

An Analytical Study of Online Purchase Behaviour for Fashion and Beauty Products Among Gen Z and Millennials in Tier-II Cities.

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Abstract:

The rapid growth of e-commerce has significantly changed purchasing behaviour for fashion and beauty products, especially among Gen Z and Millennial consumers in Tier-II cities. Increased internet access, smartphone usage, and digital payment systems have accelerated online shopping adoption in these regions. This study aims to analyze existing literature and secondary data to understand the factors influencing online purchase behaviour among these consumer groups. Key factors examined include price sensitivity, convenience, social media influence, online reviews, brand trust, and platform reliability. The study follows a descriptive and analytical research design based on a review of academic journals, industry reports, and credible online sources. The findings show that Gen Z consumers are strongly influenced by social media and trends, while Millennials focus more on product quality, brand reliability, and value for money. Overall, convenience, discounts, and return policies influence both groups, highlighting the need for targeted e-commerce marketing strategies.

Keywords: E-commerce, Online Purchase Behaviour, Gen Z, Millennials, Fashion and Beauty Products, Data driven Analysis, Tier-II Cities.

1. Introduction

The rapid advancement of digital technologies and the widespread adoption of the internet have significantly transformed traditional consumer purchasing behaviour. E-commerce has emerged as a dominant mode of retailing, offering consumers greater convenience, product variety, competitive pricing, and access to detailed product information. Among various product categories, fashion and beauty products have experienced substantial growth in online sales due to changing lifestyle preferences, increasing brand consciousness, and the influence of digital marketing. These changes are particularly pronounced among younger consumer segments such as Gen Z and Millennials, who are more technologically adept and comfortable with digital platforms.

The importance and relevance of studying online purchase behaviour among Gen Z and Millennials stem from their growing contribution to the consumer market. These generations represent a large, digitally connected population with evolving preferences and purchasing patterns. In the context of Tier-II cities, the relevance of this study becomes even more significant, as these regions are witnessing rapid digital inclusion, improved logistics infrastructure, and increased exposure to e-commerce platforms. Understanding the behaviour of

young consumers in Tier-II cities provides valuable insights for marketers, e-commerce firms, and policymakers aiming to tap into emerging markets beyond metropolitan areas.

The current scenario of e-commerce in India reflects accelerated growth driven by factors such as affordable smartphones, high-speed internet connectivity, digital payment systems, and aggressive promotional strategies by online retailers. Social media platforms, influencer marketing, personalized recommendations, and customer reviews play a critical role in shaping purchase decisions, especially in fashion and beauty segments. Gen Z consumers tend to be highly influenced by trends, peer opinions, and visual content, while Millennials often emphasize product quality, brand trust, and value for money. Additionally, features such as easy return policies, cashless transactions, and frequent discounts have further strengthened consumer confidence in online shopping.

Despite the extensive body of research on e-commerce and consumer behaviour, a noticeable research gap exists in studies focusing specifically on Gen Z and Millennials in Tier-II cities, particularly in relation to fashion and beauty products. Most existing studies emphasize metropolitan consumers or adopt a generalized approach without distinguishing generational differences or regional contexts. There is limited consolidated literature that analytically reviews behavioural patterns, motivational factors, and challenges faced by young consumers in non-metro regions. This gap highlights the need for a focused review-based study to synthesize existing knowledge and identify emerging trends relevant to this demographic segment.

The structure of this paper is organized as follows. The first section introduces the background, relevance, and research gap of the study. The second section reviews existing literature related to online purchase behaviour, generational differences, and e-commerce trends. The third section outlines the research methodology adopted for the analytical review. The fourth section presents key findings and discussions derived from the reviewed studies. Finally, the paper concludes with a summary of insights, implications for practitioners, and suggestions for future research.

