

A STUDY ON PRICE SENSITIVITY OF YOUNG ADULTS TOWARDS KHADI GARMENTS WITH SPECIAL REFERENCE TO THANE CITY

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Abstract:

This study investigates the price sensitivity of young adults towards Khadi garments, an iconic symbol of India's independence and self-reliance movement. In recent years, Khadi garments have gained attention among the youth, particularly those inclined towards sustainable and eco-friendly fashion. However, despite the increasing awareness of sustainable fashion, price remains a significant factor influencing consumer purchase behavior. This research, based on a survey of 132 young adults, explores how price impacts the purchasing decisions of this demographic. The study identifies key factors influencing price sensitivity, such as perceived quality, brand perception, and income levels. The results suggest that young adults are moderately price-sensitive but are willing to pay a premium for Khadi products that align with their values of sustainability and quality. This paper provides insights into potential marketing strategies for Khadi brands to improve their appeal to young consumers.

Keywords: Price sensitivity, Khadi, Young adults.

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Introduction:

Khadi, a handwoven fabric, holds deep cultural and historical significance in India. It was famously promoted by Mahatma Gandhi during the Indian independence movement as a symbol of self-reliance, sustainability, and resistance to British imperialism. In contemporary India, Khadi has seen a resurgence due to increasing environmental awareness and the global rise of sustainable fashion. However, despite these positive trends, Khadi garments often face stiff competition from mass-produced, lower-cost garments, especially in the fast fashion market.

Price sensitivity refers to the degree to which the price of a product affects consumer demand for it. The youth demographic, particularly young adults aged 18-30, is often at the forefront of adopting sustainable fashion trends. However, for many, price remains a critical determinant of purchase decisions. This study aims to understand how price influences young adults'

willingness to purchase Khadi garments, and how factors like income levels, perceived quality, and brand image moderate this price sensitivity.

Objectives of the Study:

- i. To assess the level of price sensitivity of young adults in Thane towards Khadi garments.
- ii. To understand the factors influencing the purchasing decisions of young adults, especially concerning price.
- iii. To explore possible strategies for Khadi garment brands to increase appeal among young adults.

Review of Literature:

Price sensitivity plays a pivotal role in consumer behavior, especially in the apparel industry. Various studies have shown that price is a dominant factor influencing the purchasing decisions of consumers, particularly for products with less perceived differentiation or where consumers have limited budgets (Nair et al., 2021).

For sustainable fashion, the situation is more complex. A study by Bhaduri & Ha-Brookshire (2020) found that while consumers are often willing to pay a premium for environmentally friendly or ethically produced products, their willingness is strongly tied to perceived quality and the credibility of the brand.

In the case of Khadi, while its symbolic value as an eco-friendly, heritage-rich product may lower price sensitivity to an extent, the reality of economic constraints faced by young adults complicates this. Research by Patil & Kulkarni (2020) indicates that young adults are often caught between their ideals of sustainability and the need to meet economic constraints, especially in the case of niche, handmade products like Khadi.

Research Methodology:

Research Design: This study used a quantitative research design with a structured questionnaire to collect data on the price sensitivity of young adults towards Khadi garments. The research is based on primary data collected through a survey, which was distributed online to respondents within the age group of 18 to 30. A total of 132 respondents participated in the survey. The participants were chosen based on their availability and willingness to participate in the survey. Respondents were mainly from Thane city, where the awareness of Khadi and sustainable fashion is relatively high.

Data Collection:

The data was collected through a structured online survey. The questions were designed to gauge the respondents' awareness of Khadi garments, their purchasing habits, price sensitivity, and the factors influencing their decisions.

The questionnaire was divided into the following sections:

- **Demographic Details:** Age, gender, occupation, income level, and location.
- **Awareness and Perception of Khadi:** Level of

awareness, perceptions of quality and sustainability.

- **Purchase Behavior:** Frequency of purchase, price sensitivity, and factors influencing the purchase.
- **Price Sensitivity:** Questions on the willingness to pay a premium, sensitivity to price changes, and attitudes towards Khadi pricing.

Data Analysis: The data was analyzed using statistical tools and has been presented in the form of charts and diagrams.

Data Analysis:

Demographic Profile:

- **Gender:** 56% of the respondents were female, and 44% were male.
- **Occupation:** 68% were students, while 32% were employed professionals.
- **Income Level:** 62% had a monthly income lower than ₹15,000, while 21% had a monthly income between ₹15,000 to ₹30,000, and 17% had a higher income.
- **Location:** 71% of the respondents were from Thane city, with the remaining 29% from surrounding suburban or semi-urban areas.

Awareness and Perception of Khadi:

- The survey results showed that 85% of the respondents were aware of Khadi garments, with 72% having purchased them at least once in the past year.
- When asked about the perception of Khadi garments, 78% of respondents considered Khadi to be a sustainable and eco-friendly fabric. Additionally, 62% linked Khadi with Indian heritage, and 55% associated it with a sense of nationalism.

Price Sensitivity:

- While 68% of respondents agreed that price significantly influenced their decision to purchase Khadi garments, a significant 32% also expressed

their indifferent position to pay a higher or lower price for Khadi garments.

- **Willingness to Pay a Premium:** 54% of respondents were willing to purchase Khadi if the price was competitive with fast fashion brands, but only 24% were willing to pay more than ₹1,000 for a Khadi garment like shirt or kurta.
- **Price Elasticity:** 62% of respondents indicated that a 10% price increase would make them reconsider buying Khadi, demonstrating moderate price sensitivity.
- **Influence of Quality and Design:** Interestingly, 46% of respondents stated that they would be willing to pay a higher price if the Khadi garment offered superior quality or a unique design.

Factors Influencing Price Sensitivity:

- **Perceived Quality and Durability:** Respondents were less price-sensitive if the Khadi garment was perceived to be of high quality and durability. Those who associated Khadi with longevity and comfort were more willing to accept higher prices.
- **Brand Image and Marketing:** 68% of respondents noted that a strong brand image and good marketing could justify a premium price. Social media influencers and celebrity endorsements were seen as particularly influential.

Willingness to Support Khadi for Social and Cultural Reasons:

Despite the price sensitivity, a significant number of respondents (66%) expressed a willingness to support Khadi for cultural or social reasons.

Conclusion:

The study reveals that young adults are moderately price-sensitive when it comes to Khadi garments. Price is indeed an important factor influencing purchasing decisions, but it is not the only one. Young consumers are willing to pay a premium for Khadi if it is marketed effectively, offers good quality, and aligns with modern fashion targeting young consumers.

Suggestions:

- **Tiered Pricing:** Khadi garment brands should consider offering products at different price points to cater to diverse segments within the young adult demographic.
- **Focus on Quality:** Emphasizing the quality, durability, and unique designs of Khadi garments can help justify higher prices.
- **Upbeat with current fashion:** Bringing Khadi garments more in line with the current and modern fashion trends can certainly help spreading more awareness and attraction.
- **Store revamp:** The stores selling Khadi garments should revamp themselves in order to compete with the larger and more established retailers.

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