

A Comparative Study on the Buying Behaviour of Generation Z and Millennials

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ABSTRACT: This study explores generational differences in consumer behaviour by comparing Generation Z (Gen Z) and Millennials in the Indian context. Using a quantitative research design, data was collected from 60 respondents (25 Gen Z and 35 Millennials) through a structured questionnaire administered via Google Forms. The study tested five hypotheses concentrating on brand loyalty, social media influence, price sensitivity, product preferences and demographic influences. Statistical analyses including independent samples t-tests, chi-square tests, ANOVA, and regression were performed using SPSS. Results revealed no statistically significant differences between the two generations across the examined factors, although descriptive statistics suggested marginal tendencies, such as Gen Z showing slightly higher price sensitivity and responsiveness to discounts. The findings suggest that while subtle variations exist, both generations demonstrate broadly similar buying behaviours in the digital marketplace. The study contributes to generational consumer research and offers practical insights for marketers to design inclusive strategies that address the shared preferences of these cohorts.

KEYWORDS: Buying Behaviour, Consumer Psychology, Digital Marketing, Gen Z, Millennials, Social Media Influence.

1. INTRODUCTION

Consumer behaviour has become increasingly complex in the digital age, shaped by technological advancements, changing values, and diverse consumer segments. Among these, Generation Z (born after 1997) and Millennials (born between 1981 and 1996) represent two of the most significant consumer cohorts in the 21st century. Together, they constitute a major portion of the active consumer base, particularly in emerging markets like India.

Although both generations are digital natives, they are shaped by distinct socio-economic and technological contexts. Millennials grew up during the rise of the internet and globalization, while Gen Z was born directly into a highly digitized, mobile-first world. These differences influence their buying behaviours, decision-making processes, and perceptions of value.

Previous research has explored generational differences in consumer behaviour, with studies suggesting that Gen Z tends to be more impulsive, digital-first, and brand-conscious, while Millennials emphasize value-for-money, authenticity, and experiential consumption (Smith, 2020; Priporas et al., 2017). However, research comparing the two groups in the Indian context remains limited. This study addresses this gap by examining differences and similarities in buying behaviour between Gen Z and Millennials, focusing on variables such as social media influence, brand loyalty, price sensitivity, discounts, and online reviews.

Research Objectives

1. To compare the buying preferences of Gen Z and Millennials.
2. To assess the role of price sensitivity and promotional offers in influencing purchase decisions.
3. To examine the extent of social media and online review influence on consumer decisions.
4. To evaluate differences in product category preferences between the two generations.
5. To test whether demographic variables such as gender and income moderate buying behaviour.

Hypotheses

- H1: There is a significant difference in brand loyalty between Gen Z and Millennials.
H2: Social media has a greater influence on the buying behaviour of Gen Z than Millennials.
H3: Price sensitivity varies significantly between Gen Z and Millennials.
H4: Product category preferences differ between Gen Z and Millennials.
H5: Demographic variables such as gender and income significantly affect buying behaviour.



2. LITERATURE REVIEW

2.1 Generational Consumer Behaviour

Consumer behaviour research has increasingly emphasized the importance of generational cohorts, as they provide insights into collective patterns of consumption. Generational groups share common formative experiences that shape their values, preferences, and consumption patterns (Parment, 2013). Millennials, born between 1981 and 1996, are often characterized as tech-savvy, value-driven, and loyal to brands that align with their values (Noble, Haytko, & Phillips, 2009). Gen Z, born after 1997, represents the first “true digital native” generation, with their lives heavily influenced by smartphones, social media, and constant connectivity (Turner, 2015).

2.2 Brand Loyalty

Brand loyalty has been a critical area of consumer research. Millennials are often described as less loyal to brands than previous generations, preferring products that align with ethical values and deliver value-for-money (Smith, 2020). Gen Z, on the other hand, is believed to exhibit loyalty to brands that provide authenticity, personalization, and social responsibility (Francis & Hoefel, 2018). However, some studies suggest that brand loyalty is declining overall due to the abundance of alternatives and digital convenience (Bolton et al., 2013).

