

IMPACT OF CONSUMER SENTIMENT ON RETAIL MARKET TREND

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By

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Certification of Authorship

I hereby declare that I conducted the study and submitted the final draft of the dissertation entitled "**Impact of Consumer Sentiment on Retail Market Trends.**" This dissertation is the result of my own independent effort, and it has never been submitted for an academic degree, nor has it been presented or proposed for any other academic purpose. Any support obtained throughout the course of this research has been duly acknowledged, and all sources of information and literature used in the dissertation have been properly cited in the references.

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Abbreviations

EC	:	Employment Confidence
EO	:	Economic Optimism
FT	:	Trust in Financial System
MBS	:	Master of Business Studies
MS	:	Media and Social Influence
R-square	:	Coefficient of Determination
RT	:	Rental Market Trend in Finance
SD	:	Standard Deviation
SI	:	Spending and Investment Intention
SPSS	:	Statistical Package for the Social Sciences
TU	:	Tribhuvan University

Abstract

This study investigates the impact of consumer sentiment on retail market trends in Nepal, with a focus on five core dimensions of consumer sentiment. Economic optimism, employment confidence, intention to spend and invest, trust in the financial system, and media and social influence. These aspects assist us understand how consumers' thoughts and feelings influence their purchasing decisions. A descriptive and casual comparative study approach was used, with a structured questionnaire distributed to a sample of 400 respondents from various shopping regions in Nepal. The data was analyzed using SPSS, and the associations between the independent variables (consumer sentiment dimensions) and the dependent variable (retail market trend in finance) were investigated using descriptive statistics, Pearson correlation analysis, and multiple regression analysis.

The data reveal that all five consumer sentiment components have positive impacts on retail market trends. Spending and investment intentions were the most powerful and significant predictors, followed by trust in the financial system, economic optimism, and media and social influence. The regression model accurately predicted 72.8% ($R^2 = 0.728$) of retail market movements, showing an excellent match. All predictors showed statistical significance ($p < 0.01$). This study shows that enhancing customer confidence, financial trust, and favorable media narratives can all help to boost the retail industry. These findings are useful for retailers, marketers, and governments working to foster and sustain retail growth in Nepal.

Keywords: *Consumer Sentiment, Retail Market Trend, Economic Optimism, Spending and Investment Intention, Trust in Financial system, Media and Social Influence.*

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Consumer sentiment plays a vital role in shaping retail market trends, particularly in developing economies like Nepal, where market stability often hinges on public perception rather than purely economic fundamentals. It refers to the overall attitude of consumers toward their financial well-being and the economic outlook, which directly influences their spending, saving, and investment behaviors. When consumers feel optimistic about their income, employment, and broader economic conditions, they are more likely to increase consumption, thereby stimulating the retail sector. Conversely, during periods of economic uncertainty or pessimism, consumer spending typically declines, leading to stagnation in market growth. In Nepal, factors such as inflation, employment security, and confidence in government policies are significant in determining consumer sentiment and its influence on retail behavior (Acuña and Echeverría 2020).

Understanding the relationship between customer sentiment and retail market trends is critical for understanding economic behavior, especially in developing nations such as Nepal. Consumer sentiment, which is commonly described as consumers' overall attitude on their personal financial circumstances and larger economic conditions, is an important predictor of consumer behavior, including purchasing, saving, and investment decisions. A positive attitude promotes spending and investment, whereas a negative outlook might diminish demand for products and services, influencing market patterns (Lahiri et al. 2016).

Consumer sentiment's influence on market dynamics has been extensively examined in sophisticated economies. According to research, consumer sentiment has a substantial impact on spending habits and investing behavior, with changes in sentiment correlated with swings in retail sales and market activity (Shrestha et al. 2023). Economic optimism, employment confidence, investment aspirations, and trust in the financial system are all common indicators of consumer attitude. These characteristics influence how people envision the future and make financial decisions, affecting both short-term spending and long-term investing plans.

Economic optimism, or individuals' opinions of current and future economic situations, has a significant impact on retail market behavior. When customers are positive about the economy, they are more inclined to spend and invest in a variety of industries, including retail and finance. Pessimism about the economy, on the other hand, frequently results in lower consumption and higher savings. In Nepal, perceptions of inflation, living costs, and government economic initiatives all have a significant impact on optimism. Consumer confidence research reveals that economic optimism has a direct impact on retail market patterns, driving consumption and investment decisions (Baghestani and Kherfi, 2015). Consumers' optimism in the economy's recovery, particularly after a crisis, can lead to increased engagement in market activities such as stock investing or non-essential purchases.

Another important component of consumer sentiment is employment confidence, which pertains to people's assessments of their job security and the national employment prospects. In a developing country like Nepal, where job security is often unclear, consumer spending is directly influenced by employment confidence. Individuals who are confident in their careers or believe that employment chances are improving are more inclined to spend on discretionary products and services. In contrast, if consumers are concerned about job loss or stagnant employment, they tend to cut back on non-essential expenditure and save more. According to research, consumer behavior in both developed and emerging countries is significantly influenced by employment confidence (Fan & Wong, 1998). In Nepal, where unemployment remains high, consumers' perceived job stability is an important factor in driving retail market patterns.