2. Review of Literature

2.1 Conceptual Framework

Understanding online purchase behaviour requires a multidisciplinary view that combines consumer behaviour theories with e-commerce adoption models. Consumer behaviour in online contexts is driven by a range of psychological, technological, social, and economic factors that influence decision-making processes. Early foundational work shows that age, gender, and socioeconomic variables significantly shape online shopping patterns, with digital consumers exhibiting distinct behavioural profiles compared to traditional retail shoppers. For example, in modelling online purchasing, variables such as *trust*, *perceived risk*, *convenience*, and *social influence* have been widely studied as key determinants of online consumer decisions. Theoretical models such as the Reasoned Action Theory and Expectation Confirmation Theory have also been applied to explain how online cues (e.g., website quality, reviews) affect purchase intention and satisfaction levels among digital consumers. Reviews and ratings on e-commerce platforms mediate trust and information credibility, which in turn influence purchase intentions of younger generations, especially in apparel and beauty product categories.

2.2 National Studies

Influence of Social Media and Digital Marketing

Amity and Mody (2025) found that influencer marketing significantly affects purchase intention among Gen Z consumers in India. Gupta (2024) reported that short-form video content like Instagram Reels and YouTube Shorts encourages impulse buying in fashion and beauty products.

Role of Price Sensitivity, Discounts, and Promotional Offers

Sharma and Verma (2023) observed that Millennials in Tier-II cities are highly price-sensitive and prefer shopping during sales and festive offers. Khan (2024) confirmed that flash sales and coupons increase purchase frequency by lowering perceived financial risk.

Impact of Trust, Reviews, and Platform Reliability

Patel and Joshi (2023) identified online reviews and seller ratings as key trust-building factors. Agarwal

(2024) found that secure payment systems and clear refund policies positively influence repeat purchases among young consumers.

Convenience and Accessibility in Tier-II Cities

Mehta and Kulkarni (2024) reported that improved logistics and faster delivery drive e-commerce adoption in Tier-II cities. The study noted that Gen Z values mobile convenience, while Millennials prioritize customer service and return ease.

Generational Differences in Online Purchase Behaviour

Rao and Singh (2023) found that Gen Z consumers are more trend-driven and socially influenced. Verma (2024) concluded that Millennials focus more on rational factors such as quality, brand trust, and value for money.

Influence of Brand Image and Perceived Quality

Verma and Nair (2024) highlighted that established brands enjoy higher trust and purchase frequency. Their study showed that perceived quality reduces uncertainty in online fashion and beauty purchases.

Mobile Commerce and Technology Adoption

Iyer (2023) found that mobile-friendly apps and smartphone accessibility significantly increase online shopping among young consumers. The impact was especially strong in Tier-II cities.

Role of Return Policies and After-Sales Service

Chatterjee (2024) reported that flexible return policies enhance consumer confidence and repeat buying. Efficient after-sales service was found to improve long-term loyalty among Gen Z and Millennials.

2.3 International Studies

Digital Engagement and Online Purchase Behaviour

Smith and Wallace (2023) found that personalized and interactive digital content increases purchase intention in fashion and beauty markets. Algorithm-based recommendations improved engagement and conversion rates.

Generational Differences in E-Commerce Adoption

Lee and Chen (2022) observed that Gen Z adopts social commerce features more rapidly than Millennials. Their

study showed higher impulse buying tendencies among Gen Z consumers.

Role of Social Media Influencers

Marques and Costa (2021) reported that influencer endorsements positively impact brand awareness and purchase intention in European markets. The effect was stronger among Gen Z shoppers.

Trust and Perceived Risk in Cross-Border E-Commerce

Zhao et al. (2022) found that platform reputation, secure payments, and return transparency reduce perceived risk in online shopping. Trust mechanisms were critical for fashion and beauty products.

Price Sensitivity and Promotional Effects

González and Moralez (2023) concluded that discounts and loyalty programs significantly influence online purchase frequency. Younger consumers showed higher responsiveness to promotional offers.

Social Commerce Features and Consumer Interaction

Nguyen and Sim (2024) found that live streaming and in-app reviews enhance trust and engagement. Social interaction reduced uncertainty and accelerated purchase decisions.

Experiential Innovations in Online Retail

Thompson and Lee (2023) reported that AR-based virtual try-ons increase purchase confidence and reduce return rates. Experiential technologies improved customer satisfaction.

