



## DIGITAL CONSUMERISM AMONG NEPALESE COLLEGE STUDENTS: A STUDY OF ONLINE SHOPPING BEHAVIOR

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### ABSTRACT

Online shopping is a form of electronic commerce that allows consumers to purchase products or services directly from sellers over the Internet using a web browser. The main objective of this study is to explore the relationship between price, convenience, security, and online shopping behavior of students in Kathmandu. The research adopted the analytical research design. Four hundred students from different colleges in Kathmandu Valley were selected for this study. The convenience sampling method was used while selecting the respondents. The questionnaire survey was developed to collect primary data. The study adopted cross tab, independent t-test, and correlation to analyze the data. Convenience is the most preferable factor when selecting a product in online shopping. Price, convenience, and security are positively correlated with online shopping behavior. As per the result, the price highly correlates with online shopping behavior. Hence, online shopping companies must maintain the product's standard price to meet consumers' expectations. Online shopping companies also consider improving websites with solid security mechanisms for the convenience of online shopping to build up the company's image. Likewise, the firm should consider the preferable factors of online shopping for a better budget allocation for promoting their online business. Future researchers can study the online shopping behavior of the general public with a larger sample size.

**Keywords:** Online shopping behavior, price, convenience, security, students

### INTRODUCTION

Online shopping is a digital commerce method where consumers buy goods or services directly from online sellers using a web browser. It

uses a computer-based interface to shop from a retailer's digital storefront (Haubl & Trifts, 2000). The Internet has transformed into a global transaction platform, impacting the relationship between marketers and consumers (Koo *et al.*, 2008). Online shopping has become a significant aspect of the Internet, contributing to the idea of a global village. Additionally, it reduces inventory management costs (Dahiya, 2012). Businesses strive to obtain a competitive advantage due to the increasing global growth of electronic commerce to communicate with customers (Malloy, 2022). Shoppers can make purchases without physically visiting physical stores. However, the online experience differs as buyers rely on product images on the retailer's website (Gong *et al.*, 2013).

Online shopping is becoming increasingly popular among consumers, who use it to make purchases, research products, or even pass the time. So, the connection between marketers and their customers is changing due to online buying environments (Suharto *et al.*, 2021). E-commerce is a growing avenue for retailers, propelled by using devices like tablets, laptops, and cell phones to access the Internet (Kau *et al.*, 2003). The Internet has also enabled the distribution of used products and services on a large scale (Rudolph *et al.*, 2004). Business models in developing countries might need to align with modern technology, leading to suboptimal results (Kshetri, 2008). Consumer preferences for online shops are influenced by their shopping experience and finding discounts. Fashion is a popular online purchase due to its convenience and price advantages (Hau, 2013). Both international and local online shopping sites offer a wide range of brands with reasonable prices and customer service.

Globally, students' buying behavior has shifted with the acceptance of online shopping (Foucault & Scheufele, 2002). Students seek convenience and time-saving through online purchases. Despite marketing efforts, the primary outcome is attracting young people to these online platforms (Chin *et al.*, 2009).

In Nepal, the growth of internet usage has transformed business activities, bringing buyers and sellers together. Online shopping has gained popularity among Nepalese, especially students. The e-commerce industry in Nepal is proliferating due to increased internet access via devices like tablets and laptops. Student shopping motives can be utilitarian or entertainment-driven (Batra & Ahtola, 1991), focusing on fulfilling specific needs (Babin *et al.*, 1994). Online shopping behavior has become an

essential area of research due to the rapid growth of e-commerce and digital technologies.

The main objective of this study is to explore the relationship between price, convenience, security, and online shopping behavior among students in Kathmandu.

## LITERATURE REVIEW

The Technology Acceptance Model (TAM), introduced by Fred Davis in 1986, is a pivotal theoretical construct in understanding individuals' adoption of emerging technologies. The Technology Acceptance Model (TAM) is an adaptation of the Theory of Reasoned Action (TRA) focused on explaining user acceptance of information systems (Davis *et al.*, 1989) and serves as a framework for comprehending individuals' adoption of technology. TAM elucidates that users' perceptions of a technology's ease of use and its perceived usefulness are instrumental in shaping their behavioral intentions and subsequent actual usage. The model asserts that a technology's user-friendly interface and perceived simplicity engender positive attitudes, fostering intentions for adoption. Similarly, the perception of a technology's utility in enhancing productivity and efficacy contributes significantly to forming positive attitudes and adoption intentions. However, TAM's limitation of concentrating primarily on individual perceptions has prompted subsequent extensions incorporating contextual and societal factors. Nevertheless, TAM remains a cornerstone in technology adoption, informing interdisciplinary research and assisting organizations in crafting user-oriented technological solutions.

