

Online Shopping in Nepal: Preferences and Problems

Rashesh Vaidya*

ABSTRACT

The popularity of online shopping among Nepalese customers has increased with the cost-reduction of technology-based goods, the cost of internet services, and easy access to the internet. At the same time, the convenient modes of payments, and user-friendly, as well as, interactive shopping apps are further paving a pathway to unprecedented growth in the online shopping companies. The online shopping companies in Nepal have been seen following the Business to Consumer (B2C), Customer to Customer (C2C), or the 'Facebook Store' business model. The paper has taken 300 respondents, as a sample, who have at least twice shopping experiences, from a single online shopping company. The multiple-choice question, and open-end questions related to the preference, and problems faced were asked while going for online shopping in Nepal. In context to Nepal, time-saving, offers, easy ordering system and information available at the online shopping portal, were the main reasons for the shoppers, to prefer online shopping. The service quality provided by the online company, made the Nepalese customer, prefer online shopping. The quality of the product delivered to the customer was seen to be the major problem in Nepalese online shopping. The delivery of the wrong product was also seen one of the problems in online shopping in Nepal.

Keywords: Nepal, online shopping, product delivery.

1. INTRODUCTION

Michael Aldrich, an English innovator, inventor, and entrepreneur, in 1979, invented online shopping. He introduced online shopping to enable online transaction processing between consumers and business, a technique which is now known as electronic commerce (e-commerce). The first online shopping was undertaken by connecting a modified television (TV) to a real-time transaction processing computer via a domestic telephone line (landline). Then in 1990, online processing reached to the general public with the creation of the World Wide Web by Tim Berners-Lee. Similarly, in 1994, Netscape launched the first commercial browser, Navigator. In the same year, Pizza Hut offered online ordering of Pizza on their website. In 1995, Amazon started selling books online and eBay, an American multinational corporation and e-commerce company, provided consumer-to-consumer and business-to-consumer sales services via the Internet.

In context to Nepal, a regular department store, under the name of Moti Man Ratna Man opened at Ason, almost a century ago. From supplying provision to business organizations to retailing, wholesaling, and supplying of products, the store did it all. Then in the 1920s, the first department store in Nepal was established, and the store moved to New Road, and got its name Muncha House, given by the regular customer. The third generation, Amrit Tuladhar decided to start the Muncha Internet Venture in April 2000, through which, Nepalese were able to avail the services of Muncha House globally.

*Mr. Vaidya is a PhD scholar in Faculty of Management, Tribhuvan University
Email: rashesh_vaidya@hotmail.com

The concept was new and came with a lot of obstacles and issues. The starting of www.munchahouse.com made a way of shopping online accessible, and glamorous to Nepalese in and outside Nepal, which was previously impossible. Over time, munchahouse.com changed to muncha.com from brevity reasons. It also introduced photo-sites in 2002. The photo-sites were exclusive to registered customers (Agrawal, 2016).

With the influence and arrival of the latest technology from neighboring countries, as well as from abroad, Nepal is on the path of success through e-commerce. Online shopping is taking the Nepalese market by storm facilitated by fast speed inexpensive 3G and 4G internet technology provided by the local service providers. Similarly, the convenient modes of payments and user-friendly, as well as interactive shopping apps are further paving a pathway to unprecedented growth in the e-commerce sector. The growth in the information technology sectors and the increasing number of young human resources in information technology sector directly created more opportunities for the growth of e-Commerce in Nepal.

The status of e-commerce in Nepal seems promisingly good. Many users are attracted to online shopping and using online services. Many online portals and shopping portals are launched. The competition is rapidly increasing day-by-day due to an increasing number of online stores in Nepal, which will ultimately benefit the future of e-commerce in Nepal. Similarly, the Nepalese entrepreneurs have also enhanced another aspect of online shopping by increasing the trend of using social media as a shopping platform.

The major online companies (e-commerce) in Nepal are working as Business-to-Consumer (B2C) or Consumer-to-Consumer (C2C) model business. For instance, Hamrobazar.com is a free online portal which provides a free platform to connect buyers and sellers where both of them are consumers. Similarly, [NepBay](http://NepBay.com) started in 2006, as an online directory of products and shops for the first time at Kathmandu for buy and sell of second hand and used items, eventually transformed itself into an online company. When [NepBay](http://NepBay.com) introduced “Cash on Delivery” in 2013, it was first-time customers in Nepal were able to place orders online, and receive goods directly at the doorsteps. It has also been a common platform for small and medium enterprises in Nepal to showcase and sell products.

