



Demographic Differences in the Factors Affecting Online Shopping Behavior in Nepal

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Abstract

Background: The e-commerce sector in Nepal is experiencing rapid growth, fueled by increasing internet penetration, smartphone adoption, and digital payment systems. Despite this momentum, its adoption remains nascent compared to global standards, hindered by challenges such as financial risks, trust issues, security concerns, and logistical inefficiencies. While existing studies have identified general psychological and technological barriers, a comprehensive understanding of how demographic factors interplay with service quality, security, and product attributes in Nepal's unique context is lacking.

Objectives: This study aims to fill this research gap by systematically investigating the multifaceted factors affecting online purchase decisions among Nepalese consumers. It specifically focuses on less-researched dimensions, including demographic influences, to provide targeted insights for enhancing consumer trust and accelerating digital commerce growth in Nepal.

Materials and Methods: A quantitative, descriptive, and explanatory research design was employed. Data were collected through an online structured questionnaire from a sample of 384 Nepalese e-commerce consumers, selected using a simple random sampling technique. The survey instrument demonstrated good reliability (Cronbach's Alpha = 0.763). Data analysis was performed using SPSS, incorporating descriptive statistics, factor analysis, and an independent samples t-test to examine gender-based differences.

Findings: The findings reveal that product quality is the most critical factor (58.9% rated it extremely important), followed by price and customer service. In contrast, promotion and advertisements were perceived as the least influential. Factor analysis confirmed the strong loading of product quality (0.777) and customer ratings (0.721) on the purchase decision construct. Furthermore, a statistically significant difference was found between male and



female respondents, with males attributing slightly higher importance to the combined factors overall.

Conclusion: The study concludes that for Nepalese consumers, particularly the dominant youth demographic, intrinsic factors like product quality, price, and service reliability are paramount in online purchase decisions, outweighing external marketing efforts. The significant gender difference highlights the need for a nuanced understanding of the consumer base.

Implication: These findings offer critical insights for e-commerce platforms, marketers, and policymakers in Nepal. To foster growth, stakeholders should prioritize ensuring product quality, transparent pricing, and robust customer service. Strategies should also be tailored to address the distinct perceptions of different demographic segments, thereby building consumer confidence and promoting the sustainable development of the e-commerce ecosystem.

Keywords: E-commerce, Online Purchase Decision, Nepal, Consumer Behavior, Product Quality

1. Introduction

The global retail landscape has been fundamentally transformed by the proliferation of e-commerce, offering consumers unprecedented convenience, choice, and competitive pricing. In Nepal, this digital revolution is gaining significant momentum. Driven by increasing internet penetration, the widespread adoption of smartphones, and the emergence of digital payment gateways like eSewa and Khalti, the Nepalese e-commerce market is experiencing rapid growth (Bajracharya & Thapa, 2025). Platforms such as Daraz, Sastodeal, and numerous other online stores have become integral to the urban consumer's lifestyle, signaling a shift in purchasing behaviour.

The rise of e-commerce in Nepal has been significant in recent years, driven by factors such as 24/7 availability, ease of use, and a wide range of product options. However, the adoption of online shopping in Nepal remains at a relatively primitive stage compared to global trends (Sharma, 2023). Despite increasing awareness and willingness to shop online, challenges such as financial risks, trust issues, security concerns, product quality discrepancies, hidden costs, and delivery delays continue to affect consumer behavior in the Nepalese e-commerce market. Studies highlight that financial risk perception, website usability, and psychological factors like trust and privacy concerns play crucial roles in shaping online purchase decisions of Nepalese consumers. Additionally, payment system flexibility, after-sales service, and opinions from social circles notably influence buying behavior in this context (Khadka et al., 2025).

