DIGITAL SHOPPING BEHAVIOR OF CLIENTS: EVIDENCE FROM NEPALESE YOUTHS

BASU DEV LAMICHHANE
PADAM BAHADUR LAMA

Saraswati Multiple Campus, Tribhuvan University, Kathmandu, Nepal

KUSSUM RAI
NAMRATA KARKI

Freelance Researcher, Kathmandu, Nepal

ABSTRACT

Digital shopping in the recent era has evolved throughout the national and international markets facilitating convenience purchases for customers. However, the complexities are revealed with digital shopping mechanisms. As numerous challenges exist with online shopping, there has been tremendous focus on investigating existing difficulties associated with online shopping. This research examines the impact of privacy and security, product features, and delivery service on digital shopping behavior in Nepalese Youth. It addresses the gap in the literature regarding inconsistent findings. Employing quantitative research design and deductive reasoning, a cross-sectional study was conducted to gather data on individuals' online purchasing intentions. A convenience sampling method was used, with a sample size of 129 selected from a population of 2500, determined

using a sample size calculator at a 98% confidence level and a ±10% margin of error. Of 170 questionnaires distributed, 140 were valid. Descriptive and correlational research designs were employed to explore consumers' behaviors and attitudes, while causal analysis assessed the impact of perceived risks on purchasing intentions, with age group differences also considered. The study found that privacy, security, and delivery service negatively affect digital shopping behavior, while product features have a slightly positive impact. These findings are valuable for enhancing online retail strategies and improving consumer satisfaction. The study examines the risk factors affecting digital shopping behavior among Tokha Municipality, Kathmandu residents. It focuses on privacy and security, product features, and delivery service. The findings show that different age groups perceive digital shopping behavior differently. Privacy and security are significant, with customers worrying about the potential for personal and financial information theft. Delivery service is also a concern, especially with unfamiliar sellers. However, product features have significantly diminished due to improved retailer standards, enhanced product information, and robust consumer protection. The study found an insignificant positive relationship between product features and digital shopping behavior.

1. INTRODUCTION

The rise of digital shopping has significantly impacted consumer behavior, ushering in a new era of shopping convenience from the comfort of home. However, concerns about associated risks have prevented many consumers from fully embracing online shopping, complicating trust in e-commerce. There are generally six types of risks: performance risk (also known as functional risk), security, financial risk, psychological risk, time risk, and social risk. Adnan (2014) stated that the fear of losing money negatively affects digital shopping behavior. Consumers often worry that if products do not perform as promised or fail to meet their needs, they may incur financial losses (Folarin & Ogundare, 2016). Han and Kim (2017) stated that products might not meet consumer expectations, which constitutes product features. Additionally, even if product features are low, the non-delivery of products for which consumers have paid increases their concerns. Delays,

non-delivery, or damaged products can significantly diminish interest in digital shopping (Tanadi et al., 2015). Moreover, Han and Kim (2017) emphasized that some online sellers might not adhere to security protocols, such as encryption or authentication, leading to distrust regarding the protection of personal information.

Nepal ranks as the 79th largest e-commerce market, with projected revenues of $679.7 million by 2024, surpassing Bosnia and Herzegovina. The Nepali market is rapidly embracing online shopping, driven by fast, affordable 3G and 4G internet services provided by local providers (Vaidya, 2019). However, this rapid growth comes with challenges. There have been numerous instances of online scams, where fraudsters pose as legitimate online stores to deceive consumers. Additionally, Nepal's largest digital shopping platform, Daraz, has faced customer accusations of inflating prices during sales compared to regular prices, often discovering that in-store prices are lower than those offered online. Such incidents have fostered a negative perception of Nepali online stores, leading many consumers to avoid digital shopping altogether. The challenges faced by online shoppers in Nepal are diverse and significant, including product features, privacy and security, and delivery service. To navigate these issues, online shoppers need to stay informed and take necessary precautions. Therefore, building trust is crucial for fostering purchase intentions on online platforms (Shrestha, 2023).