The intention to spend and invest is another important aspect of consumer sentiment. Willingness to participate in financial markets, particularly the stock market, can have a big impact on the retail market, especially when new financial products or investment opportunities come up. Nepal's stock market has experienced increased participation, thanks to the rise of digital financial platforms such as MeroShare and Trading Management Systems (TMS). When consumers exhibit confidence in these platforms and the market's stability, they are more willing to invest. This rise in investment helps to the overall growth of the retail financial market. According to various research, increased consumer investment intentions are closely related to

expanding market trends and the introduction of new investment products such as Initial Public Offerings (IPOs) and mutual funds (Prentice et al., 2020).

Trust in the financial system is critical to the smooth operation of financial markets. In Nepal, trust in regulatory agencies such as the Nepal Rastra Bank (NRB) and the Securities Board of Nepal (SEBON) is critical to developing financial sector confidence. A well-regulated market promotes increased consumer engagement because people are more likely to invest in an environment where they believe regulations are transparent and properly enforced. Trust in the system's fairness and reliability is crucial for long-term retail success. For example, if customers trust the IPO allocation process or feel safe utilizing digital banking platforms such as MeroShare, they are more likely to invest, increasing market liquidity (Securities Board of Nepal, 2024).

The impact of media and social platforms on consumer attitude is significant, especially in the context of financial decision-making. News coverage and social media platforms such as Facebook and YouTube all have a huge impact on how people make financial decisions. Positive news regarding the stock market or investment prospects can boost consumer confidence, but negative news has the reverse impact. This influence is especially noticeable in emerging economies like as Nepal, where customers increasingly rely on social media for financial advice and market trends. According to recent research, media coverage and social influencer opinions have a significant impact on consumer mood and, as a result, retail market trends (Chauhan & Shah, 2020).

Consumer sentiment in Nepal is influenced by both global economic trends and domestic issues. The country's economic landscape, which includes inflation, job patterns, and government regulations, has a significant impact on how consumers envision their financial future. Furthermore, the rise of digital financial platforms has opened up new avenues for customers to interact with the retail industry, altering consumer behavior. Given the dynamic nature of consumer sentiment and its direct correlation with retail market trends, it is critical to investigate how these attitudes appear in Nepal, particularly in light of the developing stock market and increased engagement in financial activities.

The increased interest in the stock market, combined with the growth of digital platforms such as MeroShare, provides an unparalleled opportunity to investigate the influence of consumer sentiment on retail market trends in Nepal. As more people get access to investment possibilities, knowing the elements that influence consumer attitude, such as economic optimism, employment confidence, and trust in the financial system, becomes increasingly important for understanding overall retail market behavior.

This study aims to address a research vacuum by focusing on the Nepalese setting and examining how consumer attitude influences retail industry developments. Understanding the psychological and economic elements driving consumer decisions will be critical for designing effective policies and company strategies that correspond with customer expectations and market potential.

1.2 Problem Statement

Consumer sentiment has long been acknowledged as a significant predictor of economic behavior, impacting people's spending, saving, and investment decisions. Numerous studies, such as Katona (1975) and Ludvigson (2004), have emphasized the role of consumer confidence in forecasting macroeconomic trends. However, in emerging economies such as Nepal, the dynamics of consumer sentiment and its direct impact on retail market patterns are little understood. Existing research focuses mostly on developed nations, where consumer sentiment is well-known as a predictor of consumer behavior and market success (Lahiri et al., 2016; Carroll et al., 1994; Acemoglu and Scott, 1994). Despite the rapid growth of digital financial tools and increased stock market involvement, the relationship between consumer attitude and retail market developments in Nepal remains little understood.

The primary challenge is understanding how several variables of consumer sentiment, such as economic optimism, employment confidence, trust in the financial system, spending intentions, and media impact, affect retail market movements in Nepal. Nepal, with its peculiar socioeconomic characteristics, including variable inflation, changeable employment rates, and a developing stock market, presents an ideal setting for investigating the impact of consumer emotion in driving market behavior (Shrestha and Bhatta, 2018; Bhattarai, 2020). While both internal and global factors,

such as inflation and government regulations, influence consumer attitude in Nepal, there is a paucity of comprehensive research on its direct impact on retail market behavior (Siriopoulos et al., 2021).

Furthermore, the significance of emerging digital platforms in determining customer attitude and the resulting impact on retail industry patterns is poorly unknown. MeroShare, the Trading Management System (TMS), and mobile banking are examples of digital platforms that have transformed access to investment options and increased consumer engagement in financial markets (Ghimire and Koirala, 2023; Subedi and Raut, 2021). Understanding how these platforms influence consumer sentiment and their impact on the retail market is critical, as it may provide insights into Nepal's future financial and retail sectors (Securities Board of Nepal, 2024). Despite the growing interest in digital investing platforms, research has not thoroughly addressed how trust in these platforms influences consumer sentiment or the impact on national retail market patterns (Regmi and Kafle, 2022; Adhikari and Maharjan, 2023).

Given these gaps in the existing literature, there is an urgent need to explore the link between consumer mood and retail market changes in Nepal. This study seeks to address this gap by investigating how several components of consumer sentiment, such as economic optimism, employment confidence, investment aspirations, and trust in the financial system, influence retail market behavior, particularly in the setting of digital financial tools and platforms. The study's findings can help policymakers, entrepreneurs, and financial institutions learn how to impact consumer opinion to achieve economic stability and prosperity in Nepal.