In Nepal, most e-commerce consumers access online stores via mobile devices, where convenience, perceived risk, and website design significantly impact their purchasing actions. However, barriers such as limited internet access in rural areas, inadequate digital payment options, and regulatory voids restrict full market potential (Chapagain & Aryal, 2024). The Kathmandu valley is a focal area of such research, reflecting both growing online shopping activity and existing user challenges like product mismatch, poor quality, and long procedures



(Shrestha, Karki, et al., 2024). Respondents emphasize the importance of government regulation, seller behavior, appearance, referrals, and product features (Shrestha et al., 2024), and the establishment of trust to enhance consumer confidence and promote sustainable growth of e-commerce in Nepal.

Despite these studies, a research gap exists in comprehensively understanding how demographic factors interplay with convenience, website information, security, after-sales service, and product attributes in influencing Nepalese consumers' online purchase decisions. While generalized findings about psychological and technological factors are available, detailed empirical exploration centered on Nepal's unique socio-economic and infrastructural context remains insufficient. Moreover, emerging trends like digital payment adoption, omni-channel retail, and rural inclusion in e-commerce are underexplored in terms of their effects on purchase behavior, leaving room for fresh insights on evolving consumer needs and market responses (Manandhar et al., 2025).

Thus, this study aims to fill these gaps by systematically investigating the multifaceted factors affecting online purchase decisions among Nepalese consumers, particularly addressing less-researched dimensions such as demographic influences, local shopping challenges, and expectations around service quality and security in Nepal's nascent e-commerce environment. This focus is expected to provide targeted knowledge beneficial for e-commerce platforms, policymakers, and marketers within Nepal to foster consumer trust, enhance service delivery, and accelerate digital commerce growth effectively.

2. Methodology

This chapter outlines the systematic approach employed to conduct the study on the factors influencing the online purchase decisions of Nepalese consumers. It details the research design, population and sampling, data collection procedures, and the statistical methods used for data analysis.

2.1 Research Design

This study adopted a descriptive and explanatory research design. The descriptive component was used to summarize and describe the demographic profile of the respondents (e.g., gender, age) and their perceptions of various factors, as presented in the frequency and percentage tables. The explanatory component was employed to explain the relationships between variables, specifically to test for significant differences in perceptions based on gender and to determine which factors hold the most weight in influencing purchase decisions. The study was based on the quantitative design (Karki et al., 2024), and this study also reviews the previous literature to find out the research gap (Mahat et al., 2023).

2.2 Population, Sample, and Sampling Technique

The target population for this research consisted of Nepalese e-commerce consumers, with a particular focus on the youth demographic, who are the primary users of online shopping platforms. The sample size was determined to be 384, calculated using a standard sample size



formula for a finite population with a 95% confidence level, a 5% margin of error, and a 50% population proportion to ensure maximum variability and representativeness (Karki, 2014).

The simple random sampling technique was used to select respondents (Karki & Khadka, 2019a). This method ensured that every member of the target population had an equal chance of being selected, thereby minimizing selection bias and enhancing the generalizability of the findings.

2.3 Data Collection Instrument and Procedure

Data was collected through a structured questionnaire survey administered online. The questionnaire was divided into three sections:

Section A: Collected demographic information (gender, age) (Karki, 2019).

Section B: Measured the factors affecting online purchase decisions. These factors were categorized into social, economic (Karki & Khadka, 2019b), product quality, and service quality dimensions. Respondents rated the importance of these factors on a Likert scale.

Section C: Captured overall online purchasing behavior and intention.

2.4 Data Analysis

The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS). The following statistical tools were employed:

Descriptive Statistics: Frequencies and percentages were used to summarize the demographic data and the perceived importance of various factors (as seen in Tables 1, 2, and 4).

Reliability and Validity Testing: The internal consistency and reliability of the survey instrument were confirmed using Cronbach's Alpha test, which yielded a value of .763, indicating good reliability (Table 3). Factor analysis was also conducted to validate the construct validity and to determine the factor loading values of each item, confirming that they adequately measured the intended latent variables.

Inferential Statistics: An Independent Samples t-test was used to analyze the gender perspective and test for statistically significant differences between the mean scores of male and female respondents (Karki & D'Mello, 2024). The study has also used the independent sample t-test (Table 5). This was crucial for addressing the study's focus on gender-based variations in online purchase decision factors.