2. REVIEW OF LITERATURE

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), developed by Fred Davis in the late 1980s, is a crucial framework for understanding how people accept technology. This model is especially relevant for analyzing perceived risks in digital shopping behavior. Two key concepts in TAM are perceived usefulness (PU) and perceived ease of use (PEOU). Perceived usefulness (PU) refers to consumers' beliefs about how well digital shopping platforms meet their needs, providing benefits such as convenience and competitive prices. On the other hand, perceived ease of use (PEOU) focuses on the user-friendliness

and accessibility of these platforms. This includes factors like website navigation and transaction security.   These perceptions significantly influence consumers' intention to use (IU) digital shopping platforms. When consumers perceive higher risks related to product quality, financial security, delivery issues, and privacy, their PU and PEOU tend to decrease, which in turn lowers their intention to use these platforms. Researchers can gain valuable insights into how online retailers can improve platform usability, transparency, and security by conducting surveys or interviews and employing statistical analyses. Addressing these areas can help alleviate perceived risks and increase consumer confidence in e-commerce. Ultimately, this approach aims to enhance digital shopping experiences and encourages broader adoption of e-commerce platforms.

Theory of Planned Behavior (ToPB)

The Theory of Planned Behavior (TPB) is a psychological framework developed by Icek Ajzen in the late 1980s as an extension of the Theory of Reasoned Action (TRA). It aims to predict and understand human behavior in specific contexts by considering three key factors: individuals' attitudes, subjective norms, and perceived behavioral control.

According to the Theory of Planned Behavior, an individual's attitude toward a behavior such as online shopping—can be either positive or negative. This attitude is influenced by their perception of associated risks. For example, if someone has a negative attitude toward digital shopping due to perceived risks, they may avoid or hesitate to engage in online transactions. Subjective norms in TPB refer to social pressures or norms related to a behavior. In the context of digital shopping and perceived risks, subjective norms involve beliefs about what important people in one's life—such as friends, family, online reviewers, and experts—think about the safety of digital shopping and whether they approve or disapprove of it. Perceived behavioral control relates to how easy or difficult an individual believes it is to engage in a behavior. This includes beliefs about technical skills, knowledge of online security measures, and the availability of support from the online retailer or payment gateway. In TPB, behavioral intention reflects a consumer's readiness or willingness to engage in digital shopping despite perceived risks. This

intention is influenced by attitudes toward online shopping, subjective norms, and perceived behavioral control regarding those risks.

Security and Digital Shopping Behavior

Adnan (2014) examined the factors affecting digital shopping behavior in Pakistan, focusing on perceived advantages, risks, psychological factors, and website design. The study identified convenience, cost-effectiveness, and information gain as key advantages, while financial and privacy risks discouraged consumers. A survey of 100 respondents revealed that perceived risks and psychological factors significantly influenced digital shopping behavior, whereas website design and hedonic motivations had less impact. Pearson correlation analysis confirmed that Pakistani consumers prioritize necessity over enjoyment in their online shopping. The study suggests that online retailers should build trust to encourage greater adoption.

Chelvarayan et al., (2021) studied Malaysian students' perceptions of online shopping, concentrating on convenience, and ease of use, usefulness, privacy, and security. A survey of 200 students showed that saving time, money, and effort had the strongest influence, while usefulness was the weakest factor. Data were analyzed using SPSS with multiple regression analysis. The study recommends enhancing privacy and security systems to boost consumer trust and advises online retailers to streamline the purchasing process for better user experience.

H1: There is a positive association between security and digital shopping behavior.

Delivery Service and Digital Shopping Behavior

Javadi et al. (2012) investigated factors affecting online buying behavior, focusing on perceived risks and return policies. They analyzed 107 responses from 200 questionnaires distributed to customers of five major Iranian online stores. The findings

revealed that financial and delivery services significantly impacted consumer attitudes, while convenience and product features were less influential. Key factors like after-sales service and free delivery were also important, while infrastructural variables had limited effects. The study recommended improving the product delivery services and enhancing after-sales services to build consumer trust. Empirical evidence revealed a link between product delivery services and digital shopping behavior (Mathur, 2015). A survey of 400 respondents revealed significant concerns regarding return policies, delivery time, and product tangibility. The findings confirmed that perceived risks influence shopping behavior, urging online merchants to build trust and enhance service reliability.

H2: There is a positive relationship between delivery service and digital shopping behavior.

Security and Digital Shopping Behavior

Tham et al., (2014) examined factors affecting Malaysian digital shopping behavior, focusing on financial, convenience, non-delivery, and return policy risks. A survey of 300 shoppers found that product features, convenience risk, secured online service, and return policy significantly impacted behavior, while financial risk was deemed insignificant. Delivery service had a negative but significant effect. Data analysis utilized SPSS AMOS, applying factors and correlation analysis to assess relationships. The study recommends that e-retailers enhance delivery efficiency and simplify the purchasing process to boost consumer trust.

