

# Transformation of Shopping Culture from Local Market to Department Stores in Lalbandi, Sarlahi

Dharmendra Adhikari <sup>1</sup>

## Abstract

*This study explores the cultural transformation in consumer shopping behavior in Lalbandi, Sarlahi, Nepal, focusing on the transition from traditional local markets to modern departmental stores such as City Department Store, Dali Mart, and Landmark Department Store. The primary objective is to identify the key factors influencing this shift, including product pricing, consumer income, product variety, and perceptions of quality and convenience. A structured questionnaire was administered to 100 individuals, of which 84 valid responses were analyzed. Respondents were categorized into four age groups: 15–25, 25–35, 35–45, and above 45. The findings reveal a strong preference for departmental stores, especially among younger and middle-income consumers, driven by the availability of diverse products under one roof, improved service quality, and shopping convenience. The study highlights the growing impact of retail modernization in semi-urban Nepal and provides valuable insights for retailers, policymakers, and planners aiming to enhance customer satisfaction and adapt to changing consumer expectations.*

<sup>1</sup>Asst. Professor

Janajyoti Multiple Campus

Lalbandi, Sarlahi, Nepal

<https://orcid.org/0009-0008-8981-6423>

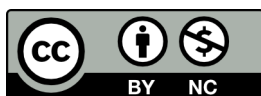
[adhikaridharmendra566@gmail.com](mailto:adhikaridharmendra566@gmail.com)

Received: 10 March 2025

Revised: 20 May 2025

Accepted: 5 July 2025

Published: 25 July 2025



This is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY NC)

<https://creativecommons.org/licenses/by/4.0>

**JANA JYOTI JOURNAL**  
(जनज्योति जर्नल)

ISSN : 2961-1563 (Print)

: 3102-0275 (Online)

<https://www.nepjol.info/index.php/jj>

Printed at : July, 2025

Published by :

RMC

JANA JYOTI MULTIPLE CAMPUS

Lalbandi, Sarlahi, Nepal

[www.jjmc.edu.np](http://www.jjmc.edu.np)

## Preferred Citation:

Adhikari, D. (2025). Transformation of Shopping Culture from Local Market to Department Stores in Lalbandi, Sarlahi. *Janajyoti Journal*, 3(1), 43–61. <https://doi.org/10.3126/jj.v3i1.83291>

**Keywords:** Consumer behavior, department store, local market, retail transformation and ambiance, shopping culture.

## Introduction

The global retail landscape has been experiencing a significant structural transformation in recent decades, with a notable rise in organized retail formats such as departmental stores, supermarkets, and shopping malls. This transformation is not merely a shift in business models, but a fundamental change in consumer behavior and retail culture. Organized retail formats, characterized by the availability of diverse product categories under one roof, streamlined service delivery, and modern infrastructure, are increasingly replacing traditional, unorganized markets that typically consist of small, family-owned shops and open-air vendors (Kaur & Singh, 2020). As consumers become more informed and discerning, there is a growing demand for convenience, quality, and variety in shopping experiences—factors that organized retail formats are better positioned to fulfill.

The rise of departmental stores represents a key aspect of this transformation. These stores are designed to cater to multiple consumer needs by offering an array of goods ranging from groceries to apparel, electronics, and home décor in a single location. This model offers time-saving benefits and fosters brand trust and loyalty through consistent service and standardized product quality (Prasad & Aryasri, 2011). Furthermore, as economies grow and disposable incomes rise, particularly in developing countries, more consumers are shifting their preferences toward these modern retail spaces (Sinha & Banerjee, 2004). The shift from traditional to organized retail is not uniform, however, and is influenced by multiple socioeconomic and cultural factors, including geographical context.

Geography plays a crucial role in shaping consumer preferences and behaviors. While urban areas often exhibit rapid adoption of organized retail due to better infrastructure, higher income levels, and exposure to global trends, rural and semi-urban regions show more gradual transitions (Chakraborty & Saha, 2021). In these areas, factors such as consumer awareness, income constraints, accessibility, and cultural shopping habits play a pivotal role in the acceptance and proliferation of departmental stores. For example, in semi-urban areas of India and the outskirts of the Kathmandu Valley in Nepal, studies have shown that while consumers are attracted to the variety and perceived quality in organized retail, their shopping decisions are

still deeply influenced by economic considerations and traditional loyalties (Tiwari, 2020; Sharma & Acharya, 2019).

