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Gen Z Consumer Psychology and Co-branding in New Media: A Review with Luckin Coffee

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Abstract

Co-branding has become an essential strategy for brands seeking to engage young consumers in today's competitive marketplace. Generation Z, as true digital natives who have grown up with smartphones and social media, demonstrate distinct psychological patterns and consumption behaviors that fundamentally determine the success or failure of brand partnerships. This narrative review employs Luckin Coffee as an illuminating case study to synthesize existing research on co-branding strategies, Gen Z consumer psychology, and new media communication effects. While current academic literature has established foundational understanding of co-branding mechanisms, in-depth analysis specifically targeting Generation Z remains surprisingly limited. Luckin Coffee's innovative business model and digital marketing approaches have attracted considerable scholarly attention, yet the extensive co-branding practice—particularly high-profile collaborations with Moutai and various gaming IPs—sits largely unexamined in academic discourse. Additionally, the differential dynamics of how distinct social media platforms shape co-branding effectiveness require much clearer theoretical articulation. By integrating available knowledge across these domains, this paper illuminates the psychological mechanisms underlying Gen Z engagement with co-branded products in new media environments and offers practical, actionable guidance for brands developing their partnership strategies.

Keywords

Gen Z, new media, Luckin Coffee, consumer psychology, co-branded marketing

1. Introduction

Co-branding has shifted from a peripheral tactic to a strategic imperative for contemporary brands. This trend cuts across industries, where collaborations between seemingly unrelated brands are increasingly common and ambitious. Generation Z has emerged as the key demographic behind this trend. This article would expect to explore the logic behind the phenomenon.

From the perspective of symbolic consumption theory, Gen Z utilizes co-branded products as tools for identity construction and self-expression. Unlike previous generations who prioritized functional value, this demographic acquires “passports” to subcultural circles through consumption, transforming purchasing behavior into a declaration of social identity [1, 2]. The collaboration between Luckin Coffee and Kweichow

Moutai exemplifies how brands can integrate traditional cultural symbols to achieve emotional resonance with young consumers, effectively elevating the "value" perception of the coffee brand while introducing the liquor brand to younger demographics [1].

Furthermore, Gen Z demonstrates distinct preferences for emotional value and experiential consumption over mere product functionality. Research indicates that successful co-branding strategies cater to their psychological needs for novelty, curiosity, and fashion [1]. The case of Holliday × Light and Night Love demonstrates how immersive retail environments and character-customized services can satisfy Gen Z's demands for emotional connection and personalized engagement [1]. This generation seeks not only products but also the emotional experiences and social values embedded [3].

However, excessive co-branding risks diluting brand image and inducing consumer fatigue. As empirical evidence suggests, brands must balance collaboration frequency with product innovation to ensure sustainable value creation rather than pursuing short-term attention only [3]. This article would explore the mechanism of Co-branding and impact variables.

2. Research Objective

Existing research on co-branding leaves three notable gaps. Gen Z's psychological traits remain under-examined. Luckin Coffee's extensive co-branding practices have been academically overlooked. Platform-specific communication dynamics lack theoretical articulation. This paper addresses these gaps through an integrative narrative review. Specifically, the review pursues three objectives.

Research Objective 1: To investigate the unique psychological mechanisms through which Generation Z engages with co-branded products.

Research Objective 2: To analyze Luckin Coffee's diverse co-branding practices, which have been academically neglected despite the brand's prominence.

Research Objective 3: To clarify how distinct new media platforms function as active amplifiers rather than neutral channels in co-branding communication.

Regards to the first objective, the author identifies the Gen Z psychological mechanism unlike older cohorts that prioritize functional value, Gen Z treats consumption as symbolic communication and identity construction. Co-branded products serve as identity markers, taste signals, and tools for declaring subcultural belonging—an area under-researched in existing literature. For the second objective, while substantial research has focused on Luckin's business model and digital operations, its actual co-branding experiments—including cross-industry collaborations and partnerships with digital entertainment properties—have received little scholarly examination. The third objective would expect that, each platform operates according to its own logic, shaping content reception and user engagement. The differential impact of these platform-specific dynamics on co-branding effectiveness lacks theoretical articulation.

