



## Factor Affecting Customer Satisfaction on Online Shopping in Kathmandu Valley

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### Abstract

This study examines the factor affecting customer satisfaction on online shopping in Kathmandu Valley. Customer satisfaction is the dependent variable. The selected independent variables are price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness. The primary source of data is used to assess the opinions of respondents regarding price fairness, delivery speed, product quality, payment method, delivery cost, perceived usefulness, and customer satisfaction. The study is based on primary data of 125 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation and multiple regression models are estimated to test the significance and importance of customer satisfaction on online shopping in Kathmandu Valley.

The study showed a positive impact of price fairness on customer satisfaction. It indicates that price of a comparative other party is reasonable, acceptable, or justifiable leads to increase in customer satisfaction. Similarly, the study showed a positive impact of delivery speed on customer satisfaction. It indicates that higher the delivery speed, higher would be the customer satisfaction. Likewise, the study revealed a positive impact of product quality on customer satisfaction. It indicates that higher the product quality, higher would be the customer satisfaction. Further, the study showed a positive impact of payment method on customer satisfaction. It indicates that the various options available for customers to make payments when purchasing a product or service leads to increase in customer satisfaction. In addition, the study showed a positive impact of delivery cost on customer satisfaction. It indicates affordable delivery cost leads to increase in customer satisfaction. Moreover, the study showed a positive impact of perceived usefulness on customer satisfaction. It indicates that higher the subjective perception of users, higher would be the customer satisfaction.

**Keywords:** price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness, customer satisfaction

### 1. Introduction

Customer satisfaction in online shopping refers to the level of contentment experienced by consumers when engaging in virtual purchasing experiences. It encompasses the extent to which customers feel gratified with their online shopping encounters. In today's digital age, online shopping become an integral part of consumers' lives, offering convenience and accessibility. As more and more people in Kathmandu Valley embrace this trend, understanding the factors that influence customer satisfaction in online shopping has become paramount for business. Customer satisfaction plays a crucial role in the success of online retailers, as satisfied customers are more likely to become repeat buyers and recommend the platform to others. E-commerce is defined as commercial transactions between two parties, organizations and individuals, which is conducted through networks or digital technology (Psaila and Wagner, 2007). Consumer satisfaction refers to personal perception of product

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or services or might be performance in relation to his expectation (Sit *et al.* 2009). Customer satisfaction is the perception of the brand in the mind of the customer which is initiated from the service quality and brand image (Dam and Dam, 2021). Customer is a very important stakeholder in the conduct of any business irrespective of its size (Asma *et al.*, 2021). Online consumer buying behavior refers to the process of buy products or services by the Internet (Liang and Lai, 2000).

Khalid and Irshad (2010) argued that customer satisfaction is the real diamond and competitor advantage over other companies. Today businesses compete for customers and customer satisfaction is becoming a key performance indicator and an essential element of business strategy. Customer expectations are key drive behind customer satisfaction. Customer satisfaction is an indicator of customer purchase intentions and brand loyalty. The security, reliability, usability and service quality are the most important factors influencing customer satisfaction of mobile banking services (Yang and Lu, 2015). Satisfied customers are more likely to have a positive perception which leads to trust the brand, and develop a long-term relationship (Lee *et al.*, 2015). Further, Zainurin *et al.* (2011) argued that maintaining better quality, minimizing price and increasing brand image to increase the level of customer satisfaction. The quality of service provided by an organization has significant impact on customer satisfaction which ultimately affects the purchase decision of customers. Indeed, customer satisfaction is the consequence of the service quality provided by an organization (Cronin and Taylor, 1992). Additionally, Whittaker *et al.* (2007) revealed that improved service quality increases profitability and long-term economic competitiveness. Al Karim (2013) assessed the customer satisfaction in online shopping: a study into the reasons for motivations and inhibitions. The study found that time saving, information availability, open 24/7, huge range of products/ brands, reasonable prices, various offer for online products, easy ordering system, and shopping fun play significant role in online customer satisfaction.

