

DOI: 10.5281/zenodo.12426354

THE ROLE OF CULTURAL IDENTITY IN SOCIAL MEDIA MARKETING AND BRAND LOYALTY AMONG GENERATION Z

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Received: 16/09/2025
Accepted: 13/02/2026

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ABSTRACT

This study examines how social media marketing influences brand loyalty among Generation Z consumers by investigating the mediating roles of cultural identity and brand engagement. The research addresses a key gap in the literature by positioning cultural identity as an active psychological mechanism in the social media marketing–loyalty relationship. A quantitative, cross-sectional research design was employed. Primary data were collected through a structured questionnaire from 437 Generation Z consumers residing in Chennai who actively engage with brands on social media platforms. The proposed conceptual framework was empirically tested using Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS software. The results indicate that social media marketing does not have a significant direct effect on brand loyalty. However, it has a strong and significant influence on cultural identity and brand engagement, both of which positively affect brand loyalty. Mediation analysis confirms that cultural identity and brand engagement fully mediate the relationship between social media marketing and brand loyalty, with brand engagement emerging as the stronger mediating mechanism. The study advances social media marketing and consumer behavior theory by demonstrating that loyalty formation among Generation Z occurs through engagement-driven and identity-based pathways rather than direct promotional effects. It highlights the importance of integrated mediation models in explaining Gen Z consumer responses to digital marketing. The findings suggest that brands targeting Generation Z should focus on culturally aligned and interactive social media strategies that encourage active engagement and self-expression. Mere promotional presence on social media is insufficient to build long-term brand loyalty. This study offers an integrated framework that empirically establishes cultural identity and brand engagement as parallel mediators in the social media marketing–brand loyalty relationship, providing new insights into loyalty formation among digitally native consumers.

KEYWORDS: Social Media Marketing; Cultural Identity; Brand Engagement; Brand Loyalty; Generation Z; PLS-SEM

1. INTRODUCTION

In the digital era, social media marketing has emerged as a pivotal strategy for brands to engage consumers, particularly the Generation Z cohort (born between 1997 and 2012). With high levels of connectivity and interaction on platforms like Instagram, Facebook and YouTube, Gen Z exhibits distinct behavioral patterns that differ from previous generations in terms of content consumption and brand relationships (Prachi et al., 2025). Research suggests that effective social media marketing practices significantly influence brand engagement and loyalty, as consumers increasingly seek meaningful and interactive experiences online rather than passive exposure to marketing messages.

Brand loyalty in contemporary marketing literature has been linked to both direct and indirect effects of social media efforts. For instance, social media marketing not only directly affects loyalty but also shapes consumer attitudes through brand experience, brand love, and trust, which in turn strengthen loyalty intentions among young consumers. Additionally, studies indicate that frequent interactions and positive evaluations of branded content on social media enhance emotional and cognitive bonds with brands, subsequently fostering loyalty behaviors among users.

Consumer engagement, a dimension of social media effectiveness, plays a crucial role in this relationship. It reflects active participation, discussions, sharing, and co-creation of content related to brands, which solidifies the psychological connection between the consumer and the brand (Endayani, 2024). Moreover, Generation Z's consumption patterns are shaped by their value systems and cultural contexts, making them more responsive to marketing messages that resonate with their identity, values, and self-expression (Singh, 2022). In this sense, cultural identity alignment can strengthen engagement and serve as a mechanism through which social media marketing impacts loyalty.

Given the heightened importance of both engagement and cultural relevance in shaping brand loyalty among Gen Z, a comprehensive examination of how social media marketing influences these constructs is necessary. However, the existing literature has gaps in explicating the role of cultural identity as an underlying mechanism in the social media marketing-loyalty link. Therefore, this study investigates how social media marketing practices influence brand loyalty among Generation Z by incorporating cultural identity and consumer engagement as key mediating constructs.

2. REVIEW OF LITERATURE

2.1 *Social Media Marketing and Consumer Loyalty*

Social media marketing has become a critical mechanism through which brands establish and maintain long-term relationships with consumers. Unlike traditional marketing, social media enables interactive communication, real-time feedback, and relationship building, which are essential for fostering consumer loyalty (Kim & Ko, 2012). Prior studies demonstrate that social media marketing activities—such as entertainment, interaction, customization, and trendiness—positively influence consumers' attitudes toward brands and strengthen loyalty intentions. For Generation Z, who are highly active on digital platforms, social media marketing serves as a primary source of brand information and evaluation, thereby playing a significant role in shaping loyalty behaviors.

Empirical research further indicates that social media marketing can directly influence consumer loyalty by enhancing perceived brand value and emotional attachment (Ebrahim, 2020). Gen Z consumers, in particular, expect brands to be responsive, authentic, and socially relevant on digital platforms. When these expectations are met, consumers are more likely to develop favorable attitudes and exhibit repeat purchase intentions and advocacy behaviors.

