

From Likes to Loyalty: The formation of online brand communities among Gen Z Consumers in Sri Lanka

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Abstract

This study examines online brand community formation among Sri Lankan Generation Z, examining the journey towards digital interaction to brand loyalty. Using a qualitative, interpretivist paradigm involving case studies and ethnography, studies explore local as well as international brands such as Spa Ceylon, Pizza Hut, and Cliara Essential Oils etc. Findings suggest that cultural relevance, economic value, and co-created digital interactions drive Gen Z brand loyalty. The study adds to the understanding of how identity, community, and socio-economic context influence brand-consumer relationships in emerging markets.

Keywords: Gen Z; Online Brand Communities; Brand Loyalty; Sri Lanka; Social Media; Co-Creation; Consumer Culture; Local and Imported Brands

1. Introduction

The digital age has led to a phenomenal shift in the manner brands interact with their audience, particularly with the rise of online brand communities (OBCs). From the perspective of consumers, traditionally passive recipients of marketing communication, Generation Z consumers in particular are now active influencers of brand narratives, brands' reputation, and market trends. Born between the mid-1990s and early 2010s, Generation Z is the first generation born with technology deeply embedded in their lives. This generation is not only comfortable with digital spaces but also possesses a very evolved concept of how brands operate within these spaces. For companies and marketers, capturing Gen Z's loyalty is not merely an issue of visibility, but of interaction, identity resonance, and true community formation.

Online brand communities have emerged as central arenas of interaction between consumers and brands in which peer influence, emotional connection, and shared experience build brand meaning. Online communities go beyond transactional exchange; they give consumers a sense of belongingness, co-creation, and social identity. These platforms like Instagram, TikTok, Facebook, and Twitter/X are not merely marketing platforms but also spaces where word of mouth around brands, reviews, rituals, and loyalty are nurtured organically. For Gen Z, participation in these spaces is usually driven by a mix of self-expression, affiliation, conformity to trends, and faith in peer-generated content.

In Sri Lanka, social processes in online brand communities are very responsive to cultural sensitivities, economic conditions, and patterns of internet access. A heritage-rich nation with growing connectivity globally, Sri Lanka is a unique environment where local sensibilities meet global aspirations. Sri Lanka has experienced tremendous digital evolution over the last decade, e.g., growing smartphone penetration, social media usage, and youth participation in e-commerce. Meanwhile, economic issues such as the post-pandemic financial crisis and import restriction altered the way foreign and domestic brands position themselves and retain consumer trust. Local players like Spa Ceylon, Cliara Essential Oils, and Kapruka etc. have been able to leverage these dynamics by embedding traditional aspects,

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sustainability stories, and affordability within their digital platforms. Whereas, Global brands like Pizza Hut, Aldo, or Shiseido face the perpetual struggle of balancing global brand equity and localized consumer expectation and economic constraints. These interactions between brands and customers are mediated more and more through digital platforms where Gen Z consumers demand transparency, relevance, and authenticity.

This study seeks to critically examine how online brand communities are established and sustained among Gen Z in Sri Lanka, specifically examining how they progress from shallow digital engagement ("likes") to intense brand loyalty. The study responds to relevant questions such as: What drives Gen Z to participate in online brand communities? How do local cultural values and economic constraints affect their brand preferences and loyalty? How are brands using social media to establish trust, identity, and engagement with these groups?

The research is guided by several firmly established theoretical models like Brand Community Theory (Muniz & O'Guinn, 2001), Social Identity Theory (Tajfel & Turner, 1979) etc. to gain a comprehensive discussion of brand consumer relationships in cyber space. Referencing Saunders' Research Onion Model as a conceptual foundation, the research applies interpretivist, inductive, qualitative research methodology incorporating case studies and netnography to investigate genuine interactions between Gen Z consumers and domestic and imported brands.

Through the Sri Lankan Gen Z market, this study contributes to broader digital consumption behaviors scholarship in emergent markets, where cultural diversity and socio-economic heterogeneity offer new challenges and opportunities for branding. The study also offers practitioners with practical meanings for marketers, digital strategists, and policy-makers wishing to engage Gen Z in more effective, sustainable, and culturally appropriate terms. As the digital marketplace is being shaped, learning how loyalty is earned rather than demanded is paramount to building strong brand connections in an algorithmic, influencer, and consumer-driven world.