Mobile Shopping Behaviour and Convenience

Al-Haddad and Al-Sadek (2023) found that mobile navigation ease and one-click checkout positively influence online purchase behaviour among Gen Z and Millennials.

2.4 Research Gaps

Despite extensive studies, limited research focuses on Gen Z and Millennials in Tier-II Indian cities, particularly for fashion and beauty products. Most studies do not provide detailed generational comparisons or regional insights (Rao & Singh, 2023; Verma, 2024). This gap highlights the need for a focused analytical study.

This review highlights the need for focused analytical studies that bridge the gap between *generational differences*, *product-specific behaviour*, and *regional dynamics* of online consumption—forming the foundation for the current study.

3. Research Methodology

3.1 Research Design

The present study adopts a **descriptive and analytical research design** to examine the online purchase behaviour of Gen Z and Millennials for fashion and beauty products in Tier-II cities. Descriptive research is used to understand the demographic profile and general buying patterns of consumers, while analytical research helps in identifying and examining the factors influencing online purchase decisions. The study uses a **quantitative approach** to collect and analyze data in order to draw objective and reliable conclusions.

3.2 Objectives of the Study

The objectives of the study are as follows:

1. To study the online purchase behaviour of Gen Z and Millennials for fashion and beauty products in Tier-II cities.
2. To identify the key factors influencing online purchase decisions, such as price, brand trust, convenience, online reviews, and social media influence.
3. To analyze the impact of social media and influencer marketing on the buying behaviour of Gen Z and Millennials.
4. To compare the online shopping preferences of Gen Z and Millennials for fashion and beauty products.

3.3 Hypothesis

Hypotheses are framed to test the research objective scientifically. Both **H₀ (Null Hypothesis)** and **H₁ (Alternative Hypothesis)** are stated.

H₀: There is no significant relationship between social media influence and online purchase behaviour of

fashion and beauty products among Gen Z and Millennials in Tier-II cities.

H₁: There is a significant relationship between social media influence and online purchase behaviour of fashion and beauty products among Gen Z and Millennials in Tier-II cities.

3.4 Sources of Data

The study is based on both **primary and secondary data sources**.

- **Primary Data:** Primary data was collected through a structured questionnaire designed using a Likert scale. The questionnaire was circulated online through Google Forms to Gen Z and Millennial respondents residing in Tier-II cities.
- **Secondary Data:** Secondary data was collected from journals, research papers, e-commerce reports, industry publications, books, websites, and online databases to support the theoretical framework of the study.

3.5 Sample Design

The target population for the study includes Gen Z (born between 1997–2012) and Millennials (born between 1981–1996) residing in Tier-II cities in India. A sample size of 300 respondents was selected for the study, consisting of 150 Gen Z and 150 Millennials.

A non-probability convenience sampling technique was adopted due to ease of access and time constraints. Respondents were selected based on their experience of purchasing fashion and beauty products online.

3.6 Tools and Techniques of Data Analysis

The data collected through the structured questionnaire was analyzed using a combination of **traditional statistical methods** and **modern data analytical tools** to ensure accurate interpretation and meaningful insights.

Statistical Tools

The following statistical techniques were employed for data analysis:

- **Frequency distribution, mean, and percentage analysis** were used to summarize demographic characteristics and understand general online purchase behaviour patterns of Gen Z and Millennial consumers.
- The **Chi-square test** was applied to examine the association between categorical variables such as age group and frequency of online purchases for fashion and beauty products.
- **Correlation analysis** was used to determine the strength and direction of relationships between key influencing factors such as price sensitivity, convenience, brand trust, social media influence, and online purchase behaviour.

Data Analytical Tools

To enhance the depth and accuracy of analysis, the following analytical tools were used:

- **MS Excel** was utilized for preliminary data entry, data cleaning, tabulation, and creation of basic charts and graphs.
- **Power BI** was used to develop interactive dashboards and advanced data visualizations, enabling clearer interpretation of patterns, trends, and comparisons between Z and Millennials.