2.2 *Cultural Identity and Social Media Marketing*

Cultural identity refers to an individual's sense of belonging to a cultural group, shaped by shared values, beliefs, symbols, and practices. In digital environments, cultural identity is increasingly constructed and expressed through social media interactions (Belk, 2013). Social media platforms provide space for individuals to engage with culturally meaningful content, follow culturally aligned influencers, and associate with brands that reflect their identity. As a result, cultural identity has emerged as a key factor influencing how consumers interpret and respond to marketing messages.

Studies grounded in Social Identity Theory suggest that consumers are more likely to support brands that align with their cultural values and self-concept (Tajfel & Turner, 1979). Holt (2004) further argues that brands gain symbolic power when they embed cultural meanings into their narratives. In the context of social media marketing, cultural cues such as language, storytelling, visual aesthetics, and culturally relevant themes enhance perceived

authenticity and strengthen consumers' psychological connection with brands. This alignment is particularly salient for Generation Z, whose identity formation is closely intertwined with digital and social media experiences.

2.3 Brand Engagement in Social Media Contexts

Brand engagement represents consumers' cognitive, emotional, and behavioral investment in brand interactions and is considered a central outcome of effective social media marketing (Hollebeek, Glynn, & Brodie, 2014). Engagement manifests through activities such as liking, commenting, sharing, participating in brand challenges, and creating user-generated content. Prior research indicates that social media marketing initiatives significantly enhance brand engagement by encouraging active participation and co-creation of brand meaning (Brodie et al., 2013).

For Generation Z, engagement is not merely transactional but experiential and identity-driven. Interactive content, influencer collaborations, and culturally resonant campaigns are more likely to capture attention and sustain engagement among young consumers. Empirical evidence suggests that higher levels of brand engagement lead to stronger emotional bonds, increased trust, and favorable behavioral outcomes, including loyalty (Vivek, Beatty, & Morgan, 2012).

2.4 Relationship Between Brand Engagement and Consumer Loyalty

The relationship between brand engagement and consumer loyalty has been well documented in marketing literature. Engaged consumers tend to develop stronger emotional attachments to brands, which subsequently translate into repeat purchase behavior and long-term commitment (Harrigan et al., 2018). Engagement acts as a psychological mechanism that deepens consumer-brand relationships by reinforcing positive experiences and brand meanings.

In social media environments, brand engagement has been found to mediate the relationship between marketing activities and loyalty outcomes (Dessart, Veloutsou, & Morgan-Thomas, 2015). This suggests that social media marketing efforts are most effective when they move beyond exposure to actively involve consumers in brand-related interactions. For Generation Z, engagement plays a crucial role in shaping loyalty because it satisfies their need for participation, self-expression, and social connection.

2.5 Research Gap

Although existing studies confirm the

effectiveness of social media marketing in influencing brand engagement and loyalty, limited research has positioned cultural identity as a core mechanism in this relationship. Most prior studies examine cultural factors as background characteristics rather than as constructs that actively shape consumer responses to social media marketing. Furthermore, there is a lack of integrated models that simultaneously examine social media marketing, cultural identity, brand engagement, and consumer loyalty among Generation Z. Addressing this gap, the present study proposes a comprehensive framework that places cultural identity and brand engagement as key mediating variables linking social media marketing practices to consumer loyalty.

3. CONCEPTUAL FRAMEWORK

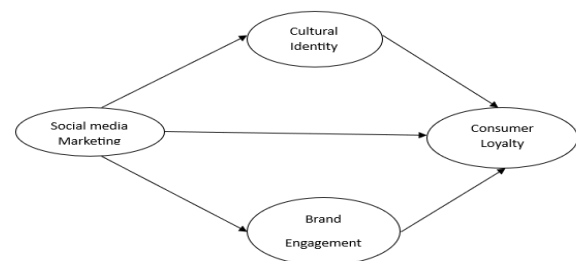


Figure 1 (author's own Model)

The conceptual framework of the present study explains the influence of social media marketing on consumer loyalty among Generation Z, with cultural identity and brand engagement serving as mediating variables. Social media marketing is positioned as the independent variable, reflecting how brands use digital platforms to communicate messages, create interactions, and convey symbolic meanings. Prior research has established that social media marketing activities significantly shape consumer perceptions, attitudes, and behavioral outcomes by enabling two-way communication and personalized brand experiences (Kim & Ko, 2012).

Cultural identity is incorporated as a key mediating construct in the framework. Cultural identity refers to individuals' sense of belonging, values, beliefs, and symbolic meanings that influence how they interpret brand messages (Tajfel & Turner, 1979). Social media platforms function as spaces where cultural meanings are continuously created and reinforced, allowing brands to embed cultural narratives through language, visuals, and storytelling. When consumers perceive a strong alignment between their cultural identity and brand communication, they are more likely to form positive emotional bonds with the brand (Holt, 2004). For

Generation Z, whose identity formation is closely connected to digital environments, culturally resonant social media content plays a crucial role in shaping brand-related attitudes.