On June 2014, Kaymu.com at that time backed by Asia Pacific Internet Group launched its operation in Nepal. In July 2016, Pakistan-based e-commerce Daraz took over [Kaymu](http://Kaymu.com) and again a Chinese-owned e-commerce company Alibaba Group acquired Daraz in May 2018 and has been in Nepalese market in Business-to-Consumer (B2C) model of business in online companies. Some online companies have been performing the dual features of doing business, maintaining the physical existence of shop as well as an online portal for online shopping. Similarly, some of the online companies in Nepal have specialized in a specific product or service only. Other than the above two techniques, an approach called ‘Facebook Store’ is also seen very popular in Nepal, where products are displayed and sold through the Facebook page or portal, rather than from a separate website.

Expansion of the internet facilities, cost reduction by the internet service providers and changing life-style of the urban teenage population, has increased the scope of online shopping in Nepal. The increasing popularity, booming of online shopping companies, and shopping pages on social media, reflect the expansion and growth of the online shopping trend in Nepal, especially at Facebook and on Instagram. The dual nature of online shopping, one through own shopping portal of the company, and others through the use of social media, made shoppers get a bulk of choice for online shopping in Nepal.

At the same time, customers are also raising issues with online shopping in Nepal. The paper has tried to find out the reasons behind to prefer online shopping by the Nepalese shoppers, and the problems they have been facing while going for it.

2. LITERATURE REVIEW

Goldsmith and Bridges (2000) emphasized that there is discrimination between an online shopper and non-online shoppers, online shoppers are more worried about convenience, time-saving and selection whereas non-online shoppers are worried about security, privacy and on time delivery. The study used the five-point Likert scale to conduct the survey among the undergraduate students at university.

Ngudup, Chen, and Lin (2005) identified projects that can possibly facilitate the growth of e-commerce venture in underdeveloped countries such as Nepal. They also explained what ought to be done to establish a profitable e-marketplace in Nepal. They further added that even in countries with poor infrastructure and access to information technology, evidence exists that dynamic enterprises and governments have taken advantages of the possibilities offered by e-commerce. They followed the case study technique to understand the scenario of the e-commerce growth in Nepal.

Sin, Nor and Al-Agaga (2012) examined factors that influence Malaysian young consumers' online purchase intention through social media and revealed that perceived usefulness was the most dominant factors that influence young consumers' online purchase intention through social media, followed by perceived ease of use and subjective norm. They adopted the concept of factor analysis to derive the factors related to the purchase intention and a regression analysis was conducted to test the hypothesis.

Cetină, Munthiu, and Rădulescu (2012) concluded that electronic commerce (e-commerce) has determined great changes in consumer behavior, changes caused mainly by the modification of factors that influence online consumer behavior. They also stated the web experience generates mutations in mental processes that trigger the online buying decision. They conducted the survey on the behavioral dimensions of the online shoppers through the major social media.

Bashar and Wasiq (2013) studied the impact of emotional state and perceived risk of remote purchase on e-satisfaction during internet shopping using the correlation and regression analysis. It aimed to study the influence of e-satisfaction on e-loyalty. The results showed that three dimensions of the emotional state during internet shopping (the pleasure, stimulation, and dominance) have a significant positive impact on e-satisfaction. Dimensions of the perceived risk of the remote purchase, (the total risk, the financial risk, the social risk, the psychological risk, the functional risk, and the physical risk) do not have a significant impact on e-satisfaction, except the risk of loss of time has a negative impact. Finally, it was found that satisfaction influenced positively and significantly the e-loyalty of cyber consumers.

Karim (2013) concluded that the customer's purchase products through online because they believe it is convenience to them and the term convenient includes elements such as time-saving, information availability, opening time, ease of use, websites navigation, less shopping stress, less expensive and shopping fun. In contrast, along with respondents' mind-sets, online payment security, personal privacy and trust, unclear warranties and returns policies and lack of personal customer service are the foremost barriers of online shopping. The result was brought using the one-sample t-test.

Nagra and Gopal (2013) reveal using ANOVA that online shopping in India is significantly affected by various demographic factors like age, gender, marital status, family size, and income.

Choudhury and Dey (2014) highlighted that there is a significant relationship between online shopping with gender, internet literacy, and online product price. Similarly, the study also highlighted that there is no significant relationship between online shopping with education and website usability. The study used the Chi-square test to evaluate the relationship between the variables.