1.1. Research Objectives

This study aims to explore and critically analyze the formation of online brand communities by Generation Z in Sri Lanka, specifically how these online brand communities promote domestic and foreign brand loyalty. To achieve this aim, the study is guided by the following objectives:

- To scrutinize the role played by social media in creating and sustaining online brand communities among Sri Lankan Gen Z consumers.
- To explore the motivational forces social, psychological, and cultural which stimulate Gen Z's participation in brand-focused online communities.
- To assess trends of brand loyalty between foreign and local brands within Sri Lanka's economic and cultural landscape.
- To determine the methods utilized by selected brands (local and foreign) to engage Gen Z in co-creation, identity formation, and loyalty development.
- To employ the Saunders Research Onion model to develop a methodological approach suitable for studying online community behavior in the Sri Lankan Gen Z market.

2. Literature Review

Brand community building and establishment online have become key concerns of contemporary marketing and consumer research. As social media keep shaping the interactions between consumers and brands, particularly in digitally born consumer segments such as Generation Z, researchers have placed greater emphasis on the psychological, sociological, and technological facets of brand interaction. This literature review discusses the theoretical underpinnings and empirical findings of interest to this study, bordering on brand communities, Gen Z behavior, co-creation, cultural context, and economic constraints with particular emphasis on emerging economies like Sri Lanka.

2.1. Generation Z and Digital Engagement

Generation Z, broadly those born between 1997 and 2012, have been of keen interest to scholars due to their unique consumer patterns and technical aptness. Fromm and Read (2018) elucidate that Gen Z consumers desire authenticity, view narratives in visual form, and tend to support brands that embody like-minded personal values. They are more active players in crafting brand narratives, often through user-generated content (UGC), influencer engagement, and peer word-of-mouth endorsement.

Studies by Priporas et al. (2017) and Turner (2015) also identify Gen Z's desire to interact with brands experientially and interactively. They would like to be personalized, recognize two-way communication as being imperative, and want

businesses to be socially responsible. In the Sri Lankan context, Gen Z consumers can relate to content that resonates with their cultural identity and connects them to global trends offering a rich terrain for local as well as international brands to establish digital communities.

The shift from passive consumption to active participation brought co-creation theory in branding to life. Prahalad and Ramaswamy (2004) defined the co-creative phenomenon as a mutual endeavor where customers and firms work together to co-create value. Co-creation, in the era of the digital age, occurs through interactive features on social media sites, such as polls, content sharing, contests, and influencer collaborations.

Studies like that of Ind, Iglesias, and Schultz (2013) argue that co-creation of brands enhances emotional commitment and switching costs. In Sri Lanka, examples include how Pizza Hut encourages localized campaign responses (ex: Avurudu-themed menus) or how Odel uses fashion challenges on TikTok, engaging people to participate and remain loyal through creative expression.

2.2. Cultural Context and Localization

Culture is at the heart of how consumers react to, interact with, and become loyal to brands. Hofstede's theory of cultural dimensions (1980) and subsequent localized research (ex: De Silva, 2018) highlight how collectivist cultures like Sri Lanka place great importance on social proof, family reputation, and tradition. This affects what type of brand storytelling and community experience will be most effective.

Local brands, which make use of religious symbolism, conservative festivities (ex: Avurudu), and informal language, are likely to be more emotionally connected. Foreign brands that fail to localize content or worse, misrepresent local values risk cultural disconnection and backlash.

2.3. Economic Constraints and Value-Oriented Loyalty

Brand loyalty within emerging economies such as Sri Lanka is usually conditioned by economic influences such as market accessibility, inflation, and disposable income. The studies by Sheth (2020) and Viswanathan et al. (2009) indicate that in low-to-middle-income economies, loyalty could be pragmatic and conditional and not necessarily emotional. Under these conditions, trust, durability, and value-for-money become central.

In the era post-economic crisis, local production, affordable, and ethical products are increasingly preferred by Sri Lankan Gen Z consumers. Brands like Chanelle and value fashion websites thrive by offering aspirational value without economic extravagance, while other global brands fail to maintain customer loyalty with price hikes and import uncertainty.

2.4. Summary and Research Gap

While extensive global studies exist on brand communities, online co-creation, and Gen Z consumerism, the lack of localized studies in the South Asian and Sri Lankan context is deeply felt. The majority of models are Western-centric and do not account for the intricate layers of cultural identity, digital connectivity, and economic insecurity that define consumer behaviors in Sri Lanka. This study therefore bridges this critical gap through presenting an emplaced account of the ways Sri Lankan Gen Z creates and sustains loyalty in local and global brands' online brand communities.

3. Theoretical Framework

Explaining online brand community formation in Gen Z in Sri Lanka requires an interdisciplinary theoretical model that incorporates perspective from marketing, psychology, sociology, and digital media studies. The section critically examines and utilizes primary theoretical models that explain underlying processes of brand community formation and loyalty development. In the process, it determines how these theories account for unique cultural and technological realities present in Sri Lanka's Gen Z setting.