The research questions that arise from this problem statement are:

- i. What is the consumer sentiment and perception regarding retail market trends in Nepal?
- ii. What is the relationship between consumer sentiment and perception of retail market trends in Nepal?
- iii. What is the impact of consumer sentiment on the perception of retail market trends in Nepal?

1.3 Objectives of the Study

The primary goal of this study is to determine how customer sentiment affects retail industry developments in Nepal. The study's purpose is to investigate the relationship between consumer attitude and important retail market variables such as consumer purchasing behavior, market demand, and retail growth. By investigating this relationship, the study hopes to get significant insights into how fluctuations in consumer mood affect retail patterns and corporate strategy in Nepal. The study's precise aims include the following:

- i. To assess the perception on consumer sentiment and retail market trends in Nepal.
- ii. To examine the relationship between consumer sentiment and the perception of retail market trends in Nepal.
- iii. To analyze the impact of consumer sentiment on the perception of retail market trends in Nepal.

1.4 Rationale of the Study

The premise for this study is based on the importance of consumer mood in affecting economic results, particularly in terms of retail market trends and consumer behavior in Nepal. Consumer sentiment reflects individuals' aggregate outlook on economic conditions, job confidence, and financial decision-making. It is a strong predictor of consumer spending, investment decisions, and overall economic health. Understanding how consumer attitude drives retail market trends can provide useful insights into Nepal's financial market dynamics and consumption patterns, particularly as the retail sector undergoes fast development as a result of digital platforms and investment channels.

This study is timely since Nepal's financial and retail sectors have seen significant changes, particularly with the emergence of digital banking, online trading platforms, and changing consumer behaviors influenced by media and social factors. Despite these improvements, little study has been conducted on the precise impact of consumer attitude on retail market patterns in Nepal. This study's findings will fill this gap by linking consumer confidence to financial activities such as stock trading, IPO investments, and digital platform usage, all of which are influencing the country's retail market landscape.

By investigating these links, this study will help us gain a better understanding of how emotional and psychological elements, such as economic optimism, employment confidence, and media influences, influence market behavior. It will also provide useful insights for politicians, financial institutions, and market regulators. Understanding the underlying causes of consumer sentiment, for example, can assist financial institutions in tailoring their services to increase customer happiness and confidence, resulting in a more stable financial climate.

Furthermore, because consumer confidence frequently correlates with future economic stability, the findings may impact how economic policies are structured to maintain or strengthen public trust in financial markets. Given the importance of retail market trends to Nepal's economic growth, authorities may find the research particularly valuable in developing market regulatory policies and creating an investment-friendly climate.

As a result, this work is useful both theoretically and practically. It adds to the current body of research on consumer mood and market behavior, while also providing actionable insights for Nepal's financial strategy, business practices, and economic policies. The findings are anticipated to help investors, firms, and regulators gain a better understanding of how sentiment-driven behaviors impact the retail market, allowing them to make more educated decisions in an ever-changing economic landscape.

1.5 Limitations of the Study

While this study seeks to provide useful insights into the relationship between consumer attitude and retail market changes in Nepal, certain limitations must be addressed. These limitations may affect the findings' generalizability and application, and readers should be aware of them.

- i. This study examines how customer sentiment affects retail industry developments in Nepal. As a result, the conclusions may not be immediately relevant to other countries or regions with varying economic, social, and cultural circumstances. While the study gives useful insights into Nepal's retail economy, more research is needed to discover whether similar characteristics exist in other emerging or developed economies.
- ii. The study used surveys and questionnaires to acquire data from a sample of Nepalese consumers and investors. Although the participants were chosen to

represent a specific demographic, they may not reflect the whole diversity of the population. As a result, the conclusions may be limited by demographic differences within Nepalese society, such as age, income levels, education, or geographical distribution.

- iii. This study's data is based on participants' self-reported opinions of the economy, investing behaviors, and consumer mood. This method is prone to biases such as social desirability bias, in which respondents submit responses that they believe are socially acceptable rather than their genuine feelings or behaviors. Furthermore, respondents' recall and knowledge of financial concepts may differ, thus compromising data accuracy.
- iv. The study focuses on the impact of consumer attitude on retail market patterns. However, other factors such as macroeconomic conditions, political events, global market swings, and unforeseeable catastrophes can also influence consumer sentiment. These factors may not be fully accounted for in the study, influencing the outcomes in ways that are outside the scope of the research.
- v. The report analyzes retail market dynamics, including stock trading, IPO investments, and digital platforms like MeroShare. However, the retail industry comprises a wide range of behaviors and activities, including consumer spending, real estate investments, and e-commerce trends, which may not be fully covered by this study. As a result, the findings may not accurately reflect the complete retail market ecology.
- vi. The research was conducted within a limited time frame, making it difficult to apply the findings to a longer timeframe. Consumer opinion and retail industry trends might change over time, and the survey may not fully reflect these changes. Longitudinal research that monitor sentiment and market behavior over time may provide more thorough information.
- vii. Data gathering may have restrictions; such as access to specific demographics or a restricted number of respondents. This can have an impact on the overall reliability of the data and the study's ability to draw broad conclusions. Furthermore, relying on digital platforms for data collecting may exclude certain segments of the population that are less engaged with or have restricted access to digital media.

CHAPTER II

LITERATURE REVIEW

This chapter will analyze significant literature on the relationship between consumer sentiment and retail market trends, with an emphasis on the Nepalese retail industry. This review will provide a thorough grasp of the existing theories, models, and empirical data that underpin the study, paving the way for future research into how consumer attitude effects the Nepalese retail sector.