Research by Delafrooz *et al.*, (2010) revealed that utilitarian orientations, convenience, price, and broader selection significantly influence students' online shopping behavior in Malaysia. Babar *et al.* (2014) identified a weak yet positive correlation between consumers' beliefs about financial risk and the online shopping behavior of Pakistani consumers. Their study highlighted a robust positive link between ease of use, usefulness, and consumers' online shopping behavior. Khalil (2014) uncovered that price, confidence, security, convenience, time, sales service, and discounts shape consumers' attitudes toward online shopping in Saudi Arabia.

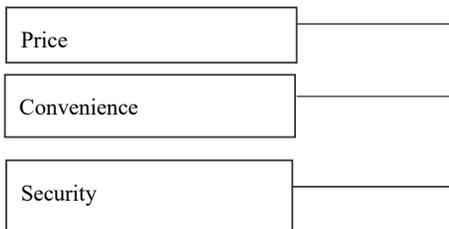
Uzun Poutrak (2014) emphasized that elements such as price, safety, previous experience, customer satisfaction, convenience, and quality offered have a robust influence on consumers' online shopping behavior.

Ganapathi (2015) demonstrated that convenience, security, website features, and time-saving significantly drive consumers' online shopping behavior. Rahman (2015) underscored the significance of convenience and time-saving in influencing the online shopping behavior of the youth generation in Malacca.

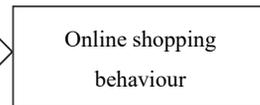
Diao (2015) distinguished that students prioritize price when shopping online, whereas others prioritize product quality, service, and security, although price remains a crucial consideration for them as well. Daudet *et al.*, (2016) highlighted the importance of commodity prices, product quality, service, and security in shaping students' online shopping behavior in Malaysia. Choudhary Dey (2015) uncovered the substantial impact of gender on students' online shopping behavior, signifying a notable gender-based difference in online shopping preferences.

## CONCEPTUAL FRAMEWORK

### Independent Variables



### Dependent Variables



Source: Delafrooz, Babar, Diao, and Daud *et al.*'s (2016)

### Research Hypotheses

The following are some alternative hypotheses:

H1: There is a relationship between price and online shopping behavior.

H2: There is a relationship between convenience and online shopping behavior.

H3: There is a relationship between security and online shopping behavior.

### Definition of Variables

**Price:** Price signifies the payment exchanged for goods and services (Schindler & Robert, 2012). Online shopping offers more products and often more appealing prices than traditional retail. Globally, shoppers prioritize price, closely followed by reliability and choice, when making

online purchases. The price factor encompasses attitudes toward saving money while shopping online.

**Convenience:** Convenience pertains to easy actions. Online shoppers enjoy advantages like time savings, flexibility, and reduced physical effort (Darian, 1987). Convenience drives online purchases, allowing shopping anytime and doorstep delivery of multiple items (Robinson et al., 2007).

**Security:** Security involves safeguarding against harm. It significantly impacts online shopping. Many consumers refrain from online purchases due to security concerns regarding sensitive data (Bhatnagar & Ghose, 2004). Trust in secure technology and frequent online shopping contribute to viewing the Internet as a reliable platform (Cuneyt & Gautam, 2004).

**Online shopping behavior:** Online shopping behavior refers to how people use digital platforms to evaluate, decide on, and purchase products or services. It involves searches, price comparisons, and transactions influenced by convenience, value, trust, security, and website usability. This behavior encompasses practical needs and emotional fulfillment during the online shopping experience.

## RESEARCH METHODOLOGY

The study employs an analytical research design to address pertinent issues. It targeted college-level students engaged in online shopping within Kathmandu Valley as a population. Four hundred students from different colleges in Kathmandu Valley were selected for this study through convenience sampling. The study collected primary data by using a survey questionnaire developed on a 5-point Likert scale. Data have been analyzed and interpreted using statistical tools such as cross-tab, mean, standard deviation, variance, independent sample t-test, and correlation to obtain the survey outputs.

## ANALYSIS AND RESULTS

According to Gliem & Gliem (2003), Cronbach's Alpha was used to assess the reliability and validity of each question in the presented dataset. The reliability of the items is shown below.