3.1. Social Identity Theory (Tajfel & Turner, 1979)

Social Identity Theory (SIT), which is based on the assumption that individuals derive some aspect of their concept of self from perceived membership in social groups. Consumers in brand communities thus identify with a specific brand or brands in order to close or express an ideal identity. Sri Lankan Gen Z identification with domestic brands and international brands can be explained through this explanation. Local brands such as Odel or Spa Ceylon help foster a culturally embedded identity, in which youth maintain pride of roots in the midst of globalization. Yet, the consumption

of products exported such as Nike or Imported coffee and beverage brands are a type of aspirational identity cue, whereby youth connect to global values such as success, fashion ability, and newness.

One of the main applications of SIT also explains how online brand communities can strengthen in-group/out-group dynamic. Members who participate in brand rituals (i.e., using particular hashtags, going to branded events) gain symbolic status, while non-members are excluded from social capital these communities provide. This stratification becomes particularly evident on TikTok and Instagram platforms where visibility and conformity of appearance play significant roles in perception of members of brand communities.

3.2. Brand Community Theory (Muniz & O'Guinn, 2001)

at the focal point of this research is Brand Community Theory, created by Muniz and O'Guinn (2001), according to which brand communities are "specialized, non-geographically bound communities, based on a structured set of social relationships among admirers of a brand." In accordance with this theory, there are three features that identify the brand communities: consciousness of kind (a general sense of unity), common rituals and traditions, and a sense of mutual moral obligation between participants.

These three dimensions play themselves out very concretely in local and global brand communities in Sri Lanka. To give an example, members of the Spa Ceylon Instagram community express a collective identity in terms of health and Sri Lankan heritage pride, whereas Colombo's coffee enthusiasts exhibit recognizable behaviors like posting exact drinks orders or ritualizing store visits with visually appealing post rituals in line with global Imported coffee and beverage brands community norms. These groups provide an exclusivity and belonging that go beyond the simple consumption of a product.

Analytically, Muniz and O'Guinn's model, though a robust one, is grounded on brand-consumer relationships in the early 2000s and assigns the brand a relatively passive role. In contrast, modern digital groups especially among Sri Lankan Gen Z are much more interactive, dynamic, and user-driven in nature, which necessitates modifying this theory to accommodate co-creation and participatory culture.

3.3. Consumer Culture Theory (Arnould & Thompson, 2005)

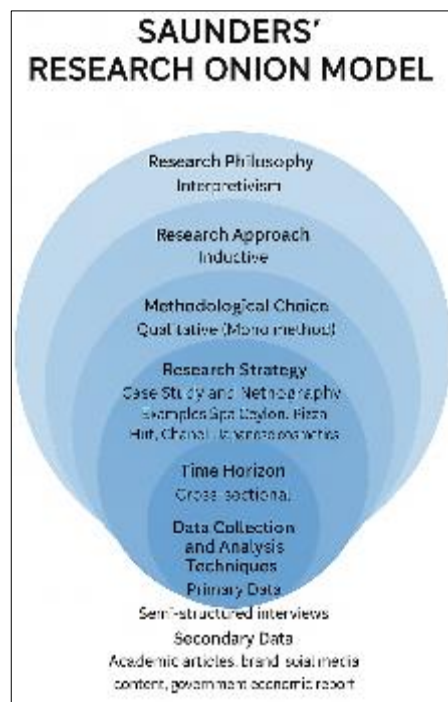


Figure 1 Saunders' Research Onion (Saunders et al;2019, p.108)

Consumer Culture Theory (CCT) concerns the socio-cultural, experiential, symbolic, and ideological aspects of consumption. Western influence is apparent in coexisting with local values in Sri Lanka, whereas Gen Z brand loyalty is shaped by global trends but given local interpretation.

In overall, these theories present a multi-dimensional conceptualization of the emergence of online brand community among Sri Lankan Gen Z. Brand Community Theory and Social Identity Theory account for the creation of communities and the psychological functions they play. Uses and Gratifications Theory is enlightening regarding agency on the part of actors, whereas Co-Creation Theory deals with participatory patterns of new branding. Critical digital media theory reminds us to keep our eye on the broader socio-political and technological contexts in which such communities emerge. The intersection of these theories also points to the hybrid character of Sri Lankan Gen Z brand communities, one rooted in local culture but constituted by universal narratives, affectively invested but technologically mediated, aspirational but porous. Any successful brand campaign for this generation therefore needs to be founded on sincere dialogue, cultural relevance, and sincere belief in commitment to community.