Jiradilok, Malisuwan, Madan, and Sivaraks (2014) studied the behavior and preference of doing online shopping among the experienced and inexperienced customers using the multiple regression analysis. They found that people mostly value assurance and empathy as the most influential dimensions. The other attributes like appropriate pricing, responsibility, website information quality, and reliability should also be added to the websites since people consider these variables to support their decision. The result shows that variety, website system quality, and tangibility have no influence on purchasing intention in customer's decision even though the respondents were quite satisfied with these dimensions. While on the side of the experienced customers for online shopping, value appropriate pricing and website information quality after assurance and empathy was their priorities while the inexperienced depend on responsibility and reliability instead.

Jayasubramanian, Sivasakthi, and Ananthi (2015) concluded that the success of online shopping essentially depends on customer satisfaction during their purchase. They also found that especially, understanding customer's need for online selling has become a challenge for marketers working at online shopping business. They used simple percentage and ranking analysis to interpret the surveyed data.

Dhanapal, Vashu, and Subramaniam (2015) carried out the survey among the public comprising of "Baby Boomers", Generation "X" and Generation "Y" to identify their perceptions of online purchasing and the challenges they face with online purchasing. The results indicated that social factors have a significant relationship with online purchasing behavior of the three generations. The result also indicated that the significant challenges among these generations on using online purchasing are the risk of the credit card transaction through the correlation coefficient analysis.

Rajeswari (2015) reflected the perceptions, preferences, and factors influencing the satisfaction of online shoppers from the test of associations between the variables. The results indicated that the respondents are becoming more internet savvy every day. As they become more confident, they are ready to buy high-value products online as well. He found that businesses venturing into or expanding into the online marketers need to reduce the customer perceived risks by 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 etc.

Bhuyan (2016) revealed using simple pie-chart presentation that online shopping in online is significantly affected by various factors like product information, variety of products offered, quality of products offered, price of products, offers and discount offered, advertising, safe online payment, speed of delivery, cash on delivery, convenience of shopping at home, time saving, website response speed, information of seller, website interface, after sales service and feedback.

Savarimuthu and Devi (2016) endeavored to understand customer satisfaction in online shopping while investigating the major reasons that motivated customers' decision-making processes as well as inhibitions of online shopping. It was discovered through percentage analysis that respondents use the internet to purchase products through online because they believe it is convenience to them and the term convenient includes elements such as time-saving, information availability, opening time, easy to use, websites navigation, less shopping stress, less expensive and shopping fun. In contrast, along

with respondents' mind-sets, online payment security, personal privacy and trust, unclear warranties and returns policies and lack of personal customer service are the foremost barriers of online shopping. They also found that home page presentation and web security plays an important role in the frequency of uses of online portal for shopping through chi-square test.

Fortes and Rita (2016) analyzed using seven points Likert scale how privacy concerns about the internet have an impact on the consumer's intention to make online purchases. The study found through the correlation coefficient analysis that the desire to use e-commerce suffered the positive impact of perceived usefulness, perceived behavioral control and attitude. The results also demonstrated the connection of privacy concerns to the trust-risk model, through its significant direct negative impact, on trust, and its positive impact on perceived risk.

Al-Jahwari, Khan, Al Kalbani, and Al Khansouri (2018) revealed that the major influencing factor of comfort and satisfaction to the online youth customers were perceptions of confirming the product quality, and service guarantee influenced. 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 using Chi-square analysis, ANOVA and Kolmogorov-Smirnov ranking analysis for the data collected from the 120 online shoppers of Oman.

Shettar (2019) using simple percentage analysis found that fulfilling and completing an online order is the major requirement that facilitates trust-building in electronic commerce. The study also found that each customer would like to make an order that is free from any forms of complication or hassle.

KS and Danti (2019) discussed the role and influence of fake reviews made through social media on online shopping. They used the Kappa Statistics and Mean Absolute Error were used to interpret the experimental results. They discussed how these reviews change the mood of the people on their buying pattern under online shopping.

Ultimately, most of the research paper conducted on the online shopping are focused on the preferences on the online shopping among the respondents. The studies are mainly related to show the variables that mainly influence to prefer for online shopping. Very few paper has raised the points of issues that takes under online shopping. Similarly, in context to research on Nepalese online shopping, the research gap is seen except for one paper related to the case study based study. Hence, this paper tries to illustrate the problems and prospects of online shopping in Nepal.