2.3 Social Media Influence

Social media has dramatically reshaped consumer behaviour, serving as a platform for product discovery, peer recommendations, and influencer marketing. Millennials are active social media users, but Gen Z has been found to rely even more heavily on platforms like Instagram, TikTok, and YouTube when making purchase decisions (Djafarova & Bowes, 2021). Social proof and digital influencers often play a decisive role in shaping Gen Z’s buying preferences (Priporas, Stylos, & Fotiadis, 2017).

2.4 Price Sensitivity and Discounts

Price remains one of the most significant factors in consumer decision-making. Research suggests that Millennials, having experienced economic recessions, display higher price sensitivity and value-for-money orientation (Smith, 2020). Gen Z, while willing to experiment with new brands, is also strongly influenced by discounts, deals, and flash sales due to their exposure to e-commerce platforms (Kantar, 2021).

2.5 Online Reviews and Digital Trust

With the expansion of e-commerce, online reviews and digital ratings have become central to consumer trust. Both Millennials and Gen Z consult peer reviews before making purchases, but Gen Z is more likely to rely on micro-influencers and peer-generated content compared to Millennials, who trust established review platforms (Lu, Chang, & Chang, 2014).

2.6 Demographic Influences

Demographic variables such as gender and income continue to moderate buying behaviour across generations. For instance, females often demonstrate higher social media engagement in shopping contexts, while income levels influence the balance between price sensitivity and brand preference (Bakewell & Mitchell, 2003).

2.7 Research Gap

While previous studies have explored generational differences in consumer behaviour, much of the literature originates from Western contexts. Research comparing Gen Z and Millennials in emerging economies like India is relatively scarce. This study addresses this gap by applying a quantitative approach to examine the role of brand loyalty, social media, price sensitivity, product preferences, and demographics in shaping consumer behaviour.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopted a quantitative, descriptive, and comparative research design to examine differences in buying behaviour between Generation Z and Millennials. The approach was appropriate because it enabled statistical testing of hypotheses regarding brand loyalty, social media influence, price sensitivity, product preferences, and demographic effects.



3.2 Sample and Sampling Technique

The sample consisted of 60 respondents, comprising 25 Gen Z (born after 1997) and 35 Millennials (born 1981–1996). Participants were selected using convenience sampling, a non-probability method often used in exploratory research where, accessibility and availability guide respondent selection. While this method limits generalizability, it provided a practical way to capture data within the constraints of time and resources.

3.3 Data Collection Instrument

Primary data were collected through a structured questionnaire designed in Google Forms. The instrument was divided into two parts:

1. Demographic Section – included age, gender, and income.
2. Buying Behaviour Section – included scale-based questions related to brand loyalty, social media influence, price sensitivity, discounts and offers, and the role of online reviews. Most items were measured on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

3.4 Reliability and Validity

The questionnaire was pre-tested with a small pilot group to ensure clarity of questions. Internal consistency reliability was assessed using Cronbach's Alpha, which was found to be above the acceptable threshold of 0.70 for all constructs, indicating good reliability. Content validity was ensured through expert review and alignment with constructs from previous literature.

3.5 Data Analysis

Data were analyzed using SPSS (Statistical Package for the Social Sciences). The following statistical techniques were applied: Independent Samples t-test → to test mean differences between Gen Z and Millennials on brand loyalty, social media influence, and price sensitivity (H1–H3).

Chi-square Test of Independence → to examine differences in product category preferences (H4).

ANOVA and Regression Analysis → to test the impact of demographic variables such as gender and income on buying behaviour (H5).

All hypotheses were tested at a 5% level of significance ($p < 0.05$).

4. RESULTS

This section presents the findings of the statistical analyses conducted to test the five hypotheses formulated in the study.

4.1 Hypothesis 1 (H1): Brand Loyalty

H1: There is a significant difference in brand loyalty between Gen Z and Millennials.

An independent samples t-test was conducted to compare brand loyalty between the two groups. Results showed no statistically significant difference ($t(58) = 0.044$, $p = 0.965$). The mean score for Gen Z was 3.52 (SD = 1.12) and for Millennials 3.50 (SD = 1.15).