4. Research Methodology

A robust research design is critical in the understanding of the intricate evolution of Sri Lanka's Gen Z online brand communities. Saunders, Lewis, and Thornhill's (2007) Research Onion is a comprehensive procedural guide to methodological choice-making in a logical way. All the onion layers from philosophy to techniques need to be compatible with the research purpose and nature.

4.1. Research Philosophy: Interpretivism

The philosophical stance for this study is Interpretivism. Interpretivism holds that reality is socially constructed and that knowledge is subjective rather than objective and dependent on human meanings and experiences (Saunders et al., 2007). This is suitable in studying brand communities online because:

- It is not just transactional engagement but symbolic and emotional engagement for Gen Z with brands online.
- Meanings of brand communities are constructed through interactions (likes, comments, posts) but not an objective reality.

A positivist philosophy, seeking measurable universal truths, would be unable to capture the rich, subjective processes by which loyalty is built online. An interpretivist epistemology is better placed to handle context-dependent, dynamic, and culturally embedded behavior among Sri Lankan youth.

4.2. Research Approach: Inductive

An Inductive approach to the research is adopted, which involves theory building from data and not testing preconceived hypotheses (Saunders et al., 2007).

- Online brand communities among Gen Z in Sri Lanka are a very under-researched niche.
- Induction allows emergent trends and novel theoretical views rather than imposing assumed Western models in a local context.

If a deductive approach had been selected, it may result in leaving out culture-specific behaviors or certain drivers of loyalty that are not addressed in Western-premised branding theory. Induction offers the power needed to investigate nascent phenomena in a natural way.

4.3. Research Strategy: Case Study and Virtual Ethnography

A case study strategy is optimal to investigate deeply the formation of online brand communities for specific brands (e.g., Spa Ceylon, imported coffee and beverage brands Sri Lanka) and how Gen Z members engage with them.

- It allows for context-rich, holistic analysis.
- Enables focus on attention to the relationship between brand communication styles and community responses.
- In addition, Because the research context is online communities, a virtual ethnography (Hine, 2000) is needed.

Observing natural behavior in online brand communities (ex: Facebook groups, Instagram hashtags, TikTok trends) helps capture authentic community dynamics.

- Allows non-intrusive data collection in a setting where Gen Z feels most at ease: the digital environment.

Traditional ethnography (in real-world settings) would miss valuable digital nuances. Concurrently, survey-based methods (ex: questionnaires) may fail to capture the richness of emotional and symbolic interactions found in natural digital behavior.

4.4. Research Choices: Mono-Method Qualitative

The study utilizes a mono-method qualitative approach, prioritizing depth rather than breadth.

- Methods include semi-structured interviews, virtual focus groups, and online post content analysis.
- Qualitative methods allow participants to recount rich experiences, identity negotiations, and affective relationships with brands.

A mixed-methods or quantitative-only design may dilute the rich, in-depth data necessary for this analysis. Quantitative surveys carry the risk of reducing actions to quantifiable but mechanism-free unidimensional groups, overlooking affective motivations of loyalty.

4.5. Time Horizon: Cross-Sectional

Because of the availability of resources and the exploratory nature of the study, a cross-sectional time horizon is selected collecting data at a single point in time.

- Provides a snapshot of modern community practices during post-pandemic, economically recovering Sri Lanka.
- Reveals current motivations, loyalty, and trends among Gen Z customers.

While longitudinal design could reveal nascent trends of loyalty over time (more so after economic recession), cross-sectional design addresses the immediate research needs and pragmatic constraints.

4.6. Methods and Procedures: Data Collection and Analysis

Data Collection has been applied based on the following;

- Semi-Structured Interviews: With 20 Sri Lankan Gen Z members (aged 18–27 years) active in online brand communities.
- Virtual Focus Groups: 3 sessions of 5–7 participants per session, talking about feelings and motivations for local vs imported brands.
- Ethnography Observation: Passive observation of brand communities on Instagram, Facebook, and TikTok over a 2-month period. Example: Noting how "Spa Ceylon Wellness" is used on the Instagram hashtag.

4.6.1. Data Analysis

- Thematic Analysis (Braun & Clarke, 2006): Identifying dominant themes like identity formation, social belonging, aspirational signaling, etc.
- Use of NVivo software for coding qualitative data.

Through triangulating multiple qualitative data sources (online observations, interviews, focus groups), the research enhances credibility and richness.