Brand engagement prevents social media marketing from being a passive process and represents consumers' cognitive, emotional, and behavioral involvement with brands (Hollebeek, Glynn, & Brodie, 2014). Engagement on social media manifests through actions such as liking, commenting, sharing content, and participating in brand-related activities. Previous studies indicate that social media marketing initiatives enhance brand engagement by encouraging interaction and co-creation of value between consumers and brands (Brodie et al., 2013). In the proposed framework, social media marketing is expected to directly influence brand engagement, which subsequently contributes to consumer loyalty.

Consumer loyalty is the dependent variable in the framework and reflects consumers' long-term commitment to a brand, including repeat purchase intention, preference, and advocacy. Existing literature confirms that both cultural identity alignment and brand engagement positively influence loyalty by strengthening emotional attachment and trust toward brands (Vivek, Beatty, & Morgan, 2012; Ebrahim, 2020). The framework also includes a direct path from social media marketing to consumer loyalty, acknowledging that social media efforts can influence loyalty both independently and through mediating mechanisms. This structure enables the examination of partial mediation, which is consistent with relationship marketing and consumer behavior theories.

Overall, the conceptual framework integrates social media marketing, cultural identity, brand engagement, and consumer loyalty into a single model. By positioning cultural identity and brand engagement as mediators, the framework provides a comprehensive explanation of how social media marketing influences loyalty among Generation Z. This approach extends prior research by emphasizing cultural alignment and engagement as central mechanisms in digital branding strategies.

4. HYPOTHESES DEVELOPMENT

4.1 *Social Media Marketing and Cultural Identity*

Social media marketing has evolved into a powerful medium through which brands communicate cultural meanings, values, and symbols. Through visual storytelling, language, influencer collaborations, and interactive content,

brands embed cultural cues that resonate with consumers' identities. According to Social Identity Theory, individuals are more likely to favor brands that align with their cultural values and self-concept (Tajfel & Turner, 1979). For Generation Z, social media platforms serve as key spaces for identity construction and expression, making culturally aligned brand communication particularly influential (Belk, 2013). Prior studies have shown that culturally relevant marketing messages strengthen consumers' emotional attachment and identification with brands (Holt, 2004). Therefore, it is hypothesized that:

H1: Social media marketing has a significant positive effect on cultural identity.

4.2 *Social Media Marketing and Consumer Loyalty*

Social media marketing enables brands to engage consumers through personalized communication, real-time interaction, and relationship-building strategies. These interactions enhance perceived brand value and emotional bonds, which contribute to loyalty formation (Kim & Ko, 2012). Empirical evidence suggests that social media marketing activities directly influence consumer loyalty by fostering trust, satisfaction, and long-term commitment (Ebrahim, 2020). Generation Z consumers, in particular, expect brands to be responsive, authentic, and socially relevant on digital platforms. Hence, social media marketing is expected to exert a direct influence on consumer loyalty.

H2: Social media marketing has a significant positive effect on consumer loyalty.

4.3 *Social Media Marketing and Brand Engagement*

Brand engagement reflects consumers' cognitive, emotional, and behavioral involvement with a brand. Social media marketing encourages engagement by enabling interaction, participation, and co-creation of brand-related content (Brodie et al., 2013). Activities such as liking, commenting, sharing, and participating in campaigns enhance consumers' sense of involvement and connection with brands. Prior research confirms that effective social media marketing initiatives significantly enhance brand engagement, particularly among digitally native consumers such as Generation Z (Hollebeek, Glynn, & Brodie, 2014). Therefore, the following hypothesis is proposed:

H3: Social media marketing has a significant positive effect on brand engagement.

4.4 Cultural Identity and Consumer Loyalty

Cultural identity plays a crucial role in shaping consumers' attitudes and behavioral intentions toward brands. When consumers perceive that a brand reflects their cultural values and identity, they are more likely to develop emotional attachment and long-term commitment (Holt, 2004). Studies grounded in identity-based consumption suggest that cultural alignment strengthens trust and loyalty by reinforcing consumers' sense of belonging (Tajfel & Turner, 1979). For Generation Z, whose identity formation is closely linked to digital interactions, culturally aligned brands are more likely to foster loyalty. Thus, the following hypothesis is formulated:

H4: Cultural identity has a significant positive effect on consumer loyalty.

4.5 Brand Engagement and Consumer Loyalty

Brand engagement is widely recognized as a key antecedent of consumer loyalty. Engaged consumers tend to develop stronger emotional bonds, positive attitudes, and repeat purchase intentions toward brands (Vivek, Beatty, & Morgan, 2012). In social media contexts, engagement acts as a psychological mechanism through which marketing efforts translate into loyalty outcomes (Dessart, Veloutsou, & Morgan-Thomas, 2015). For Generation Z, active engagement with brand content strengthens relational ties and enhances loyalty behaviors. Accordingly, the following hypothesis is proposed:

H5: Brand engagement has a significant positive effect on consumer loyalty.