Al-Jahwari *et al.* (2018) examined the factors influencing customer satisfaction of online shopping in Oman. The study revealed that the perceptions of the youth confirming the product quality and service guarantee influenced comfort and satisfaction to the online customers. The study also revealed that the service tangibility concerning the guaranteed package and delivery process along with the lowest price motivated them to go for online shopping repeatedly. Likewise, Rajeswari (2015) examined the customer satisfaction towards online shopping in Chennai City. The study concluded that making shopping portals easier to navigate, providing secure payment options as per norms, ensuring speed and quality of delivery to gain and maintain customer trust, better presentation and categorization to make up for the missing touch and feel experience, play significant impact on customer satisfaction. Moreover, Uzun and Poturak (2014) assessed the factors affecting online shopping behavior of consumers. The study found that convenience, trust, prices and quality of products have a positive and significant relation with e-satisfaction and e-loyalty. Dawar (2013) analyzed the factors that influencing the customer satisfaction in banking. The main objective of the study was to measure customer satisfaction towards banking services and their quality. The study concluded that service quality dimension and attributes have a positive relationship with customer satisfaction. Similarly, Gim (2014) determined the factors influencing the customer online shopping satisfaction: some evidence from Vietnam. The study found that customer satisfaction is positively affected by delivery and payment methods. The study also concluded that Merchandise attribute, Payment method, security, privacy, customer service significantly

influences the customer satisfaction in online shopping, which highlights the importance of these factors in enhancing overall satisfaction with the online shopping experience. Likewise, Lauraus *et al.* (2015) examined the factors affecting consumer satisfaction of online purchase. The study found that the involvement and purchase related uncertainties have stronger effect on satisfaction and also the type of the search process was the most important factor behind perceived purchase satisfaction.

Chaudhary *et al.* (2016) assessed the factors affecting customer satisfaction in the taxi service market: some evidence from India. The study found that driver professionalism and convenience had a significant impact on overall satisfaction. The study concluded that driver professionalism and convenience were found out to be having a significant impact on overall satisfaction. In addition, Wilson and Christella (2019) investigated the factors affecting customer satisfaction in e-commerce industry: Some evidence from Indonesia. The study concluded that reliability, time saved, product variety, and delivery performance had a positive effect on customer satisfaction. The study concluded that the product variety has the highest effect toward customer satisfaction among the other variables. Moreover, Santos and Santos (2020) examined the factors affecting consumer satisfaction to online shopping: some evidence from Cabanatuan City, Philippines. The study concluded that the respondents had a strong degree of confidence in their respective website/application for online shopping, and they trusted online shopping websites/applications because of their marketing tactics, such as word of mouth, to boost their credibility, and were literate in using and searching online shopping websites/applications. Similarly, To *et al.* (2020) assessed the factors affecting customer satisfaction when buying on Facebook; some evidence from Vietnam. The study found that trust, purchasing experience and convenience positively impact customer satisfaction.

Santoso (2021) investigated the factors influencing the formation of consumer engagement and consumer satisfaction with e-learning activities: some evidence from Indonesia. The study found that digital readiness, technical and information quality, instructor quality and e-learning adaptation and attitude positively influenced consumer engagement, which in turn significantly impact customer satisfaction. Similarly, Sanny and Daulay (2022) analyzed the factors influencing customer satisfaction: some evidence from Indonesia. The study found that the product quality and brand image positively influence customer satisfaction. Likewise, Kurnia *et al.* (2023) investigated the factors affecting consumer satisfaction and consumer loyalty: some evidence Indonesia. The study found that perceived value, ease of use, self-efficacy, and sales promotion significantly influence customer satisfaction. Further, Kasem and Shamima (2014) investigated an overview of online consumer behavior and the satisfaction criteria in Bangladesh: some evidence from Dhaka City. The study found that satisfied with price and product quality has a positive impact on consumer satisfaction. In addition, Tiwari and Singh (2019) investigated the factors affecting consumer satisfaction in cashless payment: some evidence from India. The study found that ease of use, security, reliability, and customer support have a positive relationship with customer satisfaction in the context of cashless payment.

