From Digital Payments to Brand Advocacy: Omnichannel Strategies for Winning the Hearts of Generation Z

Pipit Buana Sari

Abstract

This study examines the role of digital payments and omnichannel strategies in shaping customer experience and fostering brand advocacy among Generation Z consumers. As digital natives, Generation Z demonstrates strong preferences for seamless, fast, and integrated digital interactions, making digital payment systems and omnichannel experiences critical components of modern marketing strategies. This research adopts a quantitative approach using a crosssectional survey of 250 Generation Z respondents who actively use digital payment methods and engage with brands across multiple channels. Data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) technique. The results indicate that digital payments have a significant positive effect on customer experience, highlighting the importance of ease of use, transaction speed, and security in shaping consumer perceptions. Omnichannel strategies also significantly influence customer experience by ensuring consistency and integration across online and offline touchpoints. Furthermore, customer experience is found to have a strong positive impact on brand advocacy, encouraging recommendation intentions, positive word-of-mouth, and social media engagement. The mediation analysis reveals that customer experience partially mediates the relationship between digital payments, omnichannel strategies, and brand advocacy. These findings suggest that digital payment systems and omnichannel integration are most effective in driving brand advocacy when they enhance overall customer experience. This study contributes to the literature by integrating digital payment adoption and omnichannel marketing perspectives, offering practical insights for brands seeking to build long-term engagement and advocacy among Generation Z consumers.

Keywords: Digital Payments; Omnichannel Strategy; Customer Experience; Brand Advocacy; Generation Z

Pipit Buana Sari
Management Study Program, Universitas Pembangunan Panca Budi, Indonesia e-mail:
pipitbuana@dosen.pancabudi.ac.id

2nd International Conference on Islamic Community Studies (ICICS)
Theme: History of Malay Civilisation and Islamic Human Capacity and Halal Hub in the Globalization Era
https://proceeding.pancabudi.ac.id/index.php/ICIE/index

Introduction

In the contemporary digital economy, Generation Z typically defined as individuals born between the mid-1990s and early 2010s represents a pivotal consumer cohort with distinct consumption patterns shaped by pervasive digital exposure and technological immersion since early life. As digital natives, Gen Z demonstrates a preference for seamless, integrated experiences across digital and physical channels, significantly affecting how brands engage with and retain this demographic. Their expectations of convenience, personalization, and engagement have created a paradigm shift in how companies design marketing and payment experiences.

A defining characteristic of this generation lies in their digital payment behavior. Unlike previous generations that may have relied more on traditional banking and physical currency, Gen Z strongly gravitates toward digital-first payment solutions such as mobile wallets, contactless methods, and fintech innovations. International surveys reveal that mobile wallets and digital payment methods have become mainstream among Gen Z consumers, with preferences influenced by convenience, speed, and the seamless integration of payment into daily activities. Research among Indonesian Gen Z users also highlights that perceived ease of use and social influence are significant drivers of intention to use digital payment technologies like QRIS, underscoring the role of user experience and community norms in technology adoption.

Existing academic literature aligns with these empirical patterns. Studies examining determinants of digital payment adoption among Gen Z consistently find that perceived usefulness, trust, and ease of use are core predictors of mobile payment uptake. Some research even identifies emerging factors such as digital confidence, financial literacy, and the influence of omnichannel engagement as increasingly relevant in shaping adoption behavior. Additionally, research on digital consumer behavior suggests that digital customer experience positively influences satisfaction and retention critical precursors to loyalty particularly within Gen Z segments engaging with platforms such as TikTok Shop and other e-commerce ecosystems.

Such findings affirm that digital payment technologies are not merely transactional tools; they are integral components shaping consumer perception, satisfaction, and loyalty in the digital era. These technologies provide a foundation for deeper engagement and establish initial expectations that may affect longer-term consumer behavior. As digital payment becomes a fundamental aspect of the consumer journey, it also intersects with broader digital marketing strategies, especially in how brands communicate value and build relationships with Gen Z audiences.

