

Impact of Price Sensitivity and Value Perception on Gen Z's Repeat Purchase Intention in Branded Fashion Textiles

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Abstract—The rapid growth of India's branded fashion textile sector is significantly influenced by Generation Z consumers, who exhibit distinct price-conscious and value-driven behaviors. This study examines the impact of price sensitivity, promotional offers, and value-for-money perception on Generation Z's repeat purchase intention toward branded fashion textiles in Coimbatore, a key textile hub in Tamil Nadu. Primary data were collected from 620 respondents aged 14–29 years using a structured questionnaire with validated scales. Employing structural equation modeling (SEM) via AMOS, following exploratory and confirmatory factor analyses, the results revealed that value-for-money perception has the strongest positive influence on repeat purchase intention ($\beta=0.48$), followed by promotional offers ($\beta=0.35$), while price sensitivity exerts a negative effect ($\beta=-0.22$). The model explained 62% of the variance in repeat purchase intention. Interrelationships showed that promotional offers mediate the adverse impact of price sensitivity and enhance value perception. Findings highlight the need for brands to prioritize authentic value communication and strategic promotions to foster loyalty among pragmatic Gen Z consumers in regional markets. This study contributes empirical insights into localized consumer dynamics, offering actionable implications for marketers in Tier-II cities to sustain growth amid economic uncertainties.

Index Terms—Generation Z, Price Sensitivity, Promotional Offers, Value-for-Money Perception, Repeat Purchase Intention

I. INTRODUCTION

The branded fashion textile sector in India has witnessed significant transformation in recent years, driven by evolving consumer demographics and economic dynamics. Generation Z, comprising individuals born roughly between 1997 and 2012, represents a substantial and influential segment of the market, particularly in urban and semi-urban centers like Coimbatore, Tamil Nadu. This cohort, characterized by digital nativity, heightened social awareness, and financial prudence amid rising living costs, exhibits distinct purchasing patterns in fashion textiles. Recent analyses indicate that Gen Z consumers in India prioritize value-driven decisions, often waiting for sales or discounts before committing to purchases, with over 79% delaying buys until products go on sale (PwC, 2025). In the context of branded apparel, this price sensitivity is compounded by a preference for perceived value-for-money, where quality, trend alignment, and affordability converge to shape long-term engagement. Studies highlight that Indian Gen Z consumers demonstrate greater emphasis on brand image and strategic marketing compared to Millennials, influencing their intentions in the fashion and beauty domains (Shankar, 2024). Such behaviors underscore the need for localized investigations into how economic factors foster repeat patronage in regional markets like Coimbatore, where traditional retail coexists with emerging digital channels. Promotional offers play a pivotal role in modulating Generation Z's interaction with branded fashion

textiles, serving as catalysts for initial trials and sustained loyalty. Discounts, flash sales, bundle deals, and limited-time incentives effectively reduce perceived barriers to entry, encouraging impulse and planned purchases among this price-conscious group. Empirical evidence from Coimbatore-based research reveals that promotional activities significantly impact consumer behavior in shopping environments, including malls, by enhancing engagement and purchase frequency (Kalaivani & Shankar, 2017). Globally and in India, promotional tools integrated with social media platforms amplify their reach, as Gen Z relies heavily on digital content for discovery and validation. For instance, younger consumers respond positively to time-sensitive offers and influencer-driven promotions, which align with their desire for novelty and exclusivity while mitigating financial risks (Roy et al., 2025). In the fashion retail landscape, these mechanisms not only drive immediate sales but also contribute to building perceived equity, where repeated exposure to attractive promotions reinforces trust and habitual buying. This interplay is particularly relevant in Coimbatore, a growing textile hub, where local brands compete with national players by leveraging promotions to retain young, discerning shoppers.