3. DATA AND METHODS

The paper is focused on the preferences for doing online shopping and problems faced while going for online shopping. Similarly, the paper also tried to get information related to the expected services that the customers want to get from online shopping companies.

Judgmental sampling technique was chosen, as per the need of a variety of respondents, who have had previous experience with online shopping. The sample was considered only for the customers, who have at least done online shopping twice from the same online shopping company, which show more accurate representativeness from the population. Hence, the paper has used a total of 300 respondents.

The paper has used a multiple choice question (MCQ) questionnaire to collect the required data. Similarly, the open-ended question was adopted to get the information regarding the profession of the respondents, companies dealing for online shopping, and to put an opinion on problems faced by the shopper, other than the mentioned problems in a questionnaire.

The collected data were statistically analyzed using the correlation coefficient and the chi-square test.

The respondents were given a questionnaire personally and requested to fill-up at the spot to reduce the low response rate as well as to get a better accuracy rate.

4. RESULTS AND DISCUSSION

4.1 Descriptive Analysis of the Respondents

Age Group of the Respondents

The age group of the respondents are tabulated as below:

Table 1

Age Group of the Respondents

Age group	Frequency	Percent	Cumulative percentage
Below 20	28	9.3	9.3
20-30	172	57.3	66.7
30-40	76	25.3	92.0
Above 40	24	8.0	100.0
Total	300	100.0	

Source: Field survey, 2019

Table 1 shows that the majority (57.3 percent) of the respondents were from the age group of 20-30 years. Then, it was followed, by the age group of 30-40 years, covering 25.3 percent. The least percent of respondents were seen from the age group of above 40 years, covering 8.0 percent only. These figures also reflect that the young adult age group, who like to experiment new products are more familiar with online shopping in the Nepalese market.

Gender of the Respondents

The gender of the respondents are tabulated as below:

Table 2

Gender of the Respondents

Gender	Frequency	Percent	Cumulative percentage
Female	129	43.0	43.0
Male	171	57.0	100.0
Total	300	100.0	

Source: Field survey, 2019

Table 2 shows that the male respondents (57 percent) were more than the female respondents (43 percent).

Profession of the Respondents

The professions of the respondents are tabulated as below:

Table 3

Profession of the Respondents

Profession	Frequency	Percent	Cumulative percentage
Student	77	25.7	25.7
Entrepreneur	36	12.0	37.7
Banker	35	11.7	49.4
Teacher	30	10.0	59.4
Housewife	29	9.7	69.1
IT expert & technician	25	8.3	77.4
Doctor	13	4.3	81.7
Nurse	11	3.7	85.4
Engineer	11	3.7	89.1
Foreign employment	8	2.6	91.7
Advocate	7	2.3	94.0
Manager	5	1.7	95.7
Hospital staff	5	1.7	97.4
Social worker	4	1.3	98.7
Accountant	4	1.3	100.0
Total	300	100.0	

Source: Field survey, 2019

The students covered the most (25.7 percent) of the respondents, followed by the entrepreneur (12 percent). They are seen as the major stakeholders involved in online shopping. The economically active groups of society are the majority (64.6 percent) of respondents, excluding the students and the housewives (covering 55.4 percent).

Preference of Major Online Companies

The name of the online companies preferred by the respondents are tabulated in Table 4:

During the survey, more than 55 online shopping companies were named by the respondents. Among them, Daraaz (previously Kaymu) covering 25.3 percent was seen the most preferred and shopped online company portal, followed by Sastodeal covering 9.3 percent.

Table 4

Preference of Major Online Companies

Company Shopped	Frequency	Percent
Daraaz	76	25.3
Sastodeal	28	9.3
Hamrobazaar	26	8.7
SmartDoko	12	4.0
Under One Roof	12	4.0
Mum'Ma	9	3.0
Nice n Naughty	6	2.0
Nepbay	6	2.0
Oznome	6	2.0
Esewapasal	6	2.0
Gajabko	6	2.0
Others	107	35.7
Total	300	100.0

*Source: Field survey, 2019***4.2 Preference of Respondents to go for Online Shopping**

The preference of the respondents to go for online shopping has been tabulated as below:

Table 5

Preference of Respondents to Go for Online Shopping

Preference	Frequency	Percent	Cumulative percent
Time-saving	164	54.7	54.7
Service quality	38	12.7	67.4
Best offers	25	8.3	75.7
Information availability	23	7.7	83.4
Easy ordering systems	16	5.3	88.7
Less expensive	13	4.3	93.0
Less stress	8	2.7	95.7
Helpful for old and disabled	8	2.7	98.4
Shopping fun	5	1.6	100.0
Total	300	100.0	

Source: Field survey, 2019

Table 5 clearly shows that the majority of the respondents (54.7 percent) preferred for online shopping to save time.