This chapter examines the existing literature on consumer sentiment and its influence on retail industry dynamics. It investigates the theoretical foundations underlying consumer emotion and economic behavior, concentrating on how consumer optimism or pessimism influences financial and retail decisions. The chapter also looks at significant elements influencing consumer mood, such as economic conditions, job confidence, spending habits, and faith in financial systems. It also covers global changes in consumer sentiment and retail market behavior, highlighting the impact of media, social platforms, and government policies on customer opinions.

2.1 Conceptual Review

The conceptual review deepens comprehension of the study's core constructs by outlining their definitions, dimensions, and interrelationships. It aids in developing the theoretical foundation on which the research model is formed. The major themes in this study are consumer sentiment and retail market developments in Nepal's financial sector.

2.1.1 Consumer Sentiment

Consumer sentiment is an important psychological and economic term that refers to individuals' attitudes, perceptions, and expectations about the overall state of the economy and their specific financial circumstances. It has a substantial impact on consumer behavior, particularly in economies dominated by consumption and investment. In macroeconomic analysis, consumer sentiment is frequently used to forecast future consumption and investment trends (Katona, 1975). When customers are positive about the economy and their financial future, they are more likely to spend and invest, resulting in retail market growth. In this study, consumer sentiment is measured using five major dimensions:

Economic Optimism

Economic optimism refers to people's expectations for the future state of the economy. It indicates consumers' expectations that the macroeconomic situation, such as inflation, GDP growth, and income levels, will improve in the near future. Optimistic expectations frequently lead to increased consumer spending and engagement in investment activities, particularly in emerging countries.

Employment Confidence

Consumer behavior is heavily influenced by confidence in job security and employment opportunities. When people feel comfortable in their jobs or believe they can readily find new ones, they are more likely to participate in non-essential expenditures or riskier investments (Ludvigson, 2004). Thus, employment confidence serves as a stabilizing force in the retail economy.

Spending and Investment Intention

This dimension addresses consumers' readiness to spend or invest based on their assessments of the economic conditions. According to studies, when consumers are confident, they are more likely to engage in discretionary purchasing and invest in financial instruments such as stocks, mutual funds, or IPOs (Souleles, 2004). Such operations have a considerable impact on retail financial markets, particularly in a growing economy such as Nepal.

Trust in Financial System

Consumer confidence in banking institutions, regulatory organizations, and digital financial services influences their willingness to participate in formal financial markets. Lack of trust can be a significant impediment to financial inclusion and retail market development (Guiso, Sapienza, and Zingales, 2004). In Nepal, trust in platforms such as MeroShare and NEPSE, as well as Nepal Rastra Bank and SEBON rules, is critical for retail investor involvement.

Media and Social Influence

Media, influencers, and social platforms have emerged as effective tools for affecting financial behavior. News coverage and social media debates can either stimulate or deter customers from investing or making purchases (Da, Engelberg, & Gao, 2015).

The growing internet penetration in Nepal has increased the importance of media in shaping retail industry patterns.

2.1.2 Retail Market Trends in Finance

Retail market trends are the changes in individual and household financial behavior in response to numerous external and internal influences. Retail changes in financial markets include growing stock trading involvement, IPO subscriptions, the usage of digital investment platforms, and behavioral shifts in saving versus spending. The advancement of financial technology in Nepal has allowed an increasing number of people to participate in the stock market via platforms such as MeroShare and the TMS system.

2.2 Theoretical Review

This section discusses the theories underlying the relationship between consumer sentiment and retail market developments. It investigates how psychological and economic theories explain changes in consumer behavior and spending patterns, particularly in response to changes in confidence and emotion.

2.2.1 Consumer Behavior Theory

Consumer behavior theory examines how people choose to spend their available resources on consumption-related products. According to this hypothesis, psychological, social, and economic aspects all impact consumer decisions. Engel, Blackwell, and Miniard (1995) identified five steps in the consumer decision-making process: problem detection, information search, alternative appraisal, buy choice, and post-purchase behavior. Consumer sentiment is important at all stages of the process. Positive sentiment boosts economic confidence, which leads to higher spending, whereas low sentiment may cause delayed purchases and more conservative spending behavior. Changes in consumer attitude in Nepal can have a considerable impact on retail sales during times of economic instability, such as inflation or political turmoil.

2.2.2 Theory of Planned Behavior (TPB)

Ajzen (1991) developed the Theory of Planned Behavior, which is extensively used to predict human behavior based on intention. It suggests three factors that determine behavioral intention: attitude toward the conduct, subjective norms, and perceived behavioral control. In the retail setting, when consumers have a good outlook toward

the economy and societal norms support spending, they are more likely to engage in purchasing activity. However, when consumer confidence is low owing to economic uncertainty, people may believe they have less control over their financial destiny and restrict consumption, influencing retail trends.

2.2.3 Keynesian Consumption Theory

Keynesian consumption theory emphasizes the importance of income in determining consumption, but it also recognizes psychological elements in consumer purchasing. Keynes (1936) coined the term "animal spirits" to characterize the emotions that motivate consumer behavior. Even if income levels remain consistent, bad consumer mood might lead to lower consumption due to concerns about future economic situations. This hypothesis is especially pertinent in Nepal, because consumer confidence is affected by issues such as remittance flows, job instability, and macroeconomic stability.