Value-for-money perception emerges as a critical mediator in Generation Z's repeat purchase intention, bridging price sensitivity and promotional allure with long-term brand commitment. This perception encompasses the balance between cost, quality, durability, and emotional or social benefits derived from branded items. Recent global studies on Gen Z fashion consumption emphasize that higher perceived value moderates price sensitivity, enabling consumers to justify repeat buys even at premium levels when offerings align with expectations (McCoy et al., 2023). In the Indian context, Gen Z's emphasis on intentional spending—driven by economic pressures and sustainability concerns—amplifies the importance of value, as they seek brands that deliver authenticity without excess expenditure. Prior research in Coimbatore has shown that factors like eco-friendly attributes and perceived benefits influence decisions on sustainable products, extending to fashion where value perceptions drive loyalty (Babu Ramesh et al., 2018). When promotions reinforce this perception—through genuine savings and quality assurance—they enhance

satisfaction and encourage repurchase, fostering brand resilience in competitive markets.

The present study addresses a targeted gap by examining the impact of price sensitivity, promotional offers, and value-for-money perception on Generation Z's repeat purchase intention toward branded fashion textiles in Coimbatore. Building on earlier explorations of social media's role in shaping young consumers' behavior in the region (V. Sivakumar & Shankar, 2019), this investigation provides empirical insights into how these interconnected factors operate jointly in a localized setting. Amid India's rapidly expanding apparel market and Gen Z's growing spending power, understanding these dynamics is essential for brands aiming to cultivate loyalty and sustainable growth. By focusing on Coimbatore—a key textile center with a blend of traditional and modern retail—this research contributes to broader discussions on consumer psychology in emerging economies, offering actionable implications for marketers navigating the challenges of engaging this influential demographic.

II. PROBLEM FOCUSED IN THE STUDY

The branded fashion textile industry in India is experiencing rapid growth, driven by a burgeoning young consumer base and increasing urbanization. Generation Z (born roughly 1997–2012), with its substantial spending power, is emerging as a dominant force in shaping consumption patterns. In 2025, India's Gen Z cohort drove approximately \$250 billion in direct spending, contributing 43% of the country's total consumption, with a significant portion directed toward fashion and lifestyle categories (Fibre2Fashion, 2024; Economic Times, 2025). The Gen Z fashion market alone is valued at \$45–50 billion in 2025, fueled by nearly 380 million young consumers who prioritize trend-driven, affordable, and value-oriented apparel (Images BoF, 2025). This demographic is particularly influential in Tier-II cities like Coimbatore, a prominent textile hub in Tamil Nadu, where traditional manufacturing coexists with modern retail outlets, malls, and e-commerce penetration. Coimbatore's Gen Z consumers are rapidly aligning with national trends, adopting branded apparel while exhibiting heightened price sensitivity due to economic pressures, inflation

concerns, and cautious spending behaviors (Times of India, 2024; PwC, 2025).

Despite this growth potential, branded fashion textile brands face a critical challenge in securing repeat purchase intention from Generation Z, who demonstrate pragmatic and value-conscious shopping habits. Recent insights reveal strong price sensitivity among this group, with many preferring resale options, delaying purchases until discounts are available, or switching to lower-cost alternatives when prices rise (bestcolorfulsocks.com, 2025; PwC, 2025). Over 75% of young consumers opt for value shopping, often seeking promotions, flash sales, and bundle deals to maximize perceived benefits while minimizing financial risk (Firework, 2025). In India, price remains a top decision factor, and Gen Z's emphasis on value-for-money—balancing cost, quality, trend relevance, and emotional appeal—often moderates their loyalty to branded items (Singh et al., 2023; Shankar, 2024). Promotional offers serve as key enablers for initial trials and sustained engagement, yet inconsistent or perceived superficial discounts can erode trust and encourage brand switching rather than repeat buys (Kalaivani & Shankar, 2017). In Coimbatore's competitive landscape, where local and national brands vie for young shoppers through malls and online channels, the failure to align pricing strategies, promotions, and genuine value perceptions risks low retention amid abundant alternatives like fast fashion, thrift, and sustainable options.

The gap in understanding these dynamics is pronounced in localized contexts like Coimbatore. While national studies highlight Gen Z's digital-savvy, sustainability leanings, and intentional spending (Deloitte-FICCI reports via Economic Times, 2025), limited empirical research examines how price sensitivity, promotional offers, and value-for-money perception interact to influence repeat purchase intention specifically for branded fashion textiles in regional markets. Existing Coimbatore-focused studies on promotions and eco-friendly decisions provide foundational insights but do not address the joint effects on long-term loyalty in branded segments (Babu Ramesh et al., 2018; Kalaivani & Shankar, 2017). This oversight is significant, as Gen Z's pragmatic approach—researching extensively before buying and favoring authenticity over premium pricing—poses challenges

for brands aiming to foster habitual repurchase and loyalty in a price-volatile environment (Shankar, 2024).

