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## Are Loyalty Programmes Still “a Thing” in High-Fashion Retail? Understanding Generation Z’s Perspective

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## ORIGINAL ARTICLE

# Are Loyalty Programmes Still “a Thing” in High-Fashion Retail? Understanding Generation Z’s Perspective

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## Abstract

This study investigates the relevance and perception of loyalty programmes (LPs) among Generation Z (Gen Z) consumers in the high-fashion retail sector. While LPs are well-established tools for fostering customer retention, their effectiveness among Gen Z, a cohort characterized by digital fluency, a preference for authenticity, and distinct consumption values, remains underexplored. Given the high-fashion context, where exclusivity and identity are critical, this study examines the extent to which LPs resonate with this generation. Utilising a qualitative methodology and with the help of thematic analysis, we reveal four key dimensions: drivers of high-fashion consumption, shopping preferences, customer loyalty patterns, and the utilitarian perspective of LPs. Findings reveal that Gen Z consumers prioritize quality and brand identity, favour online channels for convenience, and assess LPs through a pragmatic lens, emphasizing simplicity, transparency, and immediate rewards. Although emotional brand connections exist, they are secondary to tangible benefits. Tiered and experiential rewards are appreciated but rarely drive engagement. The findings suggest that LPs can retain strategic relevance if redesigned to reflect Gen Z’s digital behaviours and demand for personalisation. The study offers actionable insights for high-fashion retailers aiming to optimise LP design and communication strategies for this emerging consumer segment.

**Keywords:** Loyalty programmes, High-fashion, Retail, Thematic analysis, Gen Z

**JEL classification:** M31, L81

## 1 Introduction

A loyalty programme (LP) refers to a marketing strategy designed to boost customer loyalty and at the same time nurture good customer relationships through a system of rewards for frequent buyers (Dowling & Uncles, 1997; Nishio & Hoshino, 2024). LPs are essential in securing customer allegiance (Chatterjee & Basu, 2023). A recent study shows that 75% of consumers show preference for brands that offer LPs (Bulao, 2024). Thus, the fact that over 60% of retailers within Europe provide LPs is not surprising (Bombaj & Dekimpe, 2020). Interestingly, the highest loyalty has been reported for fashion retailers,

where many consumers report their loyalty to at least one fashion provider (Statista, 2022). The LPs in high fashion are important because they signal a sense of belonging and exclusivity, which are both crucial building blocks for customer loyalty (Stathopoulou & Balabanis, 2016).

While LPs have demonstrated strong effectiveness across various industries, vast existing literature focuses on older generations and general loyalty behaviours, thereby overlooking an important research gap in understanding how younger, digitally native consumers (Generation Z) engage with LPs in high-fashion retail contexts. The focus on high-fashion retailers, where LPs function not merely as

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supplementary benefits but as crucial instruments in cultivating long-term consumer–brand relationships (Stathopoulou & Balabanis, 2016) is of particular importance, since Generation Z (Gen Z) consumers are both influential trendsetters and highly discerning consumers, who value authenticity, personalisation and immediate value in brand interactions (e.g., Jayatissa, 2023; Mahapatra et al., 2022). With Gen Z already representing about 30% of the global population (Noor, 2025) and its purchasing power estimated at 450 billion US dollars in 2023 (Noenickx, 2023), understanding their loyalty patterns is crucial to ensure future business success and strong consumer–brand bonds.

This study therefore addresses two underexplored areas, namely (1) the perception and effectiveness of LPs in the high-fashion luxury sector from Gen Z consumers, and (2) the extent to which existing LPs (mis)align with Gen Z's values and expectations. Despite prior literature recognising vast generational differences among types of LPs and rewards preferred, there is an existing gap in understanding how LPs are perceived by Gen Z in a specific consumption setting, such as high fashion.

Given the dynamic nature and premium positioning of the high-fashion industry, gaining a nuanced understanding of Gen Z is increasingly vital for achieving and sustaining business success. The three research questions that we aim to answer in this study are: (RQ1) How does Gen Z perceive and relate to high fashion? (RQ2) What are Gen Z's expectations of high-fashion retailers? (RQ3) What are the key components of LP relationships from the Gen Z perspective? From a theoretical perspective, we contribute by extending the LP literature into the underexplored domain of Gen Z consumers within high-fashion retail. We do so by exploring LPs' crucial benefits and drawbacks as perceived by our target group. Moreover, our findings suggest actionable insights for high-fashion brands and brand managers, seeking to tailor LPs that align best with Gen Z's expectations along the lines of personalisation, transparency, and omnichannel engagement.

For these purposes we opted for a qualitative investigation with a series of qualitative in-depth interviews to obtain insights into Gen Z's perceptions of high-fashion LPs. We first presented key constructs under investigation and the relevant literature addressing them. Based on the theoretical background, we posed three main research questions, which guided our investigation. After conducting a thematic analysis, we presented the results and a discussion. The paper concludes with implications for both theory and managerial practice, followed by limitations of our study and future research directions.