2.2.4 Prospect Theory

Kahneman and Tversky (1979) established Prospect Theory, which explains how people make decisions in the face of risk and uncertainty. It implies that people evaluate gains and losses differently, with losses having a bigger emotional impact than an equal number of gains. This principle, known as loss aversion, explains why people tend to spend less during uncertain times. When consumer mood is poor, the perceived danger of financial loss rises, and shoppers are more inclined to postpone or minimize their purchases at retail stores.

2.2.5 Consumer Confidence Index (CCI) Theory

The Consumer Confidence Index (CCI) is an economic indicator that measures consumers' optimism or pessimism about the general state of the economy and their own financial situation. Consumer confidence typically leads to increased retail spending, whilst low levels suggest reduced consumer expenditure. According to Katona (1975), variations in consumer sentiment, as measured by the CCI, anticipate changes in consumer spending behavior. Changes in customer confidence in Nepal's retail industry can have an impact on sales volume, inventory turnover, and promotional activity.

2.2.6 Rational Expectations Theory

Muth (1961) proposed Rational Expectations Theory, which posits that people use all available knowledge to foresee the future and adapt their behavior accordingly. When customers anticipate future economic challenges, they may prefer to conserve rather than spend. As a result, consumer attitude, influenced by present economic situations as well as expectations, can have a substantial impact on retail patterns. For example, during periods of projected inflation or political uncertainty in Nepal, customers may restrict spending in anticipation of future challenges.

2.3 Empirical Review

Tiwari and Tripathi (2024) in their study titled "Demographic Characteristics: Predictors of Consumers Buying Behaviour in Organized Retail Stores," published in the International Journal of Future Management Research (IJFMR), investigated the impact of demographic variables on consumer purchasing decisions in organized retail settings. The researchers used a quantitative study methodology, collecting data from structured consumer surveys and assessing demographic characteristics like age, gender, income level, education, and occupation. Their goal was to determine how these characteristics influence variances in purchasing behavior among retail customers. The study's findings showed that demographic variables have a considerable impact on consumer preferences, shopping frequency, product choices, and spending patterns. For instance, younger consumers favored branded products and internet transactions, whereas elderly consumers preferred traditional purchasing methods. The study stated that understanding these demographic variables is critical for retailers in developing effective marketing tactics, tailoring consumer experiences, and increasing engagement in organized retail spaces.

Poonam and Saini (2024) conducted a comprehensive study titled "Study on Impact of COVID-19 on Consumer Behavior and E-commerce Adoption in India," was published in the Research Hub International Multidisciplinary Research Journal. The researchers wanted to know how the COVID-19 epidemic affected consumer behavior, namely the adoption of e-commerce and digital payment systems. Using a survey-based methodology, the study gathered data from a variety of respondents to examine changes in purchase patterns during and after the epidemic. The findings demonstrated a dramatic shift in customer behavior, with a noticeable increase in the

usage of e-commerce platforms and digital payment methods. Consumers began to prefer online purchasing due to safety concerns, convenience, and the increasing availability of digital infrastructure. This behavioral shift pointed to a long-term transformation in the Indian retail scene, with traditional shopping techniques being increasingly supplanted by digital alternatives. The study stressed the importance of technological readiness and shifting consumer expectations in determining post-pandemic retail patterns in India.

Choubey and Gautam (2024) evaluated the role of omnichannel retailing in Industry 5.0, with a particular emphasis on Generation Z consumers in South Asia. Their research looked at the links between Customer Retention (CR), Customer Satisfaction (CS), and Customer Engagement (CE), and used Process Macro analysis to assess the data. The findings demonstrated that Customer Engagement was an important mediator between omnichannel shopping and Customer Retention, implying that a highly involved customer is more likely to remain loyal to a business. Customer Satisfaction, on the other hand, had a lower effect on retention, indicating that, while satisfaction is important, engagement has a greater impact on long-term customer loyalty. Furthermore, the study discovered that Man-Machine Collaboration reduced the influence of omnichannel commerce on customer retention, highlighting the importance of including human-machine interaction in molding consumer sentiment. This observation emphasizes the growing relevance of combining technology and human connection to improve consumer experiences and create loyalty, particularly among the younger Generation Z group in South Asia.

Siddiqui (2024), in his research entitled "A Study on Transition in Purchase Behaviour of Consumers from Street Vendors to Online Shopping Due to Coronavirus Pandemic," published in the International Journal of Future Management Research (IJFMR), investigated how the COVID-19 pandemic influenced a significant shift in consumer purchasing behavior in India. Using a survey-based research methodology, the study collected primary data from consumers to better understand the shift from purchasing goods from conventional street sellers to using online shopping platforms. The study found a considerable behavioral shift, driven mostly by health and safety concerns during the epidemic, as well as the convenience provided by internet buying choices. Consumers reported increased faith in the

hygienic and contactless nature of online transactions, resulting in lower footfall in traditional markets. The study concluded that the pandemic accelerated the digital transformation of consumer purchasing behaviors, pointing to a long-term change in retail preferences toward e-commerce and away from informal retail sectors such as street vending.

John et al. (2024) investigated client segmentation in the UK retail market with clustering methods. Their study examined a big dataset of over half a million customer records to uncover distinct consumer behavior patterns. The authors discovered that the Gaussian Mixture Model (GMM) was the most accurate method for segmentation, since it efficiently classified customers based on their actions, allowing retail managers to more accurately adapt their marketing efforts. Retailers may improve their decision-making processes, customer targeting, and overall retail success by understanding consumer attitude and behavior using advanced segmentation approaches. The study emphasized the need of using data-driven insights to develop more effective marketing strategies in a competitive retail environment.