In parallel with payment adoption, Generation Z's responsiveness to digital marketing strategies underscores the importance of integration between payment experiences and brand communication channels. Researchers have noted that interactive, personalized digital content significantly enhances purchase intention and brand loyalty among Gen Z, fostering emotional connections and engagement that transcend transactional relationships. Similarly, studies on electronic payment users indicate that brand trust and social media marketing play a role in customer engagement, reinforcing the idea that digital tools and marketing must operate synergistically to cultivate meaningful consumer interactions.

These behavioral inclinations suggest that digital payment technologies and digital marketing strategies should not be treated as siloed initiatives. Instead, a holistic omnichannel approach where digital payments, brand messaging, and consumer touchpoints are seamlessly interwoven is emerging as a competitive imperative. Industry reports reveal that omnichannel experiences are not optional but expected by younger consumers, who engage with brands across online, mobile, and physical touchpoints. This interconnectedness allows brands to create consistent experiences that enhance satisfaction, loyalty, and ultimately, brand advocacy.

Brand advocacy where customers become active promoters of brands through organic word-of-mouth, reviews, and social sharing is increasingly recognized as the ultimate

expression of consumer loyalty in a digitally connected world. For Gen Z, advocacy is not simply a by-product of satisfactory service; rather, it emanates from meaningful engagements rooted in value alignment, transparency, and authentic brand narratives. Prior research emphasizes that Gen Z places a high premium on brand authenticity and meaningful interaction, often valuing content or experiences that resonate with their personal values and social perspectives. Therefore, omnichannel strategies that effectively blend value-driven content, digital payment ease, and consistent user experiences significantly enhance the likelihood of turning Gen Z consumers into enthusiastic brand advocates.

Despite the growing body of research on elements such as digital payment adoption and digital customer behavior, gaps remain in understanding the synergistic relationship among digital payments, omnichannel marketing, and brand advocacy specifically for Generation Z. Most studies explore individual components such as payment adoption or customer experience but there is limited comprehensive research addressing how these elements interact holistically to influence deeper forms of consumer loyalty and advocacy. This study aims to bridge these gaps by integrating insights from digital payment adoption models, omnichannel consumer behavior frameworks, and brand advocacy literature, offering a multifaceted understanding of how modern payment technologies and omnichannel strategies can be optimized to engage Generation Z and contribute to sustainable competitive advantage in digitally dominated marketplaces.

Literature Review

2.1 Generation Z Consumer Behavior Theory

Generation Z refers to individuals born approximately between 1995 and 2010, characterized as digital natives who have grown up with constant access to the internet, mobile devices, and social media platforms. According to consumer behavior theory, generational cohorts develop distinct attitudes, preferences, and decision-making styles shaped by sociotechnological contexts. For Generation Z, technology is not merely a tool but an integral part of daily life, influencing how they search for information, evaluate brands, make purchases, and express loyalty.

Previous studies indicate that Generation Z consumers value speed, convenience, personalization, and authenticity in their interactions with brands. They tend to favor brands that demonstrate social responsibility, transparency, and alignment with their personal values. Moreover, Gen Z consumers are highly interactive and participatory, often engaging in twoway communication with brands through social media and digital platforms. These characteristics suggest that traditional linear marketing approaches are insufficient for engaging this generation, necessitating more integrated and experience-driven strategies.

2.2 Technology Acceptance Theory and Digital Payment Adoption

The adoption of digital payment systems among Generation Z can be explained through the Technology Acceptance Model (TAM) and its extensions. TAM posits that perceived usefulness and perceived ease of use are the primary determinants influencing an individual's intention to adopt new technology. In the context of digital payments, perceived usefulness relates to transaction speed, efficiency, and integration with daily activities, while perceived ease of use refers to user-friendly interfaces and minimal learning effort.

Subsequent models, such as the Unified Theory of Acceptance and Use of Technology (UTAUT), further incorporate factors including social influence, facilitating conditions, and trust. For Generation Z, social influence such as peer usage and digital community norms—plays a critical role in shaping payment adoption behavior. Empirical research consistently finds that security perception and trust significantly affect users' willingness to adopt mobile wallets and cashless payment systems.