5. Formation of Online Brand Communities Among Gen Z in Sri Lanka

The creation of web-based brand communities by Sri Lanka's Gen Z is impacted via the interface among digital literacies, cultural identities, and aspirational consumptions. Since they are born digitally, Sri Lanka's Gen Z traditionally segmented as those between the age brackets of 18-27 years exist as both producers within the digital domain and consumers. They are comfortable with visual language (reels, TikToks, memes), value authenticity, and readily engage with brands that they identify with at the individual level of their values, way of life, and social aspirations. Contrary to past generations, Gen Z loyalty is not created via product excellence or familiarity with advertising, but via shared, discursively discussed, and co-created participatory brand experiences within digital spaces.

In Sri Lanka, the proliferation of smartphones and low-cost mobile data packages has fueled the growth of social media such as Facebook, Instagram, and TikTok as leading platforms for brand-consumer interaction. They are not only promotional tools but also community hubs, where young consumers can interact with brands and fellow users in real

time. Of notable importance is the fact that Sri Lankan Gen Z brand community building is active and not a passive one in which the communities are grassroots centered, where customers take active participatory roles to tell stories of brands, making memes, becoming part of trending challenges, or creating hashtags for increasing brand consciousness and social prominence.

Gen Z participation in web-based brand communities is motivated by complex reasons. It is more likely to be an endeavor for a sense of belonging, a desire for social recognition, and the aspiration to make micro-identities in terms of membership in brands. This behavior closely aligns with Social Identity Theory, wherein individuals identify themselves based on memberships in groups; in this case, virtual groups based on brands. For young Sri Lankans living in both globalized and local cultural worlds, brand communities act as a way of articulating a hybrid identity. For instance, a young consumer might participate in a local skincare community like Spa Ceylon to convey a sense of belonging to local wellness culture, while simultaneously being involved with global brands like Nike to show cosmopolitan ambitions.

Another major driver of community formation is co-creation of value. Brands that become open to user-generated content, organize interactive online campaigns, and respond to feedback build stronger emotional bonds. Gen Z in Sri Lanka prefer brands that not only scream at them but speak to them. This interaction engenders a feeling of being in and contributing towards the ownership of the brand's identity. Digital brand communities in Sri Lankan Gen Z hence not only occur as a consequence of marketing campaigns but out of a shared culture, emotional, and virtual space an interface where brand worth is not only consumed but constructed collectively.

To observe how online brand communities operate in practice, it is enlightening to examine specific examples of local and international brands operating in the Sri Lankan market. Through these case studies, insight is provided into how different brands of Filipino origin founded on different cultural narratives create loyalty and participation among Gen Z consumers through the Filipino online space.

One of the best examples of local brand community building is Spa Ceylon, the premium Ayurveda luxury brand that has been able to blend ancient wellness philosophy and the latest digital trends. Via Instagram campaigns like #SpaCeylonMoments and Facebook wellness communities, Spa Ceylon has built a very engaged online community where consumers do not just buy products but share their own home care rituals, recommend products to others, and exchange in the emotional value of Ayurveda. It is popular because it has managed to evoke cultural authenticity, drawing on heritage but filtering it via modern, globally acceptable branding. It also features customer content on its home pages regularly, developing a sense of collective ownership and trust. This type of two-way communication has made Spa Ceylon's online page a living community and not a static product list.

Similarly, Odel, Sri Lanka's premier fashion retail brand, has embraced Gen Z's social media usage to create online communities based on fashion and lifestyle. The brand has launched TikTok dance challenges, Instagram reels with influencers, and seasonally relevant style hashtags that encourage user participation. What makes Odel stand out is the way it localizes trends, for instance, by including Sinhala and Tamil subtitles, blending traditional wear with modern settings, or collaborating with local influencers. These norms create community among Gen Z fashion consumers who need to be fashionable and remain close to their heritage. Online chatter about Odel is full of aspirational imagery and peer-to-peer discussion, supporting the hypothesis that community loyalty is often the outcome of shared aesthetic and lifestyle aspirations.

On the other hand, international brands like Nike, Redbull, Bath and body Works, Adidas etc. have established Sri Lankan brand communities by embracing aspirational values and global identity markers. Nike, for example, employs the cross-cultural appeal of athleticism and endurance but in the Sri Lankan context grounds the narrative by emphasizing young Sri Lankan athletes, fitness influencers, and sports clubs. The Nike Sri Lanka Instagram page is constantly updating user-generated tales using the #JustDoItSL hashtag, featuring individuals overcoming obstacles with sport. It encourages a feeling of community based on common drive and motivation, which ties in with Gen Z cultural values of mental well-being, body positivity, and self-improvement. The Nike Sri Lanka online community serves as an online support group to encourage a system where brand metaphor is equated with personal transformation. Imported coffee and beverage brands, which have newly established themselves in the Sri Lankan market, have quickly acquired a Gen Z audience on the basis of exclusivity and social signaling. For the younger consumers living within urban cities like Colombo, imported coffee and beverages are an experience and not just a coffee shop. Sharing a selfie over a drink has also become social capital on sites like Instagram and Snapchat. Imported coffee and beverage brands Sri Lanka profits from such action by prompting users to share experiences in the store, having a look-driven social campaign, and showcasing stories from fans. The brand's online community is thus driven by status signaling and lifestyle alignment qualities extremely effective for a generation brokering identity through virtual self-presentation.