One of the most compelling drivers of this transformation is the variety of products and services available under a single roof. This convenience is particularly appealing in areas where consumers previously had to visit multiple small shops for different needs. Additionally, factors such as income level, price sensitivity, product quality, and customer perceptions towards store image and value strongly influence the evolving shopping culture. These dynamics are especially relevant in emerging markets where the disparity between rural and urban consumer behaviors remains prominent (Bhatt & Bhatt, 2012).

Despite a growing body of literature on organized retail in urban and rural contexts, specific studies focusing on semi-urban and developing regions such as Lalbandi in Sarlahi, Nepal, are limited. Over the past decade, Lalbandi—a semi-urban municipality in Sarlahi, Nepal—has witnessed a shift in retail dynamics. Traditionally dominated by small, fragmented local markets, the region has experienced rapid retail modernization. This transformation has been accelerated by the emergence of departmental stores like City Department Store, Landmark Department Store, and Dali Mart, offering a more organized, hygienic, and consumer-centric shopping environment. Lalbandi, a rapidly developing town, presents a unique context to explore how shopping culture is changing in response to the emergence of departmental stores. This study aims to investigate the key factors influencing this transformation—namely, price, income level, product quality, customer perception, and product variety—in order to understand how departmental stores are shaping consumer behavior in a semi-urban Nepali setting. This exploration is not only timely but also essential for retailers, policymakers, and stakeholders aiming to understand and support sustainable retail development in regions undergoing socio-economic transitions.

### **Objectives of the Study**

This study was focused to achieve the following objectives:

1. To explore the key factors influencing the shift in consumer shopping preferences from retail market to departmental store in Lalbandi, Sarlahi.
2. To examine the perceived benefits and limitations of departmental stores as compared to traditional retail markets among local consumers.

3. To identify changes in consumer behavior, lifestyle, and shopping habits resulting from the growing presence of departmental stores in the local area.

### **Review of Related Literature**

The global shift from traditional to organized retail is a defining trend in emerging economies, driven by socio-economic development, urbanization, rising incomes, and globalization. In this context, Nepal is undergoing a similar transformation, with traditional fragmented markets gradually being replaced by modern retail formats that offer standardized pricing, a wide variety of products, and consumer-centric services. As Bawa et al. (2019) note, the availability of product variety and convenience are key motivators for consumers embracing organized retail, while Khare (2013) emphasizes the significance of in-store experiences such as ambiance and customer service. This transition reflects a broader cultural and economic shift in consumer expectations, where shopping is increasingly associated with lifestyle and leisure rather than necessity. Although organized retail is expanding, especially in urban and semi-urban areas, traditional markets still dominate in rural regions due to affordability and accessibility. Ultimately, Nepal's evolving retail landscape mirrors global patterns, yet remains shaped by its local socio-economic realities, illustrating how consumer behavior is being redefined by a combination of global influence and domestic transformation.

The transition from traditional to organized retail in Nepal is primarily influenced by factors such as improved accessibility, greater product variety, rising income levels, and evolving lifestyles. These elements are reshaping consumer preferences, particularly in urban and semi-urban settings. The case of Bhat-Bhateni Supermarket, Nepal's leading retail chain, serves as a clear example of this transformation. According to a study by KC (2020), a significant portion of customers—52.14%—identified accessibility as the main reason for choosing Bhat-Bhateni, while 34.29% cited product variety and 13.57% highlighted affordability. These statistics underscore a fundamental shift in consumer priorities from mere price sensitivity to a more comprehensive retail experience that values convenience and selection. This pattern is not unique to Nepal; it mirrors broader trends in South Asian countries where organized retail formats are rapidly gaining ground. Majumdar (2010), Jhamb and Kiran (2012), and Prasad and Aryasri (2011) all highlight how organized retail addresses consumer expectations more effectively than traditional markets by offering structured environments, branded products, consistent pricing,

and enhanced service quality. These features contribute to a perception of reliability and comfort, fostering customer loyalty. In contrast, traditional markets, though often more affordable, struggle to compete in terms of infrastructure, hygiene, and variety. Consequently, as consumers' purchasing power and aspirations rise, they increasingly gravitate toward modern retail outlets that align with their lifestyle and expectations. This ongoing shift illustrates how economic growth and social change are jointly influencing retail behavior in Nepal and comparable developing economies.

