Factors Affecting Online Shopping Behaviour of Boutique Products in Kathmandu Valley

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Abstract
The Internet significantly influences people's beliefs and habits all around the world. As a result of this blessing, online shopping has flourished, influencing the lives of ordinary people. This research aims to learn more about how people shop for boutique products online and identify the major influential factors. The research was constructed using a positivist approach and a descriptive and causal research design. Data were obtained from the 325 samples of respondents at Kathmandu valley through convenience sampling techniques. A total of 450 structure questionnaires were distributed, and 360 were returned. 35 questionnaires were judged to be invalid, while the remaining 325 were referred to as valid questionnaires, entered into SPSS version 20 for the analysis. The result revealed that trust, firm reputation, and ease of use are significant at a 5percent level of significance. However, there was an insignificant relationship between price and online shopping behaviour. Firm reputation and ease of use were the major influential factor of online shopping of boutique products. The study will help the boutique business to develop their strategies as per the consumer need.

Keywords: Boutique product, ease of use, firm reputation, price, trust

Introduction

Background
Online shopping is a means of electronic trade and commerce in which customers purchase goods or services directly from a seller over the internet without the use of an intermediary. It is becoming more common in people's everyday lives, and many people prefer it to traditional shopping (Kavitha, 2017). It is also known as e-shop, e-store, Internet shop, web-store, virtual store, and online store which is without a doubt the most important tool used in online shopping(Singh & Sailo, 2013). Currently, free tools that can be integrated into content management systems can be used to build an e-shop(Bucko et al., 2018). In the world of the Internet, online shopping has gained popularity and widespread acceptance as a method of buying goods and services (Katawetawaraks & Wang, 2011).
Online shopping has continuously grown as one of the ways of electronic commerce since the middle of the 1990s when information technology emerged as a major function. The growth of online shopping in the world has been increasing due to several advantages, including ease of use, a wider range, competitive pricing, greater access to information, product quality, and delivery time (Khanh & Gim, 2014). In 1994, Netscape launched Navigator, the first commercial browser. In the same year, Pizza Hut launched an online ordering system for pizza. Amazon began selling books online in 1995, and eBay, an American multinational corporation and e-commerce firm, began offering consumer-to-consumer and business-to-consumer sales services over the Internet in 1996 (Vaidya, 2019).

In Nepal, the launch of www.munchahouse.com in 2002 made online shopping accessible and affordable for Nepalese customers. Online shopping and using online resources appeal to a large number of consumers. Several online shopping portals have been launched. For example, hamrobazar.com, is a free website with a free forum. For the first time, NepBay began in 2006 as an online directory of products and shops in Kathmandu. Kaymu.com, which was backed by Asia Pacific Internet Group at the time, launched its operations in Nepal in June 2014. Daraz, a Pakistan-based e-commerce company, acquired Kaymu in July 2016, and Alibaba Group, a Chinese-owned e-commerce company, acquired Daraz in May 2018 and has been operating in the Nepalese market in the Business-to-Consumer (B2C) model of business in online companies. Most of the company interact with consumers either through their websites or through social media accounts like Facebook, Instagram (Vaidya, 2019).

This online shopping not only provide daily usages, foodstuffs, electronic goods, and clothing but also trendy clothing. A boutique offers trendy clothing and accessories as well as a unique range of other products, (Prasad, 2014). The product categories of fashion and apparel are vastly different from those of other product categories. Customers of boutiques typically have a considerable amount of disposable income and prefer a friendly interior setting with a range of high-quality items (Assali, 2017).