What local and international brands demonstrate is that Sri Lankan online brand communities are not monolithic. Local brands flourish on the basis of cultural resonance and emotional intimacy, while imported brands tend to build communities on the foundation of aspiration, prestige, and global citizenship. Above all, both approaches work and are valid but they must have an understanding of Gen Z's psychological drivers, cultural systems, and online behaviors. Those brands failing to appreciate these nuances risk being tone-deaf or disconnected at a time when consumers are no longer passive viewers but active co-creators of brand meaning.

6. Loyalty Towards Local vs Imported Brands: Cultural and Economic Influences

Gen Z consumers' loyalty in Sri Lanka to both domestic and international brands is framed to a large degree by economic accessibility and cultural connection. Emotional, cultural, and national identity congruence drive loyalty to domestic brands, while loyalty towards international brands inspires aspiration, signaling status, and global belonging.

Local brands like Spa Ceylon (a well-known Sri Lankan Ayurvedic skincare brand), Seri Naturals, The Swadeshi Industrial Works PLC etc. leverage local ingredients, national pride, and traditional values to create emotional loyalty. For example, Spa Ceylon smooths Ayurveda with luxury, appealing to Gen Z seeking natural solutions to wellness as well as heritage. Similarly, the brand is appealing to mid-range consumers on value-for-money skincare locally led by need and climate, earning trust through being known and accessible. Furthermore, Local food restaurants, such as family-owned food restaurants or street food stalls, are likely to create strong cultural nostalgia and long-term trust established over generations of ownership and thus loyalty is more effective than transactional. In this, there is loyalty established on cultural belongingness, value-for-money, and country and community belongingness based on frequent restocking of the product and country-building.

On the other hand, international brands like Pizza Hut, Japanese beauty products (ex: Shiseido or DHC), and luxury fashion/cosmetics like sothys appeal to Gen Z's novelty, prestige, and global affiliation. For instance, Pizza Hut offers a "global fast-food identity" signifying modern life and westernization. In such a case, loyalty is often performative online posting of Pizza Hut food constitutes urbanity and trendiness. In the same vein, Japanese beauty products are relied upon for quality and innovation, winning the loyalty of Gen Z consumers who prioritize skincare science, minimalism, and international standards of beauty. Aspirational brands such as Cliara Essential Oils evoke aspirational loyalty, where brand affinity is connected to status uplift rather than everyday utility.

But fiscal discipline cuts short extended exposure to costly imports. Local brands are easily accessible, but foreign brand loyalty is often situational conditional and not ingrained. Foreign products are more vulnerable to exchange rate risk, tariffs, and economic instability, which can annihilate long-term brand loyalty in the presence of initial euphoria.

In general, local brands develop strong, culture-congruent loyalty, most notably among middle-class and working-class Gen Z, whereas imported brands develop image-based, aspirational loyalty among urban youth. Local brands like Spa Ceylon and Cliara Essential Oils are more resilient in terms of loyalty due to familiarity and cultural salience. Imported brands like Japanese cosmetics and Pizza Hut develop intense but often temporary loyalty, maintained through social status and novelty rather than affective or cultural ties.

7. Implications and Recommendations

Creation of Online brand community among Sri Lanka's Gen Z is fundamentally important relevance for both domestic and international brands to the extent that it enhances the level of involvement and loyalty over the long term. Online brand communities are not today, tomorrow type phenomena but living organisms in which identity, value exchange, and emotional belongingness are being negotiated continuously. The importance of this trend cannot be restricted only to branding policies, content marketing, cultural prominence, economic investment, and research agendas in intellectual circles.

