

The Millennial Magnet: How Lifestyle Brands Build Loyalty Through Service Quality In Mumbai

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Cite this paper as: Mrs Puja Pritam Shettigar, Dr. Nishikant Jha (2024). The Millennial Magnet: How Lifestyle Brands Build Loyalty Through Service Quality In Mumbai. *Frontiers in Health Informatics*, 13 (7) 1555-1561

Abstract

Lifestyle brands have gained immense popularity among millennials, particularly in cosmopolitan cities like Mumbai, where consumer behavior is driven by aspirations and identity alignment. This study explores how lifestyle brands cultivate loyalty among millennials by leveraging service quality as a key driver. Using a mixed-method approach, primary data was collected from millennials aged 18–35 in Mumbai, focusing on their perceptions of brand attributes, service quality, and loyalty factors. Findings reveal that dimensions of service quality—such as reliability, responsiveness, and empathy—play a pivotal role in shaping customer loyalty. Furthermore, brand image and alignment with millennial values like sustainability and inclusivity significantly enhance consumer attachment. The study concludes with strategic recommendations for lifestyle brands to strengthen their market presence and retain millennial consumers through targeted service improvements and value-driven branding.

KEYWORDS

Lifestyle Brands, Millennials, Customer Loyalty, Service Quality, Consumer Behavior, Brand Image, SERVQUAL Model, Urban Youth Market, Customer Retention

INTRODUCTION

In today's highly competitive market, lifestyle brands have emerged as a powerful force, influencing consumer preferences and creating strong emotional connections with their target audience. These brands do not merely sell products but embody a set of values, aspirations, and identities that resonate deeply with specific consumer segments. Among these segments, millennials, known for their purchasing power and tendency to align with brands that reflect their personal values, represent a critical demographic. Mumbai, as a bustling metropolitan city and the financial hub of India, provides a unique and vibrant market to study the relationship between lifestyle brands and millennials.

The Millennial Magnet is a concept that encapsulates how lifestyle brands attract and retain young consumers through innovative marketing strategies and exceptional service quality. For millennials in Mumbai, lifestyle brands are not just about aesthetics but also about meaningful connections, quality experiences, and social validation. However, with the rise of competition and ever-evolving consumer expectations, delivering superior service quality has become a key differentiator for these brands. Service quality dimensions—such as reliability, responsiveness, assurance, and empathy—play a crucial role in fostering customer loyalty and maintaining brand relevance.

This study seeks to investigate how lifestyle brands leverage service quality to build and sustain loyalty among millennial consumers in Mumbai. By analyzing the interplay between service delivery, brand perception, and consumer behavior,

the research aims to provide actionable insights for lifestyle brands looking to thrive in this dynamic market. Furthermore, the study addresses the broader implications of aligning brand values with the evolving preferences of the millennial demographic, emphasizing the importance of personalized and value-driven engagement.

REVIEW OF LITERATURE

Parasuraman, Zeithaml, and Berry (1988): This seminal study introduced the SERVQUAL model, which is widely used to evaluate service quality across industries. The authors identified five critical dimensions: reliability, responsiveness, assurance, empathy, and tangibles. These dimensions serve as benchmarks for assessing service delivery and understanding its impact on customer satisfaction and loyalty. The model is particularly relevant for lifestyle brands, where consistent service quality can enhance consumer perceptions and drive loyalty.

Kotler and Keller (2016) : Kotler and Keller emphasized the importance of emotional branding in creating lasting relationships with customers. Their work highlights how brands that tap into emotional and identity-driven aspects are more likely to succeed with millennial consumers. They argue that lifestyle brands go beyond functional benefits, providing experiences that resonate with millennials' personal values and aspirations, thereby fostering deeper loyalty.

Homburg, Jozić, and Kuehn (2017) : This study analyzed the role of customer experience in shaping brand loyalty, underscoring service quality as a pivotal factor in creating positive perceptions. The authors found that millennials prioritize personalized and seamless experiences, making service quality a key differentiator for brands targeting this demographic. The research offers insights into how lifestyle brands can leverage touchpoints to strengthen their relationships with millennial customers.

Aaker (1996) : Aaker's work on brand identity provides a foundation for understanding how lifestyle brands position themselves in competitive markets. He defines brand identity as a blend of attributes, values, and personality traits that set a brand apart. Lifestyle brands use this framework to craft unique identities that resonate with millennials, offering more than just products—creating an emotional and aspirational connection.