Bhujel and Thapa (2024) examined the factors influencing internet buying behavior among Kathmandu residents. Using regression analysis on data obtained from 120 respondents, the study discovered that financial risks and concerns about non-delivery had a negative impact on customers' online shopping behavior. On the other hand, domain-specific innovativeness and subjective norms were discovered as positive factors, implying that consumers' readiness to adopt new online shopping platforms, as well as the social pressures they face, have a substantial impact on their behavior. The study underlines the relevance of knowing how risk perceptions and social factors influence customer decision-making in the online shopping environment.

Nepali et al. (2024) investigated consumer happiness and service quality at Bhatbhateni Supermarket, one of Nepal's most prominent retail chains. The study surveyed 120 consumers to better understand the elements that influence satisfaction and repurchase intentions. The findings showed that a thorough understanding of customer service requirements and efficient quality management were critical in molding client happiness. When businesses met or exceeded customer service

requirements, consumer satisfaction increased dramatically, leading to a higher likelihood of repurchase. The study stressed that service quality is an important factor in determining consumer perceptions and behaviors. The study showed that for retailers to survive, especially in highly competitive markets like Nepal, providing exceptional service quality is critical for encouraging repeat business and long-term retail success.

Sharma et al. (2024) investigated the impact of online reviews on consumer purchasing decisions in Kathmandu valley. The study, which included 350 customers, used a structured questionnaire to collect information on how online reviews influence consumer perceptions and purchasing behavior. The study discovered that the quality of information in online reviews had a considerable impact on consumer purchase intentions, with extensive, informative evaluations resulting in higher levels of trust and a greater chance of purchase. The findings underscored the importance of peer input in shaping consumer perceptions, demonstrating how good or negative reviews from other customers can greatly influence purchasing decisions. Statistical analysis, using regression models, was performed to assess the impact of review quality, credibility, and consumer trust on purchase intentions.

Manandhar et al. (2024) evaluated the relationship between service quality and customer satisfaction in Nepal's online clothes retail sector. The study surveyed 140 online shoppers using a standardized questionnaire to obtain data on several aspects of service quality, such as delivery speed, product quality, and customer support. The data suggested that timely delivery and high-quality products were important factors in consumer satisfaction. The study found that service efficiency, particularly prompt delivery and product reliability, had a significant impact on consumer attitude and future purchase behavior. Statistical methods such as correlation and regression analysis were used to investigate the association between service quality elements and customer satisfaction. This suggests that online clothing retailers in Nepal should prioritize fast and reliable service to enhance customer satisfaction and foster loyalty.

Misra and Sharma (2023) in their study titled "Impact of COVID-19 on the Indian Retail Industry: Meta-Trend Analysis Based on Text Mining," published by Inderscience Publishers, looked at the extensive changes in the retail sector caused by

the COVID-19 epidemic. The researchers used a qualitative methodology to investigate a variety of secondary data sources, such as papers, journals, and industry publications. The study concentrated on critical variables like customer behavior, digital change, and supply chain disturbances. Their investigation identified numerous crucial patterns, the most notable of which was a significant shift in customer behavior toward online platforms and contactless services. The data also highlighted a dramatic acceleration of digital transformation in retail firms as they sought to respond to shifting customer expectations and safety measures. Furthermore, the investigation identified pervasive supply chain issues that hampered inventory management and product availability. Overall, the study stressed that these emergent tendencies were more than just short-term reactions, but rather a fundamental reworking of India's retail industry in the aftermath of the pandemic.

Tshuma et al. (2023), in their study titled "Digital Marketing and Customer Satisfaction in the Garment Industry During Post COVID-19 Pandemic in Zimbabwe," published by the International Journal of Research and Social Sciences (ijrss.org) and available on Academia, investigated the changing relationship between digital marketing strategies and customer satisfaction in Zimbabwe's garment sector following the pandemic. The researchers used a qualitative methodology, conducting interviews with a varied range of consumers in the business. The study focuses on crucial characteristics such as digital marketing techniques, consumer perceptions, and customer happiness. The findings revealed that digital marketing has emerged as an important strategy for organizations looking to retain clients and maintain engagement in the face of changing market dynamics. Consumers valued individualized incentives, timely contact, and easy access to product information delivered via digital means. The study showed that embracing digital marketing not only helped to maintain business continuity during the pandemic, but also played an important role in harmonizing with changing consumer expectations in the post-pandemic retail landscape.

Manandhar and Chalise (2023) conducted a survey of 400 college students in Kathmandu Valley to examine their online buying behavior. Using a structured questionnaire, the study looked into numerous aspects that influence online shopping behavior, such as price sensitivity, convenience, and security concerns. The data was gathered via a self-administered survey, and the sample was drawn using simple

random sampling. The survey discovered that price and convenience were the most important elements affecting students' online buying behavior, while security concerns had a minimal impact. The study concluded that value for money and ease of access to online platforms are important determinants of consumer sentiment among Kathmandu Valley college students. The data were analyzed and conclusions drawn using statistical procedures such as descriptive analysis and multiple regression.