7.1. Strategic Implications for Brands and Marketers

7.1.1. *Prioritizing Community before Business Transaction*

Sri Lanka's Generation Z customers are hungrier for experience and reality today than for traditional product promotion. Brands need to transition from transactional to community-oriented strategies, where relationships are as vital as sales. For instance, Spa Ceylon has effectively built an online community of wellness through weekly customer highlights, "self-care Sunday" routines, and interactive Ayurvedic wellness tips on Instagram. Rather than creating frequent promotions, the brand provides a cultural learning space, user story, and emotional connection, fostering

consumer loyalty and trust. Similarly, Pizza Hut Sri Lanka recently launched interactive social media campaigns such as "Create Your Own Pizza Day" and influencer-led challenges that promote user-generated content. These campaigns were successful in engaging passive consumers and activating them as active community participants through peer visibility and personalization. Brands must build digital campaigns that promote co-creation, initiate conversations, and get users to feel they belong to something more than a purchasing audience. Digital experience officers and community managers must be integrated within marketing teams in order to achieve this.

7.2. Use Micro-Influencers and Content Creators

7.2.1. Gen Z in Sri Lanka will trust micro-influencers and down-to-earth content creators more than large celebrities or corporate brands.

This is because authenticity and relatability are required in online interaction. Brands like Cliara Essential Oils (Sri Lanka) have sensibly partnered with local beauty influencers who product review in Sinhala or Tamil, extending to regional audiences and reaffirming inclusivity. Global brands that use one-size-fits-all influencer strategies fail on this grassroots level of connection. A recent instance was a Japanese and Korean skin care brand that launched a series of products in Sri Lanka via upper-end urban influencers but failed to address broader local skin concerns (ex; sun or humidity-induced hyperpigmentation). As a result, the campaign underperformed, lacking cultural relevance and functional resonance. Marketers must localize influencer marketing by collaborating with creators that reflect the diversity of Sri Lankan Gen Z in language, region, class, and subculture.

7.3. Design for Mobile-First, Short-Form Content

7.3.1. Gen Z of Sri Lanka is predominantly mobile-first, and a majority are engaging with brands via TikTok, Instagram Reels, and YouTube Shorts.

Static content or detailed blogs are less effective in terms of engagement and community building. For example, Odel's recent TikTok fashion challenge, where users shared their "Avurudu look" with Odel apparel, went viral among youth, positioning the brand as culturally relevant and top-of-mind for the festive season. At the same time, there are legacy food brands that still rely heavily on Facebook banner ads or SMS-based promotions, without adapting to the content consumption patterns of Gen Z. Brands must invest in dynamic, snackable content formats that are built for vertical screens and fleeting engagement. Continuous content refresh cycles and platform-specific innovation are essential.

7.4. Cultural and Economic Considerations

7.4.1. Balance Global Aspirations with Local Sensitivities

Global brands are desirable, yet cultural mismatch may trigger disconnection or backlash. A case in point is the flak an international fashion brand in Sri Lanka received in 2023 for promoting culturally insensitive apparel during a local New Year campaign. On the other hand, Spa Ceylon and Cliara Essential Oil's succeed due to the alignment of their brands on Sri Lankan heritage, language, and local rituals in their narratives. Sri Lankan Gen Z seeks out brands that can help them in their dual identity one that is proudly Sri Lankan but also international in outlook. Brands that can localize the global such as Imported coffee and beverage brands Sri Lanka, which offered local flavors such as cardamom-flavored lattes for Avurudu achieve more loyalty. Cultural intelligence must be injected into branding, content creation, and product localization efforts. Brands must utilize local cultural consultants when creating pivotal campaigns or product launches.

7.4.2. Acknowledge Economic Realities

Sri Lanka's recent economic volatility, particularly since the 2022 financial crisis, has had a profound impact on consumption habits. Sustainability, affordability, and value-for-money have emerged as the new priorities of Gen Z. Luxury brands like Cliara Essential Oils may attract short-term aspirational interest, but those that offer value for money like Cliara Essential Oils, Hemas, or even local eateries like Bath Kade or Kopi Kade will have long-term loyalty.

Imported brands that fail to modify their pricing structures or product bundles to accommodate local salaries risk being seen as elitist or out-of-touch. Loyalty is increasingly linked to perceived affordability, fairness, and economic commonalities. Brands should explore multi-level product lines, student discounts, and community reward schemes based on loyalty that make loyalty affordable. Transparency in pricing and CSR efforts also support trust.

Businesses need to see more comprehensive ethnographic and longitudinal research on the development of brand communities as they evolve over time in low-to-middle-income economies. While most of the research on brand

communities is grounded in Western societies, localized Sri Lankan research can demonstrate how variables of language, religion, class, and political instability intersect with online engagement and brand loyalty. Additionally, comparative cross-platform research (e.g., TikTok vs. Instagram vs. Threads) could illuminate how different digital environments build and influence community bond formation and character. Similarly, non-urban Gen Z brand behavior is woefully under-researched but essential for brands that want to be inclusive. Universities and marketing scholars need to conduct interdisciplinary studies drawing upon digital anthropology, consumer psychology, and socioeconomics in order to evolve a more integrated, contextual theory of online brand communities in the Global South.