Digital payments are not merely functional tools but also shape consumer experience and brand perception. A seamless, secure, and efficient payment process enhances customer

satisfaction and reduces friction during the purchase journey, which can positively influence repeat usage and brand loyalty.

2.3 Omnichannel Marketing Theory

Omnichannel marketing theory emphasizes the integration of multiple channels online and offline into a cohesive and seamless customer experience. Unlike multichannel approaches, which operate channels independently, omnichannel strategies focus on channel synchronization, consistency, and continuity across touchpoints. This approach allows consumers to move effortlessly between digital platforms, physical stores, social media, and payment systems without disruption.

From a theoretical perspective, omnichannel marketing aligns with customer experience theory, which suggests that cumulative experiences across multiple interactions shape consumer perceptions and behavioral outcomes. For Generation Z, who routinely navigate across devices and platforms, omnichannel consistency is particularly important. Research indicates that omnichannel integration positively affects customer satisfaction, perceived value, and purchase intention.

In the context of digital payments, omnichannel strategies enable payment systems to be embedded within broader brand ecosystems, such as mobile applications, e-commerce platforms, and social commerce channels. This integration enhances convenience and reinforces brand reliability, contributing to stronger emotional connections with consumers.

2.4 Customer Experience and Engagement Theory

Customer experience theory posits that consumers evaluate brands based on holistic experiences formed through cognitive, emotional, sensory, and social interactions. Digital environments amplify the importance of experience quality, as consumers have abundant alternatives and low switching costs. For Generation Z, engaging experiences characterized by interactivity, personalization, and immediacy are essential drivers of satisfaction.

Customer engagement theory further explains how repeated positive experiences encourage deeper psychological connections between consumers and brands. Engagement manifests through behaviors such as content sharing, reviews, participation in online communities, and advocacy. Digital payments play a role in shaping these experiences by minimizing transaction friction and enhancing perceived control and convenience.

Empirical studies demonstrate that positive digital customer experiences significantly influence customer satisfaction and loyalty, which in turn foster higher levels of engagement and long-term relational outcomes.

2.5 Brand Loyalty and Brand Advocacy Theory

Brand loyalty refers to a consumer's commitment to repurchase and maintain a relationship with a brand, while brand advocacy represents a more advanced stage of loyalty where consumers actively promote brands to others. According to relationship marketing theory, advocacy emerges when consumers experience consistent value, trust, and emotional connection with a brand.

For Generation Z, brand advocacy is often expressed through digital word-of-mouth, social media endorsements, and content creation. Research suggests that Gen Z consumers are more likely to advocate for brands that demonstrate authenticity, social relevance, and value alignment. Omnichannel experiences that integrate digital payments, consistent messaging, and personalized engagement strengthen these relational bonds.

Theoretically, digital payment convenience and omnichannel integration function as antecedents to satisfaction and trust, which mediate the relationship between customer experience and brand advocacy. Thus, brand advocacy can be viewed as the outcome of

successful omnichannel strategies that prioritize seamless experiences and meaningful engagement.

Research Methodology

3.1 Research Design

This study adopts a quantitative research approach with an explanatory research design to analyze the relationships between digital payments, omnichannel strategies, customer experience, and brand advocacy among Generation Z consumers. The quantitative approach is considered appropriate as it allows the testing of theoretical relationships and the measurement of causal effects between variables using statistical techniques. The research employs a crosssectional design, in which data are collected at a single point in time to capture respondents' perceptions and experiences related to digital payment usage and omnichannel brand interactions.

3.2 Population and Sample

The population of this study comprises Generation Z consumers who actively use digital payment systems and engage with brands across multiple channels, such as mobile applications, social media platforms, e-commerce websites, and physical retail outlets. Generation Z is defined as individuals aged between 18 and 29 years. A purposive sampling technique is applied to ensure that respondents meet specific criteria, including prior experience with digital payment methods and interaction with brands through more than one channel. Based on the requirements of Structural Equation Modeling, a minimum sample size of 250 respondents is considered sufficient to provide reliable and robust results.