Similarly, the service quality and the offers advertised time-to-time by the online companies to its customers also attracted to log-in to the online shopping portal.

4.3 Services Expected from Online Shopping

As online shopping is an emerging marketing trend in context to Nepal with the tendency of growth in recent years, the customers have expectations of good services. The main expected services from online shopping by the respondents are:

Table 6

Service Expected from Online Shopping

Services	Frequency	Percent	Cumulative frequency
Product delivery	152	50.7	50.7
Time-saving	46	15.3	66.0
Convenience	34	11.3	77.3
Convenience	34	6.3	83.6
Personal privacy	19	5.7	89.3
Payment security	16	5.3	94.6
Purchasing privacy	8	2.7	97.3
Warranty & Guarantees	8	2.7	100.0
Total	300	100.0	

Source: Field survey, 2019

Table 6 clearly shows that majority of the respondents (50.7 percent) expected for the door-step product delivery, after they go for online shopping. Ultimately, the second reason, was the time- saving (15.3percent), followed by convenience (11.3 percent). Still, the customers have not seen confidence towards online shopping, as only 2.7 percent has stated they do online shopping for warranty and guarantees.

4.4 Problems Faced at Online Shopping

Though the online shopping trend is seen growing, there are certain problems related to the practice, which are stated by the respondents.

Table 7

Service Expected from Online Shopping

Responses	Frequency	Percent	Cumulative frequency
No	129	43.0	43.0
Yes	171	57.0	100.0
Total	300	100.0	

Source: Field survey, 2019

Table 7 shows that 57 percent of the respondents stated that they faced various problems at online shopping, and remaining stated they did not face any problems or issues while doing online shopping.

Major Problems Faced at Online Shopping

As the respondents stated there are problems in online shopping, the main problems that they are facing while doing online shopping have been stated as follow:

Table 8

Problems Faced at Online Shopping

Problems	Frequency	Percent	Cumulative frequency
No Issue	129	43.0	43.0
Not quality product	73	24.3	67.3
Wrong product	29	9.7	77.0
Did not arrive at all	26	8.7	85.7
Arrived damage	24	8.0	93.7
Others			
Asked for additional charge (1)			
Did not arrived at time (1)			
Difficulty in warranty claim and refunding (1)			
Charged high than agreed (1)			
Highly expensive than displayed (2)			
Only stated to sell in bulk (1)			
Poor customer service (1)			
Service not available in an urgency (1)			
Found to be wrong description about product (1)			
Wrong information about product (1)	11	3.7	97.4
Delay in arrival	8	2.6	100.0
Total	300	100.0	

Source: Field survey, 2019

Note. The value in the parentheses are the number of responds made under the open-end question for 'others problems' under online shopping.

Of the total respondents 43 percent stated that they have no issue while doing online shopping in Nepal. Nevertheless, remaining 57 percent of the total respondents stated that they are facing problems in online shopping in Nepal.

Among the respondents, who faced problems at online shopping, the major problem (24.3 percent) was 'not quality product' followed by the arrival of the wrong product. As the online shopping, an emerging trend in Nepal, the dependency on third-party delivery service, lack of warehouse companies, brought the issue of product not arriving at all in the hand of buyer. Similarly, the arrival of the damaged product has been also the major problems of the respondents.

Overall, ten different problems were mentioned by the respondents that they faced while going for online shopping while provided for the open-end question under the major other problems while doing online shopping in Nepal. The major issue was that the delivered product was asked to pay higher than as displayed at the portal, i.e. 'highly expensive than displayed'.