## 2 Literature review

### 2.1 Brand loyalty and LPs in (high-fashion) retail

Brand loyalty refers to customers' intention to re-purchase their preferred products and/or services, which is rooted in a favourable relationship between customers and brands (Shirin & Puth, 2011). Khan (2013, p. 168) defines it as “a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future.” There are several divisions within the understanding of the construct of loyalty. For example, Bloemer and Kasper (1995) distinguish between *true brand loyalty*, driven by consumers' emotional commitment to a brand, and *spurious brand loyalty*, driven by consumers' habitual buying inertia. Another important understanding of brand loyalty is the comprehensive view of behavioural and attitudinal loyalty. Whereas behavioural loyalty is often measured through concrete metrics (e.g., share of purchase; Khan et al., 2015; Kumar & Shah, 2004), attitudinal loyalty, reflecting consumers' psychological attachment to a brand and its advocacy, is perceived as its complementary perspective (Hofman-Kohlmeyer, 2016). Such a dual perspective on brand loyalty is well established in the literature (Kaur et al., 2021; Saini & Singh, 2020; Tanford, 2013), holistically intertwining consumers' purchasing behaviour and emotional engagement to a chosen brand.

LPs, defined as “an important marketing instrument used to promote repeat purchases and customer relationships” (Chen et al., 2021, p. 179), serve as a means to foster brand loyalty. In fact, their essence is to promote repeat purchases and personalised interactions and to generate valuable customer data, by offering different rewards and incentives to their members (Chen et al., 2021). The evolution of LPs is closely connected with the evolution of e-commerce and the importance of consumer data as well as mobile applications (Salegna & Fazel, 2012). Various industries are adopting LPs nowadays in order, on the one hand, to gather customer purchasing data and, on the other hand, to offer customized rewards based on those data. The latest trend in LPs has been the inclusion of modern technologies, such as artificial intelligence, virtual reality, and chatbots to further boost consumers' experience while turning them into loyal customers (Chen et al., 2021; Kushwaha et al., 2021). Particularly in high-luxury brands, where loyalty is of high importance, companies need to understand and leverage the great potential of artificial intelligence (Anzén & Ekberg, 2020; Khamoushi Sahne & Kalantari Daronkola, 2025). Artificial intelligence technologies improve customer shopping experience,

boost sales, and establish a more customer-centric approach (El Abed & Castro-Lopez, 2024; Khamoushi Sahne & Kalantari Daronkola, 2025).

In Europe, LPs hold considerable importance: about 60% of adults are enrolled in at least one such programme; 55% of surveyed individuals view LPs as effective tools for rewarding customers, whereas 42% believe that every brand should implement such initiatives. LPs are also linked to several positive consumer behaviours: 42% of respondents say they increase their brand loyalty; about one third of them report improved brand recommendations, stronger emotional connections, and a boost in their spending patterns (The Wise Marketer, 2024). Recent findings by Antavo (2024) also emphasize LPs' business relevance. During financial downturns, 81% of companies found LPs beneficial, and 90% reported a positive return on investment. Consumers who received personalised rewards spent 4.3 times more money annually than those receiving standard incentives.

Concurrently, the average U.S. consumer is enrolled in 19 programmes, with an active participation rate of 49%. 77% of consumers express loyalty to brands offering rewards, and 73% adjust their spending to maximize programme benefits. Among free LP members, 81% buy more frequently, and 76% spend more. Paid LP members report even greater changes: 82% purchase more often, 78% spend more, and 61% interact with the brand more regularly. High engagement was further confirmed by the fact that 93% of members earned or redeemed rewards in the last six months (Antavo, 2024; Queue-it, 2025).

For Slovenia, data show that consumer behaviour closely mirrors broader European trends: approximately 90% of Slovenians are enrolled in at least one LP (Statista, 2016). A more specific study examining Slovenian electricity consumers (Dolšak et al., 2019) further segmented users into three groups: 61% who use standard loyalty cards, 25% who utilise payment-based LPs, and only 14% who do not participate in any loyalty initiative. This underscores the broad adoption of LPs among Slovenians. Moreover, recent findings indicate that brand loyalty in Slovenia grew by over one percentage point in 2022, with loyalty among Gen Z increasing by as much as 10%. Interestingly, these data reflect a growing tendency among Slovenian Gen Z consumers to remain loyal to their favourite brands, even when comparable alternatives are available (Marketing magazin, 2023).

## 2.2 LP structure in fashion retail

In fashion retail, LPs are most often classified based on reward structure or benefits offered to their

consumers. The structure of the LP needs to be carefully selected to best match the brand's target audience (Negi, 2022). There are important generational differences regarding LPs and rewards preferred. For example, while discount coupons seem to be everybody's favourite choice, to baby boomers (1946–1964) and Gen X (1965–1979) points-based LPs are important, millennials (1980–1994) favour cashback rewards, while Gen Z (1995–2001) prefers free items or product trials (Statista, 2024b).

Industry also plays an important role; therefore, based on prior works of Berman (2006) and Arbore and Estes (2013), we provide an overview of the most commonly used LP structures as present in fashion retail. *Points-based LPs* are among the most common. They provide customers with a loyalty card or unique identification numbers to track their purchasing behaviour. By accumulating points for spending, customers unlock rewards in the form of discounts, free samples, or other benefits (Negi, 2022). The collecting pattern encourages increased spending or more frequent purchases as customers aim to reach a specific threshold for rewards. Such programmes mostly deliver results in the short term as opposed to the long term. Companies benefit from trackable customer purchasing behaviour and add value to consumers by creating tailor-made customer experiences (Chen et al., 2021; Dorotic et al., 2012). The *tiered LP* clearly differentiates customers through a structured hierarchy of tiers, offering increasingly valuable rewards as they spend more or engage frequently (Bijmolt et al., 2017). With their focus, the tiered LPs prioritize long-term relationships, encouraging loyalty through a sense of achievement and exclusivity (Negi, 2022). Such a mechanism is rooted in social identity theory (Tajfel et al., 1979), which also explains the desired status-based mechanism in the fashion retail sector (Kivetz & Simonson, 2003; Sajtos & Chong, 2018). Another type of LP very common in the fashion sector is a *cashback or rebate LP*. It returns a portion of consumers' spending as direct cashback or some kind of credit, which can be used for future purchases. Such a mode offers instant gratification and encourages continuous engagement (Akanbi & Obafemi, 2024). In *gamified LPs*, members complete challenges to earn points, rewards and discounts, which ultimately boosts brand loyalty. Such programmes are particularly effective in adopting dynamic customer relationships, establishing deep and meaningful consumer–brand connections (Hwang & Choi, 2020). The types of LPs mentioned by no means represent an exhaustive list but rather summarize the most important LPs in fashion retail.