Designer apparel has been more popular in Nepal in recent decades as a result of rising Nepalese income, changing fashion trends, globalization, and the demand for attractive clothing. Nepalese consumers are increasingly investing their money in boutique products that are high in quality and unique. Traditionally, boutique clothing was exclusively linked with female clients, but men are gradually becoming interested in boutique apparel as well (Shakya, 2011). The areas of the Kathmandu Valley such as Samakhusi, Kupondole, Old Baneshwor, Patan Dhoka, Mangal Bazar, Boudhnath Sadak, Jamal, Baagbazar, Jwagal Chabahil, Naxal, Lazimpat, Jhamsikhel, and New Road have become boutique hubs whereas other places are also slowly rising in the opening of boutique wear outlets. In Nepal, modern fashion design has neither always sought to replace local with global, nor has it strictly adhered to indigenous style. Rather, with
industrial globalization, cultural icons have been reworked into contemporary designs that draw on historic, cultural, and social legacies (Shakya, 2011).

**Research Problems**

The rise of online shopping is changing the face of Nepal's boutique industry. Most designers now communicate with their clients via their websites or social media accounts such as Facebook, Whatsapp, Viber, and Instagram. The rise of online business has also made the market more competitive (Kharel, 2018; Vaidya, 2019). However, there are lots of problems faced by boutiques in Nepal. Despite the rise of the domestic boutique business, boutique owners are confronted with issues such as low-cost items being mislabeled as designer wear. The rise in internet users and internet shopping where the consumers are opting for different e-commerce platforms has led boutique owners to make more efforts to come up with products with excellent quality and designs. Nepalese consumers are opening up to online shopping due to time constraints and convenience because of their busy schedules and unavailability of the desired brands in the local markets.

The following questions are addressed in this research:

i. What is the status of the online shopping behaviour of boutique products in Kathmandu Valley?

ii. Are there any relationships between price, trust, firm reputation, ease of use, and online shopping behaviour?

iii. Which factor most influences online shopping behaviour?

**Research Objectives**

Based on the research question, the major objectives are:

i. To assess the status of online buying behaviour of boutique products in Kathmandu Valley.

ii. To explore the relationship between price, trust, firm reputation, ease of use, and online shopping behaviour.

iii. To examine which factor mostly influences online shopping behaviour.

**Research Framework**

The research framework includes price, trust, firm reputation, and ease of use as independent variables and online shopping behaviour as a dependent variable. The hypotheses were used to test the relationship between independent and dependent constructs.
Independent Variables

Dependent Variables

Figure 1

Research Framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>Online Shopping Behaviour</td>
</tr>
<tr>
<td>Trust</td>
<td>H1</td>
</tr>
<tr>
<td>Firm Reputation</td>
<td>H2</td>
</tr>
<tr>
<td>Ease of Use</td>
<td>H3</td>
</tr>
<tr>
<td></td>
<td>H4</td>
</tr>
</tbody>
</table>

Figure 1 demonstrates independent and dependent constructs. The hypotheses H1, H2, H3 and H4 were used to test the relationship between independent and dependent constructs. The study will help the boutique business to develop their strategies as per the consumer need and increase customer satisfaction and value. It will aid in the improvement of their deficiencies.

Literature Review

According to a study of relevant literature, the majority of studies were based on the individual construct of the online shopping process, with an emphasis on different products and different cities. For the growth of online retailing in Nepal, it was critical to integrate the build and understand the customer from emerging markets. It includes major constructs such as price, trust, firm reputation, and ease of use to access the online shopping behaviour of boutique products in Nepal.

Price

Price is an important factor in online shopping (Bauboniene & Guleviciute, 2015). It influences on buying behaviour of consumers while purchasing boutique products. Customers can find a wide range of goods and services at online stores. People look for their budget and the value of a specific garment for obvious reasons (Jamal et al., 2013). It allows consumers to compare prices
through many websites and find items at cheaper prices than they can find in local retail stores (Bigne & Alcañiz et al., 2008). An online vendor's price stability with other online vendors should encourage internet transactions. According to previous studies, the internet provides customers with the knowledge that helps them to compare prices. According to Alba et al (1997), the internet facilitated price comparisons and increased competition among online vendors vying for potential customers.

H1: Price affects consumer behaviour in online shopping of boutique products.