Makhitha and Ngobeni (2021) investigated the risk factors affecting digital shopping attitudes in South Africa, focusing on privacy, security, product, and delivery risks. A survey of 207 consumers from malls in Johannesburg and Pretoria revealed that privacy and Security had the most significant impact on digital shopping behavior. Age influenced shopping behavior, whereas gender had no effect. It revealed that management of required security for facilitating online shopping positively supports the business performance.

H3: There is a positive relationship between security and digital shopping behavior.

Digital Shopping Behavior

Jusoh and Ling (2012) explored how socio-demographic factors, online buying patterns, and purchase perception influence digital shopping attitudes. Income and e-commerce experience significantly shaped these attitudes, while age and occupation had no effect. Popular purchases in the Asia/Pacific region included books, appliances, and clothing. Purchase perception, driven by product perception, customer service, and consumer risks, played a key role. Using SPSS to analyze survey data from 100 respondents in Ipoh, the study suggested that online retailers align their policies with consumer preferences.

Bhatt and Bhatt (2012) explored digital shopping in Ahmedabad, India, identifying website ease, service quality, and security as key factors. Consumers were categorized as trial, occasional, frequent, or regular buyers, with regular buyers placing the highest value on ease and service quality. A survey of 196 respondents indicated that these factors significantly influenced buying behavior, assisting businesses in developing specific segment strategies.

Ma et al., (2022) conducted a comprehensive study on the factors influencing digital shopping frequency in New Zealand following the COVID-19 pandemic. The research depicted several key determinants, including payment convenience, competitive pricing, urbanization, and the number of children in households. Analyzing data from a survey of 153 respondents revealed that payment convenience had the most significant positive impact on digital shopping frequency. Additionally, perceptions of price were also influential. The findings indicated that urban residents engaged in digital shopping more frequently, whereas marriage tended to decrease shopping frequency while having children increased it. The study recommends that e-retailers enhance payment processes and refine pricing strategies to improve customer retention. Dhungana et al. (2023) stated that digital financial services support online payment. For this security, convenience, and adaptability have a positive and significant influence.

Hamli and Sobaih (2023) investigated the factors affecting digital shopping behavior in Saudi Arabia during the COVID-19 pandemic, focusing on aspects such as product

variety, payment methods, psychological influences, convenience, and trust. Their analysis involved a survey of 220 respondents, evaluated through SPSS and regression analysis, which highlighted that product variety, payment methods, and psychological factors significantly affected shopping behavior. Conversely, convenience and trust demonstrated minimal impact. The researchers advocate for e-commerce platforms to enhance usability and customer service, emphasizing the necessity for better payment options and a broader range of product offerings to meet consumer demands effectively.

A research framework was utilized to illustrate the variables used in the study as shown in Figure 1. This framework outlines the impact of risk factors on consumers' digital shopping behavior. Digital shopping behavior was studied as a dependent variable. In addition to that, privacy and security, product features, and delivery service were evaluated as independent variables under the dimensions of the risk factors. The risk factor refers to the potential dissatisfaction with the purchase from online stores. Uncertainty arises when we consider the negative consequences that may result from purchasing a product online which is considered by risk factors. Digital shopping behavior is the consumers' tendency to be skeptical regarding the usage of digital shopping platforms. The variables are withdrawn from the reviewed articles.

Figure 1: Conceptual Framework
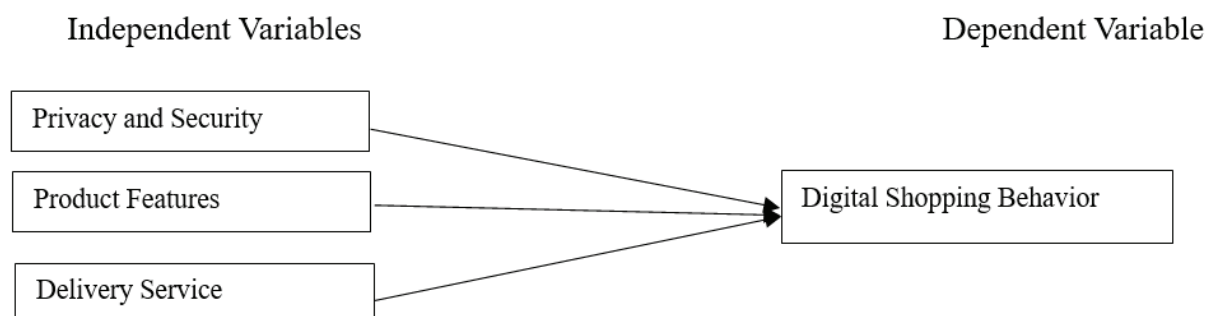
3. MATERIALS AND METHODS