LPs' classification of rewards is divided into two main streams: the “direct” and “indirect” rewards

(Yi & Jeon, 2003); in other words, “hard” and “soft” (Capizzi et al., 2005) rewards. The direct/hard ones refer to the tangible benefits such as discounts or gifts, whereas the indirect/soft ones refer to the intangible benefits, related to exclusivity and uniqueness. Other authors distinguish among utilitarian, hedonic, and symbolic benefits (Mimouni-Chaabane & Volle, 2010); or psychological and sociological benefits (Kim et al., 2013). In summary, Gorlier and Michel (2020) emphasize the recent trend of unique and emotionally engaging rewards in strengthening customer–brand relationships and fostering long-term loyalty. When combined with the latest advancements in artificial intelligence, companies are able to deliver highly personalised, data-driven experiences that align closely with evolving customer expectations, thereby providing genuine added value.

Gen Z is often characterized as less loyal to brands than previous generations, readily switching to new brands discovered through social media. This underscores the importance of well-designed LPs that offer more than transactional benefits. Additionally, Gen Z expects flexible, personalised, and high-value loyalty schemes. Despite their reputation for disloyalty, when LPs are crafted effectively, they have a strong impact on Gen Z’s purchase frequency, spending levels, and retention (McKinsey & Company, 2025; Statista, 2025).

### 2.3 *Luxury brands in high-fashion retail*

Luxury brands often function as status symbols, providing their users with various psychological and symbolic rewards (Dubois et al., 2021; Osburg et al., 2024). Their initial association primarily with high prices (Kim et al., 2025) is now more closely related to perceived individual value, bringing happiness and joy to consumers (Park et al., 2021). The global revenue in the luxury fashion segment of the luxury goods e-commerce market is projected to grow steadily from 2024 to 2029, by which the revenue is expected to reach a new peak of \$33.03 billion (Statista, 2024a). Such a lucrative market attracted a problematic player into the game: the counterfeits—the illegal manufacturing of goods whose specific characteristics are protected as intellectual property (Cordell et al., 1996; Islam et al., 2025), with the global economic value surging from \$0.9 trillion to about \$1.9 trillion in 7 years (Tunçel, 2022). The pandemic placed an imperative on online shopping, for example, the luxury market in China saw a 48% surge in fashion consumption through online channels. All these factors forced luxury fashion retailers to embrace e-commerce and mobile commerce, making them

integral parts of their broader strategies with a focus on omnichannel retailing. Thus, fashion retailers need to create compatible offline and online ecosystems, holistically supporting customer engagement and experience (Bai & McColl, 2023).

In order to reach brand loyalty in high-fashion retail, companies need to shift toward emotionally engaging, ethically driven, and digitally sophisticated strategies. One of the crucial elements in achieving brand loyalty in a given context is to highlight the role of brand identity and accelerate emotional resonance rather than status (D’Arpizio et al., 2025; So et al., 2013). Another crucial element lies in empathetic and genuine interactions (Hui & Yee, 2015), sustainable practices, and ethical brand behaviour (Cuesta-Valiño et al., 2022; Jung et al., 2020). Younger audiences, so-called digital natives, and other tech-savvy consumers value innovative digital strategies and gamified engagement (McKinsey & Company, 2025; Rodrigues et al., 2024).

Although Gen Z consumers present unique challenges due to their price sensitivity (Kahawandala et al., 2020), demand for value (D’Arpizio et al., 2025), and high levels of product knowledge (Christine et al., 2025), their influence on the luxury sector is rapidly expanding. Together with millennials, Gen Z accounted for the entire €200 billion growth of the luxury market in 2022 and is projected to represent 70% of global luxury spending by 2025 (Fashion Network, 2023; Maxwell, 2023). Looking further ahead, Bain & Company estimates that overall luxury spending will rise from €1.48 trillion in 2024 to between €2.0 and €2.5 trillion by 2030, experiencing an annual growth of 5% to 9% (D’Arpizio et al., 2025). Remarkably, many members of Gen Z are entering the luxury space at a younger age than previous generations, with first purchases occurring as early as age 15 (Lin, 2022). These generational shifts emphasize the urgent need for luxury brands to rethink their loyalty and engagement strategies, tailoring them to the preferences, expectations, and behaviours of younger, digitally native consumers.

There is a lack of studies investigating Gen Z’s purchasing behaviour and brand loyalty in the context of high-fashion brands and retailers, with a specific focus on their perceptions and attitudes toward LPs. Gen Z, as very price-conscious (Kahawandala et al., 2020), demanding in receiving good value for money (Ayuni, 2019; D’Arpizio et al., 2025), but at the same time showing high levels of engagement with high-fashion products globally and being armed with information (Gutfreund, 2016; Statista, 2025), is considered the most challenging for brands and companies implementing LPs (Rosário & Casaca, 2025).