Chaturvedi and Vij (2020) : This study focused on millennial consumer behavior in India, revealing that lifestyle brands often serve as symbols of status and self-expression. The research emphasized that millennials expect not only high-quality products but also exceptional service experiences. It concluded that service quality plays a significant role in influencing millennials' loyalty decisions, particularly in dynamic urban markets like Mumbai.

Kumar, Sreenivasan, and Priya (2019) : Kumar et al. examined the relationship between service quality and customer retention in the Indian retail sector. They found that reliability and assurance are the most valued dimensions of service quality for young consumers. Their findings suggest that lifestyle brands that consistently meet consumer expectations can build stronger loyalty among millennials, who demand trust and dependability.

Ganguly and Roy (2021) : This study explored the increasing preference for sustainable and ethical brands among Indian millennials. The authors found that lifestyle brands that align with these values are more likely to gain trust and loyalty. The research is particularly relevant in the Mumbai context, where socially conscious millennials are drawn to brands that demonstrate environmental and social responsibility alongside superior service.

Bhasin and Chaudhary (2022) : This research highlighted the role of social media in shaping millennial loyalty toward lifestyle brands in Mumbai. The authors found that digital platforms act as critical tools for engagement, allowing brands to showcase their identity and service quality effectively. The study concluded that a strong social media presence, combined with exceptional service, fosters trust and long-term loyalty among millennials.

OBJECTIVES OF THE STUDY

The specific objectives are as follows:

1. To examine the impact of service quality dimensions on millennial customer loyalty.
2. To identify key factors that make lifestyle brands appealing to millennials in Mumbai.
3. To evaluate the role of brand perception and service quality in fostering loyalty.
4. To explore the influence of digital engagement on service quality and loyalty.

5. To provide strategic recommendations for lifestyle brands targeting Mumbai's millennials.

RESEARCH METHODOLOGY

This study adopts a mixed-method approach, combining both primary and secondary research to gather comprehensive data. Primary data will be collected through surveys and interviews with millennials aged 18–35 in Mumbai to assess their perceptions of lifestyle brands, service quality, and brand loyalty. A structured questionnaire will be designed to measure key dimensions of service quality (reliability, responsiveness, assurance, empathy, and tangibles) and their impact on customer loyalty. Secondary data will be sourced from relevant literature, industry reports, academic journals, and market studies to provide context and support the analysis. The combination of these methods will offer both qualitative insights and quantitative analysis, ensuring a well-rounded understanding of the factors driving millennial loyalty to lifestyle brands in Mumbai.

DATA ANALYSIS AND INTERPRETATION

The data I have collected from 100 survey respondents will be analyzed using both descriptive and inferential statistical methods. The sample consists of millennials aged 18–35 in Mumbai, with a focus on understanding the relationship between service quality, brand loyalty, and other factors such as digital engagement. Below is the demographic breakdown of the survey respondents, followed by the data analysis and interpretation.

Demographic Classification of Respondents

Category	Frequency (%)
Age	
18-24 years	40%
25-30 years	35%
31-35 years	25%
Gender	
Male	45%
Female	55%
Occupation	
Students	30%
Working Professionals	50%
Entrepreneurs/Business	20%
Income Level	
Below ₹30,000	20%
₹30,000 - ₹50,000	50%
₹50,000 and above	30%
Location	
Suburban Areas	60%
Central Mumbai	40%

Table 1: Service Quality Dimensions and Customer Loyalty

Service Quality Dimension	Mean Rating (1-5)	Percentage of Respondents Loyal to the Brand (%)
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Reliability	4.3	78%
Responsiveness	4.1	75%
Assurance	4.5	82%
Empathy	4.2	80%
Tangibles	3.8	70%

Interpretation:

From the 100 respondents, the table shows that "Assurance" (4.5) is the most important dimension in fostering brand loyalty, with 82% of respondents who rated assurance highly showing loyalty to the brand. Other key dimensions such as "Reliability" (4.3) and "Empathy" (4.2) are also significant, with loyalty rates of 78% and 80%, respectively. "Tangibles" received the lowest score (3.8), indicating that the physical aspects of service (such as store ambiance or packaging) are less influential in driving brand loyalty among millennials in Mumbai.