The study investigates the impact of security, product features, and delivery service on digital shopping behavior in Kathmandu Valley Nepal using a quantitative research design. It employs statistical tools such as mean, correlation, and regression analysis, while also utilizing deductive reasoning and theories like the Technology Acceptance Model and the Theory of Planned Behavior. A cross-sectional approach was adopted to collect data on online buying preferences, employing descriptive, relational, and causal research designs to explore consumer behavior, analyze relationships between variables, and assess the effects of perceived risks. The target population included online shoppers from Kathmandu Valley, chosen due to the limited number of shopping centers and a high potential for online shopping. To determine the sample size, a sample size calculator was used, resulting in a total of 97 respondents at a 98 percent confidence level with a 10 percent margin of error (Yamane, 1967). Out of 140 questionnaires distributed, 120 were valid and included in the study. The sample consisted of a diverse group of respondents, including students, housewives, and other professionals. Primary data was collected from residents of Kathmandu Valley through the physical distribution of the questionnaires. The survey utilized various question formats, including Yes/No options, multiple-choice questions, ranking questions, and a 5-point Likert scale to evaluate digital shopping behavior. The responses were tabulated and analyzed descriptively, categorizing participants by gender, age, and shopping experience. Data analysis was conducted using cross-tabulation, correlation, and regression analysis in SPSS version 27. The study has developed the following model for the study:

$$DSB = \alpha + \beta_1 SR + \beta_2 PF + \beta_3 DS + e_i \ldots\ldots\ldots\ldots(1)$$
Where,
DSB = Digital Shopping Behavior
SR = Security
PF = Product Features
DS = Delivery Service
e_i = Error Term

RESULTS AND DISCUSSION

Demographic Information of Respondents

Table 1 presents a summary of the characteristics of the 120 respondents, revealing a notable gender imbalance: 71 females (59.2 percent) and 49 males (40.8 percent). The age distribution indicates that 26 respondents were under 20, 75 were between 20 and 40, and 19 were over 40. The largest demographic, aged 20-40, accounted for 62.5 percent of the participants, followed by those under 20 at 21.7 percent, and those over 40 at 15.8 percent

Table 1: Profile of Respondents

Demographic Variables	Classification	Frequency	Percent
Gender	Female	71	59.2
	Male	49	40.8
	Total	120	100
Age group	Below 20	26	21.7
	20-40	75	62.5
	Above 40	19	15.8
	Total	120	100

Table 2: Frequency of Digital Shopping Experience Among Respondents

Digital shopping experience	Frequency	Percent	Cumulative Percent
More than once a month	34	28.3	28.3
Once a month	67	55.8	84.2
None	19	15.8	100
Total	120	100	

Digital Shopping Behavior of Clients: Evidence from Nepalese Youths

An analysis of the respondents' profiles based on Table 2 shows out of 120 respondents, 34 individuals (28.3 percent) typically make purchases from e-commerce sites more than once a month, 37 individuals (55.8 percent) shop online once a month, and 19 individuals (15.8 percent) have no experience with online shopping. This data highlights the varying levels of digital shopping experience among respondents.

Table 3: Opinion on Digital shopping Privacy Concerns

Responses	Frequency	Percent	Cumulative Percent
Yes	63	52.5	52.5
No	57	47.5	100
Total	120	100	

Digital shopping has been a frequently used method of shopping nowadays, but people are concerned about their private information being misused. Table 3 shows that out of the entire sample size of 120, 63 respondents contributing 52.5 percent of the respondents are afraid of privacy intervened. The remaining 57 contributing 47.5 percent of the respondents have less concern about online shopping.

Table 4: Opinions on Experiencing Faults in Online-Purchased Products among Respondents

Responses	Frequency	Percent	Cumulative Percent
Yes	74	61.7	61.7
No	46	38.3	100
Total	120	100	

In Table 4, the opinions of respondents who have experienced faults in online-purchased

products are presented. Out of 120 respondents, 74 (61.7 percent) have experienced faults, while the remaining 46 (38.3 percent) have not encountered any faulty products. This data sheds light on the prevalence of faulty products in the online market, indicating that a significant portion of consumers have experienced issues with their purchases.