### 3 Methodology

To understand the insights of Gen Z's purchasing behaviour and relation to LPs of high-fashion brand retailers, we opted for semistructured interviews. Qualitative research was chosen since it enabled us to develop interpretive meanings by grasping our insights from collected data (Crick, 2021). More precisely, we opted for the so-called "Gioia methodology," which refers to a systematic thematic analysis technique that helps understand deeper meaning or specific insights gathered through interview transcripts. Its inductive approach results in a systematic data analysis, where we start by grasping first-order concepts (i.e., descriptive codes of the content), continue with second-order themes (i.e., analytical codes which interpret and group first-order concepts into categories), and end by proposing aggregate dimensions (i.e., broader conceptual categories that capture themes at a higher level; Corley & Gioia, 2004; Gioia, 2021; Rheinhardt et al., 2018). This methodological approach to the thematic analysis of semistructured interviews promotes analytical transparency and ensures the application of rigorous coding procedures (Gioia et al., 2013).

#### 3.1 Data collection

Data were collected online via a purposive approach of convenience sampling (Golzar et al., 2022), where our personal network was approached. Participants were eligible for inclusion based on the following criteria: (1) active engagement with at least one high-fashion retailer's LP and (2) belonging to the Gen Z cohort. The semistructured interviews followed a conversational approach (Alvesson & Skoldberg, 2017). The interviews contained two parts. In the very beginning of each interview, we reassured participants that their answers would be anonymous and confidential. We obtained their permission to record and consent to participate in the study. We then assessed participants' demographic information (year of birth, education, employment status, involvement with high-fashion retailers' LPs). After "breaking the ice" in the interview, we proceeded to the main part of the interview, which comprised 15 guiding questions, aiming to cover the main topics related to our three research questions, namely: (1) perceptions and relationship with high fashion, (2) expectations of high-fashion retailers, and (3) key components of LP relationships.

In total, we collected 15 interviews, each lasting about 30 minutes. Data collection ended when no substantial new insights emerged, indicating that data saturation had been reached. Participants ranged in

age from 21 to 28, and most (14) were female. We opted for older Gen Z participants, as they are more likely to be economically active and financially independent compared to their younger Gen Z peers. Thus, 11 participants had a permanent employment status, and the rest were students. All of our respondents had experience and were actively involved with high-fashion retailers' LPs but had varying preferences in choosing between online retailers and physical stores.

#### 3.2 Data analysis

All interviews were first transcribed and read several times so that we familiarized ourselves with the content. We next employed thematic analysis, methodologically guided by Corley and Gioia (2004), as well as Gioia et al.'s (2013) approach. The analysis began with the identification of first-order codes derived directly from the interview data and grounded in the participants' own vocabulary and lived experiences. These codes captured a wide variety of attitudes and behaviours related to high fashion and LPs. Examples include: "I rarely buy high-fashion items, maybe twice a year, usually during significant sales or discounts. . .," "You notice that the branded bags are more durable compared to those from regular stores," "Lately, I must admit that about 90% of my shopping is online," and "Yes, I am loyal to and satisfied with [high-fashion retailer X]. I also recommend their loyalty programme to friends and family because I like it so much." These initial statements were subsequently consolidated into first-order codes and then fused into nine second-order themes that represented a more abstract and theoretical level of interpretation. These included: value perception of high fashion, selective consumer interest, strategic purchasing behaviour, omnichannel shopping behaviour, pragmatic retailer loyalty, brand and retailer-oriented loyalty, opportunistic customer behaviour, a preference for simplicity of LPs, and scepticism toward LPs. Through further analytical integration, these second-order themes were ultimately grouped into four overarching categories (aggregate dimensions): drivers of high-fashion consumption, shopping preferences, customer loyalty patterns, and a utilitarian perspective on LPs. For example, codes such as "appreciation for superior quality," "attraction to uniqueness and authenticity," and "preference for accessories for status" were grouped under the theme "value perception of high fashion," which forms part of the broader dimension "drivers of high-fashion consumption." Similarly, sentiments such as "annoyance with complex loyalty schemes" or "preference for instant monetary rewards" were included under the theme "preference for simplicity of LPs,"

contributing to the dimension “utilitarian perspective of LPs.”

In addition to identifying patterns across the data, we sought to reflect the lived experiences of participants with high fashion and LPs in more detail. For some, high fashion was described as a source of emotional satisfaction and confidence, while others approached it strategically, focusing on accessories and resale value. LPs were similarly multifaceted in their impact: Some participants saw them as valuable tools to manage spending or justify purchases, whereas others felt they lacked transparency or meaningful benefits. This diversity highlights the interplay between practical considerations, emotional responses, and evolving consumer identities.

The structured coding process allowed us to capture the nuanced consumer behaviours as well as overarching patterns present in Gen Z’s relationship with high fashion and LPs. Across the 15 interviews, we observed recurring patterns of meaning, which suggested a degree of thematic saturation, especially regarding Gen Z’s pragmatic and value-driven approach to luxury and loyalty. Despite differences in age, shopping frequency, or preferred retailers, certain themes, such as a strong preference for monetary benefits in LPs or a focus on accessories as strategic investments emerged consistently.

## 4 Results

Fig. 1 presents the structure of the data, including the first- and the second-order codes, as well as the main aggregate dimensions.