5. RESEARCH METHODOLOGY

5.1 Research Design

The present study adopts a quantitative research design to examine the influence of social media marketing on consumer loyalty among Generation Z, with cultural identity and brand engagement serving as mediating variables. A cross-sectional survey design was employed to collect data at a single point in time, which is appropriate for testing causal relationships using structural equation modelling. This design allows for objective measurement of constructs and facilitates empirical validation of the proposed conceptual model.

5.2 Population and Sample

The target population of the study consists of Generation Z consumers (born between 1997 and 2012) who actively use social media platforms for brand-related interactions. Data were collected from respondents residing in Chennai, selected due to the

city's diverse and digitally active youth population. A purposive sampling technique was adopted to ensure that only respondents with regular exposure to social media marketing content were included in the study.

A total of 437 valid responses were collected and used for data analysis. This sample size exceeds the minimum threshold recommended for PLS-SEM, thereby ensuring adequate statistical power and reliability of the results.

5.3 Data Collection Method

Primary data were collected using a structured questionnaire administered through online platforms. The questionnaire consisted of two sections: the first section gathered demographic information of the respondents, while the second section measured the study constructs—social media marketing, cultural identity, brand engagement, and consumer loyalty. Participation was voluntary, and respondents were assured of confidentiality and anonymity.

5.4 Measurement of Constructs

All constructs were measured using multi-item scales adapted from prior validated studies to ensure content validity. Responses were recorded on a five-point Likert scale, ranging from 1 (*Strongly Disagree*) to 5 (*Strongly Agree*). Social media marketing was measured using items related to informativeness and the influence of brand content. Cultural identity captured alignment with cultural values and symbols. Brand engagement assessed interaction and participation behaviors, while consumer loyalty measured repeat purchase intention, preference, and advocacy.

5.5 Data Analysis Technique

The collected data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM) with the aid of SmartPLS software. PLS-SEM was chosen due to its suitability for predictive research, theory development, and models involving multiple latent constructs and mediating relationships. The analysis followed a two-step procedure: (i) assessment of the measurement model, including indicator reliability, internal consistency reliability, convergent validity, and discriminant validity; and (ii) assessment of the structural model, involving evaluation of path coefficients, coefficient of determination (R^2), and bootstrapping to test the significance of hypothesized relationships.

6. DATA ANALYSIS AND INTERPRETATION

This section presents the analysis and

interpretation of the empirical data collected to examine the proposed relationships among social media marketing, cultural identity, brand engagement, and brand loyalty among Generation Z consumers. The primary objective of the analysis is to test the hypothesized conceptual framework and to evaluate the mediating roles of cultural identity and brand engagement in the relationship between social media marketing and brand loyalty.

The data analysis was carried out using Partial Least Squares Structural Equation Modelling (PLS-SEM) with the aid of SmartPLS software. PLS-SEM was selected due to its suitability for predictive research models, complex structural relationships, and the inclusion of multiple mediating variables. In

addition, PLS-SEM is appropriate for studies focusing on theory development and for models that do not require strict assumptions of data normality.

6.1. Demographic Profile of the Respondents

The demographic characteristics of the respondents were analyzed to understand the background of the Generation Z consumers included in the study. A total of **437 valid responses** were considered for analysis. The demographic variables examined include gender, age group, educational qualification, occupation, and daily social media usage. The distribution of respondents is presented in Table 6.1.

Table 6.1: Demographic Profile of the Respondents

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	214	49
	Female	223	51
Age Group (Gen Z)	18-20 years	118	27
	21-23 years	156	35.7
	24-26 years	103	23.6
	27-29 years	60	13.7
Educational Qualification	Higher Secondary	68	15.6
	Undergraduate	201	46
	Postgraduate	156	35.7
	Others	12	2.7
Occupation	Student	189	43.2
	Employed	198	45.3
	Self-employed	32	7.3
	Others	18	4.1
Daily Social Media Usage	Less than 1 hour	29	6.6
	1-3 hours	138	31.6
	3-5 hours	171	39.1
	More than 5 hours	99	22.7
Total		437	100

Source: Primary data

The demographic profile of the study is based on data collected from 437 Generation Z respondents, reflecting a balanced and representative sample. The gender distribution is nearly equal, with 49.0% male and 51.0% female respondents, ensuring inclusivity of perspectives. All respondents fall within the Generation Z age range, with the majority aged 21-23 years, followed by those in the 18-20, 24-26, and 27-29 age groups, indicating a strong representation of young adults who are highly active on social media platforms. In terms of education, most respondents hold undergraduate or postgraduate qualifications, suggesting that the sample is sufficiently educated to assess social media marketing content and brand-related information. The occupational distribution shows a balanced mix of students and employed individuals, highlighting diverse lifestyle and consumption patterns within Generation Z. Additionally, a substantial proportion

of respondents spend three or more hours daily on social media, confirming high exposure to digital marketing activities. Overall, the demographic characteristics indicate a digitally engaged and relevant Generation Z sample, suitable for examining the impact of social media marketing on cultural identity, brand engagement, and consumer loyalty.