Table 5: Opinion on Delivered Products Being As Per Online Description

Responses	Frequency	Percent	Cumulative Percent
Yes	40	33.3	33.3
No	80	66.7	100
Total	120	100	

Table 5 highlights respondents' satisfaction with product descriptions. Out of 120 respondents, 80 (66.7 percent) reported receiving products that didn't match the online descriptions, while 40 (33.3 percent) received items as advertised.

Table 6: Opinion on Non-Delivery of Already Paid Product among Respondents

Responses	Frequency	Percent	Cumulative Percent
Yes	33	27.5	27.5
No	87	72.5	100
Total	120	100	

Table 6 revealed that a significant number of respondents experienced product non-delivery despite making payments. Out of 120 participants, 87 (72.5 percent) reported such fraud when purchasing from online vendors, while 33 did not. These findings underscore the prevalence of non-delivery scams and the urgent need for enhanced consumer protection in online commerce.

Table 7: Respondents' Opinions on Providing Credit Card Details on an E-Commerce Site

Responses	Frequency	Percent	Cumulative Percent
Yes	89	74.2	74.2
No	31	25.8	100
Total	120	100	

The Table below exemplifies the ongoing concern people have about sharing their credit card details on e-commerce websites. This fear stems from worries related to privacy and security. The study also highlights the reservations of participants when it comes to disclosing their sensitive information for online shopping. Out of the respondents, 89 accounted for 74.2 percent, expressed doubts about the issue, while the remaining 31 (25.8 percent) were more open-minded.

Table 8: Risk Factors of Digital Shopping Behavior among Respondents

Alternatives	Responses		Percent of Cases
	N	Percent	
Different products when delivered.	72	22.90%	60.00%
Fear of getting personal information (e.g. credit card details, address) stolen.	55	17.50%	45.80%
Fear of non-delivery of the product when it's already been paid.	63	20.10%	52.50%
Defective product delivery.	75	23.90%	62.50%
Fear of purchasing over-priced items.	49	15.60%	40.80%
Total	314	100.00%	261.70%

Table 8 shows that the fear of receiving defective products is the main reason for negative attitudes toward online shopping. Specifically, 75 respondents (23.90 percent) expressed concerns about defective items, while 72 respondents (22.90 percent) worried

that the products may not match their online descriptions. Additionally, 63 respondents (20.10 percent) are concerned about non-delivery after payment. Privacy and Security also cause concern for 55 respondents (17.50 percent). Compared to these issues, fewer respondents (49 total, or 15.60 percent) worry about overpriced items in online stores.

Table 9: Prioritizing the Most Influential Discouragement Factors of Shopping Online

Reasons	Rank 1		Rank 2		Rank 3		Rank 4		median	rank
	N	%	N	%	N	%	N	%		
Faulty product	50	41.70%	32	26.70%	15	12.50%	23	19.20%	2	1
Leakage of private confidential information	37	30.80%	33	27.50%	25	20.80%	25	20.80%	2	2
Untimely delivery of product	12	10.00%	34	28.30%	49	40.80%	25	20.80%	3	4
Over-priced product	21	17.50%	21	17.50%	31	25.80%	47	39.20%	3	3

In analyzing ranking questions, weights were assigned to choices based on four alternatives: the most preferred choice received one point and the least preferred received four. These points were then converted into percentages relative to the total available. The choice with the lowest mean score is deemed most important, while the highest is least important. Table 9 presents respondents' concerns regarding online shopping. The primary worry, at 41.7 percent, was receiving faulty products. Next was the potential leakage of private information (27.50 percent), followed by overpriced products (25.80 percent). The last concern was untimely delivery, noted by only 19.20 percent of respondents.

4. CORRELATION ANALYSIS

The correlation matrix reveals the strength of the association between the study variables. This also manifests the direction of the relationship. Thus, this study employed security, product features, and delivery service as independent variables and digital shopping behavior is considered a dependent variable.