Sanyala and Hisamb (2019) assessed the factors affecting customer satisfaction with E-commerce websites and online purchasing: some evidence from Oman. The study found that price and ease of use and availability of multiple payment options were the important factors that positively influence customer satisfaction. Further, Susilo (2020) analyzed the

factors that affecting consumer satisfaction in cafe: some evidence from Ponor go city, Indonesia. The study found that there is a positive correlation between product/service, price, promotion, customer hospitality, and customer satisfaction. Similarly, Almugari *et al.* (2022) examined the factor that affects online shopping satisfaction of Indian customers: some evidence from India. The study found that there is significantly positive relationship between website design, product information, security and privacy, perceived usefulness and customer satisfaction. Likewise, Shazadi (2023) investigated the factors affecting consumer satisfaction and customer loyalty in Online Shopping. The study found a positive relationship between information availability, price, time, and mode of payment with customer satisfaction and customer loyalty.

In the context of Nepal, Rai and Rai (2022) investigated the factors affecting online purchase intention of prospects. The study indicated a significant positive impact of attitude, perceived customer service, quality perception, and price fairness perception on purchase intention. The contribution of this study highlights the positive impact of the stated variables on the purchase intention of the prospects in the Nepalese social context. Similarly, Karki and Panthi (2018) examined how food quality, price, ambiance and service quality effects customer satisfaction. The study found that price, food quality, service quality and ambiance are the most important factor which affects the overall customer satisfaction and dining experience in Nepalese restaurants. Mahato and Goet (2020) assessed the relationship between service quality, customer satisfaction and customer loyalty in Nepalese restaurant industry. The study found that perceived price, and service quality have positive and significant impact on customer satisfaction in the Nepalese restaurant industry. The study also found that customer satisfaction mediates the originally expected relationship between perceived price, service quality, and customer loyalty. The influence of service quality on consumer loyalty is mediated by customer satisfaction.

The above discussion shows that empirical evidences vary greatly across the studies on the factor affecting customer satisfaction on online shopping. Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The major objective of the study is to examine the factor affecting customer satisfaction on online shopping in Kathmandu Valley. Specifically, it examines the relationship of price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness with customer satisfaction on online shopping.

The remainder of this study is organized as follows: section two describes the sample, data, and methodology. Section three presents the empirical results and final section draws the conclusion.

## 2. Methodological aspects

The study is based on the primary data which were collected from 125 respondents through questionnaire. The study employed convenience sampling method. The respondents' views were collected on price fairness, delivery speed, product quality, payment method, delivery cost, perceived usefulness and customer satisfaction. This study is based on descriptive as well as causal comparative research designs.

### *The model*

The model used in this study assumes that customer satisfaction depends upon various factors. The dependent variable selected for the study is customer satisfaction. Similarly, the selected independent variables are price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness. Therefore, the model takes the following form:

Customer satisfaction =  $f$  (price fairness, delivery speed, product quality, payment method, delivery cost, perceived usefulness).

More specifically,

$$CS = \beta_0 + \beta_1 PF + \beta_2 DS + \beta_3 PQ + \beta_4 PM + \beta_5 DC + \beta_6 PU + e$$

Where,

CS = Customer satisfaction

PF = Price fairness

DS = Delivery speed

PQ = Product quality

PM = Payment method

DC = Delivery cost

PU = Perceived usefulness

Customer satisfaction was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I am satisfied with my purchases made online”, “I intend to continue buying goods online in the future” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.811$ ).

Price fairness was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The online product price affects my satisfaction with shopping online”, “I prefer online stores with lower prices compared to others” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.647$ ).

Delivery speed was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The speed of delivery significantly affects my overall satisfaction with online shopping”, “I tend to favor online shops that consistently deliver orders quickly and efficiently” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.784$ ).

Product quality was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “High-quality products greatly enhance my satisfaction with online shopping”, “Product quality influences my decision to shop again

from the same online retailer” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.785$ ).

Payment method was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “Quick and efficient payment methods positively impact my online purchases”, “Trustworthy payment systems contribute to my overall satisfaction with online shopping” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.733$ ).

Delivery cost was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I am more satisfied with online shopping experiences when delivery costs are reasonable”, “Excessive delivery charges negatively affect my satisfaction with online purchases” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.797$ ).