Roop et al. (2023) in their study titled "COVID-19 and Consumer Confidence: Evidence from India," provides vital insights into how the pandemic affected consumer sentiment and retail market dynamics in India. To analyze alterations in consumer behavior, the researchers used a quantitative research approach that included consumer confidence indexes as well as macroeconomic and retail expenditure data. Their findings revealed a significant drop in consumer confidence throughout the epidemic, which was closely associated with economic uncertainties, job insecurity, and health worries. This reduction in confidence led to a significant decrease in discretionary expenditure and a more cautious approach to consuming, notably in non-essential retail sectors. The study revealed that weakening consumer mood had a direct impact on retail market patterns, with customers choosing savings and necessities over luxury or non-essential items. The authors stressed the importance of restoring customer trust through economic stability and strong public health measures in rebuilding the retail sector after the pandemic.

Gautam et al. (2023) investigated the impact of influencers on customer purchasing intentions in urban Nepal. The study contacted 100 people using a standardized questionnaire to collect information on influencer trustworthiness, alignment with the target market, and consumer attitudes toward influencer marketing. The findings demonstrated that influencer credibility and alignment with the target audience had a substantial impact on customers' purchasing decisions. The study concludes that influencer marketing is successful in altering customer mood in urban Nepal, underlining the expanding role of social media influencers in driving consumer behavior. Statistical approaches such as correlation analysis were utilized to determine the impact of these variables on purchase intentions.

Shrestha et al. (2023) investigated the effects of social media marketing on customer purchasing behavior in Nepal. Using a survey of 108 customers, the study discovered that elements such as social networks, social influence, and content marketing had a substantial impact on consumers' purchase intentions. The study found that social media platforms, particularly through peer influence and targeted content, are having an increasing impact on consumer sentiment and retail patterns. The findings underscored how digital platforms are increasingly influencing purchasing decisions, with consumers significantly impacted by online content and social interactions made on these platforms. The study stated that firms should use social media marketing to communicate with customers and influence their purchasing decisions, acknowledging its importance in Nepal's modern retail landscape.

Sharma (2023) conducted a study on the factors that influence online purchase decisions among 385 Nepalese consumers. The study, published in *Nepal Journals Online*, sought to discover significant characteristics that influence consumer behavior when shopping online. The study identified financial risk, delivery concerns, and trust issues as the most important variables influencing online purchasing behavior in Nepal. Customers expressed concerns about the security of online payments, potential delivery delays, and the dependability of the products they purchased online. The findings highlighted the importance of online retailers addressing these concerns in order to boost consumer confidence and improve online retail success in Nepal. By addressing these concerns through increased security measures, clear delivery methods, and trust-building, businesses can increase consumer happiness and fuel e-commerce growth.

Haque et al. (2023) in their study titled *Retail Demand Forecasting: A Comparative Study for Multivariate Time Series* examined the connection between retail demand and macroeconomic variables such as the Consumer Price Index (CPI), the Index of Consumer Sentiment (ICS), and unemployment rates. Regression and machine learning models applied to enriched time series data were compared in this study. The results showed that forecasting models' accuracy of retail demand projections is much increased by using macroeconomic indicators such as the CPI and ICS. This emphasizes how important customer sentiment is to retail analytics, especially when it comes to forecasting future demand trends.

Su et al. (2023) investigated into how stock returns in the Chinese e-commerce industry were affected by online consumer satisfaction. In order to explore the relationship between consumer sentiment and financial consequences, the authors used sentiment analysis on over 18 million product evaluations to identify important factors including Customer Negative Sentiment Tendency (CNST) and One-Star Tendency (OST). According to their research, e-commerce companies' stock returns were negatively impacted by negative consumer sentiment, particularly when it manifested itself in the form of negative online reviews. The results showed how consumer mood has a significant impact on digital platforms and how discontent and negative reviews can have a direct impact on retail results and market success. This study underlined how crucial it is for retailers to closely monitor consumer mood because it can significantly impact their stock market performance.

Regmi (2022) A quantitative study was carried out to investigate the factors that influence consumers' purchasing decisions for Nepali goods. The study used a structured questionnaire to collect primary data from 300 respondents who were chosen at random from the Kathmandu Valley in Nepal. The two-month poll examined a variety of parameters using a 5-point Likert scale, including opinions, social status, product availability, and pricing fairness. Regression analysis and descriptive statistics were used in the data analysis process to find important connections between customer views and their purchase decisions. The findings showed a high association between customers' purchasing decisions and pricing fairness, product availability, opinions, and social standing, all of which had a major impact on consumer behavior.

Nagy and Hajdu (2022) investigated consumer acceptance of artificial intelligence (AI) in online purchasing in Hungary, specifically how consumer attitude effects the adoption of technological breakthroughs. The authors used structural equation modeling (SEM) to evaluate data and discover significant elements that influence consumer perceptions regarding AI. Their studies demonstrated that trust and perceived utility were important factors in determining consumer opinion and acceptance of AI in the retail sector. Positive consumer sentiments, including trust in AI systems and perceived benefits of utilizing them, have been shown to dramatically

increase the chance of AI adoption. This shows that in an increasingly digital environment, retailers must develop positive consumer sentiment toward technology advancements such as AI. The study stressed the significance of consumer trust and the utility of AI-based services in driving future retail sector growth.