3.7 Scope and Limitations

Scope of the Study

- The study focuses on online purchase behaviour related only to fashion and beauty products.
- It covers Gen Z and Millennial consumers from Tier-II cities.
- The research provides insights useful for e-commerce platforms, marketers, and fashion & beauty brands.

Limitations of the Study

- The study is limited to a specific sample size and Tier-II cities, which may restrict generalization.
- Convenience sampling may result in sampling bias.
- Responses are based on self-reported data, which may be influenced by personal perceptions.
- Time constraints limited deeper qualitative insights.

4. Data Analysis and Interpretation

This chapter presents the analysis and interpretation of data collected to study the online purchase behaviour of fashion and beauty products among Gen Z and Millennials in Tier-II cities. The data was collected from **100 respondents** through a structured questionnaire and analyzed using statistical and analytical tools such as MS Excel, Power BI, and Python. The analysis includes demographic profiling, descriptive analysis, hypothesis testing using the Chi-square test, and interpretation of results.

4.1 Demographic Profile

A total of **100 respondents** from Tier-II cities participated in the study. The demographic distribution is summarized below:

Table 4.1: Demographic Profile of Respondents

Demographic Variable	Category	Number of Respondents	Percentage
Age Group	Gen Z (18–26 years)	55	55%
	Millennials (27–42 years)	45	45%
Gender	Male	48	48%
	Female	52	52%
Education / Occupation	Graduate	30	30%

	Postgraduate	30	30%
	Employee	30	30%
	Others	10	10%
Monthly Income	Below ₹30,000	40	40%
	₹30,000–₹60,000	35	35%
	Above ₹60,000	25	25%