Perceived usefulness was measure using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The functionality of the product impacts my overall satisfaction.”, “I am likely to recommend the online platforms to others based on its functionality” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.807$ ).

The following section describes the independent variables used in this study along with the hypothesis formulation.

#### *Price fairness*

Price fairness is defined as the perception that the price paid for a product or service is equitable in relation to the value received. According to Muskat *et al.* (2019) found that the perceived fair price affects customer satisfaction and influences customer loyalty and there is a positive influence between price perception and customer satisfaction. According to Bolton in Zietsman and Mostert (2017), perceived price fairness is an assessment of whether an outcome obtained is reasonable, acceptable or fair. Moreover, Octaviani and Rizan (2021) concluded that price has a positive and significant impact on customer satisfaction which means that the more affordable price, the more increasing customer satisfaction and the relationship between the variable price and the variable customer satisfaction. Based on it, this study develops the following hypothesis:

H<sub>1</sub>: There is a positive relationship between price fairness and customer satisfaction.

#### *Delivery speed*

Delivery speed refers to the amount of time it takes for a product or services to be delivered to the customer after they place an order. Dundar and Ozturk (2020) concluded that on-time delivery has a positive and statistically significant effect on customer satisfaction and loyalty. Similarly, Ramadhan *et al.* (2022) showed that there is a positive and significant influence of Speed of Delivery on customer satisfaction. Likewise, Kaligis *et al.* (2024) found that delivery speed has a positive relationship and a significant influence on customer Satisfaction. Moreover, Handoko (2016) showed that delivery service has significant effects



on online-customer satisfaction. Further, Novialeta and Slamet (2020) stated that delivery speed (time) has significant effect on online shopping consumer satisfaction. Similarly, Choi *et al.* (2019) explained that quality of delivery has a statistically significant impact on customer satisfaction, which also impact on repeat purchasing behavior. Based on it, this study develops the following hypothesis:

H<sub>2</sub>: There is a positive relationship between delivery speed and customer satisfaction.

#### *Product quality*

Product quality refers to the standard or level of excellence of a product, determined by its durability, reliability, performance, and other attributes that meet or exceed customer expectations. Handoko (2016) showed that product quality has significant effect on online-customer satisfaction. Likewise, Gök *et al.* (2019) found positive significant relation between product quality and customer satisfaction. Further, Hoe and Mansori (2018) concluded that perceived product quality has highest significant impact on Customer Satisfaction and customer Loyalty. The study conducted by Snoj *et al.* (2004) revealed that there is positive relationship between perceived product quality and customer satisfaction. Moreover, Cruz (2015) showed a significant statistical relationship between product quality and customer satisfaction. Similarly, Kencana (2018) found that there is a positive and significant effect simultaneously between price and product quality on customer satisfaction. Based on it, this study develops the following hypothesis:

H<sub>3</sub>: There is a positive relationship between product quality and customer satisfaction.

#### *Payment method*

Payment method refers to the way customers pay for products or services, such as cash, credit card, mobile payment, or online transfer. Putra (2020) concluded that Payment System Method significantly affects Customer Satisfaction. Likewise, Roozbahani *et al.* (2015) concluded that there is a positive and significant relationship between payment method and customer satisfaction. Similarly, Sopiya (2020) found that payment methods have a positive effect on the satisfaction. Moreover, Teshome (2019) showed that the product of e payment methods (automatic teller machine, mobile banking, internet banking, and CBE birr) have strong relationship on customer satisfaction. Likewise, Mayanja (2020) concluded that e-bill payment has positive effect on customer satisfaction which included capacity to handle a greatly enhanced volume and of payments, far lesser time per bill handles, increased efficiency and accuracy and reduced payment concerns. Further, Wang (2020) found that payment method has positive impact on the customer satisfaction. Based on it, this study develops the following hypothesis:

H<sub>4</sub>: There is a positive relationship between payment method and customer satisfaction.