The model results indicate that social media marketing plays a significant role in shaping brand loyalty among Generation Z, both directly and indirectly through cultural identity and brand engagement. Social media marketing has a strong positive influence on cultural identity ($\beta = 0.700$), explaining 49.0% of its variance ($R^2 = 0.490$), which highlights the role of social media in reinforcing cultural values and identity alignment. It also strongly influences brand engagement ($\beta = 0.661$), accounting for 43.7% of the variance in engagement ($R^2 = 0.437$), indicating that effective social media

activities encourage active consumer participation. In turn, brand engagement emerges as the strongest predictor of brand loyalty ($\beta = 0.463$), followed by cultural identity ($\beta = 0.230$), while social media marketing shows a weaker but positive direct effect on brand loyalty ($\beta = 0.112$). Collectively, social media marketing, cultural identity, and brand engagement explain 54.2% of the variance in brand loyalty ($R^2 = 0.542$), demonstrating substantial

explanatory power of the model. Overall, the findings suggest that while social media marketing can directly influence brand loyalty, its impact is more pronounced when mediated through cultural identity and brand engagement, emphasizing the importance of culturally resonant and engaging social media strategies for building loyalty among Generation Z consumers.

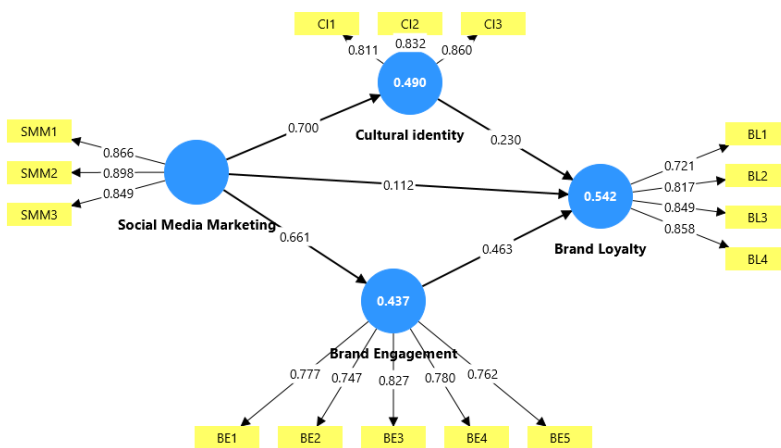


Figure 2: measurement model

6.2. Outer Loadings

Indicator reliability assesses how well each observed item represents its respective latent construct in the measurement model. In PLS-SEM, outer loadings indicate the strength of the relationship between indicators and constructs. As per recommended guidelines, outer loading values of 0.70 or above are considered acceptable, indicating that the indicator shares more variance with its construct than with error. Indicators with adequate loadings confirm that the measurement items are reliable and suitable for further analysis.

Table 6.2: Outer Loadings of Measurement Items

Construct	Item Code	Outer Loading
Brand Engagement	BE1	0.777
	BE2	0.747
	BE3	0.827
	BE4	0.780
	BE5	0.762
Brand Loyalty	BL1	0.721
	BL2	0.817
	BL3	0.849
	BL4	0.858
Cultural Identity	CI1	0.811
	CI2	0.832
	CI3	0.860
Social Media Marketing	SMM1	0.866
	SMM2	0.898
	SMM3	0.849

Source: Primary data

Interpretation

The results indicate that all measurement items exhibit strong outer loading values ranging from 0.721 to 0.898, which exceed the recommended threshold of 0.70. This confirms adequate indicator reliability for all constructs, including social media marketing, cultural identity, brand engagement, and brand loyalty. The high loading values demonstrate that each indicator contributes meaningfully to its respective construct, and therefore, no items were removed from the measurement model. These findings confirm that the indicators are reliable and suitable for subsequent reliability, validity, and structural model assessment.

6.3. Reliability and Convergent Validity

Internal consistency reliability evaluates the degree to which items measuring the same construct are consistent with one another. In PLS-SEM, this is assessed using Cronbach’s Alpha, Composite Reliability (ρ_a), and Composite Reliability (ρ_c). Cronbach’s Alpha values of 0.70 or higher indicate acceptable reliability (Nufaila et al., 2025), while Composite Reliability values between 0.70 and 0.95 confirm strong internal consistency.

Convergent validity refers to the extent to which a construct explains the variance of its indicators and is assessed using the Average Variance Extracted

(AVE). An AVE value of 0.50 or higher indicates that the construct explains more than half of the variance

in its indicators, thereby confirming convergent validity.

Table 6.3. Reliability and Convergent Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Brand Engagement	0.838	0.839	0.885	0.607
Brand Loyalty	0.827	0.826	0.886	0.661
Cultural identity	0.782	0.784	0.873	0.697
Social Media Marketing	0.841	0.845	0.904	0.759

Source: Primary data

Interpretation

The results demonstrate that all constructs exhibit strong internal consistency reliability, as Cronbach's Alpha values range from 0.782 to 0.841, exceeding the recommended threshold of 0.70. Similarly, Composite Reliability values (rho_a and rho_c) for all constructs fall well within the acceptable range, confirming the consistency and reliability of the measurement scales. Convergent validity is also established, as the AVE values for all constructs exceed the minimum criterion of 0.50, ranging from 0.607 to 0.759. These findings indicate that the constructs adequately explain the variance of their respective indicators. Overall, the results confirm that the measurement model demonstrates satisfactory reliability and convergent validity,

allowing the analysis to proceed to discriminant validity and structural model assessment.