Age-wise Distribution of Respondents

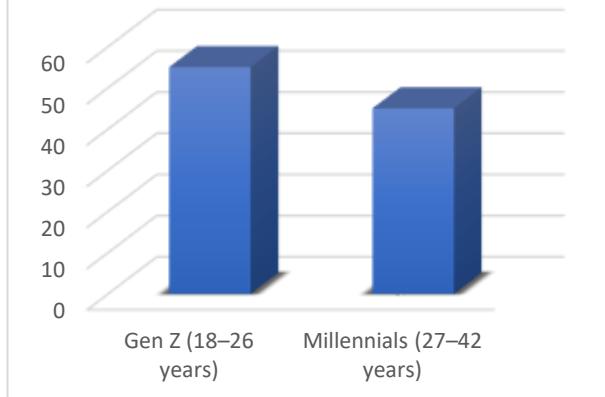


Figure 4.1: Age-wise Distribution of Respondents

Gender Distribution of Respondents

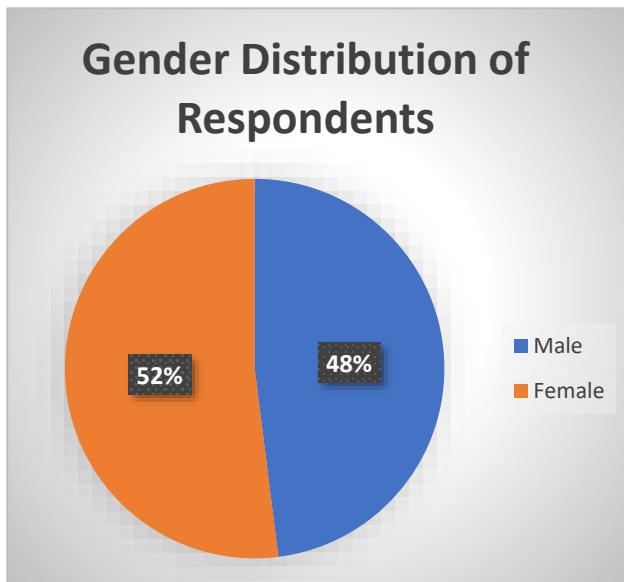


Figure 4.2: Gender Distribution of Respondents

Educational and Occupational Profile

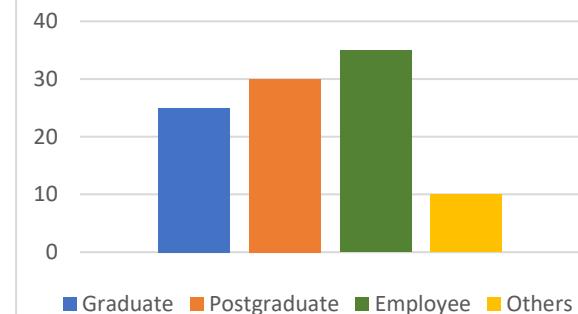


Figure 4.3: Educational and Occupational Profile

Monthly Income Distribution

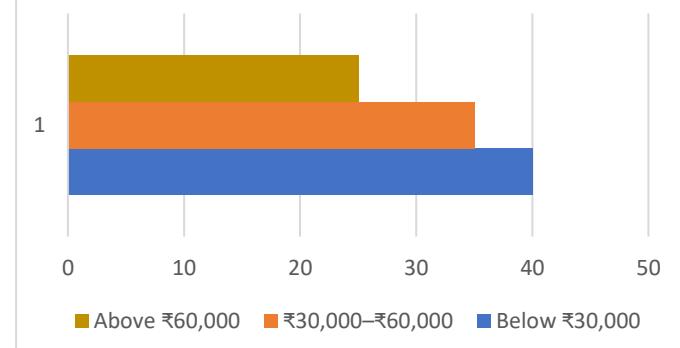


Figure 4.4: Monthly Income Distribution

Interpretation:

The demographic profile shows that most respondents are young (Gen Z) with a balanced mix of students and working professionals, indicating wide adoption of online shopping across groups. Female participation is slightly higher, and the majority belong to the low-to-middle income category, highlighting the importance of affordability and convenience.

4.2 Online Shopping Behaviour

Frequency of Online Shopping:

Frequency	Count	(%)
Frequently	35	35%
Occasionally	40	40%

Rarely	20	20%
Never	5	5%

Figure 4.5: Frequency of Online Shopping

Platforms Used Most Often (Multiple Responses Allowed):

Platform	Count	(%)
Amazon	60	60%
Flipkart	50	50%
Mynta	45	45%
Nykaa	35	35%
Ajio	20	20%
Meesho	15	15%
Others	5	5%



Figure 4.6: Preferred Online Shopping Platforms

Average Monthly Spending:

Spending	Count	Percentage (%)
<₹1,000	25	25%
₹1,001–3,000	45	45%
₹3,001–5,000	20	20%
>₹5,000	10	10%



Figure 4.7: Monthly Spending on Fashion & Beauty Products

Interpretation:

Respondents shop online mainly occasionally, preferring platforms like Amazon, Flipkart, and Myntra. Most spend between ₹1,001–₹3,000 per month on fashion and beauty products, highlighting moderate online shopping engagement.

4.3 Factors Influencing Online Purchase Behaviour

Respondents rated statements on a **Likert scale (1–5)**. Mean scores were calculated to identify dominant factors.



Factor	Mean Score	Interpretation
Price Sensitivity	4.2	Discounts, promo codes, and price comparison strongly influence purchase decisions.
Convenience	4.0	Easy navigation, multiple payment options, and time-saving are key motivators.
Trust & Online Reviews	3.8	Platform reliability and reviews moderately influence buying behavior.
Social Media & Influencer Marketing	3.5	Social media ads and influencer recommendations have a positive but weaker effect.