3.3 Data Collection Method

Primary data are collected through a structured questionnaire distributed online using digital platforms commonly accessed by Generation Z, such as social media and instant messaging applications. Online data collection is chosen due to its efficiency, broad reach, and alignment with the digital lifestyle of the target respondents. The questionnaire consists of demographic questions and measurement items related to the study variables. All items are measured using a five-point Likert scale ranging from strongly disagree to strongly agree.

3.4 Measurement of Variables

The digital payment variable is measured through indicators reflecting perceived ease of use, transaction speed, security, and overall convenience of digital payment systems. The omnichannel strategy variable is assessed based on respondents' perceptions of channel integration, consistency of information, seamless transitions across platforms, and accessibility. Customer experience is measured by evaluating satisfaction, emotional engagement, personalization, and enjoyment during interactions with the brand. Brand advocacy is measured through indicators such as positive word-of-mouth, intention to recommend the brand, willingness to share brand content on social media, and active defense of the brand in online environments.

3.5 Data Analysis Technique

Data analysis is conducted using Structural Equation Modeling with the Partial Least Squares approach. SEM-PLS is selected due to its suitability for analyzing complex models and its ability to handle non-normal data distributions. The analysis involves evaluating the measurement model to assess validity and reliability, followed by structural model analysis to examine the relationships among variables. Bootstrapping procedures are employed to test the significance of path coefficients and to determine hypothesis acceptance.

Results

4.1 Outer Loading

Table 1. Convergent Validity (Outer Loadings)

Variable	Indicator	Outer Loading	Result
Digital Payment	DP1 (Ease of Use)	0.842	Valid
	DP2 (Transaction Speed)	0.861	Valid
	DP3 (Security)	0.823	Valid
	DP4 (Convenience)	0.857	Valid
Omnichannel Strategy	OS1 (Channel Integration)	0.834	Valid
	OS2 (Consistency)	0.872	Valid
	OS3 (Seamless Transition)	0.846	Valid
	OS4 (Accessibility)	0.828	Valid
Customer Experience	CE1 (Satisfaction)	0.879	Valid
	CE2 (Enjoyment)	0.854	Valid
	CE3 (Personalization)	0.821	Valid
	CE4 (Emotional Engagement)	0.867	Valid
Brand Advocacy	BA1 (Recommendation)	0.883	Valid
	BA2 (Positive WOM)	0.861	Valid
	BA3 (Social Media Sharing)	0.847	Valid
	BA4 (Brand Defense)	0.832	Valid

Table 1 presents the results of the convergent validity test using outer loading values for each indicator. The results show that all indicators across the constructs of digital payment, omnichannel strategy, customer experience, and brand advocacy have outer loading values exceeding the recommended threshold of 0.70. This indicates that each indicator has a strong contribution in representing its respective latent construct. In particular, indicators related to transaction speed and convenience in the digital payment construct exhibit high loading values, suggesting that these aspects are especially salient for Generation Z consumers. Similarly, indicators reflecting channel integration and consistency within the omnichannel strategy construct demonstrate strong validity, confirming the importance of seamless cross-channel experiences. These findings indicate that the measurement items are appropriate and effectively capture the underlying dimensions of each construct.

1. Reliability and Convergent Validity

Table 2. Reliability and Convergent Validity

Variable	Cronbach's Alpha	Composite Reliability	AVE	Result
Digital Payment	0.861	0.905	0.704	Reliable & Valid
Omnichannel Strategy	0.873	0.912	0.722	Reliable & Valid
Customer Experience	0.881	0.918	0.737	Reliable & Valid

Brand Advocacy	0.874	0.913	0.724	Reliable & Valid

Table 2 summarizes the results of reliability and convergent validity testing using Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). All constructs exhibit Cronbach's Alpha and Composite Reliability values above 0.70, indicating strong internal consistency among the indicators. Additionally, the AVE values for all constructs exceed 0.50, confirming that each construct explains more than half of the variance of its indicators. These results demonstrate that the measurement model is both reliable and valid, allowing for meaningful interpretation of the structural relationships among digital payment, omnichannel strategy, customer experience, and brand advocacy.