6.4. Discriminant Validity: Fornell-Larcker Criterion

Discriminant validity assesses the extent to which a construct is truly distinct from other constructs in the model. The Fornell-Larcker criterion is one of the most commonly used methods in PLS-SEM to evaluate discriminant validity. According to this criterion, the square root of the Average Variance Extracted (AVE) of each construct should be greater than its correlations with other constructs. This indicates that a construct shares more variance with its own indicators than with other constructs, thereby confirming discriminant validity.

Table 6.4. Fornell-Larcker Discriminant Validity

	Brand Engagement	Brand Loyalty	Cultural identity	Social Media Marketing
Brand Engagement	0.779			
Brand Loyalty	0.706	0.813		
Cultural identity	0.734	0.649	0.835	
Social Media Marketing	0.661	0.580	0.700	0.871

Source: Primary data

Interpretation

The results of the Fornell-Larcker criterion indicate satisfactory discriminant validity for all constructs. The square root of AVE for each construct—Brand Engagement (0.779), Brand Loyalty (0.813), Cultural Identity (0.835), and Social Media Marketing (0.871)—is greater than the corresponding inter-construct correlations. This demonstrates that each construct shares more variance with its own indicators than with other constructs in the model. Consequently, the findings confirm that the constructs are conceptually distinct and that discriminant validity is established, supporting the adequacy of the measurement model for further structural model analysis.

6.5. Structural Model

The structural model was evaluated using the bootstrapping procedure in PLS-SEM to examine the statistical significance of the hypothesized relationships among constructs. Bootstrapping is a non-parametric resampling technique that generates t-values and p-values to test whether the path coefficients are significantly different from zero (Janani et al., 2025). In this study, a path is considered statistically significant when the p-value is less than 0.05, indicating support for the corresponding hypothesis.

The bootstrapping results indicate that the majority of the hypothesized relationships in the model are statistically significant. Social media marketing has a significant positive effect on cultural identity ($p = 0.000$), confirming that social media marketing activities play a crucial role in shaping cultural identity alignment among Generation Z

consumers. Similarly, social media marketing exerts a significant positive influence on brand engagement ($p = 0.000$), demonstrating its effectiveness in encouraging active consumer interaction with brands. Cultural identity also shows a significant positive impact on brand loyalty ($p = 0.000$), indicating that alignment between consumers' cultural values and brand communication strengthens loyalty. In addition, brand engagement has a significant positive effect on brand loyalty ($p =$

0.000), highlighting engagement as a key driver of loyalty formation. The direct path between social media marketing and brand loyalty shows a weaker but still positive effect, indicating that while social media marketing can directly influence loyalty, its influence is stronger when mediated through cultural identity and brand engagement. Overall, the results confirm that the proposed structural model is statistically robust, with significant relationships supporting the hypothesized framework.

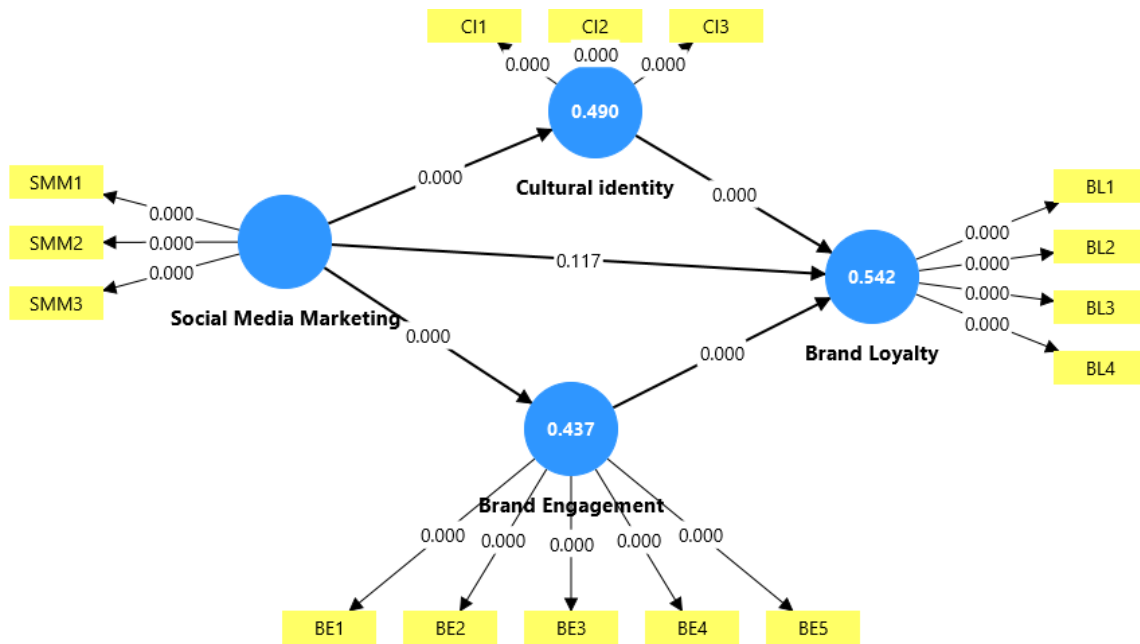


Figure 3: Structural model

6.6. Path Coefficients and Hypothesis Testing

Path coefficient analysis in PLS-SEM is used to examine the strength, direction, and significance of relationships between latent constructs. The

