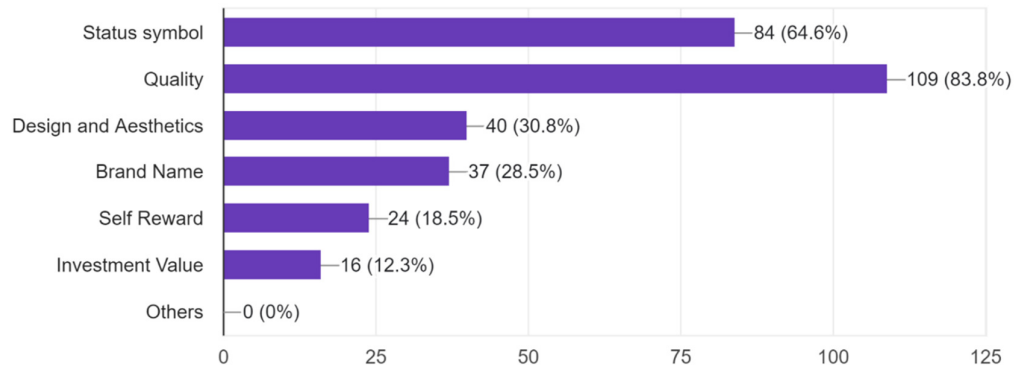
Are you influenced by other individuals owning luxury products, making you aspire to own them as well?

130 responses



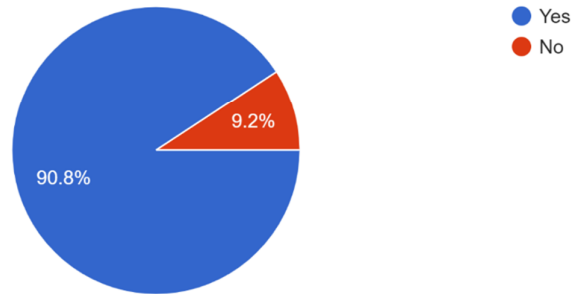
What motivates you to purchase luxury products ?

130 responses



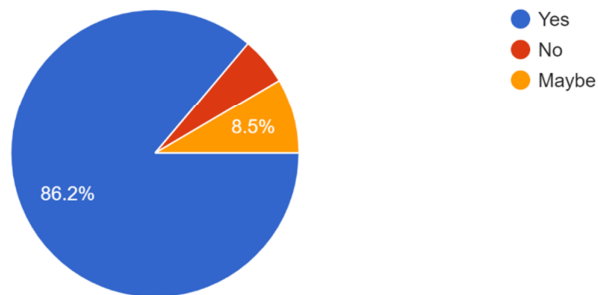
Do you enjoy buying luxury accessories ?

130 responses



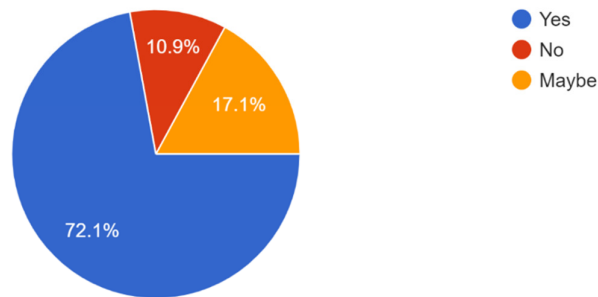
Do you consider yourself to be an impulsive buyer when it comes to luxury products ?

130 responses



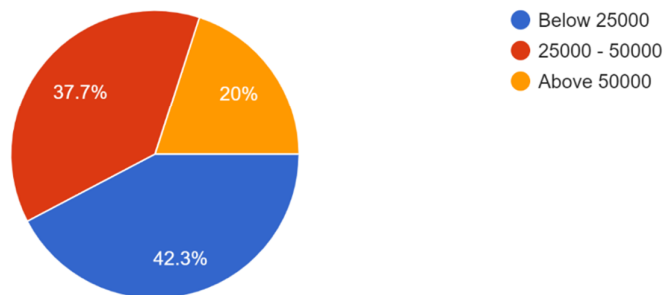
Do positive reviews significantly impact your decision to buy luxury products ?

129 responses



Your average spending's on luxury products ?

130 responses



## INTERPRETATION

A comprehensive interpretation of 130 samples involves both visual data and inferential statistics, to understand the collected data. Visual tools like Pie chart, Bar graphs are used to access the data distribution and identify any outliers. Inferential statistics including confidence interval, hypothesis testing are then applied to determine the reliability of the findings and relationship between variables. In the collected sample 56.2% were men and 43.8% were female and several variables like age, occupation, average spendings etc were taken through structured questionnaire and analyzed to reach the conclusion. It can be seen that most people were neutral while purchasing a luxury item on impulse; also, there is influence of other individuals in buying a luxury product. Quality, status symbol, design, and aesthetics are the main three reasons for motivation. Also, the positive review significantly impacts the decision to purchase. From the collected data, it was found that Gen Z does like purchasing luxury products.

## 7. CONCLUSION

Understanding the unique factors that affect the buying Behaviour of Gen Z to luxury products is quite important if brands are to corner this influential market segment in a changed consumer-Behaviour landscape. As digital natives, Gen Z brings a rather different value set and expectations to their purchase decisions, characterized by strong feelings for authenticity, sustainability, and ethical consumption. A unique combination of psychological motives, social influences, economic considerations, technological engagement, cultural values, and brand perceptions shapes their buying Behaviour.

In other words, luxury brands that get these factors in balance via transaction convenience- like seamless payment, speedy delivery, and frictionless user experiences- shall be set to not just capture attention but also to drive loyalty and long-term relationships with Gen Z consumers. As Gen Z grows into a powerful lead in the luxury market, the brands should be attuned to this generation by shifting strategies that better align with their needs, in terms of balancing luxury characteristics with value-driven preferences. These findings depict a multifaceted landscape in which psychological and emotional factors play a substantial role in driving Generation Z consumers' purchase decisions.

Ultimately, that will be what capacitates luxury brands to key into the distinct preference of Gen Z and hence sustain relevance in an ever-competitive and socially sensitive marketplace. Having a deeper understanding of the multifaceted factors driving the purchasing Behaviour of Generation Z can help in positioning a brand for success within this evolving world of luxury consumption.

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