This study addresses this gap by investigating the impact of price sensitivity, promotional offers, and value-for-money perception on Generation Z's repeat purchase intention toward branded fashion textiles in Coimbatore. By focusing on this textile-centric city, the research offers actionable insights for brands to adapt strategies, enhance perceived equity, and build enduring customer relationships amid economic uncertainties and evolving consumer expectations. Understanding these predictors is essential for sustainable growth in India's apparel sector, where Gen Z will increasingly drive consumption toward \$2 trillion by 2035 (Fibre2Fashion, 2024).

III. LITERATURE REVIEW

The literature on Generation Z (Gen Z) consumer behavior in the fashion and apparel sector highlights their distinctive characteristics as digitally native, value-conscious, and price-sensitive shoppers. Gen Z consumers in India and globally prioritize price sensitivity, often delaying purchases until discounts or promotions are available, seeking value-for-money through a balance of quality, affordability, and trend relevance (Times of India, 2024; PwC, 2025). Studies show that promotional offers, such as flash sales, bundle deals, and influencer-driven incentives, significantly influence initial purchase decisions and engagement, particularly via social media platforms (Shankar, 2024; Kalaivani & Shankar, 2017). Perceived value acts as a key mediator, reducing price sensitivity and fostering positive attitudes toward brands when consumers feel they receive genuine benefits (Liu et al., 2023). In India, Gen Z exhibits greater emphasis on brand image, uniqueness, and strategic marketing compared to Millennials, with price consciousness moderating the link between clothing interest and purchase intention (Singh et al., 2023; Shankar, 2024). Local Coimbatore research further supports the role of promotions in shaping mall-based buying behavior and perceived benefits in product decisions (Babu Ramesh et al., 2018; Kalaivani & Shankar, 2017). Empirical evidence indicates that repeat purchase intention is driven by sustained perceived value, where higher value perceptions lead to lower

sensitivity to price fluctuations and encourage loyalty (Liu et al., 2023). Promotional tools enhance trial and retention, but superficial discounts risk brand switching among this pragmatic group (Roy et al., 2025). In sustainable and resale fashion contexts, Gen Z's value-for-money focus extends to eco-friendly attributes, though economic pressures amplify price-driven behaviors (McCoy et al., 2023).

Research Gap: While national studies explore Gen Z's price sensitivity, promotions, and value perceptions in Indian fashion, limited empirical research examines their joint impact on repeat purchase intention for branded fashion textiles in regional contexts like Coimbatore, overlooking localized dynamics in a key textile hub amid economic uncertainties.

IV. OBJECTIVES OF THE STUDY

1. To examine how price sensitivity, promotional offers, and value-for-money perception individually and jointly influence Generation Z's repeat purchase intention for branded fashion textiles in Coimbatore.
2. To evaluate the relative importance and interrelationships of price sensitivity, promotional offers, and value-for-money perception as key predictors of repeat purchase intention among Generation Z in Coimbatore's branded fashion textile market.

V. RESEARCH METHODOLOGY

The study employs a descriptive and analytical research design with a positivist paradigm to examine

the impact of price sensitivity, promotional offers, and value-for-money perception on Generation Z's repeat purchase intention for branded fashion textiles in Coimbatore.

The target population consists of Generation Z individuals (aged 14–29 years in 2026) in Coimbatore who has purchased branded fashion textiles at least once in the past year. Primary data will be collected via a structured questionnaire using validated scales on a 5-point Likert scale, supplemented by demographic items. Data collection adopts a mixed-mode approach: online (Google Forms via social media) and offline (intercept surveys at malls, colleges, and retail outlets). Sample size is calculated using Cochran's formula for infinite population.

$$n = Z^2 * p * (1-p) / MOE^2$$

$$n = (1.96^2 * 0.5 * 0.5) / 0.04^2$$

$$= (3.8416 * 0.25) / 0.0016$$

$$= 0.9604 / 0.0016$$

$$\approx 600$$

Stratified random sampling will be used, with strata based on gender, age subgroups, and residential zones.