### 4.1 Drivers of high-fashion consumption

Many interviewees emphasized that they value good quality, coupled with the visual aspect of products in high-fashion consumption. The superior quality and the unique authenticity of high-fashion brands, even if only expressed through fashion accessories, are what drive selective consumer interest. Some of the interviewees expressed themselves as follows:

*“It’s important to me that I like how it looks. That’s very important. Also, the quality has to be good because I want the item to last longer.”* (Interviewee 5, female, 25 years)

*“Definitely quality is very important to me. I also love a good story.”* (Interviewee 2, female, 28 years)

The price premiums are usually a burden for younger people with less income; however, they still

want to signal their status, whereas others also see such luxury items as a part of their identity:

*“You can greatly upgrade your basic outfit with a unique piece like a cool bag.”* (Interviewee 8, female, 25 years)

*“Some items, not all, are of better quality. I align with certain brands and their values. They personalise me.”* (Interviewee 1, male, 28 years)

The interviewees expressed selective consumer interest in terms of preferring accessories over clothing, on the one hand due to their affordability in comparison with more expensive items such as clothes, and on the other hand because accessories are perceived as timeless investment pieces.

### 4.2 Shopping preferences

Gen Z shows a pattern which reflects a strategic as well as selective approach to high-fashion shopping. There is an obvious preference for online shopping, as expected for the so-called “digital generation.” Online represents a synonym for convenience, better price, broader selection, and better deals. Interestingly, however, physical in-store visits are valued for tactile experiences:

*“Lately, I must admit that about 90% of my shopping is online. . . it’s easier to find something I like online because there’s much more choice.”* (Interviewee 14, female, 24 years)

*“Mostly online, because I’ve noticed you can get better prices online.”* (Interviewee 8, female, 25 years)

Another important aspect related to shopping preferences in Gen Z is that consumers often compare and contrast platforms and wait for promotions, demonstrating strategic purchasing behaviour.

*“I have a wish list and wait for discounts before purchasing.”* (Interviewee 14, female, 24 years)

*“I rarely buy these items, maybe twice a year, usually during significant sales or discounts.”* (Interviewee 1, male, 28 years)

### 4.3 Customer loyalty patterns

Loyalty among our interviewees is referred to as being nuanced and oftentimes based on the acquired benefits. As our interviewees express themselves, loyalty is mostly pragmatic, usually established on habitual behaviour or low prices:

*“Not particularly loyal, I shop there out of habit, not loyalty.”* (Interviewee 1, male, 28 years)

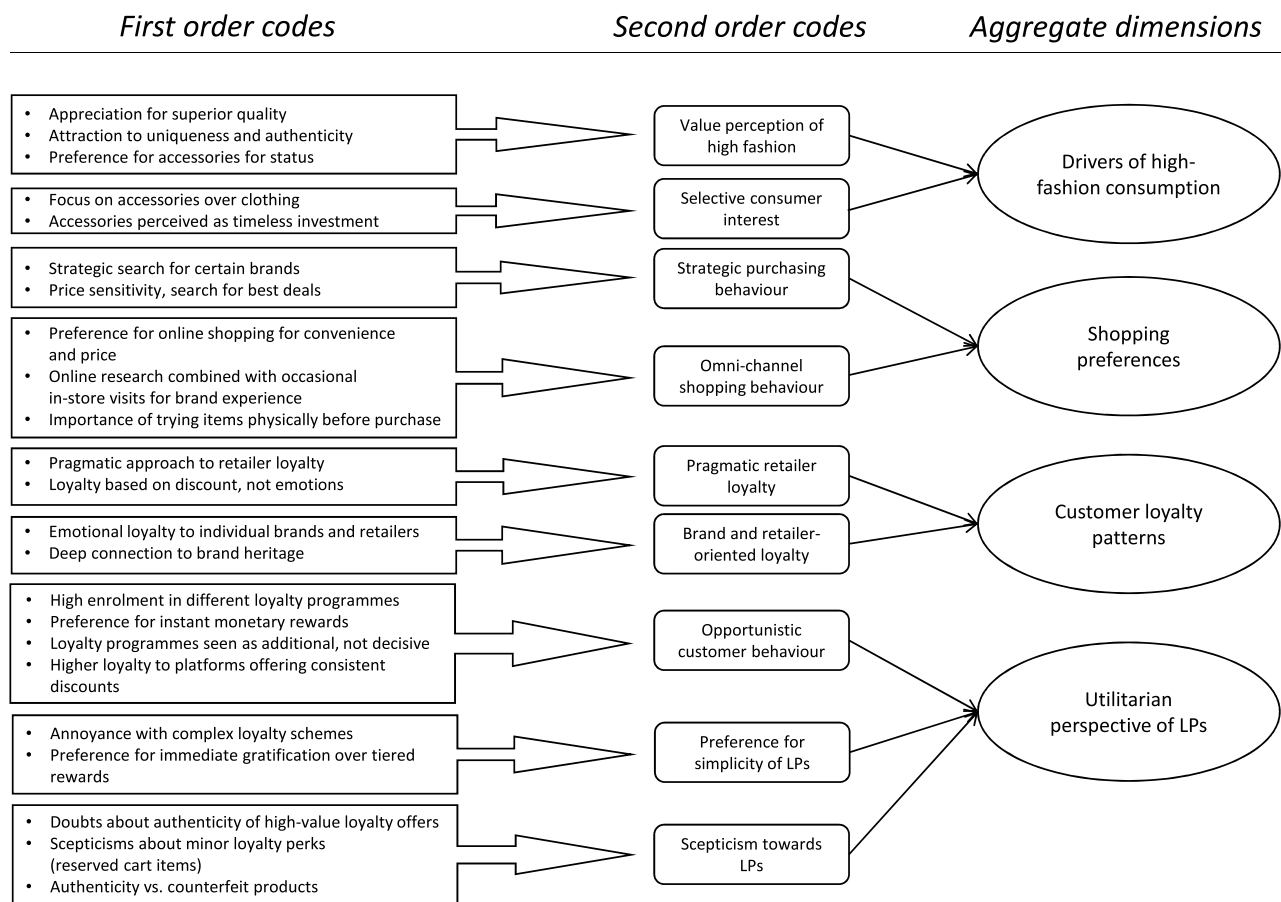


Fig. 1. Data structure and codes.