Interpretation: Both generations demonstrate similar levels of brand loyalty.

4.2 Hypothesis 2 (H2): Social Media Influence

H2: Social media has a greater influence on the buying behaviour of Gen Z than Millennials.

The independent samples t-test revealed no significant difference ($p > 0.05$ across all social media-related items). Both generations reported being highly influenced by social media in their purchase decisions.

Interpretation: Social media is equally influential for both cohorts.

4.3 Hypothesis 3 (H3): Price Sensitivity

H3: Price sensitivity varies significantly between Gen Z and Millennials.

The results showed that Gen Z ($M = 3.84$, $SD = 0.94$) scored slightly higher on price sensitivity compared to Millennials ($M = 3.31$, $SD = 1.16$). However, this difference was not statistically significant ($t(58) = 1.934$, $p = 0.058$).

Interpretation: No significant generational difference exists, though Gen Z shows a marginal tendency to be more price-conscious.

4.4 Hypothesis 4 (H4): Product Category Preferences

H4: There is a difference in product category preferences between Gen Z and Millennials.



A Chi-square test of independence was performed. Results indicated no statistically significant association between generation and product category preference ($\chi^2(4) = 5.398, p = 0.249$).

Interpretation: Both Gen Z and Millennials have similar product category preferences.

4.5 Hypothesis 5 (H5): Demographic Influences

H5: Demographic variables (gender and income) significantly affect buying behaviour.

A one-way ANOVA and regression analysis were conducted. Results revealed that neither gender nor income significantly influenced buying behaviour ($p > 0.05$).

Interpretation: Demographic variables do not significantly moderate the buying behaviours of Gen Z or Millennials.