**Table 1***Reliability Results*

S.N.	Variables	Cronbach's Alpha Coefficient
1	Price	.764
2	Convenience	.745
3	Security	.821
4	Online shopping behavior	.769

Source: Field Survey, 2022

The price variable exhibits a Cronbach's Alpha of 0.764, indicating good internal consistency. The convenience has a Cronbach's Alpha of 0.745, slightly below the desired threshold of 0.75. On the other hand, the security variable demonstrates a high Cronbach's Alpha value of 0.821, suggesting internal solid consistency. Similarly, the online shopping behavior variable shows a Cronbach's Alpha of 0.769, indicating good reliability. All variables, except for convenience, exhibit satisfactory levels of internal consistency, ensuring the reliability of the items used in the study.

**Table 2***Respondents' Profile*

Educational level	Frequency	Percent
Graduate	332	83
Post graduate	68	17
<b>Total</b>	<b>400</b>	<b>100</b>

Gender	Frequency	Percent
Male	168	42
Female	232	58
<b>Total</b>	<b>400</b>	<b>100</b>

Campus	Frequency	Percent
Public youth	160	40
Sankhaedev	140	35
Global	30	7.5
Pashupati M.	70	17.5
<b>Total</b>	<b>400</b>	<b>100</b>

Source: Questionnaire Survey 2022

As evident from Table 2, the majority, 83 percent of the respondents, had an educational level of graduate degree. Similarly, 17 percent of the respondents were found to have an academic-level postgraduate degree. The highest percent of participants in terms of gender were female,

representing 58 percent of the respondents, whereas male represented 42 percent. There was a participation of 40 percent of the students from the public youth campus, representing the highest participation, followed by the participants from the Sankhardev campus, representing 35 percent, 7.5 percent of respondents from the Global campus, whereas 17.5 percent of the respondents belonging to the Pashupati multiple campus.

**Table 3**

*Opinion on Priority of Most Important Factor Influencing Online Shopping Behavior*

Factors	Rank 1	Rank 2	Rank 3	Total responses	Weighted Value	Mean weight	Rank
	No	No	No				
Price	248	64	88	400	960	2.4	1
Convenience	16	232	152	400	664	1.66	3
Security	136	104	160	400	776	1.94	2
<b>Total</b>	<b>400</b>	<b>400</b>	<b>400</b>				

Source: *Questionnaire Survey 2022*

As evident from Table 3, the great majority of the respondents ranked price as their first choice and ranked one, showing a mean weight value of 2.4. Security is ranked two by the study's respondents with a mean weight of 1.94, and convenience is ranked as the least essential factor with a mean weight of 1.66, i.e., rated three among three alternatives of factors associated with the shopping behavior of students in Kathmandu.

**Table 4**

*Websites Used by the Respondents to Online Shopping*

Websites	Frequency	Percent
Kaymu.com.np	236	59.00
Nepbay.com	28	7.00
Sastodeal.com	92	23.00
Muncha.com	32	8.00
Other	12	3.00
<b>Total</b>	<b>400</b>	<b>100.0</b>

Source: *Questionnaire Survey (2022)*

Table 4 shows that out of 400 respondents who have made an online purchase, kaymu.com.np is the most famous and preferred website by respondents which is 59.00%, followed by sastodeal.com 23.00%. The number of people who use kaymu.com.np is more compared to muncha.com, nepbay.com, and others combined representing 8%, 7%, and 3% respectively.

**Table 5***Risk of Leaked Information from Online Shopping*

Risk of loss of information	Frequency	Percentage
No	264	66
Yes	136	34
Total	100	100.0

Source: Questionnaire Survey (2022)

Table 5 demonstrates that 66% of the respondents do not feel the risk of leaked information while 34% feel the risk of leaked information through online shopping.

**Table 6***Descriptive Analysis*

Variables	Mean	S. D	Variance
Price	3.79	0.71	0.5
Convenience	3.73	0.7	0.49
Security	4.04	0.73	0.53
Online shopping Behavior	3.6	0.68	0.46

Source: Questionnaire Survey (2022)

Table 6 displays the result of descriptive statistics for the whole sample. The mean value for the independent variable security is the highest among other variables with a mean value of 4.04, followed by price, convenience, and online shopping behavior. Standard deviation and variance are highest for the independent variable: the security with a value of 0.73 in standard deviation and 0.53 in variance followed by price, convenience, and online shopping behavior. To sum up, the mean value of descriptive variables price, convenience, security, and online shopping behavior is more than 3.5. This indicates that the views of respondents have tended to agree with the statements.