significance of each hypothesized path is assessed using the bootstrapping procedure, which provides t-statistics and p-values. A path is considered statistically significant when the t-value exceeds 1.96 and the p-value is less than 0.05, indicating support for the corresponding hypothesis.

Table 6.6: Path Coefficients and Hypothesis Testing Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Brand Engagement -> Brand Loyalty	0.463	0.464	0.061	7.619	0.000
Cultural identity -> Brand Loyalty	0.230	0.233	0.065	3.550	0.000
Social Media Marketing -> Brand Engagement	0.661	0.661	0.036	18.517	0.000
Social Media Marketing -> Brand Loyalty	0.112	0.110	0.071	1.568	0.117
Social Media Marketing -> Cultural identity	0.700	0.700	0.037	18.944	0.000

Source: Primary data

Interpretation

The results of the path coefficient analysis reveal that brand engagement has a strong and significant positive effect on brand loyalty ($\beta = 0.463$, $p < 0.001$), indicating that Generation Z consumers who actively

engage with brands on social media are more likely to develop loyalty toward those brands. Cultural identity also exerts a significant positive influence on brand loyalty ($\beta = 0.230$, $p < 0.001$), suggesting that alignment between consumers' cultural values and brand communication contributes to loyalty

formation. Social media marketing demonstrates a strong and significant effect on brand engagement ($\beta = 0.661, p < 0.001$) and cultural identity ($\beta = 0.700, p < 0.001$), highlighting its central role in shaping engagement and cultural alignment among Gen Z consumers. However, the direct relationship between social media marketing and brand loyalty is not statistically significant ($\beta = 0.112, p = 0.117$), indicating that social media marketing does not directly translate into loyalty. Instead, its influence on brand loyalty is primarily indirect, operating through cultural identity and brand engagement. Overall, these findings support the proposed mediation framework and confirm that engagement and cultural identity are key mechanisms linking social media marketing to brand loyalty.

6.7. Mediation Analysis

Mediation analysis was conducted to examine whether the effect of Social Media Marketing on Brand Loyalty is transmitted through the mediating variables Cultural Identity and Brand Engagement.

In line with Partial Least Squares Structural Equation Modeling (PLS-SEM) procedures, the mediation effects were assessed using the bootstrapping technique, which evaluates the significance of indirect effects based on t-statistics and p-values (Preacher, K. J., & Hayes, A. F., 2008). An indirect effect is considered statistically significant when the t-value exceeds 1.96 and the p-value is less than 0.05.

6.7. Total Indirect Effect

The results reveal that the total indirect effect of social media marketing on brand loyalty is positive and statistically significant ($\beta = 0.468, p < 0.001$). This indicates that social media marketing influences brand loyalty through mediating mechanisms rather than through a direct relationship (Eandhizhai, P. G., et al.) When considered alongside the non-significant direct path between social media marketing and brand loyalty, the findings provide evidence of **full mediation**, suggesting that the impact of social media marketing on loyalty is entirely channeled through intermediary constructs.

Table 6.8. Total Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Social Media Marketing -> Brand Loyalty	0.468	0.470	0.057	8.139	0.000

Source: Primary data

Interpretation

The results of the total indirect effect analysis indicate that the indirect influence of social media marketing on brand loyalty is positive and statistically significant ($\beta = 0.468, p < 0.001$). This finding demonstrates that social media marketing affects brand loyalty through intermediary mechanisms rather than through a direct relationship. When considered alongside the non-significant direct path between social media

marketing and brand loyalty, the results provide strong evidence of **full mediation**. This implies that social media marketing initiatives alone are insufficient to directly generate brand loyalty among Generation Z consumers; instead, loyalty is formed through the combined mediating roles of cultural identity and brand engagement. Overall, the significant total indirect effect confirms the presence of mediation in the model and supports the proposed framework explaining how social media marketing translates into brand loyalty.

Table 6.9. Specific Indirect effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Social Media Marketing -> Cultural identity -> Brand Loyalty	0.161	0.163	0.046	3.471	0.001
Social Media Marketing -> Brand Engagement -> Brand Loyalty	0.306	0.307	0.044	7.032	0.000

Source: Primary data

Interpretation

To further understand the underlying mechanisms, specific mediation effects were examined for each mediator independently. The results show that cultural identity significantly

mediates the relationship between social media marketing and brand loyalty ($\beta = 0.161, p = 0.001$). This finding suggests that social media marketing strengthens brand loyalty by aligning brand communication with the cultural values and identity of Generation Z consumers.