Bawa et al. (2019) emphasize that the primary drivers motivating consumers to shift from traditional markets to department stores are product variety, convenience, and reliable service. Organized retail formats offer a more systematic and efficient shopping experience, allowing customers to access a wide range of products under one roof, which saves both time and effort. These structured environments also provide consistent service quality, enhancing customer trust and satisfaction. As a result, department stores are increasingly viewed not only as places to shop but also as destinations that support lifestyle-oriented consumption. In a similar vein, Khare (2013), focusing on the Indian retail context, highlights the importance of experiential factors such as visual merchandising, in-store ambiance, and customer service. These sensory and service-related elements significantly influence consumer behavior, especially among younger and urban populations. Khare's study also reveals that demographic characteristics—such as age, gender, and income—shape consumer expectations and preferences in organized retail settings. For instance, younger consumers may be more attracted to modern layouts and promotional displays, while older shoppers might value personalized service. Together, both studies demonstrate that the success of organized retail lies not just in what is sold, but in how it is presented and experienced.

To understand the behavioral shifts driving the move from traditional to organized retail, the Stimulus–Organism–Response (S–O–R) model proposed by Mehrabian and Russell (1974) offers a valuable theoretical lens. This model explains how external stimuli—such as lighting, cleanliness, store layout, music, and visual merchandising—affect the internal emotional state (organism) of consumers, which in turn influences their behavioral responses, including purchasing decisions. In a retail context, a well-designed and pleasant store environment can evoke positive emotions like comfort, excitement, and trust, encouraging customers to spend more

time in the store, make unplanned purchases, and return in the future. Conversely, a disorganized or unpleasant setting may provoke negative emotions, leading to avoidance behavior. The S–O–R model is particularly relevant in understanding why consumers in emerging markets like Nepal are increasingly attracted to department stores, which offer clean, organized, and aesthetically appealing spaces. These stores are designed not only to fulfill utilitarian shopping needs but also to create enjoyable experiences that foster emotional connection and brand loyalty. As shopping becomes more than just a necessity—evolving into a social or leisure activity—the S–O–R framework helps explain how emotional and psychological factors influence consumer behavior in modern retail environments.

In developing economies, consumers tend to be highly price-conscious, making affordability a key factor in their purchasing decisions. Traditional retailers often accommodate this sensitivity by offering negotiable prices and extending informal credit, which appeals to low and middle-income shoppers. However, organized retailers are increasingly capturing market share by adopting alternative pricing strategies that also cater to cost-conscious consumers. According to Kotler and Keller (2016), fixed pricing, seasonal discounts, and promotional schemes are widely used in modern retail to attract customers and build trust through price transparency. Sinha and Uniyal (2005) further note that while the lack of bargaining in department stores may initially deter some buyers, the perception of fairness, quality assurance, and added value often compensates for this. As a result, consumers are gradually shifting to organized retail formats, especially during sales seasons or when looking for branded products at competitive prices. These strategies help bridge the gap between value-seeking behavior and modern retail experiences.

Higher-income consumers are more inclined to frequent modern retail stores due to their emphasis on quality, brand image, and shopping comfort (Reardon et al., 2003). Conversely, low-income groups still rely on traditional outlets due to affordability and credit-based purchases.

One of the key advantages of organized retail lies in its ability to offer a wide variety of products under a single roof, providing customers with the convenience of comprehensive shopping. Organized retail outlets typically stock a mix of local and imported goods, branded merchandise, and specialized or niche products that are often unavailable in traditional markets (Arnold et al., 1983; Berman & Evans, 2010). This extensive assortment allows consumers to compare products, evaluate

quality, and make informed purchasing decisions—all in one place. In addition to product diversity, the physical infrastructure of organized retail stores plays a crucial role in shaping the overall shopping experiences. Features such as clean and spacious aisles, air-conditioned environments, well-lit interiors, dedicated parking areas, and efficient billing counters significantly enhance consumer comfort and satisfaction (Ghosh, Tripathi, & Kumar, 2010). These elements not only contribute to a pleasant and stress-free shopping environment but also build consumer trust and encourage repeat visits. Such infrastructure-driven advantages set organized retail apart from traditional outlets, which often lack these amenities and struggle to meet the expectations of modern consumers.

Perceived quality, hygiene, and brand reputation are key factors that significantly influence consumer shopping behavior, particularly in organized retail settings. Customers often associate modern department stores with higher standards of cleanliness, better product presentation, and trustworthy brand offerings. According to Khare (2013) and Jhamb and Kiran (2012), organized retailers are perceived as more reliable due to their consistent quality, clear return policies, and structured service mechanisms. These elements enhance consumer confidence and satisfaction, leading to stronger brand loyalty. In contrast, traditional markets may lack such guarantees, making organized retail more appealing to quality-conscious shoppers.