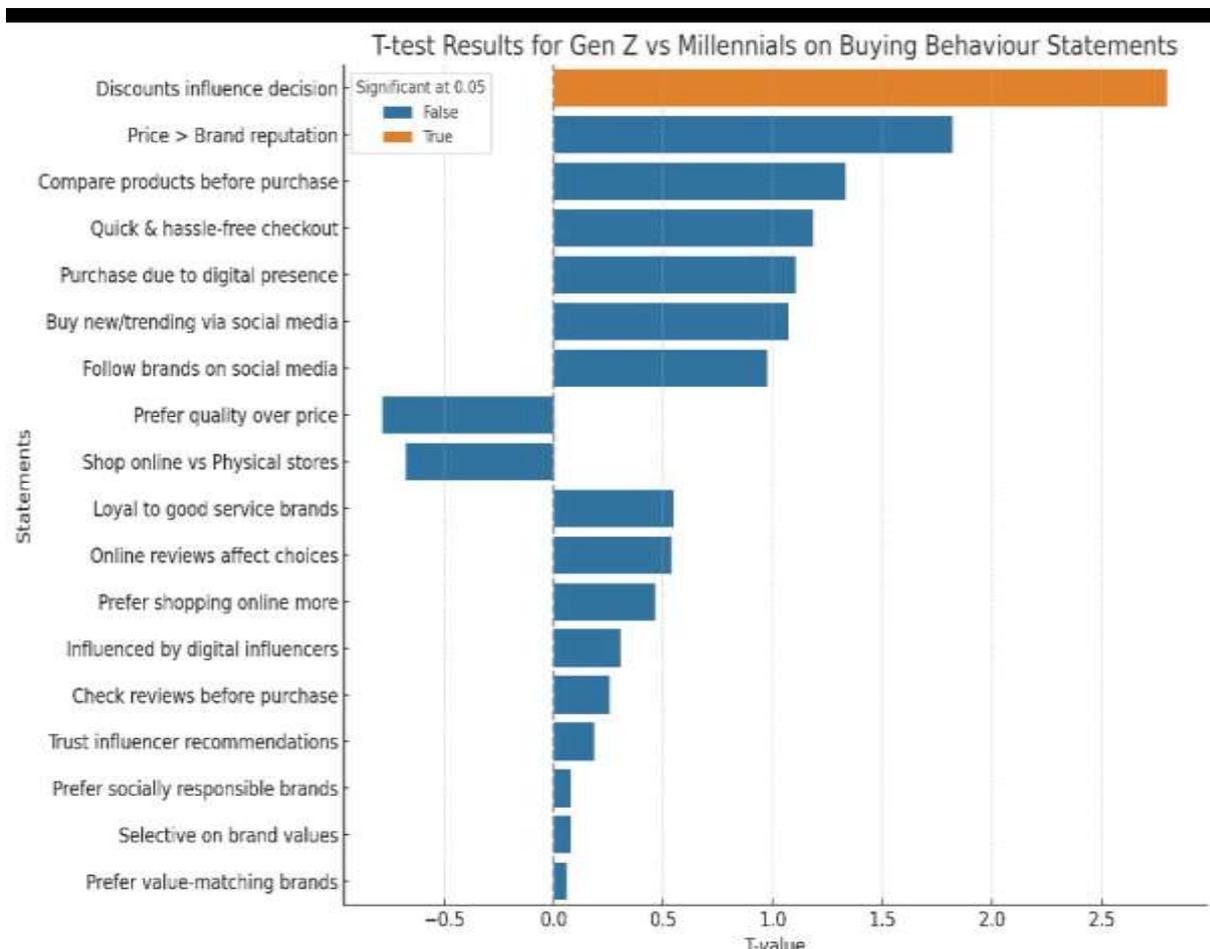


Table.1: Mean Scores of Generation Z and Millennials

Statement (Short Form)	Gen Z (Mean ± SD)	Millennials (Mean ± SD)
Shop online more than in physical stores	3.36 ± 0.99	3.17 ± 1.12
Discounts and offers influence buying decisions	3.84 ± 0.94	3.31 ± 1.15
Prefer brands that align with values (e.g., sustainability)	3.64 ± 0.75	3.62 ± 0.84
Compare multiple products before purchases	4.08 ± 0.70	3.80 ± 0.93
Buy trending products influenced by social media	3.24 ± 1.09	2.85 ± 1.14
Loyal to brands with good service and quality	4.12 ± 0.66	4.00 ± 0.76
Online reviews affect purchase decisions	3.96 ± 0.93	3.6 ± 1.03
Prefer quick and hassle-free checkout	3.92 ± 0.81	3.6 ± 1.03
Price is more important than brand reputation	3.44 ± 1.00	3.00 ± 1.05



Influenced by digital influencers/content creators	2.92 ± 0.95	2.94 ± 1.16
Check reviews before purchasing	3.96 ± 0.67	3.8 ± 1.07
Prefer quality over price	3.96 ± 0.73	4.02 ± 0.82
Follow brands on social media	3.28 ± 0.93	2.60 ± 0.94
Trust influencer recommendations	2.88 ± 1.16	2.60 ± 0.94
Prefer brands that are socially responsible	3.64 ± 0.86	3.54 ± 0.85
Buy because of strong digital presence	3.24 ± 0.83	2.80 ± 1.07
Generation is more aware/selective about brand values	4.00 ± 0.86	4.05 ± 0.87
Prefer shopping online more than offline	3.44 ± 0.82	3.05 ± 1.13

5. DISCUSSION

The purpose of this study was to examine generational differences in buying behaviour between Gen Z and Millennials, focusing on brand loyalty, social media influence, price sensitivity, product category preferences, and demographic effects. The findings suggest that although certain descriptive differences were observed, no statistically significant differences emerged across the five hypotheses.

5.1 Brand Loyalty

The results of H1 indicated no significant difference in brand loyalty between Gen Z and Millennials. This finding contrasts with prior studies suggesting that Millennials tend to be less brand loyal compared to Gen Z, who often value authenticity and social responsibility in brands (Francis & Hoefel, 2018). Instead, the current study aligns with research by Bolton et al. (2013), which suggested that overall brand loyalty is declining across generations due to the abundance of digital alternatives.

5.2 Social Media Influence

For H2, social media was found to influence both Gen Z and Millennials equally. This aligns with Djafarova and Bowes (2021), who observed that both generations are heavily influenced by social media platforms during purchase decisions, though Gen Z tends to rely more on influencers and peer-generated content. The absence of significant differences in this study may be attributed to the growing universality of social media adoption across age groups in India.