*“I usually check all of them and buy where it’s cheapest.”*  
(Interviewee 7, female, 26 years)

*“I think if I compare [high-fashion retailer X]... and [high-fashion retailer Y]... I often choose [high-fashion retailer X]. Despite the 10 percent programme, I overlook it because [high-fashion retailer X] often has a bigger discount.”* (Interviewee 3, female, 27 years)

Importantly, however, emotional attachment plays an important role as well:

*“Yes, I am loyal to and satisfied with [high-fashion retailer X]. I also recommend their loyalty programme to friends and family.”* (Interviewee 4, female, 27 years)

*“I’d say I’m most loyal to [high-fashion retailer X], even when it comes to a [selected favourite brand], for example. I’ll definitely go to [high-fashion retailer X] first if I want something from [selected favourite brand]... my first thought is to check [high-fashion retailer X].”* (Interviewee 9, female, 25 years)

Therefore, some habitual preferences expressed by Gen Z participants and directed towards brands

and high-fashion retailers are grounded in either consumer-brand or consumer-retailer emotional connections.

#### 4.4 Utilitarian perspective of LPs

Among Gen Z, LPs are mostly viewed through a utilitarian perspective. What our interviewees appreciate and value are simplicity, transparency, and particularly the immediate benefits of LPs.

*“It’s simple. . . it calculates the points for you, converts them to discounts if you collect enough. It’s very organised and simple.”* (Interviewee 13, female, 24 years)

*“I like that the longer you are loyal to the brand . . . the more benefits you get. The programme is adapted to the user.”* (Interviewee 4, female, 27 years)

Tiered or other complex structures of LPs are often perceived with scepticism or frustration:

*“I definitely prefer to have a discount immediately. . . I really don’t think it’s worth it to spend more to unlock higher tiers.”* (Interviewee 14, female, 24 years)



*“I collect points, but I never reach the next level... my points expire before I can reach the next level.”* (Interviewee 5, female, 26 years)

Experiential rewards tend to be occasionally appreciated but are not decisive for participating in LPs. Gen Z prefers tangible, predictable rewards that enhance the purchasing process and offer direct gratification.

## 5 Discussion

Our exploratory investigation among Gen Z interview participants resulted in four aggregated dimensions: drivers of high-fashion consumption, shopping preferences, customer loyalty patterns, and utilitarian perspective of LPs. Together, these themes highlight the complex and at times contradictory ways in which this generation engages with high-fashion retail.

A recurring theme across interviews was the emphasis on superior quality and uniqueness as defining features of high-fashion brands. This aligns with broader market trends, as even playful collectibles such as Labubu quirky designer toys have recently resold for over \$10,000 (Roeloffs, 2025), illustrating how Gen Z assigns both symbolic and investment value to uniqueness. However, both the insights from our interviewees and other consumer behaviour research (D’Arpizio et al., 2025; Kahawandala et al., 2020) show that this appreciation is often tempered by budgetary considerations. Participants frequently justified their engagement with high-fashion accessories, rather than full apparel, as a means of balancing symbolic value with affordability. This selective investment pattern illustrates a tension between aspiration and pragmatism: Gen Z seeks to signal status through conspicuous consumption, e.g., visible logos (Jiang et al., 2021; Shin et al., 2021), while simultaneously striving to make “rational” and sustainable choices. Such findings reinforce prior studies on luxury (Cabigiosu, 2020; Jansberg & Rodrigues, 2019) but also extend them by showing how conspicuous and inconspicuous consumption coexist as parallel strategies within the same generation.

Shopping preferences discovered by our study are clear: an omnichannel shopping experience is expected. Our thematic analysis clearly identified Gen Z’s preference for online shopping, which is aligned with the growing trend of digital platforms and the general post-Covid shift toward online shopping (e.g., Mudassar & Shah, 2023). The obvious preference for purchasing online also lies in the fact that Gen Z is more technology-driven than other generations and thus very comfortable in an online world. Despite the “online-first” approach, we also identi-

fied that webrooming (consumers research products online but make the purchase in a physical store) and showrooming (consumers examine products in a physical store but make the purchase online) are still two very much present trends describing channel-switching behaviour (Bell et al., 2015; Verhoef et al., 2015). Gen Z therefore favours the flexibility of choosing from different omnichannel strategies, a flexibility that reflects not only their digital fluency but also a strategic consumer mindset, where channels are used interchangeably depending on situational needs (Bai & McColl, 2023).