Exposure to global retail practices—facilitated by international media, foreign employment, and increased tourism—has significantly influenced the aspirations and expectations of Nepali consumers. As more individuals travel abroad or work in countries with advanced retail systems, they become familiar with the standards of modern shopping environments, such as organized layouts, branded products, self-service models, and customer-centric services. According to Pant (2021), this exposure has contributed to a cultural shift in Nepal, where shopping is no longer perceived solely as a utilitarian task but is increasingly embraced as a social leisure activity or family outing. Department stores and shopping malls, with their clean environments, food courts, play areas, and entertainment facilities, are now seen as lifestyle destinations. This transformation reflects not just changing consumer behavior but also evolving cultural norms, where the act of shopping is intertwined with recreation, socialization, and aspirational living. Such shifts are more evident in urban and semi-urban areas, indicating a broader socio-cultural change driven by globalization (Pant, 2021).



Although Nepal's organized retail sector is still in its early stages—primarily established in cities like Kathmandu, Pokhara, Biratnagar, and Butwal—it is gradually expanding into semi-urban areas such as **Lalbandi**, where traditional retail remains dominant. However, empirical studies exploring this transformation at the micro level remain limited.

In summary, the literature confirms that the rise of organized retail is driven not only by structural and economic changes but also by psychological and experiential factors. These insights provide a conceptual foundation to examine the localized retail transformation underway in Lalbandi and similar semi-urban contexts in Nepal.

## Method

This study adopts descriptive and analytical research design to investigate the transformation of shopping culture in Lalbandi, Sarlahi., data were collected through a structured questionnaire comprising 20 items and 5 point likert scale was used. The study were analyzed the data by the help of descriptive statistical tools like, mean , standard deviation and chi-square test.

The total 322 customers visited the three department stores in a day and among them 100 customers are taken as the sample. A convenience sampling method was used to select 100 customers, of whom 84 responded (response rate: 84%). The 16 non-respondents were excluded from the analysis. Respondents were categorized into four age groups: 15-25, 25-35, 35-45, and above 45, ensuring representation across demographics.

A structured Likert scale questionnaire was designed, comprising 20 items to capture consumer preferences, perceptions, and demographic details. The questionnaire used a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, & 5 = Strongly Agree) to assess factors like price, product variety, and store perception. Questions were validated through a pilot study with 10 respondents, and reliability was confirmed with a Cronbach's Alpha of 0.78. Data were collected over a month in 2025, with surveys administered in-store to capture real-time shopping experiences.

Descriptive statistics (mean, standard deviation) were used to summarize responses, while chi-square tests evaluated the relationship between demographic factors (age, income) and shopping preferences. Exploratory Factor Analysis (EFA)



was applied to identify underlying factors influencing the shift to department stores. Data were analyzed using SPSS 26.

## Results Analysis

This section deals with the results and analysis.

**Table 1**

*Demographic Characteristics of Respondents (N = 84)*

Variable	Category	Frequency	Percentage (%)
Age	15–25	32	38
	25–35	25	30
	35–45	17	20
	Above 45	10	12
Gender	Male	44	52
	Female	40	48
Monthly Income	Below NPR 20,000	34	40
	NPR 20,000–40,000	29	35
	Above NPR 40,000	21	25

*Source: Questionnaire Survey, 2025.*

Table no. 1 represents the demographic profile of the 84 respondents. The majority (38%) were aged between 15–25, indicating a third generation population actively engaged in shopping activities. A fairly balanced gender distribution was observed, with 52% male and 48% female participants. In terms of monthly income, 40% earned below NPR 20,000, while 35% earned between NPR 20,000–40,000, and 25% earned above NPR 40,000. This suggests that a significant portion of respondents belong to the low to middle-income group, which may influence their shopping preferences and behaviors. The data provides a strong foundation for understanding consumer trends in Lalbandi.

**Table 2***Factors Influencing Shopping Preference*

Factor	Key Findings	Mean	SD	Notable Demographic Differences
<b>Product Variety</b>	62% strongly agreed that variety is a main reason for choosing department stores	4.5	0.6	25–35 age group rated highest preference for variety (Mean = 4.7)
<b>Price</b>	48% found department store prices competitive	4.0	0.8	15–25 age group more price-sensitive (Mean = 3.8); above-45 group less sensitive (Mean = 4.2)
<b>Income Influence</b>	Income significantly related to preference for department stores ( $\chi^2 = 12.45, p < .05$ )	-	—	70% of higher-income (NPR > 40,000) vs. 45% of lower-income respondents preferred department stores
<b>Consumer Perception</b>	55% perceive department stores as superior in atmosphere and service	4.3	0.7	35–45 age group rated atmosphere highest (Mean = 4.6)

*Source: Questionnaire Survey, 2025.*

According to table 2, I have carried out factor analysis which is presented in subsequent paragraphs.