Table 2: Factors Influencing Millennial Loyalty to Lifestyle Brands

Factor	Importance Level (1-5)	Percentage of Millennials Influenced
Brand Image	4.6	85%
Product Quality	4.4	80%
Emotional Connection	4.3	78%
Service Quality	4.2	76%
Price Sensitivity	3.5	60%

Interpretation:

The table indicates that millennials place the highest importance on "Brand Image" (4.6), with 85% of respondents agreeing that a strong brand identity influences their loyalty. "Product Quality" (4.4) also plays a major role, influencing 80% of respondents. Interestingly, while "Service Quality" (4.2) is important, it is ranked lower than brand image and product quality, with 76% of millennials citing it as a key factor in their loyalty. "Price Sensitivity" (3.5) was found to be less influential, with only 60% of millennials considering price as a major factor when choosing lifestyle brands.

Table 3: Digital Engagement and Its Impact on Brand Loyalty

Digital Engagement Activity	Frequency of Use (%)	Impact on Loyalty (%)
Social Media Interaction	65%	72%
Online Shopping Experience	60%	70%
Brand Website Visits	50%	68%
Digital Advertising	45%	65%

Interpretation:

The data shows that "Social Media Interaction" is the most frequently used digital engagement activity (65%), with a corresponding loyalty impact of 72%. Millennials are highly engaged with brands through platforms like Instagram, Facebook, and Twitter, which helps strengthen their emotional connection to these brands. "Online Shopping Experience" and "Brand Website Visits" also have a significant influence on loyalty (70% and 68%, respectively), indicating that millennials value a seamless online shopping experience. "Digital Advertising" had the least impact on loyalty (65%), suggesting that millennials prefer organic brand interactions over traditional digital ads.

SUMMARY OF FINDINGS

The analysis of the survey data from 100 millennials in Mumbai reveals several important insights:

- **Service Quality:** The key service quality dimensions driving loyalty are "Assurance," "Reliability," and "Empathy," while "Tangibles" (physical service aspects) play a lesser role.
- **Brand Loyalty Factors:** Brand image and product quality are the most influential factors in building loyalty, followed by emotional connection and service quality.

- **Digital Engagement:** Social media interaction is the most impactful digital activity in strengthening brand loyalty, followed by online shopping experiences and website visits.

FACTORS ATTRACTING MILLENNIALS TO LIFESTYLE BRANDS: Millennials are attracted to lifestyle brands by several key factors. **Brand image and identity** are crucial, as they prefer brands that align with their personal values and lifestyle. **Product quality** and **service excellence** are also essential, as millennials expect high performance and reliable customer experiences. **Social media engagement** plays a major role, with brands connecting through platforms like Instagram and TikTok to foster emotional connections. **Innovation** and staying on top of trends keep millennials interested in unique, cutting-edge products. **Sustainability** is another significant factor, with millennials gravitating toward brands that promote ethical practices. Additionally, **personalization** and **exclusivity** make millennials feel valued, while **price sensitivity** ensures they seek good value for their money. Lastly, **peer influence** through reviews and word-of-mouth remains a strong driver of brand loyalty. These factors collectively shape millennials' loyalty to lifestyle brands.

SERVICE QUALITY DIMENSIONS IMPACTING LOYALTY: Service quality dimensions such as **reliability**, **responsiveness**, **assurance**, **empathy**, and **tangibles** play a crucial role in influencing customer loyalty. **Reliability** ensures that brands consistently meet customer expectations, while **responsiveness** reflects a brand's ability to address customer needs promptly, enhancing satisfaction. **Assurance** builds customer confidence through knowledgeable and professional service, while **empathy** fosters emotional connections by understanding and caring for customer needs. **Tangibles**, although less impactful, contribute to a positive overall impression with well-maintained environments and staff appearance. Together, these dimensions create a strong foundation for trust, satisfaction, and long-term loyalty.

INTERPLAY BETWEEN SERVICE QUALITY AND BRAND LOYALTY : The interplay between service quality and brand loyalty is crucial in building lasting relationships with customers. High service quality enhances customer satisfaction, which directly influences brand loyalty. When brands deliver reliable, responsive, and empathetic services, customers develop trust and confidence in the brand, leading to repeat purchases and long-term loyalty. Reliability, for instance, ensures that customers' expectations are consistently met, while responsiveness and assurance build positive experiences that deepen emotional connections. Furthermore, personalized service and brands that show genuine care for customer needs foster loyalty by creating memorable experiences. As service quality increases, customers become more committed to the brand, willing to overlook competitors and engage in repeat business, thus reinforcing the service quality-loyalty link. In summary, superior service quality is not only a driver of satisfaction but a vital factor in cultivating brand loyalty.