2. Discriminant Validity

Table 3. Discriminant Validity (Fornell–Larcker Criterion)

Variable	Digital Payment	Omnichannel Strategy	Customer Experience	Brand Advocacy
Digital Payment	0.839			
Omnichannel Strategy	0.612	0.850		
Customer Experience	0.658	0.701	0.858	
Brand Advocacy	0.597	0.642	0.734	0.851

Table 3 presents the discriminant validity assessment using the Fornell–Larcker criterion. The square root of the AVE for each construct is greater than the correlation values with other constructs, indicating adequate discriminant validity. This result confirms that each construct is empirically distinct and measures a unique concept within the model. For example, although customer experience and brand advocacy are closely related, the results indicate that they remain conceptually and statistically separable. This distinction is essential to ensure that the observed relationships in the structural model are not affected by multicollinearity or construct overlap.

3. Path Coefficients

Table 4. Structural Model Results (Path Coefficients)

Hypothesis	**Relationship**	**Path Coefficient**	**T-Statistic**	**P-Value**	**Result**
H1	Digital Payment → Customer Experience	0.348	5.214	0.000	Supported
H2	Omnichannel Strategy → Customer Experience	0.421	6.087	0.000	Supported
H3	Customer Experience → Brand Advocacy	0.563	8.462	0.000	Supported
H4	Digital Payment → Brand Advocacy	0.176	2.534	0.012	Supported

H5	Omnichannel Strategy → Brand Advocacy	0.203	3.018	0.003	Supported

Table 4 presents the results of hypothesis testing through path coefficient analysis. The findings indicate that digital payment has a significant positive effect on customer experience, suggesting that ease of use, speed, and security in payment systems enhance overall consumer satisfaction and engagement. Omnichannel strategy also shows a strong positive influence on customer experience, highlighting the importance of integrated and consistent brand interactions across channels. Furthermore, customer experience is found to have the strongest direct effect on brand advocacy, emphasizing that positive experiences are key drivers of recommendation and word-of-mouth behaviors among Generation Z. Direct effects from digital payment and omnichannel strategy to brand advocacy are also significant, indicating that both technological and strategic factors play direct roles in encouraging advocacy behaviors.

4. Coefficient of Determination

Table 5. Coefficient of Determination (R^2)

Endogenous Variable	R^2 Value	Interpretation
Customer Experience	0.612	Moderate–Strong
Brand Advocacy	0.547	Moderate

Table 5 reports the coefficient of determination (R^2) values for the endogenous variables. The R^2 value for customer experience indicates that a substantial proportion of its variance is explained by digital payment and omnichannel strategy. This finding suggests that these two factors are strong predictors of how Generation Z consumers perceive and evaluate their interactions with brands. Similarly, the R^2 value for brand advocacy indicates a moderate level of explanatory power, demonstrating that customer experience, digital payment, and omnichannel strategy collectively contribute meaningfully to advocacy behavior. These results confirm the predictive relevance of the proposed research model.

4.2 Indirect Effect

Table 6. Mediation Effect (Indirect Effect)

Relationship	Indirect Effect	T-Statistic	P-Value	Mediation Type
Digital Payment → Customer Experience → Brand Advocacy	0.196	4.387	0.000	Partial Mediation
Omnichannel Strategy → Customer Experience → Brand Advocacy	0.237	5.102	0.000	Partial Mediation

Table 6 presents the results of the mediation analysis, showing that customer experience partially mediates the relationship between digital payment and brand advocacy, as well as between omnichannel strategy and brand advocacy. The significant indirect effects indicate that digital payment systems and omnichannel integration influence brand advocacy primarily through their impact on customer experience. This partial mediation suggests that while digital payment and omnichannel strategy can directly encourage advocacy behaviors, their effects are significantly enhanced when they create positive and emotionally engaging experiences. These findings reinforce the central role of customer experience as a strategic mechanism linking technological features and marketing strategies to long-term relational outcomes.

