VOLATILITY OF APPAREL MARKETS IN EMERGING ECONOMIES: AN INVESTIGATION OF BUYERS' PURCHASE BEHAVIOR

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https://doi.org/10.5281/zenodo.18168428

ARTICLE INFO

Received: 29TH December 2025
Accepted: 30th December 2025
Online: 31st December 2025

KEYWORDS

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ABSTRACT

This paper investigates the increasing volatility in apparel markets of the developing nations, along with the analysis of the transition among apparel consumers` behavior in emerging markets. Customers in emerging markets, particularly those in India, Brazil, and Southeast Asia, have been shifting from idealistic consumerism to highly flexible, value-focused tactics as worldwide trading patterns change as a result of geopolitical disputes and currency volatility. This research highlights the main causes of market instability and the psychological frameworks, including "lateral mimicry" and "dissonance-minimizing behaviors," that characterize the modern shopper from emerging markets by combining secondary information from industry publications and academic papers

Introduction

With a predicted Compound Annual Growth Rate (CAGR) of 8.02% through 2033 and a probable value of $2.97 trillion, developing countries continue to be the most significant cause of expansion in the worldwide apparel sector, which is at present experiencing a "new normal" marked by constant fluctuation and massive uncertainty(Straits Research, 2024). The "trickle-down" concept, which holds that fashion trends start in the wealthier strata of the community and progressively move downwards as middle-income customers imitate extravagant behaviors that indicate growing social and economic status, has historically been employed to evaluate the buying of clothing in these areas(Investopedia, 2025). However, as we approach 2025 and 2026, supply chain "bullwhip effects," in which little changes in consumer demand produce enormous, skewed shocks in manufacturing and stock amounts, and ongoing increases in living costs have profoundly disturbed this straight trend. Given that over 60 percent of consumers worldwide increasingly favor "dupes" and value-oriented spending above idealistic extravagant goods, unpredictability is not any more an anomaly instead it is a fundamental feature of the industry (heuritech., 2025). The change from "just-in-time" supply to localized "nearshoring" methods, which are required by changing tariff regulations and geopolitical concerns, makes even more difficult the process of transition(McKinsey, 2025). Consequently, the traditional focus on aspirational status is being replaced by a "trickle-across" reality where digital influence and price-performance ratios dictate behavior. Understanding how these conflicting buyer intentions—caught between a desire for trend-relevance and the constraints of financial strain—translate into actual purchase actions has become the central challenge for brands seeking to maintain relevance in an increasingly fragmented global market. As a result, the conventional emphasis on idealistic status is giving way to a "trickle-across" truth in which price-performance ratios and digital impact control behaviors. For businesses looking to stay relevant in an ever-more divided worldwide marketplace, figuring out how these competing customer intentions—caught between an urge for current trends and the restrictions caused by financial strain—translate into actual buying behaviors has turned into the primary problem.

Drivers of Market Volatility in Emerging Economies

Three primary issues drive unpredictability in developing markets: changes in international commerce, threats to the environment, and economic uncertainty. For example, the international trade battles that accompanied the severe "Trump Tariffs" imposed in 2025 are forcing Chinese industries to look for alternative markets to utilize their excess inventory(Moneyweb, 2025). They triggered fierce "pricing wars" which have made it extremely hard for local businesses to remain competitive by rerouting this excess into countries including Brazil and Indonesia(The Budget Lab, 2025). At the same time, the national currencies in nations including Argentina and Turkey are experiencing substantial declines in value. The total cost of goods sold (COGS) increases whenever a country's currency declines because it gets significantly more costly for businesses to purchase the unprocessed ingredients that they require(Sainz, 2025). Because of this, apparel manufacturers find themselves with a difficult choice: either decrease their own revenues in order to maintain cheap pricing, or increase prices and run the danger of alienating consumers that already have trouble with the rising cost of life(McKinsey, 2025).

Table 1: Primary Volatility Triggers and Market Responses

Volatility Driver	**Regional Impact (EMs)**	**Resultant Market Shift**
Trade Policy/Tariffs	High in Vietnam, India, and China.	Diversification of export routes and surplus dumping.
Climate Events	High in Bangladesh and Pakistan.	Supply chain delays; potential 22% loss in export value.
Inflationary Pressure	High across Latin America and SE Asia.	Shift to "normalized budgeting" and value-seeking.

Source: (McKinsey, 2025)

Investigation of Buyer Purchase Behavior

Consumers alter their shopping habits in a turbulent or unpredictable market since they have concerns regarding price increases or taking poor financial decisions. Consumers in emerging markets are exhibiting "dissonance-reducing behavior" in place of the conventional, drawn-out method of making purchasing decisions(Nielsen Consumer LLC., 2025). This indicates that despite their strong feelings about what they are purchasing, they experience a great deal of stress and concern that they might subsequently rue their decision. In order keep themselves protected and prevent dangers, consumers have become more likely to engage in "lateral mimicry," which is just copying what their companions and close acquaintances consume, rather than trying to purchase items that could potentially make them appear richer or more accomplished(Belbağ et al., 2025).