In addition, brand engagement demonstrates a stronger and highly significant mediating effect between social media marketing and brand loyalty ($\beta = 0.306, p < 0.001$). This indicates that social media marketing initiatives that encourage interaction, participation, and emotional involvement play a dominant role in translating marketing efforts into consumer loyalty. The stronger mediating role of brand engagement suggests that social media marketing influences brand loyalty primarily through engagement-driven perceptual mechanisms among Generation Z consumers, which is consistent with prior findings highlighting the importance of engagement in converting marketing stimuli into favorable consumer outcomes.

7. DISCUSSION OF RESULTS

The purpose of this study was to examine how social media marketing influences brand loyalty among Generation Z, with particular emphasis on the mediating roles of cultural identity and brand engagement. The findings provide several important insights into the mechanisms through which social media marketing shapes loyalty outcomes in a digitally native consumer segment.

First, the results reveal that social media marketing does not have a direct significant effect on brand loyalty, indicating that mere exposure to marketing content on social media platforms is insufficient to generate loyalty among Generation Z consumers. This finding suggests that Gen Z consumers are highly selective and value-driven, responding not simply to promotional messages but to meaningful interactions and alignment with their values. As a result, loyalty formation in this cohort requires more than visibility or frequency of social media marketing efforts.

Second, the strong and significant relationship between social media marketing and brand engagement highlights the importance of interactive and participatory marketing strategies. Social media platforms enable two-way communication, content co-creation, and emotional involvement, which are particularly appealing to Generation Z. The findings suggest that when brands successfully encourage interaction and participation, consumers are more likely to develop deeper psychological connections with the brand.

Most importantly, the mediation analysis confirms that brand engagement and cultural identity fully mediate the relationship between social media marketing and brand loyalty. Among the two mediators, brand engagement emerges as the stronger mechanism, suggesting that active

involvement and emotional connection play a more decisive role in loyalty formation than cultural alignment alone. However, cultural identity remains a meaningful pathway, indicating that loyalty is strongest when engagement is supported by cultural relevance.

Overall, the findings demonstrate that social media marketing influences brand loyalty among Generation Z indirectly, through engagement-driven and identity-based mechanisms. This highlights the need for brands to move beyond traditional promotional strategies and focus on creating culturally meaningful and engaging social media experiences that foster long-term consumer loyalty.

8. THEORETICAL IMPLICATIONS

This study contributes to the social media marketing and consumer behavior literature by demonstrating that social media marketing does not directly generate brand loyalty among Generation Z consumers, but instead influences loyalty through indirect psychological mechanisms. This finding challenges linear models of digital marketing effectiveness and emphasizes the importance of mediation-based explanations in understanding Gen Z consumer responses.

The results highlight brand engagement as the primary theoretical mechanism through which social media marketing translates into brand loyalty. By establishing engagement as a dominant mediator, the study reinforces engagement theory and positions brand engagement as a process variable that explains how interactive marketing efforts lead to long-term behavioral outcomes. In addition, the significant mediating role of cultural identity extends identity-based perspectives by confirming that culturally aligned brand communication on social media contributes to loyalty formation among Gen Z consumers.

By examining brand engagement and cultural identity as parallel mediators, the study offers a more nuanced theoretical framework that explains loyalty formation through both emotional involvement and identity alignment. Overall, the research advances theory by proposing an integrated mediation-based model that clarifies how and why social media marketing influences brand loyalty in digitally native consumer segments.

9. CONCLUSION

This study examined the influence of social media marketing on brand loyalty among Generation Z, with a specific focus on the mediating roles of brand engagement and cultural identity. The findings

reveal that social media marketing does not directly lead to brand loyalty; instead, its impact is realized through indirect psychological mechanisms. In particular, social media marketing significantly enhances brand engagement and cultural identity, which in turn foster stronger brand loyalty among Gen Z consumers.

The mediation analysis confirms that brand engagement and cultural identity fully mediate the relationship between social media marketing and brand loyalty, with brand engagement emerging as the stronger mediating mechanism. This highlights that Generation Z consumers respond more favorably to interactive, participatory, and

emotionally engaging brand experiences than to direct promotional efforts. Cultural identity also plays a meaningful role by strengthening alignment between brand values and consumers' self-concepts, thereby reinforcing loyalty.

Overall, the study contributes to a deeper understanding of how and why social media marketing influences brand loyalty in digitally native consumer segments. By emphasizing engagement-driven and identity-based pathways, the research underscores the importance of designing culturally relevant and interactive social media strategies to build long-term brand loyalty among Generation Z consumers.

Ethical Considerations: Ethical standards were carefully maintained throughout the research process. Participation in the study was entirely voluntary, and respondents were informed about the purpose of the study prior to data collection. Informed consent was obtained from all participants, and they were assured that their responses would be used solely for academic research purpose

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