

Consumer Behavior toward E-Commerce among Youth of Kathmandu

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Abstract

The purpose of this study was to find the online shopping experience and factors driving the young consumers towards online shopping in Kathmandu, Nepal, through which, exclusive scenario of the online shopping status among the young consumer was derived, which helped the existing online companies to know their strengths and weaknesses. The empirical part of the study was conducted via quantitative research method i.e. online survey. The data collection was implemented via survey questionnaires. Web-site of free online survey was used to collect the data and the obtained data was derived in Microsoft Excel format for the easy interpretation of the data. The research revealed that the existing online shoppers in Kathmandu are price

sensitive. Customers are expecting the product to be precisely as described in the website along with smooth customer and after sale service. Opinions from friends and families and the company's rating directly influence their buying behavior. Flexible payment systems are also highly expected by the customers.

Keywords: Electronic commerce, Consumer behavior, Customer analysis, Value dimension

Introduction

Studying about the consumer buying behavior is vital in today's marketing scenario because no business association can survive without consumers. The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. A number of research articles have been studied to analyze the online consumer buying in various sectors in this paper.

The inventions of the Internet has created a paradigm shift of the traditional way people used to shop. A consumer is no longer limited to opening times or specific locations; he/she can become active at virtually any time and place, allowing him/her to make purchases of various products or services (Lei, Lei, Liu, & Wu, 2020).

People can search products and their information 24 hours a day over the internet where a wide selection of different products are available. There has been a move towards online shopping because of different online factors including convenience, ease of use, low cost, time saving, various online products and brands, with fast delivery as compared to shopping physically. The limitation of time and place is minimized, if not completely broken when consumers make purchases online (Zhang & Huang, 2022).

Online consumer buying behavior consists of buying process of products and services through internet. The process follows various steps similar to physical buying behavior. In a normal online buying process, there are five steps involved. Initially when the consumer identifies his or her needs for a product or service, he/she goes online and searches for the information. After gathering product information, the consumer evaluates the product with other available options selecting an item according to his/her requirement and criteria making transaction for selected products and gets post-purchase experience (Rahma, Abdulwahab, & Hussien, 2021).

Despite the rapid growth in online shopping and its benefits that are discussed above, not every consumer's search at online store does not lead to a complete purchase or transaction of their actual needs. According to (Yong, Huan, SernPoh, Osman, & Ng, 2023) e-commerce has become a practice adopted by the majority of retailers and merchants, the scope of competition for retailers and merchants has expanded dramatically, as e-commerce has reduced geographical boundaries. Because of this, retailers and merchants must prioritize initiatives that encourage positive consumer behavior in order to maintain their competitiveness in the commerce sector (Neupane et al., 2025). One of the challenges that all retailers and merchants in the e-commerce industry face is the complexity of consumer behavior. On a daily basis, ordinary consumers are now usually inclined to make extraordinarily complex decisions when it comes to e-commerce (Lusardi & Mitchell, 2017), and this has made it that e-commerce

platforms that are unable to provide good reasons for a consumer to use them over their competitors will slowly lose relevance and be eliminated by their competition.

Prior studies identified several online factors that affect consumer's online shopping behavior. External factors are also important in the context of online shopping (Gautam & Mahat, 2022). These includes the perceived risk (financial risk, product performance risk, and delivery risk) and psychological factors (trust & security and website design) (Malla, 2018). This study will identify the effects of different external online factors in Kathmandu's online shopping context. Although these factors are well researched by previous researchers, the issue is that different studies explored these external online factors in different online shopping contexts and did not cover all contexts (Mahat & Mathema, 2018). Therefore, it is needed to validate the findings of previous researches in the field of online consumer buying behavior. This study will provide an in depth understanding of major external online factors in Kathmandu's online consumer buying context (Shakya, 2018; Acharya et al., 2024).

Objectives

To assess online shopping behavior among youth.

To examine the relationship between independent and dependent variable.