In terms of brand loyalty, we observed interesting patterns and a largely utilitarian orientation. While the added value brought by LPs is acknowledged, it is mainly not perceived as the decisive factor in active LP participation. LPs are therefore able to provide meaningful benefits, but they are often considered after the consumers evaluate factors such as products’ price, quality, and personal preferences. Our findings show that LPs are particularly important in delivering immediate financial incentives, such as discounts, being able to strengthen customer retention by delivering tangible rewards (Kim et al., 2013). On the other hand, complex or tiered structures were frequently met with scepticism, particularly when perceived as opaque or unattainable. While symbolic and experiential rewards were occasionally acknowledged, they were rarely decisive motivators. This points to a broader pattern: Gen Z places high value on transparency and immediacy in brand relationships. Consistent with prior research, we conclude that the (over)reliance on price as a key factor in a purchasing decision remains one of the key challenges for luxury brands and retailers, since it can significantly weaken brand loyalty (Alemany, 2024; Chatterjee & Basu, 2023). However, the findings also suggest opportunities: when LPs are enhanced through technology and personalisation (Chen et al., 2021; Kushwaha et al., 2021), they can go beyond mere transactions to foster more meaningful engagement.

To further synthesize our findings, we present three key propositions that capture the central themes emerging from the data. Together, they illustrate how Gen Z’s engagement with high fashion is shaped by a combination of symbolic aspirations, pragmatic decision making, and utilitarian expectations.

Regarding Gen Z’s relationship with high fashion, our findings show that they perceive high fashion through a dual lens of symbolic and functional value. While they appreciate the superior quality, uniqueness, and alignment with personal identity that high-fashion brands offer, their purchasing behaviour remains selective and pragmatic. Many participants focus on affordable luxury items such as

accessories, viewing them as timeless investments or status-enhancing details. This selective interest reflects a desire to reconcile aspiration with budget-consciousness.

**Proposition 1:** *Gen Z perceives high fashion through a dual lens—symbolically, to express their status and identity, as well as functionally, to strive for affordability and long-term utility.*

With respect to expectations of high-fashion retailers, Gen Z expressed a strong preference for seamless omnichannel experiences, with online platforms being favoured for price comparison, convenience, and variety. At the same time, physical stores still hold value for tactile experiences. Gen Z's digital fluency leads them to adopt strategic behaviours, such as maintaining wish lists and waiting for discounts when engaging with retailers, which reveals an active and deliberate approach to consumption. For retailers, this underscores the need to integrate functional convenience with aesthetic inspiration, preferably across multiple touchpoints.

**Proposition 2:** *Gen Z expects high-fashion retailers to ensure seamless omnichannel experiences are both functionally convenient and aesthetically inspiring.*

Finally, in terms of LPs, Gen Z tends to evaluate them primarily through a utilitarian perspective. Gen Z respondents favour schemes that are simple, transparent, and provide immediate monetary rewards (e.g., discounts or cashback), while tiered or complex structures often invite scepticism, especially if perceived as offering delayed or hard-to-reach benefits. While emotional engagement can enhance loyalty, it is rarely the primary motivator. Experiential or symbolic rewards must be carefully designed and clearly communicated to resonate with this generation's value- and technology-driven mindset.

**Proposition 3:** *Gen Z favours LPs that deliver immediate, monetary benefits through simple mechanisms, while placing lower importance on emotional engagement.*

### 5.1 Theoretical contributions

This study advances the theoretical understanding of Gen Z's loyalty dynamics within high-fashion retail in several important ways. While prior studies focused on either the symbolic nature of luxury or the mechanics of LPs separately, our findings integrate both perspectives and highlight the tension between Gen Z's aspirational values and their pragmatic

shopping behaviour. Specifically, we extend the literature by illustrating how Gen Z's digital fluency, price sensitivity, and desire for instant gratification shape their engagement with LPs.

First, our findings are aligned with those of [Yi and Jeon \(2003\)](#), who found that direct monetary benefits are especially effective in reinforcing brand loyalty. Moreover, we extend this finding to a Gen Z cohort and show that Gen Z's desire for immediate gratification in the form of price discounts or immediate monetary compensation reflects a broader tendency toward an impulsive and opportunistic purchasing behaviour significant for Gen Z ([Purmono & Ramadania, 2021](#)). Second, this study contributes to an ongoing discussion regarding personalisation and gamification in loyalty strategies. We build on emerging frameworks that support customer-centric loyalty approaches, proposing that personalised and gamified LP structures are particularly important to Gen Z as “digital natives” and a generation that strives for aesthetical and tech-enhanced experiences. Despite our results showing that our interviewees prefer immediate gratification over tiered rewards, our insights are also aligned with prior research showing that further integration of experiential rewards could strengthen customer loyalty ([Koppala, 2023](#)). Third, our findings somewhat challenge the traditional assumption that LPs are core drivers for fostering loyalty ([Hofman-Kohlmeyer, 2016](#)). We find that LPs are important to Gen Z consumers but serve more as an add-on to the shopping experience. Among Gen Z, LPs are mostly chosen for their functional utility rather than for their emotional resonance. Still, emotional aspects of consumer-brand or even consumer-retailer relationships were mentioned, particularly in connection to luxury brands' heritage offering sophisticated connections between the consumer's and brand's identities (e.g., [Cabi-giosu, 2020](#); [Jacob et al., 2020](#); [Makkar & Yap, 2018](#)); they are appreciated, but not the essential motivator for Gen Z's engagement with LPs.

Finally, we find further support for the literature on omnichannel retailing by showing that Gen Z's loyalty behaviour is shaped by their expectations of seamless customer experience across online and offline channels ([Bai & McColl, 2023](#); [Klede-Schnabel & Bug, 2016](#)). The LPs particularly tailored to Gen Z should try to combine both monetary and experiential LP rewards—even though Gen Z favours instant gratification, its members also value personalised content expressing their self-identity ([Oszi, 2024](#)). Given that only a small fraction of European LPs currently emphasizes emotional loyalty (about 15%; [Antavo Research Center, 2022](#)), there is vast room for improvement in this regard.