3. Results & Discussion

Table 1, titled "Gender participation," details the demographic composition of the survey respondents based on gender. It shows that the total number of participants in the study was 384. Among them, 200 individuals were female, representing 52.1% of the sample, while 184 were male, accounting for the remaining 47.9%.

Table 1: Gender participation

		Frequency	Percent
Gender	Male	184	47.9
	Female	200	52.1
	Total	384	100.0

Source: Field Survey, 2025

This distribution indicates a relatively balanced gender representation in the study, with a slight majority being female participants. For a survey investigating the online purchasing decisions of Nepalese consumers, this near-equal split enhances the findings' credibility, as it suggests the data reflects the perspectives of both major gender groups.

Table 2, titled "Age group of Respondents," outlines the distribution of participants by age. It reveals that the largest group of respondents, comprising 221 individuals or 57.6% of the total 384 participants, falls within the 21-25 age bracket.

Table 2: Age group of Respondents

		Frequency	Percent
Age	Below 18	14	3.6
	18-20	73	19.0
	21-25	221	57.6
	25 & above	76	19.8
	Total	384	100.0

Source: Field Survey, 2025

This distribution demonstrates that the study's findings are heavily representative of young adults, with the 18-25 age group collectively making up over 76% of the sample. This suggests that the research findings on online purchase decisions are most applicable to the younger, digitally native segment of the Nepalese consumer market.

Table 3, titled "Reliability Statistics," presents the internal consistency and strength of the survey items used to measure factors influencing online purchase decisions. The overall reliability of the scale is confirmed by a Cronbach's Alpha value of 0.763, which is considered a good level of internal consistency. The table lists seven specific factors, such as product quality, price, and company reputation, along with their mean scores and factor loading values.

Table 3: Reliability Statistics

Reliability Statistics			
Factors	Mean	Factor Loading Value	Cronbach Alpha
The company's reputation	2.11	.637	.763
Price of the product or service	1.91	.634	
Quality of the product or service	1.67	.777	
Customer service	1.91	.626	
Payment methods	2.21	.580	
After-sales service	2.18	.571	
Promotion and advertisements	2.61	.456	
Customer's rating	2.03	.721	

Source: Field Survey, 2025

The data shows that "Quality of the product or service" has the strongest association with the overall construct (Factor Loading = 0.777), while "Promotion and advertisements" has the

weakest (0.456). The mean scores, all below the neutral point of 3 on a Likert scale where 1 = extremely important, and 5 = not at all important, suggest that respondents generally perceived these factors as very important or satisfactory. This confirms that the measured scale is reliable and that the listed factors are significant components of the online purchase decision for this sample.

Table 4, titled "Factors affecting the online purchase decisions," details the perceived importance of various factors according to the survey respondents. It presents the frequency and percentage of responses across five levels of importance, from "Extremely Important" to "Not at All Important," for eight different factors.

Table 4: Factors affecting the online purchase decisions

Factors		Extremely Important	Very Important	Somewhat Important	Not Very Important	Not At All Important	Total
The company's reputation	Frequency	126	144	75	22	17	384
	Percent	32.8	37.5	19.5	5.7	4.4	100.0
Price of the product or service	Frequency	142	156	70	12	4	384
	Percent	37.0	40.6	18.2	3.1	1.0	100.0
Quality of the product or service	Frequency	226	92	43	14	9	384
	Percent	58.9	24.0	11.2	3.6	2.3	100.0
Customer service	Frequency	135	168	63	17	1	384
	Percent	35.2	43.8	16.4	4.4	.3	100.0
Payment methods	Frequency	96	135	134	15	4	384
	Percent	25.0	35.2	34.9	3.9	1.0	100.0
After-sales service	Frequency	95	155	108	23	3	384
	Percent	24.7	40.4	28.1	6.0	.8	100.0
Promotion and advertisements	Frequency	64	112	131	64	13	384
	Percent	16.7	29.2	34.1	16.7	3.4	100.0
Customer's rating	Frequency	131	135	94	22	2	384
	Percent	34.1	35.2	24.5	5.7	.5	100.0