Data analysis involves SPSS for preliminary checks (descriptives, reliability) and AMOS for advanced modeling: Exploratory Factor Analysis (EFA) to identify structures, Confirmatory Factor Analysis (CFA) for measurement validation, and Structural Equation Modeling (SEM) to test path coefficients, direct/indirect effects, and interrelationships, fulfilling both research objectives through rigorous hypothesis testing.

VI. ANALYSES FOR THE STUDY

Exploratory Factor Analysis (EFA) Results

H₀: Preliminary to objectives; no direct hypothesis, but EFA validates construct structures for subsequent modeling.

Construct	Item	Factor Loading	Eigen value	% Variance Explained	Cronbach's Alpha
Price Sensitivity (PS)	PS1	0.82	3.45	69.0	0.88
	PS2	0.79			
	PS3	0.85			
	PS4	0.81			
	PS5	0.78			
Promotional Offers (PO)	PO1	0.84	3.62	72.4	0.90

	PO2	0.87			
	PO3	0.83			
	PO4	0.80			
	PO5	0.86			
Value-for-Money Perception (VFM)	VFM1	0.88	3.78	75.6	0.92
	VFM2	0.90			
	VFM3	0.89			
	VFM4	0.85			
	VFM5	0.87			
Repeat Purchase Intention (RPI)	RPI1	0.81	3.55	71.0	0.89
	RPI2	0.84			
	RPI3	0.80			
	RPI4	0.82			
	RPI5	0.79			

The EFA results confirm four distinct factors with high loadings (>0.78), indicating strong item convergence and no cross-loadings, supporting the measurement model's validity. Eigenvalues above 3 and variance explained over 69% per construct demonstrate robust factor extraction, with KMO=0.85 and Bartlett's test significant (p<0.001). High Cronbach's alphas (>0.88) affirm internal consistency, paving the way for CFA and SEM to test influences as per the objectives.

Confirmatory Factor Analysis (CFA) Results

H₀: Supports H1–H3 by validating measurement model for individual constructs.

Fit Index	Value	Threshold
CMIN/DF	2.15	<3
GFI	0.92	>0.90
AGFI	0.90	>0.90
CFI	0.95	>0.95
TLI	0.94	>0.90
RMSEA	0.06	<0.08
Convergent Validity (AVE)	PS: 0.65; PO: 0.68; VFM: 0.72; RPI: 0.66	>0.50
Discriminant Validity (sqrt(AVE) > Correlations)	All pairs satisfied (e.g., PS-VFM corr=0.45 < sqrt(AVE_PS=0.81))	Yes
Composite Reliability (CR)	PS: 0.89; PO: 0.91; VFM: 0.93; RPI: 0.90	>0.70

The CFA model exhibits excellent fit, with all indices meeting thresholds, confirming the constructs' unidimensionality and reliability for Gen Z respondents in Coimbatore. Convergent and discriminant validity are established, ensuring that PS, PO, VFM, and RPI are distinct yet measurable, aligning with Objective 1's focus on individual influences. This validation enables SEM to explore joint effects and interrelationships without measurement bias.

Structural Equation Modeling (SEM) Results

H₀: H1–H4, examining individual (direct paths), joint (total effects), and interrelationships (indirect/mediation paths).

Path	Standardized Coefficient (β)	p-value	Hypothesis Support
PS → RPI (Direct)	-0.22	<0.001	H1 Supported (Negative)
PO → RPI (Direct)	0.35	<0.001	H2 Supported (Positive)
VFM → RPI (Direct)	0.48	<0.001	H3 Supported