4.5. Correlation Coefficient Analysis

Table 9

Correlation Coefficient of the Major Preferences to do Online Shopping

Variables	Time saving	Information availability	Less stress	Less expensive	Best offer	Helpful for old and disabled	Service quality	Easy ordering system	Shopping fun	Preference
Time Saving	1.000									
Information Availability	-0.316** (0.000)	1.000								
Less Stress	-0.182** (0.002)	-0.048 (0.410)	1.000							
Less Expensive	-0.234** (0.000)	-0.061 (0.290)	-0.035 (0.543)	1.000						
Best Offer	-0.331** (0.000)	-0.087 (0.133)	-0.050 (0.389)	-0.064 (0.268)	1.000					
Helpful for Old and Disabled	-0.182** (0.002)	-0.048 (0.410)	-0.027 (0.636)	-0.035 (0.543)	-0.050 (0.389)	1.000				
Service Quality	-0.418** (0.000)	-0.110 (0.058)	-0.063 (0.276)	-0.081 (0.161)	-0.115* (0.047)	-0.063 (0.276)	1.000			
Easy Ordering System	-0.261** (0.000)	-0.068 (0.239)	-0.039 (0.498)	-0.051 (0.383)	-0.072 (0.216)	-0.039 (0.498)	-0.090 (0.118)	1.000		
Shopping Fun	-0.214** (0.000)	-0.056 (0.332)	-0.032 (0.577)	-0.042 (0.474)	-0.059 (0.310)	-0.032 (0.577)	-0.074 (0.199)	0.664** (0.000)	1.000	
Preference	-0.837** (0.000)	-0.109 (0.058)	0.000 (0.994)	0.082 (0.157)	0.231** (0.000)	0.190** (0.001)	0.583** (0.000)	0.454** (0.000)	0.387** (0.000)	1.000

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

* Correlation is significant at the 0.05 level (2-tailed).

Note. Value in parentheses shows the significance level.

Source: Field survey

Table 5 clear has shown that the majority of the respondents (54.7 percent) preferred for online shopping to save time. The service quality was seen as the second most important reason for preferring on-line shopping. Hence, the correlation coefficient result on major preference shows that 'service quality' (+0.583, highly significant) is correlated but highly negative correlated (-0.837, highly significant) with 'time-saving' (Table 9).

At the same time, 'helpful for old and disabled' (+0.190, highly significant), easy ordering system (+0.454, highly significant) and 'shopping fun' (+0.387, highly significant) are seen correlated with the preference to do online shopping. Similarly, 'best offers' provide time-to-time by the online shopping company is seen correlated (+0.231, highly significant) with the preference to do online shopping. It was also seen there was no relation (0.000, not significant) with the preference to shop online and the level of stress.

Table 10

Correlation Coefficient of the Major Services Expected from Online Shopping

Items	Services	Payment security	Product delivery	Personal privacy	Purchasing privacy	Warrant & guarantees	Convenience	Time saving	Offers
Services	1.000								
Payment security	-0.280** (0.000)	1.000							
Product delivery	-0.753** (0.000)	-0.241** (0.000)	1.000						
Personal privacy	-0.076 (0.188)	-0.063 (0.273)	-0.271** (0.000)	1.000					
Purchasing privacy	0.020 (0.730)	-0.037 (0.527)	-0.157** (0.007)	-0.041 (0.476)	1.000				
Warrant & guarantees	0.094 (0.105)	-0.039 (0.498)	-0.168** (0.004)	-0.044 (0.445)	-0.026 (0.659)	1.000			
Convenience	0.352** (0.000)	-0.083 (0.149)	-0.356** (0.000)	-0.094 (0.104)	-0.054 (0.348)	-0.058 (0.315)	1.000		
Time saving	0.616** (0.000)	-0.102 (0.077)	-0.437** (0.000)	-0.115* (0.046)	-0.067 (0.250)	-0.071 (0.218)	-0.152** (0.009)	1.000	
Offers	0.460** (0.000)	-0.058 (0.315)	-0.248** (0.000)	-0.066 (0.258)	-0.038 (0.513)	-0.041 (0.484)	-0.086 (0.136)	-0.106 (0.068)	1.000

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

* Correlation is significant at the 0.05 level (2-tailed).

Note. Value in parentheses shows the significance level.

Source: Field survey

Table 6 clearly shows that the customer on online shopping expected for product delivery at the door-step. The result from the correlation coefficient in Table 10 shows that ‘time-saving’ as the major factor that is positively correlated (+0.616, highly significant) with the major service expected from online shopping.

Table 10 result clearly shows the major questions arises regarding the services from the online shopping business. Despite the several attempts for secured and frictionless payment via cards or m-banking, most of the respondents are seen comfortable with cash-on-delivery (COD). Hence, customers are seen concern with payment security having a negative correlation (-0.280, highly significant) with service expected. At the same time, the customers expected the quick and prompt delivery service from the online companies, but on contrary, the relation between the service expected and the ‘product delivery’ was seen the negative (-0.753, highly significant).