Source: Field Survey, 2025

The data reveals that "Quality of the product or service" is the most critical factor, with a dominant 58.9% of respondents rating it as "Extremely Important." Conversely, "Promotion and advertisements" is perceived as the least critical, with only 16.7% finding it extremely important and a notable 20.1% considering it not very or not at all important. Other factors like Price, Customer Service, and Company Reputation also show high levels of collective importance, indicating they are key drivers in the Nepalese online purchasing decision.

Table 5, titled "Gender Differences between factors affecting online purchase decisions," presents the results of an independent samples t-test conducted to compare the perceptions of male and female respondents. The group statistics show that the mean score for males (2.16) is higher than for females (2.01), indicating a slight but measurable difference in how the two genders, on average, rated the importance of the combined factors affecting their online purchase decisions.

Table 5: Gender Differences between factors affecting online purchase decisions

Group Statistics										
	Gender	N	Mean		Std. Deviation		Std. Error Mean			
Factors affecting purchase decisions	Male	184	2.1556		.66027		.04868			
	Female	200	2.0069		.48553		.03433			
Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Factors affecting purchase decisions	Equal variances assumed	7.981	.005	2.528	382	.012	.14870	.05883	.03303	.26436
	Equal variances not assumed			2.496	334.287	.013	.14870	.05957	.03152	.26587

Source: Field Survey, 2025

The independent samples test confirms that this observed gender difference is statistically significant. This is evidenced by the Sig. (2-tailed) value of .012 (which is less than .05),



leading to the rejection of the null hypothesis. This means there is a statistically significant difference between male and female respondents in their overall perception of the factors influencing online purchase decisions, with males attributing a slightly higher level of importance to them.

4. Conclusion & Recommendation

Based on the comprehensive analysis of the survey data, this study concludes that the online purchase decisions of Nepalese consumers are predominantly influenced by a combination of intrinsic product attributes and extrinsic trust-based factors. The findings robustly identify product quality as the paramount concern, with a significant majority (58.9%) of respondents rating it as "Extremely Important." This is complemented by the high importance placed on price, customer service, and company reputation, indicating that Nepalese consumers seek a reliable and valuable transaction. Furthermore, the study successfully establishes that these factors form a reliable and valid scale for measurement, as confirmed by a Cronbach's Alpha of 0.763 and strong factor loadings. A critical conclusion is the revelation of a statistically significant gender difference in the overall perception of these factors, with male respondents attributing a slightly higher level of importance to them than their female counterparts. This underscores that while core factors like quality are universally critical, the weight assigned to the collective decision-making drivers can vary by demographic.

In light of these conclusions, specific recommendations are proposed. For E-commerce Businesses and Marketers, the primary strategy should be to build unwavering consumer confidence by ensuring and explicitly communicating product quality through high-resolution images, detailed descriptions, and authentic customer reviews. Pricing must remain competitive and transparent. Furthermore, businesses should segment their marketing and communication strategies to address the nuanced differences in perception between male and female consumers, potentially tailoring product recommendations and promotional messages. For Future Researchers, it is recommended to build upon these findings by employing a mixed-methods approach. Qualitative interviews could provide deeper insights into the "why" behind the observed gender difference and the overwhelming focus on quality. Longitudinal studies are also recommended to track how these influencing factors evolve as the Nepalese e-commerce market matures and consumer trust in digital platforms further solidifies.

Transparency Statement: The author confirms that this study has been conducted with honesty and in full adherence to ethical guidelines.

Data Availability Statement: Author can provide data.

Conflict of Interest: The author declares there is no conflicts of interest.

Authors' Contributions: The author solely conducted all research activities i.e., concept, data collecting, drafting and final review of manuscript.



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