### **Product Variety**

Product variety emerged as a dominant factor influencing shopping preferences among consumers. A significant 62% of respondents strongly agreed that having a wide range of products available under one roof is a critical reason for favoring department stores. This finding suggests that modern consumers value the convenience and time efficiency offered by department stores. The mean score of 4.5 (SD = 0.6) reflects a strong overall agreement among participants. Notably, this preference was consistent across all age groups, with the 25–35 demographic exhibiting the highest affinity (Mean = 4.7). This could indicate that working-age adults, often managing both career and family responsibilities, prioritize streamlined shopping experiences that minimize the need to visit multiple locations.

## **Price**

Price competitiveness was another influential factor, although it received comparatively moderate support. About 48% of respondents felt that department store prices were competitive relative to local markets, with an overall mean rating of 4.0 (SD = 0.8). However, notable generational differences emerged. The 15–25 age group rated price lower (Mean = 3.8), indicating greater price sensitivity, likely due to limited income or student status. In contrast, the above-45 demographic rated it higher (Mean = 4.2), possibly due to greater financial stability or value placed on convenience over cost. These findings suggest that department stores must remain mindful of offering value-for-money pricing, especially when targeting younger shoppers.

## **Income Influence**

Income level played a statistically significant role in shaping consumer preferences for department stores. A chi-square test revealed a significant relationship between income and department store preference ( $\chi^2 = 12.45$ ,  $p < .05$ ). Among high-income respondents (earning more than NPR 40,000 monthly), 70% preferred shopping at department stores, compared to only 45% of low-income respondents. This gap underscores how affordability, purchasing power, and perceived value influence consumer decisions. Higher-income shoppers are perhaps drawn by the convenience, environment, and brand assurance associated with department stores. In contrast, lower-income groups may still find local markets more accessible or economical.

## **Consumer Perception**

Consumer perception, especially in terms of shopping ambiance and service quality, also significantly influenced preferences. Over half of the participants (55%) believed that department stores offered a superior shopping experience. The overall mean rating for this factor was 4.3 (SD = 0.7), signaling a positive impression of store environments. The 35–45 age group particularly valued ambiance (Mean = 4.6), possibly reflecting heightened expectations for comfort, cleanliness, and customer service. These findings suggest that consumer loyalty can be reinforced through enhanced in-store experience—something local markets may struggle to match.

### **Exploratory Factor Analysis (EFA)**

The Exploratory Factor Analysis (EFA) conducted in this study revealed three primary factors that significantly influence the shift of consumers from traditional local markets to modern departmental stores in Lalbandi, Sarlahi.

The first and most influential factor, accounting for 40% of the total variance, was identified as Convenience and Variety. This factor encapsulated attributes such as the wide range of products available under one roof and the ease of access to the store location. Departmental stores often offer a one-stop shopping experience, reducing the time and effort required for customers to search for different goods in separate shops. Consumers are increasingly drawn to such convenience, where they can purchase groceries, clothing, electronics, and household items in a single visit. Furthermore, the strategic placement of department stores in accessible urban areas has made them more attractive to shoppers, especially in comparison to the dispersed and often congested nature of local markets.

The second factor, explaining 25% of the variance, was categorized as Store Experience. This included the overall shopping ambiance, the quality of customer service, and the cleanliness of the retail environment. Modern departmental stores tend to provide a more comfortable and aesthetically pleasing shopping atmosphere, often enhanced with air conditioning, organized shelving, and a sense of order. Customers also value courteous and helpful staff, which enhances their overall satisfaction. Cleanliness and hygiene have become increasingly important post-pandemic, making well-maintained departmental stores more appealing than often unregulated and untidy local markets.

The third factor, contributing 15% of the variance, was labeled as Economic Factors. This comprised price-related elements and income-based considerations. Many consumers perceive departmental stores as offering better value for money, with regular discounts, promotional deals, and competitive pricing. Moreover, the increasing disposable income among certain segments of the population in Lalbandi has enabled more consumers to afford shopping in modern retail formats. The combination of perceived affordability and improved purchasing power is driving this shift toward organized retail outlets.

In summary, the EFA highlighted that the transformation in shopping behavior is not the result of a single influence, but rather a combination of convenience, experiential quality, and economic considerations that collectively make departmental stores a preferred choice for modern consumers in Lalbandi.