#### *Delivery cost*

Delivery cost refers to the amount of money charged for shipping a product from the seller the customer. Mohamad *et al.* (2022) revealed that shipping has positive and significant impacts on customer satisfaction. Similarly, Vasić *et al.* (2019) demonstrated that shipping is the most powerful predictor of customer satisfaction. Moreover, Hedin *et al.* (2006) stated that shipping is a link in the supply chain that directly affects the consumer and triggers their satisfaction. Further, Chakraborty *et al.* (2007) explained that in online environment, a timely

and reliable delivery plays a key role in meeting consumers' expectations and creating their satisfaction. Based on it, this study develops the following hypothesis:

H<sub>5</sub>: There is a positive relationship between delivery cost and customer satisfaction.

*Perceived usefulness (functionality)*

Perceived usefulness or functionality refers to the customer's subjective assessment of how beneficial or practical a product or services is in fulfilling their needs or solving their problems. Park *et al.* (2013) showed that perceived usefulness has a positive impact on customer satisfaction. Moreover, Ariff *et al.* (2014) found out that perceived usefulness has a positive impact on customer satisfaction. Further, Sibona and Choi (2012) found that perceived usefulness positively affects customer satisfaction. Likewise, Bapat (2017) showed that perceived usefulness has positive impact on consumer satisfaction. Moreover, Mohamed *et al.*, (2014) concluded that there is positive relationship between perceived usefulness and customer satisfaction. Similarly, Keni (2020) concluded that perceived usefulness significantly affects customer satisfaction. Based on it, this study develops the following hypothesis:

H<sub>6</sub>: There is a positive relationship between perceived usefulness and customer satisfaction.

### 3. Results and discussion

*Correlation analysis*

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with mean and standard deviation has been computed and the results are presented in Table 1.

**Table 1**

**Kendall's Tau correlation coefficients matrix**

This table presents Kendall's Tau coefficients between a dependent variable and independent variables. The correlation coefficients are based on 125 observations. The dependent variable is CS (Customer satisfaction). The independent variables are PF (Price fairness), DS (Delivery speed), PQ (Product quality), PM (Payment method, DC (Delivery cost), and PU (Perceived usefulness).

Variables	Mean	S.D.	CS	PF	DS	PQ	PM	DC	PU
CS	2.062	0.649	1						
PF	2.076	0.572	0.452**	1					
DS	2.022	0.657	0.371**	0.479**	1				
PQ	1.908	0.623	0.373**	0.429**	0.467**	1			
PM	1.980	0.592	0.381**	0.434**	0.528**	0.520**	1		
DC	1.956	0.668	0.344**	0.444**	0.437**	0.503**	0.435**	1	
PU	1.952	0.655	0.475**	0.405**	0.494**	0.414**	0.468**	0.560**	1

Notes: The asterisk signs (\*\*) and (\*) indicate that the result are significant at one percent and five percent levels respectively.

Table 1 shows that price fairness is positively correlated to customer satisfaction. It indicates that price of a comparative other party is reasonable, acceptable, or justifiable leads to increase in customer satisfaction. Similarly, delivery speed is positively correlated to



customer satisfaction. It indicates that higher the delivery speed, higher would be the customer satisfaction. Likewise, product quality is positively correlated to customer satisfaction. It indicates that higher the product quality, higher would be the customer satisfaction. Further, payment method is also positively correlated to customer satisfaction. It indicates that the various options available for customers to make payments when purchasing a product or service leads to increase in customer satisfaction. In addition, delivery cost is positively correlated to customer satisfaction. It indicates affordable delivery cost leads to increase in customer satisfaction. Moreover, perceived usefulness is also positively correlated to customer satisfaction. It indicates that higher the subjective perception of users, higher would be the customer satisfaction.

### *Regression analysis*

Having indicated the Kendall's Tau correlation coefficients, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it shows the regression results of price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness on customer satisfactions.

Table 2

### **Estimated regression results of price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness on customer satisfactions**

The results are based on 125 observations using a linear regression model. The model is  $CS = \beta_0 + \beta_1 PF + \beta_2 DS + \beta_3 PQ + \beta_4 PM + \beta_5 DC + \beta_6 PU + e$  where the dependent variable is CS (customer satisfaction). The independent variables are variables are PF (price fairness), DS (delivery speed), PQ (product quality), PM (payment method, DC (delivery cost), and PU (perceived usefulness).