Table 10: Integrated Correlation Analysis

Variables	SR	PF	DS	DSB
SR	1			
PF	.323**	1		
DS	.254**	.513**	1	
DSB	-0.031	0.085	0.149	1

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

Table 10 examines the relationship between dependent and independent variables. The correlation coefficient of -0.031 indicates a negative relationship between privacy and security (PSR) and digital shopping behavior (OSB). This suggests that as privacy and Security increase, digital shopping behavior tends to decrease, and vice versa. In contrast, the correlation coefficient of 0.085 shows a slight positive relationship between product features (PR) and digital shopping behavior. Additionally, the correlation coefficient of 0.149 demonstrates a positive relationship between delivery service (NDR) and digital shopping behavior.

5. REGRESSION ANALYSIS

This study utilizes regression to measure the impact of perceived risks on the digital shopping behavior of consumers using Likert scale responses. The theoretical model expressing this relationship is formulated by the following multiple regression models as given:

Impact of Privacy and Security on Digital Shopping Behavior

The study utilized regression analysis to evaluate the influence of privacy and Security on digital shopping behavior. Findings in Table 11 reveal a negative relationship, with a significant regression coefficient of 0.04. However, privacy and Security explain only 0.005% of the variation in digital shopping behavior. This strong inverse correlation highlights the substantial impact of these risks on consumers' digital shopping decisions.

Table 11: Integrated Regression Result for Security

Variables	Unstandardized Coefficients		t	Sig.	F	Sig.	Model result	Adj. R Square
	B	Std. Error						
(Constant)	2.164	0.247	8.767	0.001	0.383	.04b	Model is fit	0.005
Security	-0.041	0.066	-0.619	0.04				
Hypothesis result: Null hypotheses are rejected at 0.05 level.								
a Dependent Variable: Digital shopping behavior								

Impact of Product Features on Digital shopping behavior

Table 12 reveals a significant positive link between product features and digital shopping behavior, with a regression coefficient of 0.001. The research hypothesis is accepted. Specifically, a one percent increase in product features corresponds to a 0.865 percent rise in digital shopping behavior. The model shows a strong fit, explaining 65.1 percent of the variation, with a significance level of 0.001.

Table 12: Integrated Regression of Product Features

Variables	Unstandardized Coefficients		t	Sig.	F	Sig.	Model result	Adj. R Square
	B	Std. Error						
(Constant)	0.064	0.134	0.479	0.633	219.726	.001b	Model is fit	0.651
DS	0.865	0.058	14.823	0.001				
Hypothesis result: Null hypothesis rejected at 0.01 level								
a Dependent Variable: Digital shopping behavior								

Impact of Delivery Service on Digital Shopping Behavior

Table 13 illustrates the impact of delivery services on digital shopping behavior. The table indicates a clear negative relationship between delivery service and digital shopping behavior, with a significant regression coefficient of 0.374. This suggests that with a one percent increase in delivery service, digital shopping behavior decreases by 0.374 percent, and vice versa. The p-value of 0.001 indicates that the research hypothesis is accepted.

Table 13: Integrated Regression of Delivery service

Variables	Unstandardized Coefficients		t	Sig.	F	Sig.	Model result	Adjusted R Square
	B	Std. Error						
(Constant)	2.219	0.235	9.449	0	0.798	.001b	Model is fit	0.002
NDR	-0.061	0.068	-0.893	0.001				
a Dependent Variable: Digital shopping behavior								

Furthermore, the model is considered a good fit as the p-value is lower than the 0.05 level. Additionally, the adjusted R-squared value of 0.002 supports the negative relationship of delivery service on digital shopping behavior, suggesting that delivery service accounts for only 0.002% of the variation in the digital shopping behavior of the residents.

Age Group and Digital Shopping Experience

Table 14 displays the relationship between age groups and the frequency of online shopping. The data indicates that a significant percentage of respondents, specifically 53.80 percent of those below 20, 6 percent of individuals aged 20-40, and 42.10 percent of those above 40, purchase goods online once a month. The table also reveals that those above 40 are more likely to have never shopped online, with 26.30 percent reporting no digital shopping experience. Additionally, respondents below 20 are more likely to shop online more than once a month, suggesting that digital shopping is more popular among the younger generation compared to the older generation.