3. Commercial Background

3.1 The hot of Luckin Co-branding

The September 2023 partnership between Luckin Coffee and Moutai offers a striking example. When China's largest coffee chain joined forces with the most prestigious liquor brand to produce an alcoholic latte, consumer response was explosive. Within hours, the drink sold out nationwide, racked up billions of social media views, and became a cultural talking point. This case illustrates how well-designed co-branding can transcend commercial objectives to become a genuine cultural moment, demonstrating the power of strategic partnerships in capturing public attention and driving consumer engagement across digital platforms. Such collaborations represent more than marketing tactics, but function as vehicles for cultural resonance, enabling brands to embed everyday conversations and consumer lifestyles.

3.2 Target Audience – Gen Z

Gen Z, born between 1995 and 2009, is the essential target audience of the Luckin Coffee Co-branding event. As digital natives approach consumption differently from older generations, Gen Z would view buying as symbolic communication rather than functional acquisition. For Gen Z, products serve as identity markers, tools for signaling taste and belonging within online communities. Members of this generation share their co-branded purchases on Xiaohongshu and Douyin, where unboxing videos spread rapidly. Limited drops and blind boxes drive engagement—acquiring rare items signals insider knowledge and elevates one's social standing among peers.

3.3 Luckin Coffee's Marketing Playbook

Luckin Coffee draws plenty of academic ink, mostly on the business model and growth tactics.

Peng (2024) studies Luckin's push from a communication lens [2]. The chain's swift rise rests on digital tricks: app-based private traffic, coupon-driven friend invites, and data-fueled personalization. Online-offline mashup matters too—delivery and grab-and-go cut the hassle of coffee runs.

Liu (2022a) puts big data under the microscope [4]. Data smarts power everything from user profiling to store placement to supply chain tweaks. This precision keeps expansion costs in check while targeting the right crowds.

Liu (2022b) hammers the same point at an international conference [5]. Tech-enabled scene reinvention sets Luckin apart. Coffee becomes less ritual, but more routine—something you grab on the fly without thinking twice.

Song (2023) uses Luckin to map Chinese coffee brand marketing [6]. The new retail formula boils down to three moves: strip-down stores to slash overhead, digitize operations for speed, and price to pull in budget-minded drinkers.

Luckin's official site frames the corporate mission as "bringing quality coffee to more people through tech and fair prices." [7]. The 2019 Hurun China 500 list, per Hurun Research Institute (2019) [8], backs up a market clout with a spot among top private firms.

4. Theoretical Background

4.1 Generation Z Consumption Motivation

Born between 1995 and 2009, Generation Z represents the first generation of true digital natives. The consumption logic of this demographic differs markedly from older generations—while previous generations viewed purchasing primarily as functional acquisition, Generation Z treats consumption as symbolic communication, a mechanism for expressing identity and signaling group belonging. Within this context, products function as identity markers and tools for facilitating social connection. Research indicates that co-branding activities on new media platforms can quickly attract the attention of a large number of fans and potential consumers by leveraging popular topics and trends. Through social media platforms, consumers express affection and support for co-branded products through likes, comments, and shares, creating a word-of-mouth effect and strengthening the emotional connection between brands and consumers. The rise of short video and live streaming platforms provides more direct marketing channels for co-branding, where unboxing content spreads rapidly and limited drops drive sustained engagement [9].

4.2 New Media Environment and Brand Communication

New media has transformed brand communication from one-way broadcasting to interactive, user-driven exchanges. Shi (2024) emphasizes that new media amplifies co-branding effects through rapid information spread and social validation [9]. When consumers share co-branded products on social platforms, the consumers generate organic word-of-mouth that boosts purchase intentions. Different platforms—whether Weibo, Xiaohongshu, or Douyin—operate according to distinct logics that shape how content is received and engaged with. Luckin Coffee, as Song (2023) and Peng (2024) note, has effectively leveraged these digital channels to reach young consumers through data-driven marketing and integrated online-offline operations [2, 6].