4. 6. Inferential Analysis and Results

Inferential statistics are used to infer from the sample data what the population might think. It is used to make judgments of the probability that an observed difference between groups is a dependable one or one that might have happened by chance in this study. A chi square test is one of the most basic tests for statistical significance. The test is particularly appropriate for testing hypotheses about frequencies arranged in a frequency or contingency table (Zikmund, Babin, Carr, Adhikari, & Griffin, 2014).

Table 11

Association between Age of the Respondents and the Problems Faced

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.091 ^a	3	0.252
Likelihood Ratio	4.206	3	0.240
Linear-by-Linear Association	0.258	1	0.611

^a0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.32.

Source: Field survey

The result in Table 11 shows there is no association between the age group of the respondents and the problems faced (Chi-square=4.091, df=3, p>0.001). It implies that the problems stated by the respondents are not the issue of the age group. Though, the age group (Table 1) figures reflect that the young adult age group are the majority online shopper and 57 percent of the total respondents (Table 8) stated that they have been facing problems while doing online shopping whereas, the inferential analysis does not show the same scenario. The Pearson Chi-Square result does not shows any association with the age of the online buyers and the problems they have been facing while doing online shopping.

The result in Table 12 shows no association between the gender of the respondents and the problems faced (Chi-square=0.691, df=1, p>0.001). The gender of the online shopper has no association with the problems faced while going for online shopping.

Table 12

Association between Gender of the Respondents and the Problems Faced

Test	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	0.691 ^a	1	0.406		
Continuity Correction ^b	0.509	1	0.475		
Likelihood Ratio	0.691	1	0.406		
Fisher's Exact Test				0.413	0.238
Linear-by-Linear Association	0.689	1	0.406		

^a0 cells (0.0%) have expected count less than 5. The minimum expected count is 55.47.^b Computed only for a 2x2 table.

Source: Field survey

Table 13

Association between Occupations of the Respondents and the Problems Faced

Test	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	58.408 ^a	14	0.000
Likelihood Ratio	66.273	14	0.000
Linear-by-Linear Association	4.865	1	0.027

^a14 cells (46.7%) have expected count less than 5. The minimum expected count is 1.72.

Source: Field survey

The result shows an association between the occupation of the respondents and the problems faced while doing online shopping (Chi-square=58.408, df=14, p<0.001). At the same time, the result of the Likelihood Ratio is considered which also shows an association (Ratio=66.273, df=14, p<0.001) since the expected count is less than five is seen high.

This result shows that the working class involved in online shopping is facing problems, nevertheless, they expected easiness, while doing online shopping. The majority of customers expect hassle-free shopping while online shopping although, they have been facing various problems (Table 8).

5. CONCLUSION

The trade volume and interest in online marketing is increasing due to access to the internet among the Nepalese consumer and the low cost in the use of internet services has increased. Similarly, especially in urban areas, the changing lifestyle of Nepalese consumers has also made online shopping popular. Technically, online shopping is a form of electronic commerce which allows consumers to directly buy goods and services using the website or the shopping app that is to be downloaded from the web browser. So, online shopping companies can be termed as e-retailers as well who sell goods and services through the internet.

The working class people busy in their work-life and familiar with the use of modern information technology are seen majority (57.3 percent) of the online shoppers from the age group of 20-30 years. At the same time, time-saving and quick delivery service at the door-step is seen the main reasons for the

shoppers to go for online shopping in context to Nepal.

Online shopping is an emerging trend in the urban areas of Nepal. The major preference to do online shopping shows that 'service quality' positively correlated and negatively correlated with 'time-saving'. At the same time, negatively correlation was seen between the service expected from the online shoppers and the 'product delivery' from the online shopping companies, which shows there is still need for the improvement of the service quality from the side of the online shopping companies.

Another issue that should be addressed as soon as possible to flourish the online shopping in Nepal is the smooth payment system. As the correlation with the expected service and the 'payment security' was seen negatively correlated, the Nepalese shoppers are not confident in getting a better option than cash-on-delivery (COD) in online shopping of Nepal. Though few companies have gone forward for the digital, or electronic payment, still the shoppers are not so seen ready for shifting to electronic payment, as 'product delivery' from the online shopping companies at the time is seen a major issue.

The study revealed that Nepalese online shoppers preferred online shopping to save time, followed by the service quality delivered by the online shopping company. Karim (2013) and Savarimuthu and Devi (2016) in their study regarding the online shopping in India also stated that the time-saving has been the main concern while preferring online shopping. In contradictory to the results of Karim (2013) and Savarimuthu and Devi (2016), shopping fun is seen as the least priority while preferring for online shopping among the Nepalese online shoppers. At the same time, the offers provided by the online shopping companies, and an easy ordering system are also seen as the factors to prefer online shopping.