## **Discussion**

### **Primary Drivers: Product Variety and Accessibility**

The prominence of product variety and accessibility as key drivers of the shift to department stores underscores a fundamental change in consumer behavior in Lalbandi. The convenience of finding diverse products under one roof aligns with global retail trends, where consumers increasingly prioritize efficiency in their shopping experiences (Bawa et al., 2019). This is particularly evident among the 25-35 age groups, who, due to busy lifestyles, value time-saving shopping formats. This demographic likely includes working professionals or young families, whose time constraints make the one-stop shopping model of department stores particularly appealing. The ability to access a wide range of goods from groceries to clothing to electronics reduces the need to visit multiple vendors, a hallmark of traditional local markets. However, this shift raises questions about the sustainability of local markets, which often rely on specialized offerings and personal relationships with customers. Future research could explore whether local markets in Lalbandi can adapt by diversifying their product offerings or enhancing accessibility (e.g., through better infrastructure or extended hours) to compete with department stores. Additionally, the environmental and social impacts of this shift warrant consideration. For instance, department stores, often part of larger chains, may source products globally, potentially increasing carbon footprints compared to local markets that rely on regional suppliers.

### **Age-Based Differences in Consumer Preferences**

The study highlights distinct preferences across age groups, with younger consumers (15-25) prioritizing lower prices and older consumers (above 45) valuing quality and convenience. This divergence reflects differing economic realities and life stages. Younger consumers, likely students or early-career individuals, may have limited disposable incomes, making price a critical factor in their purchasing decisions. In contrast, older consumers, who may have higher disposable incomes, prioritize quality and a seamless shopping experience, consistent with Khare et al.'s (2015) findings on the role of economic factors in shaping retail preferences.

This age-based segmentation has significant implications for retailers. Department stores could tailor their marketing strategies to address these differences, such as offering budget-friendly product lines or promotions to attract younger

consumers while emphasizing premium products and superior service for older demographics. However, the study does not clarify whether these preferences are static or evolve over time. Longitudinal studies could examine whether younger consumers, as their age increases and potentially gain higher incomes, shift towards valuing quality and convenience, mirroring the behavior of the older colleagues.

### **Store Atmosphere and Service Quality**

The influence of store atmosphere and service quality on consumer perceptions aligns closely with Mehrabian and Russell's (1974) theory of retail atmospherics, which posits that environmental cues (e.g., lighting, music, layout) shape emotional responses and, consequently, shopping behavior. Department stores in Lalbandi likely leverage modern aesthetics, organized layouts, and professional service to create a more appealing shopping environment compared to the often chaotic and informal settings of local markets. This "modern" appeal may resonate particularly with younger and middle-aged consumers who associate department stores with aspirational lifestyles. However, the dependence on atmosphere and service quality raises questions about accessibility for lower-income consumers, who may feel alienated by the polished atmosphere of department stores. Future studies could investigate whether department stores in Lalbandi are perceived as inclusive or if they inadvertently cater to higher-income or urbanized consumers, potentially exacerbating social inequalities. Additionally, the role of cultural factors in shaping perceptions of "modernity" could be explored, as Nepalese consumers may interpret modern retail differently based on local traditions and values.

### **Gender and Income Dynamics**

The balanced gender distribution in department store patronage is a notable finding, suggesting that these stores appeal broadly across genders, unlike traditional markets, which may cater to specific demographics (e.g., women for household goods or men for specific trades). This inclusivity may stem from the diverse product offerings and gender-neutral marketing strategies employed by department stores. However, the study does not delve into whether specific product categories (e.g., fashion, electronics) disproportionately attract one gender, which could provide deeper insights into shopping behavior.

Income significantly influences shopping preferences, with higher-income consumers favoring department stores, supporting Khare et al.'s (2015) findings. This trend may reflect the ability of wealthier consumers to prioritize convenience

and quality over price, as well as their access to transportation, which enables visits to department stores that may be located farther from residential areas. Conversely, lower-income consumers may continue to rely on local markets due to proximity and lower costs. This income-based divide highlights the need for policies that ensure equitable access to modern retail, such as affordable transportation or subsidies for local markets to modernize.

### **Wider Consequences**

The shift to department stores in Lalbandi reflects broader global trends toward retail consolidation, where large-scale retailers dominate due to economies of scale and consumer demand for convenience. However, this transition may have unintended consequences for local economies, such as reduced foot traffic for small vendors and potential job losses in traditional markets. Policymakers and retailers could explore hybrid models, such as integrating local vendors into department store formats (e.g., through dedicated stalls or partnerships), to preserve the cultural and economic value of local markets. Moreover, the findings highlight the need to balance modernization with inclusivity. Department stores could adopt community-oriented initiatives, such as sourcing products from local artisans or offering affordable product lines, to appeal to a broader consumer base and mitigate the displacement of traditional markets.