Research Methods

This study adopted a descriptive research design and employed a quantitative research method to examine online shopping behavior among young consumers in Kathmandu Valley (Karki et al., 2024). The research was conducted in various locations, including Maharajgunj and Buddhanilkantha. A structured questionnaire was designed in two parts. The first section gathered demographic characteristics and shopping experiences of respondents, while the second focused on online factors influencing consumer purchasing behavior. The questionnaire was administered to college students from different institutions and young residents of Kathmandu Valley (Shrestha et al., 2024). The study relied on primary data collection using a well-structured questionnaire. Convenience sampling was adopted, with a total sample size of 160 respondents. The study targeted individuals aged 18 to 30 years. To analyze online shopping factors, the study used a 1-5 point Likert scale. , where:

1 = Strongly Disagree

2 = Disagree

3 = Neutral/Uncertain

4 = Agree

5 = Strongly Agree

This approach allowed for a systematic analysis of consumer behavior, providing insights into the key factors shaping young consumers' online purchasing decisions.

Results

Data have been carefully compiled and presented in a tabular form to give a better and organized view of the information. For better visual understanding, a pie chart has been used

to graphically represent the distribution of the data. Descriptive analysis has been used for the analysis where detailed study and analysis of the data have been carried out. Presentation through tables and graphical representation makes them both accessible and easy to comprehend.

Demographic analysis

Table 1 : Demographic Information (Gender)

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	76	47.5	47.5	47.5
	Male	84	52.5	52.5	100.0
	Total	160	100.0	100.0	

Source: Survey 2024

The table provided shows the frequency and percentage distribution of gender in a dataset. Out of the total respondents to whom the questionnaire link has been distributed, 47.5% are female respondents and 52.5% are male respondents.

In summary, this table clearly depicts that a greater number of males took part in the questionnaire in comparison to the females. There were 84 male respondents whereas only 76 female respondents. The total number of respondents were 160.

Table 2 Demographic Information (Age)

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 18	4	2.5	2.5	2.5
	18-20	24	15.0	15.0	17.5
	21-25	101	63.1	63.1	80.6
	25 & above	31	19.4	19.4	100.0
	Total	160	100.0	100.0	

Source: Survey 2024

The above table shows that 2.5% respondents are below the ages of 18 years, 15% are between 18-20 years, 63.1% respondents are between 21-25 years, 19.4% of the total respondents are above the age of 25 years. From the above table, it would be safe to conclude that the respondents between 21 to 25 years of age are more familiar to shop online.

Table 3: Demographic Information (Educational Degree)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelors	98	61.3	61.3	61.3
	High school	38	23.8	23.8	85.0
	Masters and above	13	8.1	8.1	93.1
	Secondary school	11	6.9	6.9	100.0
	Total	160	100.0	100.0	

Source: Survey 2024

The above table shows the demographic information in aspects of educational degree. The table shows us that the bachelor's respondents participated in the questionnaire more than the other respondents. Similarly, the High school category consisted of the second highest number of participants with the frequency of 38. The masters & above and the secondary school category consisted of the least frequency i.e. 13 and 11.

Table 4 Access of internet

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Difficult	4	2.5	2.5	2.5
	Easy	124	77.5	77.5	80.0
	Medium	32	20.0	20.0	100.0
	Total	160	100.0	100.0	

Source: Survey 2024

The above table shows the ratio of the population in terms of their access to internet. From the table, we can see that majority of the respondents find accessing the internet easy with the frequency of 124, while 32 respondents said it is of medium difficulty, and only 4 respondents face difficulties in accessing the internet.