5. Literature Review

5.1 Co-branding: Concept and Typology

Co-branding means two or more brands work together on a product. This helps the brands share brand value, customers, and market reach [1, 3]. Brand value here includes brand awareness, brand associations, and customer loyalty. Cai (2024) notes that co-branding has grown from just putting two logos together to creating real shared value. The goal is to go beyond the product itself, create buzz, attract online attention, and encourage people to buy. For young consumers, freshness and curiosity matter most. Cai also lists four things that make or break a co-brand: product quality, planning, stock management, and price. Bad quality, dull ideas, shortages, or high prices turn consumers off. Good planning helps brands pick the right IPs and avoid waste. For stock, Cai suggests taking orders first and making products after, so there is no shortage or leftover. This pre-sale model reduces customer dissatisfaction from both stockouts and overstock [1].

Pengmao (2025) looks at cross-industry co-branding [3]. When partners fit well, the co-brand can boost innovation and stand out from competitors. But a bad fit can hurt both brands. A key factor is brand fit, which covers product type, brand image, and brand personality. Better fit means better consumer response. Pengmao also says success depends on product innovation, partner appeal, matching consumer needs, and social media buzz. At the same time, too much co-branding or wrong partners can wear people out and damage the brand. So co-branding is a double-edged sword.

5.2 Consumer Attitudes Toward Co-Branded Products

Zhang and Guo (2023) look at how people feel about co-branding between new brands and China Time-honored brands [10]. Two brand personality types are focused on: sincere and exciting. China Time-honored brands are usually seen as sincere. New brands that target young people are often seen as exciting. Zhang and Guo use a model called the Stereotype Content Model, which says people judge brands by two things: warmth and competence. Sincere brands feel warm. Exciting brands feel competent. A brand that is both warm and competent makes people admire it. Through experiments, the findings show that an exciting new brand paired with a sincere Time-honored brand gets more admiration, better attitudes, and higher purchase intention than a sincere new brand. Brand admiration is the reason why. Also, this works best for hedonic products (products consumed for pleasure and enjoyment) and not for utilitarian products (products consumed for practical, functional purposes).

5.3 New Media's Role in Co-Branding

Shi (2024) studies how new media changes the effect of co-branding on buying intention [9]. Three things new media does are pointed out. First, fast spread. Co-branding news gets around quickly and reaches many people in hours. Second, engagement. Consumers do not just watch; liking, commenting, sharing, and creating posts about the co-brand happen. Third, social proof. When friends or influencers are seen using a co-brand product, the desire to buy also increases. Shi also lists the main new media formats: WeChat official accounts, social media like Weibo and Douyin, and live streaming. Live streaming is good for showing the product and answering questions live. Shi says co-branding and new media work together in three ways: matching market positioning, boosting brand image, and adding more marketing tools. Co-branding under new media raises purchase intention by getting more attention, building trust, and offering a different shopping experience.

This finding provides important theoretical and practical implications for understanding co-branding strategies in the digital era, offering valuable guidance for brands in selecting partners, designing content, and optimizing user experiences, while also opening new avenues for future research on consumer behavior in new media environments.

6. Key Findings

Several interconnected themes emerge from this review that reshape how we understand co-branding in the Gen Z era. First, consumer psychology operates as the fundamental driver. Gen Z approaches consumption as symbolic communication—the group would purchase identity markers and social currency rather than merely functional products. Co-branding succeeds precisely when it taps into this logic, offering badges of taste that signal subcultural belonging. The Moutai collaboration worked not because consumers craved alcoholic coffee, but because possessing the cup signaled cultural savvy and participation in a national conversation. This suggests that for Gen Z, the meaning attached to a product often outweighs its practical utility—a shift brands must recognize when designing co-branded offerings.

Second, the co-branding type critically shapes outcomes. Zhang and Guo (2023) demonstrate that new-old pairings generate admiration through productive contrast [10], while Pengmao (2025) emphasizes that strategic fit trumps novelty [3]. Luckin's portfolio illustrates this variety: the Moutai partnership exemplified successful cross-industry elevation that leveraged both partners' strengths through surprise and incongruity; the Black Myth: Wukong collaboration represented digital IP alignment that tapped into pre-existing gaming communities; and the Little Pup Dog partnership, though understudied, suggests a distinct strategy focused on emotional comfort and cute culture rather than status signaling. Different co-branding logics appeal to different psychological needs—some trigger curiosity, others foster belonging, and still others provide emotional relief. Brands should match the partnership type to the specific desire they intend to fulfill.