**Trust**

Trust is an especially important factor under conditions of uncertainty and risk. Internet shopping, as a modern medium of commercial operation, entails more confusion and risk than conventional shopping. Many studies have described the creation of trust as a critical but unsolved problem in the evolution of online shopping (Lee & Turban, 2001). One way to make a website more trustworthy was to use E-trust. It was one of the ways to make a website more trustable (Katawetawaraks & Wang, 2011).

H2: Trust affects consumer behaviour in online shopping of boutique products.

**Firm Reputation**

Firm reputation can be defined as customers' opinions of how well a company takes care of them and is concerned about their well-being. Furthermore, Hsin & Wen (2008) discovered that good reputations provide a “buffer effect,” shielding businesses from some of the negative consequences of failure. According to Ahmad, only repurchase intentions were linked to controllability and stability attributes; satisfaction did not fully enable these correlations (Ahmad, 2018). Building store brand equity through the character of the store owner and expressing store identity via store interior design and visual merchandising were two ways that China developed boutiques as brands (Chew, 2009).

H3: Firm Reputation affects consumer behaviour in online shopping of boutique products.

**Ease of Use**

The degree, to which a customer assumes that no effort would be needed to use the system, with effort encompassing both physical and mental effort, and how simple it is to learn to use the system, is referred to as ease of use (Davis, 1989). Customers can be affected by the website design. Companies should not only build a stable website, but they should also make it more appealing and useful (Katawetawaraks & Wang, 2011). According to Bigne-Alcañiz, et al., (2008) websites should provide sufficient details without being overwhelming. Using unstructured or irrelevant information on a website reduced the utility and ease of use of the internet. If an online store offers a wide range of products with valuable details, excellent customer service, and an easy-to-use website, it can convert a shopper into a buyer (Katawetawaraks & Wang, 2011).
H1: Ease of Use affects consumer behaviour in online shopping of boutique products.

**Online Shopping Behaviour**

The process of purchasing products or services through the internet is referred to as online shopping behaviour (Masoud, 2013). Katawetawaraks and Wang (2011) aimed to present an overview of the online shopping decision-making process by contrasting offline and online decision-making and identifying the elements that motivate online customers to buy or not buy online. The marketing communication process is shown to differ between offline and online consumer decision-making. For online stores to improve their websites, managerial implications are developed. Assali (2017) found that design influenced consumer shopping behaviour and reacted to design features that increased their desire to visit the business. Daroch et al. (2021) revealed that the majority of respondents have had both positive and negative experiences purchasing online. Consumers experienced numerous problems or issues when using an e-commerce platform. Fear of bank transactions and lack of faith, traditional shopping being more convenient than online shopping, reputation and services provided, experience, insecurity, and insufficient product information, and lack of trust were all factors identified by the study as limiting consumers’ willingness to buy from online sites (Daroch et al., 2021). While the world has been turned upside down by the impact of the Coronavirus (COVID-19) pandemic, customer behaviour has been forced to alter, and consumers are increasingly turning to online shopping of different products (Sharma, 2020).

**Materials and Methods**

The research design of the study was descriptive and causal. The target population of the study was all the customers who approached to purchase boutique products in Kathmandu valley and only selected 360 samples were included in this study. The primary source of data was a structured questionnaire that was distributed by convenience sampling techniques among respondents who were purchased boutique products. Respondents who approached the boutiques’ products between December 20, 2020, and February 20, 2021, were given a structured questionnaire in a different area of Kathmandu valley. The questionnaire included closed-ended questions using a five-point Likert-type scale which accurately measures behaviour (5-strongly agree; to 1-strongly disagree). Cooper and Schndler (2014) proposed a sampling layout, and according to them, the sample size in the study should be at least 385 respondents. This sample size was also consistent with a generalized scientific guideline for sample size decisions (Krejcie & Morgan, 1970). A total of 450 questionnaires were circulated, with 360 being collected. From the collected questionnaires, 35 were found to be invalid, while 325 were found to be valid and
entered into SPSS version 20 software to analyze the data. The results were obtained using the descriptive and inferential methods.