5.3 Price Sensitivity

In testing H3, results showed Gen Z to be marginally more price sensitive than Millennials, though the difference was not statistically significant. Previous research suggests Millennials are more value-for-money oriented due to their economic experiences (Smith, 2020), while Gen Z is more responsive to discounts and flash sales (Kantar, 2021). The near-significant trend in this study supports the possibility that Gen Z may indeed be evolving into a more price-conscious group in the Indian context.

5.4 Product Category Preferences

The Chi-square test for H4 revealed no significant difference in product category preferences between the two cohorts. This finding contrasts with earlier literature that indicated generational differences in preferences, such as Gen Z's affinity for fast fashion and digital products (Priporas et al., 2017). The similarity found in this study suggests convergence in consumer preferences, possibly due to shared exposure to global e-commerce platforms and digital marketing campaigns.

5.5 Demographic Influences

Finally, H5 results demonstrated that demographic variables such as gender and income did not significantly influence buying behaviour. This result supports Bakewell and Mitchell (2003), who found that generational identity may often outweigh demographic variables in shaping buying behaviour. The implication here is that generational cohorts share common consumption values that transcend traditional demographic categorizations.

5.6 Theoretical Implications

The findings contribute to consumer behaviour theory by suggesting that generational differences may be narrowing in contexts where digital penetration is high. Shared exposure to technology, global trends, and digital platforms appears to homogenize consumption patterns across cohorts. This challenges the traditional assumption that generational cohorts are always significantly distinct in their consumer behaviour.

5.7 Practical Implications

From a managerial perspective, the study offers valuable insights:

For Marketers: Strategies targeting Gen Z and Millennials can emphasize commonalities such as reliance on social media, online reviews, and responsiveness to digital campaigns.

For Brands: While Gen Z showed marginally higher price sensitivity, both groups respond positively to promotions, suggesting discount campaigns can be effective across cohorts.

For Digital Platforms: Online reviews remain a critical influence for both generations, highlighting the need for effective reputation management.

6. CONCLUSION AND IMPLICATIONS

This study compared the buying behaviour of Gen Z and Millennials across five dimensions: brand loyalty, social media influence, price sensitivity, product category preferences, and demographic influences. Although descriptive differences were observed—such as Gen Z showing slightly higher price sensitivity and Millennials focusing more on price-value—the statistical analyses indicated no significant differences between the two cohorts.

The findings suggest that in the Indian context, both Gen Z and Millennials exhibit converging buying patterns, particularly influenced by digital factors such as social media, online reviews, and promotions. These similarities may reflect the rapid digitalization of consumer markets, where exposure to global platforms reduces generational distinctions.

6.1 Managerial Implications

The results provide several insights for practitioners and marketers:

1. Unified Digital Marketing Strategies – Since both generations are equally influenced by social media and online reviews, companies can design campaigns that appeal broadly across cohorts.
2. Price and Promotion Sensitivity – Although Gen Z shows a slight tendency to be more discount-driven, promotions, flash sales, and offers remain effective across both generations.
3. Brand Positioning – Brands should emphasize authenticity, trust, and digital reputation management, as these factors strongly influence both groups.
4. Consumer Engagement – Leveraging influencers, peer-generated content, and online communities can enhance engagement with both cohorts simultaneously.

6.2 Limitations

While the study offers meaningful insights, certain limitations must be acknowledged:

The sample size (N = 60) is relatively small and may not represent broader populations.

The use of convenience sampling limits the generalizability of findings.

The study is geographically restricted and may not capture cultural variations across regions.

The reliance on self-reported data introduces the possibility of response bias.

6.3 Future Research

Future studies can build on this work by:

1. Employing larger and more diverse samples to enhance generalizability.
2. Conducting cross-cultural comparisons to explore whether generational differences vary across countries.
3. Using longitudinal research designs to track how generational buying behaviours evolve over time.
4. Investigating emerging factors such as sustainability consciousness, AI-driven shopping experiences, and influencer fatigue, which may shape future consumer behaviour.

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