**Table 7**

*Independent Sample t-test*

Variables	Group	No	Mean	SD	P- value
Online shopping Behavior	Male	168	3.69	0.52	
	Female	232	3.52	0.77	0.25

Source: Questionnaire Survey (2022)

The analysis of the independent sample t-test has been carried out to compare the mean difference of the variables under study across the gender: male and female students. The table reveals that there is no difference in online shopping behavior between male and female as the p-value is 0.25, which is greater than 0.05.

**Correlation Analysis**

In this study, the dependent variable is online shopping Behavior, while the independent variables are price, convenience, and security. Karl Pearson's correlation coefficient was used to illustrate the relationship between online shopping behavior for price, convenience, and security.

**Table 8**

*Relation Between Variables for all Samples*

	Price	Convenience	Security	OSB
Price	1			
Convenience	.131*	1		
Security	.176*	.191*	1	
Online Shopping Behaviour	.493**	.637**	.316*	1

Source: Field Survey, 2022

Table 8 demonstrates the correlation coefficient between price and online shopping behavior is 0.493, reflecting a favorable correlation between the two variables. Similarly, there is a positive association between online shopping behavior and convenience (r =.637) and taste (r =.316), showing that flavor is likewise favorably correlated with online shopping behavior. According to the findings, there is a strong correlation between security and consumer preference.

**Table 9***Summary of Hypothesis Testing*

	<b>Association</b>	<b>Result</b>
H1	Price - Online shopping behavior	Supported
H2	Convenience – Online shopping behavior	Supported
H3	Security - Online shopping behavior	Supported

From Table 3.4, the result of H1 shows that there is an association between price and online shopping behavior. Similarly, H2 also presents an association between convenience and online shopping behavior. Likewise, H3 demonstrates a link between security and online shopping behavior. Finally, gender has no impact on online shopping behavior.

**DISCUSSIONS**

The study on the online shopping behavior of students in Kathmandu revealed several key insights. Firstly, the study uncovered a noteworthy correlation between price and online shopping behavior in Kathmandu, consistent with Delafrooz *et al.*'s (2010) observations in Malaysia and Diao's (2015) conclusion regarding the price sensitivity of students. The study highlights the critical role that pricing strategies play in shaping the online shopping landscape.

Secondly, the research established a significant association between convenience and online shopping behavior among Kathmandu students. The study aligns with the findings of Delafrooz *et al.*, (2010) in Malaysia and Babar *et al.* (2014) in Pakistan, emphasizing the universal importance of user-friendly interfaces in influencing online purchase decisions.

Thirdly, security emerged as a crucial determinant in their decision-making process, resonating with Daud *et al.*'s (2016) observations in Malaysia. The study underscores the significance of prioritizing security and product quality in the online shopping experience. Correspondingly, Diao (2015) emphasized the dual role of services and security while highlighting the importance of price considerations for online shoppers in Kathmandu.

Surprisingly, gender did not have a discernible impact on online shopping behavior in Kathmandu, in contrast to Choudhary and Dey's (2015) findings in a different context. The study suggests a unique dynamic in Kathmandu's student population, where gender may not significantly influence online shopping preferences.

## CONCLUSION

The study on online shopping behavior among college-level students in Kathmandu offers valuable insights with wide-ranging implications. Primarily, the research identifies price as a pivotal determinant in the online shopping choices of college-level students in Kathmandu Valley, emphasizing its central role in shaping consumer behavior. Furthermore, the study underscores the universal importance of convenience, highlighting its significance in influencing online shopping decisions across diverse student demographics. Security is a substantial factor impacting online shopping conduct, indicating the need for robust security measures to build trust and confidence among college-level students. The research also contributes to understanding gender dynamics in online shopping behavior, enriching existing knowledge. Businesses can leverage these findings to enhance the online shopping experience for students by focusing on competitive pricing, convenience, and strong security measures. Hence, online shopping companies must maintain the product's standard price to meet the consumer's expectations. Online shopping companies also consider improving websites with solid security mechanisms for the convenience of online shopping to build up the company's image. Likewise, the firm should consider the preferable factors of online shopping for a better budget allocation for promoting their online business. Future researchers can study the online shopping behavior of the general public with a larger sample size.

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