Table 14: Cross Tabulation between Age Group and Digital shopping experience

Age group		Digital shopping experience			Total
		More than once a month	Once a month	None	
Below 20	Count	9	14	3	26
	% within the age group	34.60%	53.80%	11.50%	100.00%
20-40	Count	19	45	11	75
	% within the age group	25.30%	60.00%	14.70%	100.00%
Above 40	Count	6	8	5	19
	% within an Age group	31.60%	42.10%	26.30%	100.00%
Total	Count	34	67	19	120
	% within the Age group	28.30%	55.80%	15.80%	100.00%

The research was focused on the investigation of the dimensions of security, product features, and delivery services that influence digital shopping behavior. Therefore, the predictor variables employed in the study are security, product features, and delivery services. Moreover, digital shopping behavior is an outcome variable. The findings of the study revealed the influence of age group on the complex relationships between different dimensions of security and digital shopping behavior.

Further, the results obtained from data analysis demonstrated that privacy and security impose a negative but statistically significant correlation with digital shopping behavior. The negative relationship signifies that an increase in privacy and security decreases digital shopping intention. Consumers tend to be more cautious and selective when they perceive higher risks. These findings align with the findings of Martins (2018) which shows that "consumers avoid digital shopping because of inconvenience because most consumers are afraid of losing their credit card information resulting in credit card theft". This is backed up by the investigation of Makhitha and Ngobeni (2021) which concludes that privacy and security have more influence on digital shopping than other risk factors. However, it contradicts the findings of Permatasari and Muthohar (2023) where privacy and Security were found to be insignificant. The impact of product features seemed to be insignificant and positive from the study. This finding, however, is not compatible with the prior study (Ariff et al., 2014; Folarin & Ogundare, 2016; Han & Kim, 2017; Sudibyo et al., 2020) which found that product features have a negative relationship with online purchasing intention. The popularity of digital shopping in city areas like Tokha has accustomed people to the product specifications of online items. They have gained experience in understanding how products will be delivered by different online retail stores from which they make their purchases. Likewise, the study identified delivery service as negatively related to digital shopping behavior. This shows that digital shopping behavior decreases with an increase in delivery service. This finding is supported by previous investigations of Tham, Dastane, Johari, and Ismail (2014) which suggest it was identified that delivery service hurts online consumer behavior. However, Makhitha and Ngobeni (2021) concluded that the delivery risk factors do not influence online shopping. The age group factor has also proved to have a significant relationship with digital shopping behavior. This was also

backed up by the study of Makhitha and Ngobeni (2021) where it was concluded that age has a moderating effect on the relationship between product factors, privacy and security factors, and attitude towards online shopping.

6. CONCLUSION AND SUGGESTIONS

This research study aims to examine the dimensions of risk factors affecting digital shopping behavior among the residents of Tokha Municipality, Kathmandu, Nepal. It focuses on three dimensions of privacy and security, product features, and delivery service, to understand their impact on digital shopping behavior. Additionally, the study intends to analyze how these risk factors vary across different age groups among the residents. The findings suggest that different age groups have differing perceptions of digital shopping behavior concerning privacy and Security, product features, and delivery service. Data collection involved structured questionnaires, and the analysis utilized statistical measures such as frequency, mean, standard deviation, correlation, and regression analysis.

Furthermore, the analysis leads to the conclusion that many appreciate the convenience and variety offered by online stores but are increasingly concerned about how their data is collected, used, and protected. Customers worry about the potential for their personal and financial information to be stolen or misused. In this regard, the relationship between privacy and security seemed to be negative and significant. This proves that consumers are still worried about their private information while shopping online. With the growth of e-commerce, the fear of not receiving purchased items remains a significant concern, influenced by past experiences or reports of shipping delays, lost packages, or order fulfillment issues. Consumers often worry about delivery services due to past experiences or reports of such issues, especially with unfamiliar sellers. This concern is heightened when tracking information is lacking or unclear, and when dealing with sellers who may not offer reliable customer support. The study has also depicted the negative relationship between delivery service and digital shopping behavior. On the contrary, product features

in digital shopping have significantly diminished due to improved retailer standards, enhanced product information, and robust consumer protections. Reputable e-commerce platforms and major retailers now enforce stringent quality control measures and provide detailed product descriptions, high-resolution images, and customer reviews, which help ensure that products match their representations. The study has also proved this with an insignificant positive relationship between product features and the digital shopping behavior of the respondents. The findings of this study can be useful to policymakers, business entities, and other stakeholders while embracing the strategic movement. However, this study has certain limitations comprising the small size sample, pursuing the study based on cross-section data, and limited variables occupying the study only in the Nepalese context. Thus, future studies can take place in other sectors and geographical sectors including more sample and study variables.