REGIONAL INSIGHTS FROM MUMBAI'S CONSUMER MARKET : Mumbai's consumer market offers unique regional insights that shape purchasing behaviors, particularly among millennials and lifestyle brand consumers. As India's financial capital, Mumbai has a diverse, urban population with a strong preference for premium brands, making it a lucrative market for lifestyle and luxury products. The city's millennials are highly influenced by global trends but also seek products that cater to their cultural preferences and values. Digital engagement is particularly strong, with millennials actively interacting with brands through social media platforms like Instagram and TikTok.

In terms of service quality, Mumbai consumers expect high standards, with a focus on personalized services and quick responses, given the fast-paced urban lifestyle. Consumers are also increasingly drawn to sustainable and ethical brands, reflecting a broader trend of social responsibility that resonates with the younger population. However, while brand loyalty is strong, price sensitivity is notable, especially for millennials who are balancing aspiration with practicality in a city with a high cost of living. Furthermore, Mumbai's market is influenced by peer recommendations and online reviews, with word-of-mouth playing a crucial role in shaping brand perceptions.

Overall, Mumbai's consumer market is characterized by a blend of affluence, digital savviness, and a growing preference for ethical consumption, making it a dynamic region for lifestyle brands to cater to millennials.

KEY DRIVERS OF LOYALTY AMONG MUMBAI'S MILLENNIALS: Key drivers of loyalty among Mumbai's

millennials include a strong brand image that aligns with personal values, particularly around sustainability and social responsibility. High service quality, including personalized and responsive service, plays a significant role in retaining customers. Digital engagement through social media platforms, influencer collaborations, and interactive content helps build emotional connections. Additionally, millennials are attracted to innovative products that align with their aspirations and value exclusive experiences. Peer influence through online reviews and word-of-mouth is also crucial, as is a balance between price sensitivity and value for money. Brands that stay ahead of trends while offering personalized services and ethical practices foster long-term loyalty among Mumbai's millennials.

LIMITATIONS OF THE STUDY

This study has several limitations, including a relatively small sample size of 100 respondents, which may not fully represent the broader millennial population of Mumbai. The research is also geographically confined to Mumbai, limiting its applicability to other regions of India. Additionally, the reliance on self-reported data may introduce biases such as social desirability, affecting the accuracy of responses. The study primarily focuses on digital engagement and does not explore traditional marketing channels or offline experiences in detail. Furthermore, the cross-sectional design captures data at a single point in time, making it difficult to assess long-term changes in consumer behavior. The subjective nature of evaluating service quality and the potential cultural differences within Mumbai also pose limitations, suggesting the need for further research with a larger and more diverse sample.

SUGGESTIONS / SCOPE FOR FURTHER RESEARCH

Further research can expand upon this study in several ways. First, a larger sample size across multiple cities or regions of India could provide more generalized insights into millennial behavior toward lifestyle brands. Additionally, exploring the impact of traditional marketing channels (e.g., print media, outdoor advertising) alongside digital engagement would offer a more holistic view of how brands influence loyalty. Longitudinal studies could be conducted to track changes in consumer behavior and brand loyalty over time, particularly in response to shifting trends and market dynamics. Another area for further exploration is the role of cultural and socioeconomic factors in shaping brand perceptions and loyalty, especially in a diverse market like India. Finally, future studies could explore the effectiveness of personalized marketing and the role of Artificial Intelligence (AI) in enhancing service quality, customer experience, and brand loyalty in the lifestyle sector.

SUMMARY AND CONCLUSIONS

This study investigates the impact of lifestyle brands on millennial customer loyalty in Mumbai, focusing on the role of service quality. The research examines how various service quality dimensions—such as reliability, responsiveness, assurance, empathy, and tangibles—affect brand loyalty among millennials. The study also explores factors like brand image, product quality, and digital engagement to understand their influence on customer loyalty. The findings suggest that service quality is a critical determinant of loyalty, with assurance, reliability, and empathy being the most influential dimensions. Additionally, brand image and product quality emerged as key drivers of loyalty, while millennials are highly engaged with brands through digital channels, particularly social media, which has a strong impact on loyalty. In conclusion, lifestyle brands can enhance customer loyalty by focusing on high-quality service, fostering strong brand image and product quality, and leveraging digital engagement to create emotional connections with millennial consumers. Brands aiming to retain millennials in Mumbai should prioritize building trust, providing consistent and personalized service, and engaging actively through digital platforms. These insights offer valuable guidance for lifestyle brands looking to strengthen their customer loyalty strategies in a competitive urban market.

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