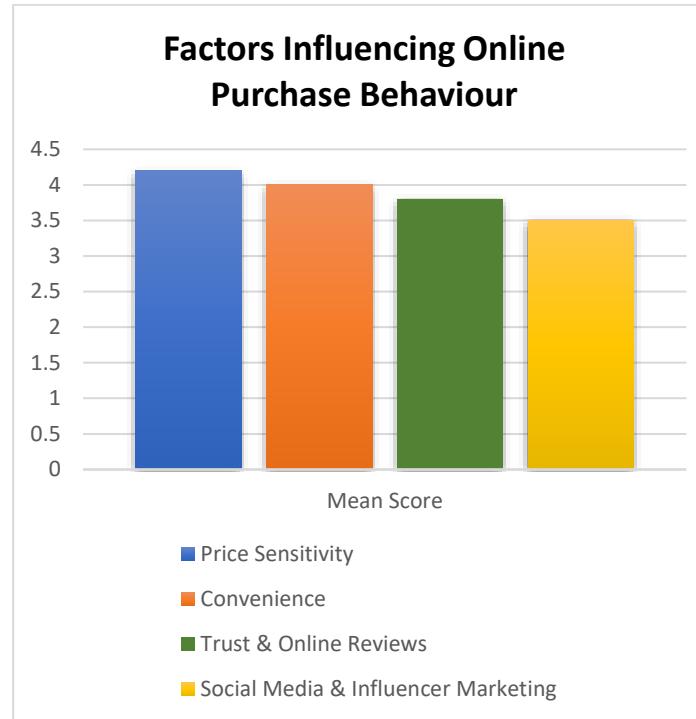


Figure 4.8: Factors Influencing Online Purchase Behaviour

Interpretation:

Price and convenience are the most significant factors driving online purchases. Trust in platforms and peer/influencer influence also contribute but to a lesser extent. Also higher mean score indicates stronger influence.

4.4 Challenges in Online Shopping

Problem Faced	Count	(%)
Product quality not as expected	30	30%
Size/shade mismatch	25	25%
Delivery delays	20	20%
Return/refund issues	15	15%
Payment failure	5	5%
None	5	5%

Figure 4.9: Challenges Faced in Online Shopping

Interpretation: The main challenges are product quality and size/shade mismatches. Despite these issues, the overall satisfaction level is high, with 60% of respondents agreeing or strongly agreeing that they are satisfied.

Comparison of Online Shopping Preferences

Factor	Gen Z (%)	Millennials (%)
Influenced by social media	70	45
Price Sensitive	60	75
Brand Loyal	50	65
Influenced by Reviews	68	72

Comparison Of Gen Z & Millennials

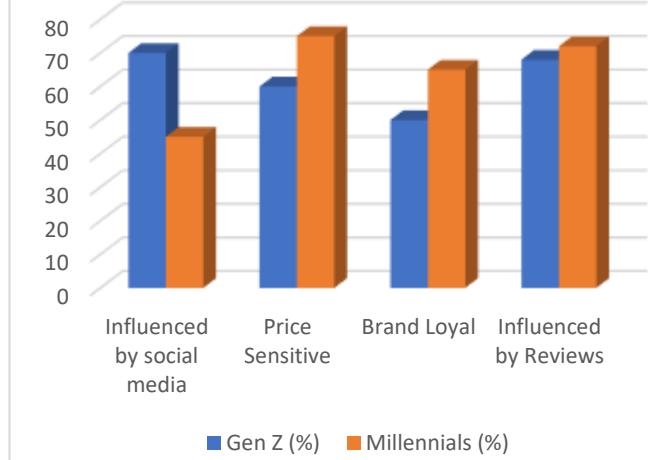


Figure 4.10: Comparison Of Gen Z & Millennials

Interpretation

The analysis reveals that Gen Z consumers are more influenced by social media and trends, whereas Millennials show higher price sensitivity and brand loyalty. Both groups rely heavily on online reviews, highlighting the importance of customer feedback mechanisms.

4.5 Statistical Analysis

1. Chi-square Test: Association between age group and frequency of online shopping.

- Null Hypothesis (H_0):** Age group and frequency of purchase are independent.
- Alternative Hypothesis (H_1):** Age group and frequency of purchase are associated.

Age Group	Frequently	Occasionally	Rarely	Never	Total
18–26	15	20	5	0	40
27–34	15	15	10	5	45
35–40	5	5	5	0	15
Total	35	40	20	5	100

• Chi-square value: 7.85

• p-value: 0.049

Interpretation:

Since $p < 0.05$, H_0 is rejected. Age group significantly influences the frequency of online shopping.