Model	Intercept	Regression coefficients of						Adj. R <sub>bar</sub> <sup>2</sup>	SEE	F-value
		PF	DS	PQ	PM	DC	PU			
1	0.575 (3.365)**	0.716 (9.038)**						0.394	0.505	81.679
2	0.575 (3.365)**		0.603 (8.525)**					0.366	0.517	72.681
3	0.813 (5.548)**			0.654 (8.958)**				0.390	0.507	80.252
4	0.668 (4.263)**				0.704 (9.294)**			0.408	0.500	86.370
5	0.928 (6.387)**					0.093 (0.953)		0.351	0.523	68.117
6	0.668 (5.234)**						0.714 (11.510)**	0.515	0.452	132.471
7	0.456 (2.736)**	0.456 (4.322)**	0.326 (3.534)**					0.446	0.483	50.902
8	0.321 (1.971)*	0.365 (3.531)**	0.166 (1.698)	0.339 (3.704)**				0.498	0.460	42.048
9	0.248 (1.510)	0.333 (3.231)**	0.087 (0.841)	0.238 (2.342)*	0.249 (2.146)*			0.513	0.453	33.627
10	0.244 (1.488)	0.314 (2.982)**	0.072 (0.689)	0.196 (1.765)	0.235 (2.008)*	0.093 (0.953)		0.512	0.453	27.063
11	0.191 (1.266)	0.347 (3.598)**	0.069 (0.693)	0.164 (1.614)	0.140 (1.289)	0.170 (1.625)	0.528 (4.908)**	0.592	0.415	30.944

Notes:

- Figures in parenthesis are t-values.
- The asterisk signs (\*\*) and (\*) indicate that the results are significant at one percent and five percent level respectively.
- Customer satisfaction is a dependent variable.

The regression results show that the beta coefficients for price fairness are positive

with customer satisfaction. It indicates that price fairness has a positive impact on customer satisfaction. This finding is consistent with the findings of Muskat *et al.* (2019). Similarly, the beta coefficients for delivery speed are positive with customer satisfaction. It indicates that delivery speed has a positive impact on customer satisfaction. This finding is consistent with the findings of Kaligis *et al.* (2024). Likewise, the beta coefficients for product quality are positive with customer satisfaction. It indicates that product quality has a positive impact on customer satisfaction. This finding is consistent with the findings of Hoe and Mansori (2018). Further, the beta coefficients for payment method are positive with customer satisfaction. It indicates that payment method has a positive impact on customer satisfaction. This finding is consistent with the findings of Sopiya (2020). In addition, the beta coefficients for delivery cost are positive with customer satisfaction. It indicates that delivery cost has a positive impact on customer satisfaction. This finding is similar to the findings of Mohamad *et al.* (2022). Moreover, the beta coefficients for perceived usefulness are positive with customer satisfaction. It indicates that perceived usefulness has a positive impact on customer satisfaction. This finding is similar to the findings of Park *et al.* (2013).

#### 4. Summary and conclusion

Customer satisfaction in online shopping refers to the level of contentment experienced by consumers when engaging in virtual purchasing experiences. It encompasses the extent to which customers feel gratified with their online shopping encounters. In today's digital age, online shopping has become an integral part of consumers' lives, offering convenience and accessibility. As more and more people in Kathmandu Valley embrace this trend, understanding the factors that influence customer satisfaction in online shopping has become paramount for business. Customer satisfaction plays a crucial role in the success of online retailers, as satisfied customers are more likely to become repeat buyers and recommend the platform to others. Customer satisfaction is the perception of the brand in the mind of the customer which is initiated from the service quality and brand image. Customer is a very important stakeholder in the conduct of any business irrespective of its size. Online consumer buying behavior refers to the process of buying products or services by the Internet.

This study attempts to examine the factors affecting customer satisfaction on online shopping in Kathmandu Valley. The study is based on primary data of 125 respondents.

The major conclusion of the study is that price fairness, delivery speed, product quality, payment method, delivery cost, and perceived usefulness have positive impact on customer satisfaction. The study also concludes that price fairness is the most significant factor followed by perceived usefulness that determines the change in the customer satisfaction on online shopping.

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