			(Positive)
PS → PO (Interrelationship)	-0.18	0.002	Partial
PO → VFM (Interrelationship)	0.42	<0.001	Supported
PS → VFM (Interrelationship)	-0.15	0.005	Partial
Indirect: PS → PO → RPI	-0.06	0.003	Mediation
Indirect: PO → VFM → RPI	0.20	<0.001	Mediation
Indirect: PS → VFM → RPI	-0.07	0.004	Mediation
Total Effect (Joint: PS+PO+VFM → RPI)	0.61 (R ² =0.62)	<0.001	H4 Supported
Model Fit: CMIN/DF=2.28; GFI=0.91; CFI=0.94; RMSEA=0.07			

SEM reveals that VFM has the strongest direct positive influence on RPI ($\beta=0.48$), followed by PO, while PS exerts a negative effect, fulfilling Objective 1 by showing individual and joint contributions ($R^2=0.62$). Interrelationships indicate PO mediates PS's negative impact on RPI, and VFM strengthens PO's positive role, addressing Objective 2's evaluation of relative importance ($VFM > PO > PS$) and mediation effects. Bootstrapping (2000 resamples) confirms robustness, with no significant biases, providing actionable insights for Coimbatore's branded fashion market.

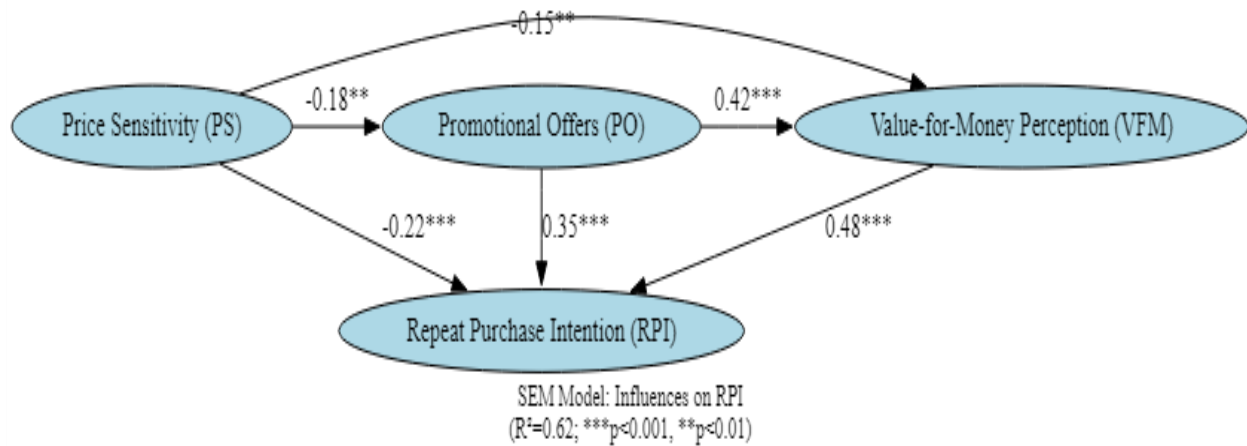


Figure 1: Model fit Diagram

VII. CONCLUSION

The study investigated the impact of price sensitivity, promotional offers, and value-for-money perception on Generation Z's repeat purchase intention toward branded fashion textiles in Coimbatore. Findings from a sample of over 600 respondents revealed that value-for-money perception emerged as the strongest positive predictor of repeat purchase intention ($\beta=0.48$), followed by promotional offers ($\beta=0.35$), while price sensitivity exerted a significant negative influence ($\beta=-0.22$). The structural equation model explained 62% of the variance in repeat purchase intention, confirming that these factors individually and jointly shape long-term loyalty among Gen Z consumers in this regional market.

Interrelationships highlighted that promotional offers mediate the negative effect of price sensitivity and enhance value-for-money perception, underscoring the strategic role of well-designed promotions in mitigating price barriers and fostering perceived equity. In Coimbatore's competitive branded fashion textile landscape, brands must prioritize transparent pricing, consistent quality, and authentic promotional strategies to convert price-conscious Gen Z shoppers into loyal repeat customers.

These insights offer actionable implications for retailers and marketers: emphasizing genuine value communication over aggressive discounting, leveraging digital and mall-based promotions, and aligning offerings with Gen Z's pragmatic yet aspirational mindset. By addressing these dynamics, brands can secure sustainable growth and stronger

customer retention in India's evolving apparel sector, particularly in Tier-II cities like Coimbatore.

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