To navigate these financial downturns, customers are increasingly adopting the "8Rs" model. This involves a few key strategies: avoiding and limiting purchases of unnecessary luxury goods, utilizing and recuperating previous goods via restoration or refurbished "recommerce," and redefining the concept of discounts. The latter means viewing a sale as a necessary measure for surviving, rather than simply a technique to keep a few dollars(Euromonitor, 2025).

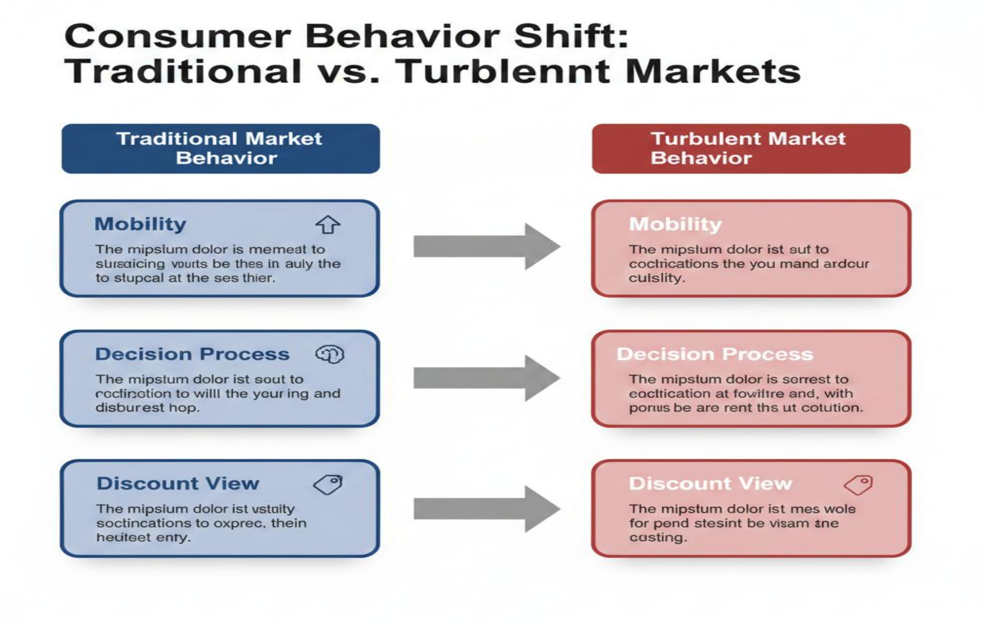

Figure 1: Displays the psychological and strategic transition in customer behavior from seeking for status and logical evaluation in stable markets to risk-reduction and survival-oriented decision making in instable and volatile markets(Belbağ et al., 2025).

Digitalization and Social Commerce as Stabilizers

The best stage for managing market instability and turbulence are digital platforms and in emerging markets social media is not only considered for discovery but it is a significant channel for sales. Around 53% of Gen Z and 45% of Gen Y consumes in developing nations utilize social media for doing shopping(Quentin Nolibois, 2022).

Table 2: Consumer Interaction with Digital Channels (2025 Estimates)

Digital Feature	User Adoption Rate (EMs)	Primary Driver
Social Media Shopping	50% - 60%	Influencer trust and peer validation.

Digital Feature	User Adoption Rate (EMs)	Primary Driver
Generative AI Search	58% (Gen Z)	Personalized recommendations and value-finding.
Virtual Fitting Rooms	42% (Growth)	Reducing the risk of "purchase regret."

Source: (Capgimini, 2025), (Deloitte US, 2025).

Quantitative Insights: The Value-Conscious Shift

The demand for luxury products which can be alternative and affordable as it is called "Dups" has increased unprecedently as of 2026 and around 60% of consumers mostly in emerging nations actively look for ways to decrease their fashion expenses(heuritech, 2025). This has resulted in a fast and dramatic expansion of "Fast Fashion 2.0" players like ZECOD and SHEIN in countries like India and South Korea, who leverage real time data to match the volatile trend cycles with lower price points(Fortunebusinessinsights, 2025).

Conclusion

Developing nations' apparel marketplaces are currently experiencing "persistent turbulence." This investigation demonstrates the underlying change in buying habits from idealistic to protective, value-based shopping. Although customers indicate an interest for sustainability, the truth of marketplace instability pushes them towards price-sensitive, routine, and peer-validated decisions; this "attitude-behavior gap" is still very much present. Flexibility is an extremely important resource of every business that operates within nations like these since digitalization and social trading offer shoppers the means to deal with this unpredictability.

Recommendations

In order to more effectively handle raw material prices instability, including polyester and cotton variations, businesses ought to undertake "Vertical Consolidation" through the integration of supplier networks. In addition, they must make investments in in-house resale by introducing "pre-owned" parts on their internet shopping platforms, based on the effective approaches of Zara and H&M. Additionally, they ought to apply Hyper-Personalization through Generation AI to assist customers in finding "utility-oriented" apparel that gives them reliability and allays their worry about financial wastefulness, while simultaneously putting Nearshoring for Agility into practice through moving manufacturing operations more closely to the intended EM to shorten wait times related to delays in delivery and geopolitical issues

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