Table 5 Which platforms do you use for online shopping?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daraz	145	90.6	90.6	90.6
	Hamro Bazar	8	5.0	5.0	95.6
	Instagram	3	1.9	1.9	97.5
	Sasto Deal	4	2.5	2.5	100.0
	Total	160	100.0	100.0	

Source: Survey 2024

The above table shows that 90.6% respondents prefers Daraz platform for online shopping, 5% respondents prefers Hamro Bazar platform, 1.9% respondents prefers Instagram and 2.5% of the total respondents prefers Sasto Deal for online shopping. From the above table, it would be

safe to conclude that majority of the respondents are more familiar and comfortable to shop online through Daraz platform.

Table 6 How often do you shop online?

	Frequency	Percent	Valid Percent	Cumulative Percent
At least once a week	14	8.8	8.8	8.8
I don't shop at all	12	7.5	7.5	16.3
Once a month	49	30.6	30.6	46.9
Once a year or less often	61	38.1	38.1	85.0
Two to three times a month	24	15.0	15.0	100.0
Total	160	100.0	100.0	

Source: Survey 2024

The above table shows the respondents that shop once a year or less often are in the highest number, where 61 (38%) of the total respondents that they shop at least once a year or less often. This is followed by people shopping once a month 49 (30.6%) of the respondents, people shopping two or three times a month 24 (15%) of the total respondents, people shopping at least once a week 14 (8.8%) of the total respondents and finally people that don't shop at all 12 (7.5%) of the total respondents. So, we can say that people are yet to take online shopping as a daily consumption way.

Table 7 Products or services usually purchase online

	Frequency	Percent	Valid Percent	Cumulative Percent
Accessories	1	0.6	0.6	0.6
Clothes and Fashion	72	45.0	45.0	45.6
Electronics and Appliances	39	24.4	24.4	70.0
Food and Beverages	35	21.9	21.9	91.9
Personal care and Beauty	13	8.1	8.1	100.0
Total	160	100.0	100.0	

Source: Survey 2024

The above table shows the important areas in consumer behavior, what people like spending on or let's say what are the products/services people usually purchase and the results from the survey revealed that clothes/fashion and electronic/appliances were the most purchased items. Clothes/fashion accounted to 45% of the total purchases made which was followed by electronics/appliances accounting to 24.4%. Similarly, 21.9% of the purchases were food and beverages, followed by 8.1% which were personal care and beauty products. Likewise, accessories products accounted to 0.6%. So, we clearly see the dominance of clothes/fashion online companies and electronic/appliances.

Table 8 What is the payment method, you use when shopping online?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bank transfers	45	28.1	28.1	28.1
Cash	52	32.5	32.5	60.6
Debit and credit cards	19	11.9	11.9	72.5
Wallet (e.g. e-sewa, khalti)	44	27.5	27.5	100.0
Total	160	100.0	100.0	

Source: Survey 2024

The above table shows the payment methods used when online shopping, the survey resulted showed that cash was the predominant method of payment. Cash accounted to 32.5% of the total payments made which is followed by bank transfers accounted to 28.1%. Similarly, 27.5% of the payments were made through wallet (such as e-sewa, khalti) and the use of debit/credit accounted to 11.9%. Although, online banking and use of debit/credit has grown strongly in last few years in Nepal, the use of cash is still dominant.

Correlation between demographic factors and online shopping preferences.

Table 9 Correlation between demographic factors and online shopping preferences

	Mean of Mean of online demographics shopping factors preferences
Pearson Correlation	1 .051
Sig. (2-tailed)	.522
N	160 160
Pearson Correlation	.051 1
Sig. (2-tailed)	.522
N	160 160

Table 9 shows the relationship between the “Mean of Demographic Factors” and the “Mean of online shopping Preferences” based on a sample size of 160 participants. The Pearson correlation coefficient is 0.051, which is greater than the commonly used significance level of 0.05. This means the correlation is not statistically significant, and we cannot conclude that there is a meaningful relationship between demographic factors and online shopping preferences in this sample. Since, the p-value is greater than 0.05, null hypothesis (H0) is accepted. This means there is no significant relationship between demographic factors and online shopping preferences in the study.