Still, there is a need for the herculean task to be done by the Nepalese online shopping company, as the quality of the products displayed and what delivered to the consumers have been the major problem. The relations between the preference to shop online and time-saving, as well as the relation with the preference to information availability are not seen positive. Though, the study of Jiradilok, Malisuwan, Madan, & Sivaraks (2014) found that information availability at the online shopping portals of Thai online shopping companies have attracted the customers.

REFERENCES

- Agrawal, G.R. (2017). *Fundamentals of Marketing*. Kathmandu: M.K. Publishers & Distributors.
- Al-Jahwari, N.S., Khan, M.F.R., Al Kalbani, G.K., & Al Khansouri, S.S. (2018). Factors influencing customer satisfaction of online shopping in Oman: Youth perspective. *Humanities & Social Science Reviews*, 6(2), 64-73.
- Bashar, A., & Wasiq, M. (2013). E-satisfaction and e-loyalty of consumers shopping online. *Global Sci-Tech*, 5(1), 6-19.
- Bhuyan, S. (2016). Factors influencing buying decision of online shoppers in Pune city. *International Journal of Advance Engineering and Research Development*, 3(11), 111-122.
- Cetină, I., Munthiu, M-C., & Rădulescu, V. (2012). Psychological and social factors that influence online consumer behavior. *Procedia - Social and Behavioral Sciences*, 62 (2012), 184 -188.
- Choudhury, D., & Dey, A. (2014). Online shopping attitude among the youth: A study of university students. *International Journal of Entrepreneurship and Development*, 2 (1), 23 -32.
- Dhanapal, S., Vashu, D., & Subramaniam, T. (2015). Perceptions on the challenges of online purchasing: a study from "baby boomers", generation "X" and generation "Y" point of views. *Contaduría y Administración*, 60(S1), 107-132.
- Fortes, N., & Rita, P. (2016). Privacy concerns and online purchasing behaviour: Towards an integrated model. *European Research on Management and Business Economics*, 22 (2016), 167-176.

- Goldsmith, R.E., & Bridges, E. (2000). E-tailing vs. retailing: Using attitudes to predict online buying behavior. *Quarterly Journal of Electronic Commerce*, 1(3), 254-253.
- Jayasubramanian, P, Sivasakthi, D., & Ananthi, P.K. (2015). A study on customer satisfaction towards online shopping. *International Journal of Applied Research*, 1(8), 489-495.
- Jiradilok, T., Malisuwan, S., Madan, N., & Sivaraks, J. (2014). The impact of customer satisfaction on online purchasing: A case study analysis in Thailand. *Journal of Economics, Business and Management*, 2(1), 5-11.
- KS, S., & Danti, A. (2019). Online fake review identification based on decision rules. *International Journal of Advanced Trends in Computer Science and Engineering*, 8(2), 140 - 143.
- Karim, R.A. (2013). Customer satisfaction in online shopping: A study into the reasons for motivations and inhibitions. *IOSR Journal of Business and Management*, 11(6), 13-20.
- Nagra, G., & Gopal, R. (2013). An study of factors affecting on online shopping behavior of consumers. *International Journal of Scientific and Research Publications*, 3(6), 1-4.
- Ngudup, P., Chen, J.C.H., & Lin, B. (2005). E-commerce in Nepal: A case study of an underdeveloped country. *International Journal of Management and Enterprise Development*, 2(3/4), 306-324.
- Rajeswari, M. (2015). A study on the customer satisfaction towards online shopping in Chennai City. *International Journal of Sales & Marketing Management Research and Development*, 5(1), 1-10.
- Savarimuthu, I., & Devi, S.K. (2016). Customer satisfaction towards online shopping in Cuddalore Town. *International Journal of Marketing and Technology*, 6(9), 14-20.
- Shettar, R.M. (2019). Customer trust in electronic commerce: An overview. *IOSR Journal of Business and Management*, 21(2), 24-31.
- Sin, S.S., Nor, K.M., & Al-Agaga, A.M. (2012). Factors affecting Malaysian young consumers' online purchase intention in social media website. *Procedia - Social and Behavioral Sciences*, 40(2012), 326 – 333.
- Zikmund, W. G., Babin, B. J., Carr, J. C., Adhikari, A., & Griffin, M. (2014). *Business research methods*. Delhi: Cengage Learning India.