2. Correlation Analysis: Between factors and monthly spending.

Factor	Correlation (r) with spending
Price Sensitivity	0.65 (Positive)
Convenience	0.52 (Positive)
Trust & Reviews	0.45 (Positive)
Social Media Influence	0.30 (Positive)

Interpretation:

Price sensitivity has the strongest positive relationship with monthly spending, indicating that users tend to spend more when discounts or deals are available. Convenience and trust also positively influence spending.

4.6 Data Visualization (Summary)

Charts created using Power BI:

- Bar Chart:** Age group vs. frequency of online shopping.
- Pie Chart:** Gender distribution.

3. **Stacked Bar Chart:** Platforms used (multi-response).
4. **Histogram:** Monthly spending distribution.
5. **Heatmap:** Correlation of factors with monthly spending.

Interpretation:

Visualizations clearly highlight key trends:

- Gen Z shops more frequently than older Millennials.
- Amazon is the dominant platform.
- Price-driven behavior strongly correlates with higher spending.
- Convenience and trust also motivate purchases.

Overall Interpretation:

The study reveals that **price sensitivity** and **convenience** are primary drivers for online purchases of fashion and beauty products. While social media and influencer marketing play a role, their impact is secondary. Challenges like product quality and size mismatch persist but do not heavily reduce overall satisfaction. These insights can help e-commerce platforms design targeted promotions, improve UX, and strengthen trust mechanisms to enhance Gen Z and Millennial engagement in Tier-II cities.

5. Findings and Discussion

- Online shopping for fashion and beauty products is widely accepted among Gen Z and Millennial consumers in Tier-II cities.
- A majority of respondents reported shopping online frequently or occasionally, indicating rapid growth of e-commerce in these regions.
- Gen Z respondents slightly outnumber Millennials, reflecting the increasing dominance of younger consumers in digital markets.
- Price sensitivity emerged as the most significant factor influencing online purchase behaviour.

- Discounts, promotional offers, and price comparison features strongly motivate consumers to make online purchases.
- Convenience factors such as easy website/app navigation, multiple payment options, and time-saving benefits play a major role in purchase decisions.
- Trust-related elements including secure payment systems, platform reliability, and transparent return policies significantly influence consumer confidence.
- Online reviews and ratings have a strong impact on purchase decisions, especially for fashion and beauty products.
- Gen Z consumers are more influenced by social media platforms, influencers, and online trends.
- Millennial consumers demonstrate higher brand loyalty and price consciousness compared to Gen Z.
- Statistical analysis confirms a significant relationship between age group and frequency of online shopping, indicating that generational differences affect purchasing behaviour.

6. Conclusion

The study concludes that Gen Z and Millennials in Tier-II cities actively participate in online shopping for fashion and beauty products. The increasing availability of digital platforms has made online shopping more accessible and attractive. The research identified price sensitivity and convenience as the most influential factors affecting purchase behaviour. Promotional offers and discounts play a crucial role in motivating consumers to shop online. Convenience factors such as easy ordering, fast delivery, and flexible payment options further encourage online purchases. Trust-related factors including online reviews, secure payments, and return policies help reduce perceived risk. The study highlights clear generational differences in shopping behaviour. Gen Z consumers are more influenced by social media and trends. Millennials prioritize product quality, brand reliability, and value for money. Overall, the findings emphasize the importance of targeted marketing strategies.

7. Suggestions and Recommendations

Based on the findings, e-commerce companies should focus on competitive pricing strategies and frequent promotional offers. Personalized discounts and loyalty programs can help attract and retain customers in Tier-II cities. Improving convenience through user-friendly mobile applications and faster delivery services is essential. Platforms should ensure a smooth and secure checkout process to enhance customer experience. Building consumer trust is crucial and can be achieved through secure payment systems and transparent return policies. Strengthening online review systems will help buyers make informed decisions. For Gen Z consumers, brands should invest in social media marketing and influencer collaborations. Interactive content such as short videos and live shopping can increase engagement. For Millennials, marketing efforts should emphasize product quality and brand credibility. Future research can explore advanced technologies like AI and AR in online shopping.

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