Correlation between Frequency of online shopping and choice of platforms or product preferences

Table 10 Correlation between Frequency of online shopping and choice of platforms or product preferences

		Mean of online shopping preferences	Mean of product categories
Mean of online shopping preferences	Pearson Correlation	1	.104
	Sig. (2-tailed)		.189
	N	160	160
Mean of product categories	Pearson Correlation	.104	1
	Sig. (2-tailed)	.189	
	N	160	160

Table 10 explores the relationship between the “Mean of online shopping Preferences” and the “Mean of product categories” based on a sample of 160 participants. The Pearson correlation coefficient is 0.104, indicating a very weak positive correlation between the two variables. However, the p-value is 0.189, which is greater than the commonly used significance level of 0.05. This indicates that the correlation is not statistically significant, and we cannot conclude that there is a meaningful or significant relationship between online shopping preferences and product categories in this sample.

Correlation between factors influencing buying decisions and Consumer behavior.

Table 11 Correlation between factors influencing buying decisions and Consumer behavior

		Mean of factors influencing buying decision	Mean of consumer behavior and decision making
Mean of factors influencing buying decision	Pearson Correlation	1	.420**
	Sig. (2-tailed)		.000
	N	160	160
Mean of consumer behavior and decision making	Pearson Correlation	.420**	1
	Sig. (2-tailed)	.000	
	N	160	160

**. Correlation is significant at the 0.01 level (2-tailed).

Table 11 shows a significant positive relationship between the “Mean of factors influencing buying decision” and the “Mean of consumer behavior and decision making,” with a Pearson correlation coefficient of 0.420. This indicates a moderate positive correlation, suggesting that as the factors influencing buying decisions increase, consumer behavior and decision making tendencies also tend to align positively and vice versa. Since the p-value is below the threshold (0.01), we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). Therefore, there is a significant relationship between the factors influencing buying decisions and consumer behavior.

Correlation between the expectation for online shopping and challenges in online shopping

Table 12 Correlation between the expectation for online shopping and challenges in online shopping

		Mean of expectations for online shopping	Mean of challenges in online shopping
Mean of expectations for online shopping	Pearson Correlation	1	.005
	Sig. (2-tailed)		.947
	N	160	160
Mean of challenges in online shopping	Pearson Correlation	.005	1
	Sig. (2-tailed)	.947	
	N	160	160

Table 12 shows a very weak positive relationship between the “Mean of expectations for online shopping” and the “Mean of challenges in online shopping,” with a Pearson correlation coefficient of 0.005. This value is extremely close to zero, indicating that there is virtually no linear relationship between these two variables. The significance level is 0.947, which is much greater than the commonly used thresholds of 0.05. This high p-value indicates that the correlation is not statistically significant. Since the p-value is greater than 0.05, null hypothesis (H0) is accepted which means there is no significant relationship between expectations for online shopping and challenges in online shopping.

Conclusion

This study explores online shopping experiences among young consumers in Kathmandu, Nepal, analyzing e-commerce’s impact on their behavior and key challenges. The findings reveal a large number of young online shoppers, with male dominance persisting but female participation increasing. Most respondents are well-educated and aware of their shopping choices. With growing internet connectivity, online shopping is gaining popularity, though it hasn’t yet replaced traditional shopping. Fashion and electronics are the most purchased items, emphasizing the need for e-commerce platforms to offer the latest trends before they reach offline stores. Cash remains the dominant payment method, though online banking and card usage are increasing. Security concerns and reluctance to use digital payments still exist, limiting broader adoption. Consumers value price comparisons, convenience, and online reviews but face issues such as misleading product descriptions, slow deliveries, and weak after-sales service. Company reputation, affordability, product quality, and customer service are key factors influencing purchase decisions. Social media and peer opinions also play a significant role. To enhance the online shopping experience, companies must improve delivery speed, payment security, and customer service. Addressing these concerns will strengthen consumer trust and drive e-commerce growth in Nepal.

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