**Results and Discussion**

The outcomes of different tests are examined with each of the study objectives. According to demographic status, the majority of the respondents were females with 58 percent and males only with 42 per cent. In terms of education and respondents were primary educated 4.9 percent, secondary educated 11.1 per cent, bachelor's degree holders 57.2 percent, and master degree and above 26.8 percent. According to age group, the respondents were 32 percent of 15-25, 53 percent of 26-35, 10.8 percent of 36-45 and 4 percent of above 45. In terms of profession, 7.1 percent were students, 27.4 percents were servicepersons, 7.4 percent were businesspersons and 6.8 percent were of others group. In terms of monthly income, respondents were earned 27.4 percent between Rs.10000 to 20000, 27.7 percent between Rs.21000 to 30000 and 44.9 percent above Rs. 30,000.

Reliability is one of the most critical criteria for assessing research instruments, which refers to the variables' internal consistency of the factors (Chu & Murrmann, 2006). Cronbach’s alpha (α) analysis was used to check the internal consistency of the questionnaires. Nunnally (1978) suggested that a reliability standard of 0.70 is sufficient. Cronbach's Alpha should be greater than 0.7, according to Hair, J. *et al.* (1998), and it is considered a suitable value for calculating internal consistency.

### Table 1

*Cronbach’s Alpha of Different Constructs for Internal Consistency*

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach's Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.892</td>
</tr>
<tr>
<td>Trust</td>
<td>0.895</td>
</tr>
<tr>
<td>Firm Reputation</td>
<td>0.880</td>
</tr>
<tr>
<td>Ease of use</td>
<td>0.885</td>
</tr>
<tr>
<td>Online Shopping Behaviour</td>
<td>0.894</td>
</tr>
</tbody>
</table>

*Note.* Field Survey, 2021.

Table 1 demonstrates the Cronbach's Alpha Coefficient value of price, trust, firm reputation, ease of use and online shopping behaviour was greater than 0.80 which is satisfactory for further analysis purposes (Keisidou *et al*., 2011). The Cronbach's value was also greater than 0.80.
Descriptive statistics were used to summarize the data concisely. The data was explained using the mean and standard deviation (Marshall & Jonker, 2010; Thompson, 2009). It was assumed that respondents gave positive responses to Likert statements when the data reported a mean value greater than 3 with a standard deviation of less than one (Thompson, 2009). Table 2 shows descriptive statistics of different constructs of price, trust, firm reputation, and ease of use to analyze the online shopping behaviour of the boutique product.

Table 2
The Descriptive Statistics of Different Constructs to Analyze Online Shopping Behaviour (OSB) of Boutique Products

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>3.465</td>
<td>0.819</td>
</tr>
<tr>
<td>Trust</td>
<td>3.471</td>
<td>0.780</td>
</tr>
<tr>
<td>Firm Reputation</td>
<td>3.782</td>
<td>0.859</td>
</tr>
<tr>
<td>Ease of use</td>
<td>4.030</td>
<td>0.905</td>
</tr>
<tr>
<td>OSB</td>
<td>3.675</td>
<td>0.849</td>
</tr>
<tr>
<td>Average</td>
<td>3.684</td>
<td>0.842</td>
</tr>
</tbody>
</table>


Table 2 indicates ease of use and firm reputation is considered more by respondents having mean value 4.030 and 3.782 with a standard deviation of 0.905 and 0.859 respectively. All of the constructs' mean values were greater than 3, with a standard deviation of less than one (Thompson, 2009). As a result, the study can be generalized.