### **Conclusion**

The transformation of shopping culture in Lalbandi from traditional local markets to modern department stores reflects broader social, economic, and cultural changes. This study underscores that the rise of departmental retail is not merely a trend driven by convenience, but also a response to evolving consumer expectations, lifestyles, and income levels.

The key findings of this study show that product variety and store accessibility are the dominant pull factors that attract consumers to department stores, particularly among working professionals and young families seeking efficiency and a consolidated shopping experience. These findings resonate with global retail trends, yet in Lalbandi, the impact is compounded by limited traditional retail infrastructure and increasing urbanization.

Age-based differences emerged as a critical theme: younger consumers (15–25) gravitate toward affordability and appealing ambience, while older consumers



(above 45) prioritize quality, payment ease, and convenience. This generational divide suggests that department stores must adapt to the segmented needs of their customer base. Targeted marketing strategies—budget-friendly products for youth and premium services for older adults—can enhance customer satisfaction and loyalty.

Despite these advantages, the rapid expansion of department stores raises concerns. Traditional markets, which often serve as social and cultural hubs offering personalized services and locally-sourced products, face growing threats to their sustainability. Additionally, department stores may unintentionally marginalize lower-income or culturally conservative consumers due to their modern design, pricing, and globalized supply chains. These issues question the inclusive nature of the new retail ecosystem and challenge the assumption that modernization benefits all equally. Moreover, environmental considerations such as carbon footprints linked to global sourcing practices deserve attention. Local markets, by contrast, tend to support regional economies and reduce environmental impact—a factor that policymakers must weigh when promoting retail development.

While higher-income individuals enjoy department store accessibility and affordability, it remains uncertain whether younger, price-sensitive consumers will evolve toward prioritizing quality and service as their income rises. This behavioral evolution presents an important area for longitudinal research.

Lalbandi's retail transformation is a microcosm of broader shifts taking place in developing regions. Policymakers and retail stakeholders must craft strategies that support inclusive retail growth, preserve the cultural and economic relevance of local markets, and promote sustainability. Further studies with broader geographic coverage and mixed-method approaches can enrich our understanding of these transitions and guide evidence-based interventions.

## **Major Findings**

In Lalbandi, consumers are increasingly drawn to department stores primarily due to the convenience of accessing a wide variety of products under one roof. This one-stop shopping model particularly appeals to working professionals and young families who seek to save time while fulfilling diverse shopping needs. The modern, clean, and well-organized environments of departmental stores enhance the overall shopping experience, offering a stark contrast to the often crowded and fragmented

nature of local markets. As a result, department stores attract a balanced gender distribution, whereas traditional markets tend to appeal more to specific genders.

Age plays a significant role in consumer preferences. Younger consumers, particularly those between the ages of 15 and 25, tend to prioritize lower prices and the aesthetic appeal of the store when making purchasing decisions. In contrast, older consumers above the age of 45 focus more on product quality, shopping convenience, and the availability of easy payment systems. These differing preferences suggest that retailers could benefit from age-based segmentation in their marketing strategies, offering budget-friendly options targeted at youth while promoting premium services and comfort to attract older shoppers. However, it remains uncertain whether the current price-conscious behavior of younger consumers will evolve over time as they age and their incomes increase, possibly leading them to value quality and convenience more in the future.

Despite their growing popularity, department stores also pose certain challenges. Their rise may threaten the sustainability of traditional local markets, which typically rely on personalized customer service and the sale of specialized local goods. Additionally, department stores often source products from national or international suppliers, potentially contributing to larger carbon footprints compared to local retailers who depend on regional supply chains. Furthermore, while the modern aesthetics of department stores appeal to many, they may also unintentionally alienate lower-income or traditionally-oriented consumers, raising important questions about social inclusiveness and cultural alignment in the retail transformation. Finally, higher-income groups are more inclined to shop at department stores, as they can afford the products and benefit from better transportation access, further highlighting the socioeconomic divide in consumer behavior.

## **Limitation and the Future Implications**

### **Limitations**

The relatively low response rate raises concerns about sampling bias, as the 16 non-respondents might systematically differ from respondents. The study faces several limitations that should be acknowledged. Firstly, the relatively low response rate raises concern about potential sampling bias, as the 16 non-respondents might systematically differ from those who participated. These non-respondents may include individuals who exclusively shop at local markets or have limited access to

department stores, which could potentially skew the findings. Secondly, the research is geographically limited to Lalbandi, thereby restricting the generalizability of the results to other regions in Nepal that may differ in terms of cultural practices, economic conditions, and infrastructural development. Lastly, the study relies solely on quantitative data, which, while valuable, may overlook deeper consumer motivations and perceptions that could be more effectively explored through qualitative methods such as interviews or focus group discussions.