## 5.2 Managerial contributions

From a practical standpoint, our findings offer valuable implications for high-fashion retailers seeking to attract and retain Gen Z consumers through LPs. First, in line with Gen Z's clear preference for immediate gratification, LPs should move beyond complexity and focus on transparent, user-friendly structures that prioritize immediate rewards. For example, Zalando Plus offers free express delivery and priority access to sales (Zalando, 2024), whereas Nordstrom Rack offers a very simple "1 point equals \$1" earnings model within their LP (Nordstrom Rack, n.d.). With these features, both companies directly match Gen Z's opportunistic shopping behaviour.

Second, incorporating personalised, tech-enabled experiences, such as app-based loyalty tracking, gamified incentives, or AR-enhanced shopping, caters to Gen Z's desire for digital fluency and aesthetical as well as tech-enhanced experiences. Such features also provide the users with emotional touchpoints with an LP. A good example is Adidas, with its adiClub and its supporting Adidas app ecosystem, where members earn points as loyalty currency through gamified challenges. The brand therefore turns relatable lifestyle activities into LP engagement and promotes a sport-oriented loyalty journey for their members (Adidas, n.d.). Another interesting integration of an AR-enhanced experience can be seen in Burberry's LP. It includes AR experiences, unlocking in-app content such as limited-edition clothing items, enjoying "the Trench Experience" in an immersive, digitally augmented room (Gavagnin, 2022) available to its LP members.

Finally, LPs should be seamlessly integrated across different digital and physical channels or touchpoints. Thus, LP rewards should be earnable and redeemable across multiple channels, ensuring a consistent and seamless customer experience throughout the customer journey. Thus, a hybrid approach, one that integrates immediate, utilitarian rewards with personalised and experiential benefits, is essential for effectively engaging Gen Z consumers. A good example is Nordstrom Rack's Nordy Club, where members can earn and redeem loyalty points in-store, online or via their app, ensuring a smooth hybrid approach, which offers convenience and personalisation for Nordstrom Rack's LP members (Nordstrom Rack, n.d.).

## 6 Conclusion

Our study finds a strong affinity for high-fashion products among Gen Z. Consistent with prior literature, we show that although Gen Z is associated

with high price sensitivity and consciousness regarding value for money, its members are still willing to spend on products that resonate well with their values (Kahawandala et al., 2020). It is important that luxury brands targeting Gen Z understand this imperative and at the same time build on aesthetics, superior quality, and craftsmanship—the traditional characteristics of luxury fashion products (Fionda & Moore, 2009). Thus, brands need to innovate to deliver the best customer experience and satisfy Gen Z's strong desire for innovative digital strategies and gamified content (McKinsey & Company, 2025; Rodrigoigues et al., 2024). Although emotional value was not identified as a leading asset for opting for LPs in our study, interviewees expressed that consumer-brand/retailer bonds are important. Luxury brands therefore need to strive for building strong emotional bonds with their consumers, since emotional engagement is key in purchasing behaviour (Chen et al., 2021; Osz, 2024; Šušulic, 2024). The latest trends show that the high-fashion industry is experiencing a rising preference for online shopping channels by consumers (Statista, 2024a). This is evident in our investigation as well: Gen Z is very much present online also when it comes to its shopping habits.

High-fashion retailers enjoy positive perceptions of our respondents, since they merge different brands under one roof (Kim & Kim, 2017). It is their convenience, broad selection, and high discounts that attract the buyers. LPs are particularly valued when they offer tangible as well as appealing benefits. Our study also reveals that consumers who regularly shop at a particular retailer are more likely to enrol in its LP and enjoy its benefits (Šušulic, 2024). Therefore, it is crucial to communicate the existence of LPs and their main benefits for the consumers. LPs should therefore be strategically positioned and successfully communicated to best reach their target audiences. Monetary benefits of LPs are the preferred option for customers; however, the simplicity and transparency of LPs are also very important. Additionally, consumers appreciate the personalised content and exclusive experiences associated with LPs. Relying on user-friendly communication can serve as a building block for creating consumer-retailer bonds and their belongingness to the retailer community. Thus, we encourage high-fashion retailers to develop LPs tailor-made for Gen Z with the help of modern technology, offer rewards typical for points-based LPs, but manoeuvre them through gamified content.

This study offers valuable insights into Gen Z's relationship with high-fashion retailers and their LPs but is also prone to some limitations. First, our sample is heavily skewed toward female participants. This gender imbalance may limit the transferability



of insights to male consumers, whose motivations and loyalty behaviours might differ. Future studies could benefit from comparative designs that examine gender differences. Second, participants in the study were recruited primarily through our own personal networks. Such participant recruitment may have introduced social desirability bias, potentially affecting the authenticity of some responses. Although LPs are not a particularly sensitive topic, participants may still have framed their responses in ways they perceived as favourable. Future research can potentially mitigate such risks by allowing for more diverse recruitment channels to reduce potential bias. Third, the use of the Gioia methodology, while robust for developing grounded theoretical insights, inherently involves interpretation, which introduces the risk of subjectivity. This was addressed by us each performing independent coding as well as by investigator triangulation, which ensured analytical rigour. Future research should employ longitudinal or mixed-method designs to test the robustness of the propositions suggested by our research, and in doing so combine interpretive depth with further empirical validation. Finally, our findings are situated within a specific demographic and socio-cultural environment. Luxury fashion consumption and LP engagement are closely tied to cultural norms; thus, it would be interesting to conduct studies in countries where the cultural significance of social status varies, given that luxury fashion consumption is closely related to status signalling.

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