Correlation analysis is used to test the strength and direction of the relationship. The relationship can be weak, moderate, strong, or very strong, and it can be positive or negative. In terms of the strength of the relationship, the value of the correlation coefficient varies between +1 and -1. A value of ± 1 indicates a perfect degree of positive/negative relationship between the two variables, a coefficient of 0 implies no correlation (zero relationships), 0.40 are said to be low, between 0.40 and 0.60 are moderate, and above 0.60 are high (whether negative or positive 0.40) (Isaac, 2018). Correlation analysis is done in Table 3.

Table 3
The Pearson’s Correlation Coefficients Computed to Analyze the Strength of Linear Relationship among Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Pearson Correlation</th>
<th>OSB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>.612**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust</td>
<td>.628**</td>
<td></td>
</tr>
</tbody>
</table>
Table 3 highlights the correlation between study constructs. Online shopping behaviour is highly correlated with all constructs price (r=0.612), with trust (r=0.628), firm reputation (r=0.692), and with ease of use (r=0.672) and significant at 1% level of significance (Isaac, 2018). Kharel (2018) also found a positive and significant correlation.

The regression assumptions were tested before running the regression analysis. The regression assumptions were not violated based on the findings of normality, linearity, multicollinearity, and error independence (Rawlings et al., 1998; Ron, 2002). The impact of the cause variable on the result variable was investigated using regression analysis. It's also utilized to put the hypothesis to the test. Table 4 shows the regression analysis.

Table 4

Regression Analysis Used to Determine the Strength of the Relationship between a Dependent Variable and Several Predictor Variables, as well as the Impact of Each Predictor Variables on Dependent Variable

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>0.482</td>
<td>0.161</td>
<td>2.99</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>0.102</td>
<td>0.059</td>
<td>0.098</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>0.209</td>
<td>0.059</td>
<td>0.192</td>
</tr>
<tr>
<td></td>
<td>Firm Reputation</td>
<td>0.306</td>
<td>0.061</td>
<td>0.310</td>
</tr>
<tr>
<td></td>
<td>Ease of use</td>
<td>0.237</td>
<td>0.055</td>
<td>0.253</td>
</tr>
</tbody>
</table>

R² 0.565
Table 4 demonstrates the F-value and P-value of the regression model were 103.860 and 0.000 accordingly that is significant at a 5% level of significance. So, the model became linear. R square of this model was 0.565 which means the model is estimated at 56.5% in online shopping behaviour variation of price, trust, firm reputation, and ease of use constructs and the remaining 43.5% by other constructs. From Table 4, the p-value of trust, firm reputation, and ease of use is significant at a 5% level of significance. So, H2, H3, and H4 are accepted. Nepalese online shoppers choose online shopping from a status firm, so firm reputation (β=0.306) is the major influencing factor of online shopping behaviour of boutique products followed by ease of use, trust, and price. Hence, ease of use, trust, firm reputation, product varieties, and price are the main grounds for Internet shopping which is much easier to compare products online (Ahmad, 2018; Rahman et al., 2018; Vaidya, 2019). However, the P-value of price is not significant. So, H1 is not accepted. Price does not influence online shopping behaviour.

**Conclusion**

The online shopping behaviour of boutique products depends upon price, trust, firm reputation, and ease of use. Customer's behaviour changes according to the goodwill of boutique, varieties of product, price, trust, and user-friendliness of the website. The result of the study shows that there is a positive and significant relationship between constructs. Boutiques have been able to attract more consumers through their online strategies. Empirical findings of the study show that both descriptive and inferential results were consistent.

**Implication**

Hence, firm reputation plays a very significant role in customer behaviour during the online shopping of boutique products. Most of the customers are affected by the goodwill of the boutique. The findings of this study also show the ease of use of the website is an influential factor of online shopping. These findings help online businesses of boutique products to maintain a firm reputation by providing quality products and also understand what matters affects online shopping behaviour.

**Limitations of the Study**

As this study was limited to only Kathmandu Valley, further research should be carried out on the whole of Nepal as well as some other countries to see if there are any differences in the
results. Future researchers can widen the scope of the study to get accurate results. This could be remarkable as it can provide retailers with information for their right marketing strategies.

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