### **The Future Implications**

Future studies should consider adopting stratified sampling techniques to ensure a balanced representation across various demographic categories such as age, gender, and income levels, thereby reducing the risk of sampling bias. In addition to quantitative surveys, incorporating qualitative methods like focus group discussions and in-depth interviews can provide richer insights into consumer behavior and underlying motivations that are often difficult to capture through structured questionnaires alone. Furthermore, expanding the scope of research to include diverse geographical locations—such as comparisons between urban centers like Kathmandu and remote rural districts—can help uncover significant regional variations in retail behavior. A deeper understanding of these region-specific consumer preferences can enable retailers and policymakers to formulate more context-sensitive strategies, thereby enhancing the effectiveness of retail development and planning across different parts of Nepal.

### **References**

- Arnold, S. J., Oum, T. H. and Tigert, D. J. (1983). Determinant attributes in retail patronage: Seasonal, temporal, regional, and international comparisons. *Journal of Marketing Research*, 20(2), 149–157.
- Bawa, A., Gupta, R. and Sharma, A. (2019). Changing face of Indian retail: Organized vs unorganized sector. *Journal of Business and Retail Management Research*, 13(3), 132–143.
- Berman, B. and Evans, J. R. (2010). *Retail management: A strategic approach* (11<sup>th</sup> ed.). Pearson Education.
- Bhatt, A. and Bhatt, M. (2012). Consumer behavior towards organized and unorganized retailing: A comparative study. *International Journal of Marketing and Technology*, 2(11), 1–14.

- Chakraborty, P. and Saha, D. (2021). Expansion of organized retailing and its impact on traditional retailers in India. *Journal of Retailing and Consumer Services*, 61.
- Ghosh, P., Tripathi, V. and Kumar, A. (2010). Customer expectations of store attributes: A study of organized retail outlets in India. *Journal of Retail & Leisure Property*, 9(1), 75–87.
- Jhamb, D. and Kiran, R. (2012). Emerging retail formats and it's attributes: An insight to convenient shopping. *Global Journal of Management and Business Research*, 12(2), 74–81.
- Kaur, H. and Singh, R. (2020). Evolution of Indian retail: From traditional kiranas to e-commerce. *International Journal of Scientific & Technology Research*, 9(1), 4089–4094.
- KC, M. (2020). Consumer preference towards Bhatbhateni Supermarket in Kathmandu. *The Journal of Business and Management*, 3(1), 45–52.
- Khare, A. (2013). Retail store selection in an emerging market: An empirical study of factors influencing consumers' store choice. *Journal of International Consumer Marketing*, 25(3), 152–161.
- Kotler, P. and Keller, K. L. (2016). *Marketing management* (15<sup>th</sup> ed.). Pearson Education.
- Majumdar, R. (2010). *Product management in India*. PHI Learning Pvt. Ltd.
- Mehrabian, A. and Russell, J. A. (1974). *An approach to environmental psychology*. MIT Press.
- Pant, R. (2021). Globalization and changing retail preferences in Nepal: A case of urban youth. *Journal of Business and Social Sciences Research*, 6(2), 56–68.
- Prasad, C. J. and Aryasri, A. R. (2011). Effect of shopper attributes on retail format choice behaviour for food and grocery retailing in India. *International Journal of Retail & Distribution Management*, 39(1), 68–86.
- Reardon, T., Timmer, C. P., Barrett, C. B. and Berdegue, J. A. (2003). The rise of supermarkets in Africa, Asia, and Latin America. *American Journal of Agricultural Economics*, 85(5), 1140–1146.
- Sharma, B. and Acharya, S. (2019). Consumer preference for retail outlets in Kathmandu Valley. *Nepalese Journal of Marketing*, 6(1), 1–11.
- Sinha, P. K. and Banerjee, A. (2004). Store choice behaviour in an evolving market. *International Journal of Retail & Distribution Management*, 32(10), 482–494.
- Sinha, P. K. and Uniyal, D. P. (2005). *Managing retailing*. Oxford University Press.
- Tiwari, A. (2020). Organized retail in semi-urban India: Challenges and opportunities. *South Asian Journal of Marketing & Management Research*, 10(4), 11–20.