REFERENCES

Adnan, H. (2014). An analysis of the factors affecting online purchasing behavior of Pakistani consumers. *International Journal of Marketing Studies, 6*(5), 133-148. doi:10.5539/ijms.v6n5p133

Ariff, M., Sylvester, M., Zakuan, N., Ismail, K., & Ali, K. (2014). Consumer perceived risk, attitude, and digital shopping behavior: Empirical evidence from Malaysia. *Materials Science and Engineering, 58*(1).

Bhatt, S., & Bhatt, A. (2012). Factors Influencing online shopping: An empirical study in Ahmedabad. *The IUP Journal of Marketing Management, 11*(4), 1-14.

Chelvarayan, A., Jie, C. S., & Fern, Y. S. (2021). Factors affecting students' perception of online shopping. *International Journal of Entrepreneurship, Business and Creative Economy, 1*(1), 13-24. doi:10.31098/ijebce.v1i1.424

Dhungana, B. R., Adhikari, A., Ojha, D., Ranabhat, D., Lamichhane, K., & Acharya, S. (2023). Customer perception toward digital financial services: A case of Pokhara, Nepal. *Butwal Campus Journal*, *6*(1), 1-11. https://doi.org/10.3126/bcj.v6i1.62573

Folarin, T. O., & Ogundare, E. A. (2016). Influence of customers' perceived risk on digital shopping intention in Malaysia's apparel industry. *International Journal of Information System and Engineering, 4*(2), 69-81.

Hamli, S. S., & Sobaih, A. E. (2023). Factors influencing consumer behavior towards digital shopping Saudi Arabia amid Covid-19: Implications for e-businesses post-pandemic. *Journal of Risk and Financial Management, 16*(36), 1-21.

Han, M. C., & Kim, Y. (2017). Why consumers hesitate to shop online: Perceived risk and product involvement on Taobao.com. *Journal of Promotion Management, 23*(1), 24-44.

Javadi, M. H., H. R., Nourbakhsh, M., Poursaeedi, A., & Asadollahi, A. R. (2012). An analysis of factors affecting on digital shopping behavior of consumers. *International Journal of Marketing Studies, 4*(5), 81-98. doi:10.5539/ijms.v4n5p81

Jusoh, Z. M., & Ling, G. H. (2012). Factors influencing customers' attitude towards e-commerce purchases through online shopping. *International Journal of Humanities and Social Science, 2*(4), 223-230.

Ma, W., Gan, C., Vatsa, P., Yang, W., & Zheng, H. (2022). Factors affecting digital shopping frequency: Lessons from New Zealand. *Springer Nature Journal*, 1-10.

Makhitha, K. M., & Ngobeni, K. (2021). The influence of demographic factors on perceived risks affecting attitude towards online shopping. *South African Journal of Information Management, 23*(1), 1-9.

Martins, J. &. (2018). How smartphone advertising influences consumers' purchase intention. *Journal of Business Research, 94*(10).

Mathur, N. (2015). Perceived risks towards online shopping: An empirical study of Indian customers. *International Journal of Engineering Development and Research, 3*(2), 296-300.

Permatasari, D. N., & Muthohar, M. (2023). The effect of perceived risk on consumer's online purchase intention at Zalora for Muslim clothing products. *Asian Journal of Economics, Business and Accounting, 23*(19), 117-133.

Shrestha, S. (2023). Digital shopping attitude and purchase intention of Nepalese consumers: Moderated mediation of social media. *Journal of Nepalese Management Academia*, 17-26.

Sudibyo, H., Hartanti, G. A., & Ikhsan, R. B. (2020). Pereived risk in online pruchase intention. *International Conference on Information Management and Technology*, 7-92.

Tanadi, T., Samadi, B., & Gharleghi, B. (2015). The impact of perceived risks and perceived benefits to improve an online intention among generation-Y in Malaysia. *Asian Social Science, 11*(26), 226-238.

Tham, K. W., Dastane, O., Johari, Z., & Ismail, N. B. (2014). Perceived risk factors affecting consumers' digital shopping behavior. *Journal of Asian Finance, Economics and Business, 6*(4), 245-256. doi:10.13106/jafeb.2019.vol6.no4.245

Vaidya, R. (2019). Digital shopping Nepal: Preferences and problems. *The Journal of Nepalese Business Studies, 12*(1), 71-86.