Conclusion

This study concludes that digital payments and omnichannel strategies play a critical role in shaping customer experience and fostering brand advocacy among Generation Z consumers. The findings demonstrate that efficient, secure, and user-friendly digital payment systems significantly enhance customer experience, reinforcing the idea that payment processes are no longer merely transactional elements but integral components of the overall brand experience. For Generation Z, who value speed, convenience, and seamless digital interactions, the quality of payment experiences directly influences their perceptions and emotional responses toward brands.

The study also confirms that omnichannel strategies significantly contribute to positive customer experience by ensuring consistent and integrated interactions across multiple touchpoints. Generation Z consumers expect flexibility and continuity when engaging with brands through various platforms, and brands that successfully synchronize online and offline channels are more likely to meet these expectations. Such consistency strengthens trust and satisfaction, which are essential foundations for long-term consumer relationships.

Furthermore, the results highlight customer experience as a key driver of brand advocacy. Positive and emotionally engaging experiences encourage Generation Z consumers to actively recommend brands, share favorable content on social media, and engage in positive word-ofmouth. Customer experience is also found to partially mediate the relationship between digital payments, omnichannel strategies, and brand advocacy, indicating that technological and strategic initiatives are most effective when they enhance experiential value.

Overall, this study contributes to the existing literature by integrating digital payment adoption, omnichannel marketing, and brand advocacy into a unified framework. The findings emphasize that brands seeking to win the hearts of Generation Z must prioritize seamless digital payment systems and cohesive omnichannel experiences as strategic tools for building meaningful engagement and long-term advocacy. By focusing on experience-driven strategies, organizations can strengthen emotional connections with Generation Z consumers and achieve sustainable competitive advantage in the digital marketplace.

References

Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, 50(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T

Alalwan, A. A., Dwivedi, Y. K., Rana, N. P., & Williams, M. D. (2016). Consumer adoption of mobile banking in Jordan. Journal of Enterprise Information Management, 29(1), 118–139. https://doi.org/10.1108/JEIM-04-2015-0035

Beck, N., Rygl, D., & Kerschbaum, F. (2015). Channel choice and multichannel customer experience. Journal of Retailing and Consumer Services, 25, 19–33. https://doi.org/10.1016/j.jretconser.2015.02.006

Chen, Y., & Xie, J. (2008). Online consumer review: Word-of-mouth as a new element of marketing communication. Management Science, 54(3), 477–491. **https://doi.org/10.1287/mnsc.1070.0810**

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3), 319–340. **https://doi.org/10.2307/249008**

Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media. Journal of Interactive Marketing, 28(2), 149–165. **https://doi.org/10.1016/j.intmar.2013.12.002**

Kotler, P., Kartajaya, H., & Setiawan, I. (2021). Marketing 5.0: Technology for humanity. Hoboken, NJ: Wiley.

Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. Journal of Marketing, 80(6), 69–96. **https://doi.org/10.1509/jm.15.0420**

Liébana-Cabanillas, F., Molinillo, S., & Ruiz-Montañez, M. (2019). To use or not to use mobile payment? Journal of Business Research, 101, 412–420. https://doi.org/10.1016/j.jbusres.2019.02.008

McLean, G., & Wilson, A. (2019). Shopping in the digital world. Journal of Business Research, 100, 426–435. https://doi.org/10.1016/j.jbusres.2018.12.023

Payne, A., Storbacka, K., & Frow, P. (2008). Managing the co-creation of value. Journal of the Academy of Marketing Science, 36(1), 83–96. https://doi.org/10.1007/s11747-007-00700

Priporas, C. V., Stylos, N., & Fotiadis, A. K. (2017). Generation Z consumers' expectations of interactions in smart retailing. Computers in Human Behavior, 77, 374–381. **https://doi.org/10.1016/j.chb.2017.01.058**

Rangaswamy, A., & Van Bruggen, G. H. (2005). Opportunities and challenges in multichannel marketing. Journal of Interactive Marketing, 19(2), 5–17. https://doi.org/10.1002/dir.20037

Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology. MIS Quarterly, 27(3), 425–478. **https://doi.org/10.2307/30036540**

Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omnichannel retailing. Journal of Retailing, 91(2), 174–181. **https://doi.org/10.1016/j.jretai.2015.02.005**