Online brand communities among Sri Lankan Gen Z are not a fleeting phenomenon but a deep shift in the organization of consumer relationships. Loyalty is now earned through dialogue, relevance, cultural understanding, and co-creation not advertising spend alone. Brands that understand and bake these dynamics into core strategy are far more likely to build sustainable communities of loyal, engaged, and empowered consumers. As Sri Lanka's digital footprint increases, the ability to build real online communities will define brand success in the next decade.

8. Conclusion and Future Research Directions

The online transformation of consumer-brand relationships has reshaped the manner in which loyalty is created, maintained, and expressed particularly among Generation Z, a generation that is digitally native, socially conscious, and community-minded. This paper has critically analyzed how online brand communities are formed among Gen Z consumers in Sri Lanka, focusing on the interaction between local and international brands, the influence of cultural identity and economic factors, and the relevance of theories such as Brand Community Theory, Social Identity Theory, Uses and Gratifications Theory, and Co-Creation Theory. Utilizing Saunders' Research Onion as a basis for methodology, this research is both scholarly contribution and practical implication-transcending standard marketing perspectives.

Central to such findings is the understanding that Gen Z loyalty is not solely a product of product superiority or value-proposition pricing. Instead, it is the outcome of relational, symbolic, and experiential connections i.e., the well-being of the community that exists around the brand. These virtual communities are sites of identity formation, cultural negotiation, and peer-to-peer communication, where brands are not just business entities but also social and cultural sites. For Sri Lankan Gen Z, whose identities are shaped by a unique blend of traditional values and global exposure, brand engagement goes far beyond "likes" and shares; it is about belonging, representation, and purpose.

Local brands such as Spa Ceylon, Cliara Essential Oils, and Kopi Kade have managed to position themselves in the cultural awareness of Sri Lankan youth by using indigenous elements, native languages, emphasizing environmental sustainability, and being priced affordably all of which resonate with Gen Z's hybridized values. Their success is testaments to cultural relevance and emotive authenticity as strong drivers in fueling loyalty. International brands, however, like Pizza Hut, Japanese makeup (e.g., Shiseido), and luxury brands like Cliara Essential Oils push aspirational loyalty based on world trends, status display, and lifestyle. Yet, the persistence of such loyalty will likely be dependent on pricing, cultural sensitivity, and reachability to the brand.

The theoretical approaches utilized within this paper offer a dense window into which these dynamics might be comprehended. Brand Community Theory outlines the way that structured interaction and communal ritual might consolidate brand-consumer ties, but it must be stretched to account for co-created, influencer-generated worlds. Social Identity Theory suggests the centrality of brands to the establishment and indication of group membership, but it must be stretched to include the fear of exclusion and performative practice. Uses and Gratifications Theory provides explanations of the social and psychological motivations for Gen Z's online brand interaction from validation-seeking to self-expression. Finally, Co-Creation Theory demonstrates the shift of power from brands to consumers, who now actively co-create brand narratives and community culture.

Economically, Sri Lanka's recent economic troubles have affected the loyalty terms, so value-for-money, product longevity, and digital presence are central drivers in sustaining brand communities. Gen Z's liking for micro-influencers, local language content, and platform-native formats like TikToks and Instagram Reels also means that brand strategies must be hyper-local and reactive, even when operating on a global scale.

This study has also uncovered some lacunae and directions for future study. How regional heterogeneity, linguistic variance, digital literacy, and rural youth affect brand communities remains underexplored. Similarly, the psychological implications of online brand engagement social pressure, exclusion, or overconsumption need to be investigated as well. Also, cross-cultural comparative studies between Sri Lankan Gen Z and those in contiguous South Asian countries can uncover similar patterns or divergent idiosyncrasies, enriching global marketing theory with locally acquired knowledge.

Finally, the journey "from likes to loyalty" of Gen Zers in Sri Lanka is non-linear, emotionally complex, and deeply contextual. It demands a new kind of thinking about brands one which is not only transactional and hierarchical, but also dialogue-based, co-creative, and socially networked. Effective brands in this space are the ones that listen more than they speak, innovate without compromising morals, and orient themselves towards relationship-building with populations over impressions and short-term marketing. For theorists, marketers, and policy analysts, recognizing this change is pivotal to engaging tomorrow's consumers with substance and meaning.

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