Third, platforms function as active amplifiers rather than neutral channels. Shi (2024) identifies rapid spread [9], interactive engagement, and social validation as core mechanisms. However, our analysis reveals that platform sensitivity matters significantly—Weibo drives public discussion through controversy and meme-ability, Xiaohongshu builds credibility through curated lifestyle aesthetics and detailed reviews, while Douyin creates viral moments through emotional hooks and entertainment value. Content that thrives on one platform may flop on another, demanding adaptive storytelling rather than uniform broadcasting. This implies that brands cannot treat social media as a single megaphone; each platform's algorithm and user culture shape what feels authentic, and ignoring these differences wastes the amplifying potential of new media.

Thus, the Luckin cases offer particularly instructive examples and precise insight, because the business spans diverse strategic approaches. The Moutai collaboration surprised consumers through absurd contrast, generating buzz through productive weirdness. The Black Myth partnership engaged gaming culture deeply, converting brand participation into fandom expression. These cases demonstrate that sustained co-branding success requires strategic versatility rather than repeating a single formula. Pengmao (2025) warns that over-reliance on co-branding without core product innovation leads to consumer fatigue and brand dilution [3]. Therefore, variety in partnership types must be paired with consistent quality and fresh creative input to keep audiences engaged over the long term.

7. Discussion

7.1 Research Gaps

Despite these insights, significant gaps persist in current understanding. Gen Z-specific research remains surprisingly limited—most studies address "consumers" or "young people" generically without examining how digital natives uniquely employ co-branded products for identity construction and community signaling. The psychological mechanisms underlying their platform navigation and purchase decisions require deeper investigation.

Luckin's co-branding practice remains academically underexplored. While the business model and operational mechanics have received extensive attention, such marketing experiments—particularly the specific dynamics of individual collaborations—sit in a notable blind spot. Long-term effects represent another overlooked dimension; most research captures short-term buzz and first-day sales rather than lasting brand impact or partnership fatigue. Finally, cross-cultural comparison is urgently needed; findings derived from Chinese contexts, where co-branding has reached extraordinary intensity, may not directly apply to Western markets where Gen Z exhibits different platform behaviors and cultural references.

7.2 Practical Implications

For brand practitioners navigating this landscape, several actionable lessons emerge. Understand your audience deeply—Gen Z comprises diverse subcultures, and effective co-branding requires identifying specific communities rather than targeting the generation as a monolith. Choose partners strategically—fit matters more than novelty, but productive incongruity can generate conversation when executed thoughtfully.

Design explicitly for platforms—what works on Douyin's algorithmic environment may fail on Xiaohongshu's curated feeds. Brands must engineer content for distinct platform grammars rather than repurposing identical materials across channels. Finally, think beyond launch metrics—measure long-term brand impact, community engagement, and cultural penetration rather than merely tracking first-day sales and social impressions. Sustainable co-branding requires pipeline thinking rather than one-off spectaculars.

8. Conclusion

In summary, this article finds that co-branding resonates strongly with Generation Z primarily because this cohort treats consumption as symbolic communication rather than functional acquisition—purchasing co-branded products serves as a tool for identity construction, taste signaling, and belonging declaration within digital communities. The key determinants of success are strategic fit and cultural resonance, not novelty alone, as illustrated by Luckin Coffee's diverse partnerships across different logics, including cross-industry contrast, gaming culture alignment, and emotional connection. New media platforms are not neutral conduits but active amplifiers that shape how content spreads and how users engage, demanding platform-specific storytelling tailored to distinct grammatical rules. While co-branding offers powerful opportunities for consumer engagement, excessive or mismatched collaborations risk brand dilution and consumer fatigue. Therefore, brands should upgrade co-branding from a tactical gimmick to a strategic language for co-creating meaning with young consumers, striking a balance between pursuing short-term buzz and preserving long-term brand value.

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Conflicts of Interest

The authors declare no conflict of interest.

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