Timotius and Octavius (2021) conducted a systematic review to examine the global changes in consumer behavior induced by the COVID-19 pandemic. Their findings revealed a significant shift in customer mood, with a strong preference for online purchasing motivated by worries about safety and the ease of digital platforms. As the epidemic disrupted traditional shopping behaviors, people began to turn to e-commerce as a safer and more convenient alternative to in-person purchasing. This shift in behavior resulted in substantial changes to retail distribution patterns, with businesses increasing their online presence while extending contactless services and digital transaction possibilities. The analysis stressed that these changes were not only ephemeral, but rather constituted a fundamental shift in how customers engaged with retail enterprises, with long-term repercussions for the global retail industry.

Ncube (2021), in the study titled "The Effect of Customer Satisfaction on the Survival of SMEs in the Grocery Retail Sector: The Case of Harare, Zimbabwe," published in the UZ Institutional Repository, investigated the relationship between customer satisfaction and the survival of small and medium-sized enterprises (SMEs) in Harare's grocery retail industry. The study followed a case study methodology, focusing on a sample of SMEs in the grocery retail business. The study looked at crucial criteria such as customer satisfaction, SME survival, and retail performance. The findings demonstrated a strong positive association between high levels of customer satisfaction and the long-term success and performance of SMEs. Businesses that prioritized customer satisfaction, such as product quality, quick service, and customer interaction, were more likely to survive and even expand their business. Those that overlooked customer satisfaction, on the other hand, faced more difficult issues, such as decreased consumer loyalty and diminishing sales. The study revealed that customer happiness is critical not only for day-to-day operations, but also for SMEs' long-term survival and competitive advantage in the grocery retail industry.

Van der Wielen and Barrios (2020) investigated the impact of economic feeling during the COVID-19 epidemic, utilizing search behavior data from the European Union. The study used a quantitative approach, examining data from Google Trends to track real-time changes in economic mood during the pandemic. The authors utilized econometric models to investigate how differences in search behavior, which reflect public attitude about economic conditions, affected consumer confidence and purchasing habits. Their findings revealed that during the pandemic, economic sentiment as measured by online search behavior had a significant predictive power on both consumer confidence and economic expectations, emphasizing the importance of real-time data in assessing shifts in consumer sentiment during times of crisis. This study is pertinent to Nepal because it suggests that tracking fluctuations in consumer opinion via digital platforms might assist forecast retail market patterns, particularly during uncertain periods such as the COVID-19 epidemic.

Andersen et al. (2020) investigated consumer reactions to the COVID-19 pandemic, concentrating on variations in buying behavior across industries. The study used a huge dataset gathered from consumer surveys and transaction data collected in many European nations, including Denmark, Norway, and Sweden, with a total sample size of around 5,000 respondents. The authors used regression analysis and difference-in-differences methods to investigate the pandemic's impact on consumer spending patterns. The data found a considerable drop in overall consumption during the lockdowns, notably in sectors such as travel, hospitality, and leisure. However, expenditure on necessities such as groceries and health-care products increased. The study discovered that consumer mood had an important role in these movements, with lower-income persons and those living in more affected areas experiencing bigger drops in expenditure. This study emphasizes the significance of monitoring real-time customer behavior during economic shocks and offers vital insights for Nepal, implying that consumer mood can be a useful indicator for projecting retail market patterns in times of crisis.

Table 1

Summary of Empirical Review

Authors	Variables	Methodology	Major Findings
Tiwari and Tripathi (2024)	Demographics (age, gender, income, education)	Quantitative, survey-based	Demographics have significant effects on customer preferences, shopping frequency, product selection, and spending patterns. Younger consumers choose digital transactions and branded products.
Poonam and Saini (2024)	Impact of COVID-19, e-commerce adoption	Survey-based	substantial transition to e-commerce as a result of convenience, safety concerns, and the expansion of digital infrastructure. There will likely be a long-term change in Indian retail.
Choubey and Gautam (2024)	Omnichannel retailing, customer retention	Process Macro analysis, Generation Z focus	The omnichannel effect on retention is mediated by customer engagement. Collaboration

			between humans and machines mitigates this effect. Important to South Asian Generation Z.
Siddiqui (2024)	COVID-19, transition from street vendors to online	Survey-based	Online shopping has replaced street vendors as a result of health and safety concerns. accelerated shift in consumer purchasing patterns due to digitalization.
John et al. (2024)	Consumer segmentation, behavior patterns	Clustering algorithms, Gaussian Mixture Model (GMM)	GMM-based effective segmentation aided in customizing marketing tactics. Retail performance and customer targeting are enhanced by data-driven insights.
Bhujel and Thapa (2024)	Financial risk, domain innovativeness, social norms	Regression analysis	Online shopping is significantly impacted by delivery issues and financial threats. Behavior is positively

			influenced by social influences and domain innovation.
Nepali et al. (2024)	Customer satisfaction, service quality	Survey-based	Customer satisfaction and repurchase intentions are directly correlated with service quality. Customer loyalty is increased through efficient service delivery.
Sharma et al. (2024)	Online reviews, consumer perceptions	Survey-based, regression analysis	Online review quality has a big impact on consumers' intents to buy. Perceptions are influenced by peer feedback.
Manandhar et al. (2024)	Service quality, customer satisfaction	Survey-based, regression analysis	Product quality and delivery time have a big impact on customer satisfaction. For Nepali internet merchants, service effectiveness is essential.
Misra and Sharma (2023)	COVID-19, digital transformation, supply chain	Text mining, qualitative analysis	Supply chain issues, a significant move to e-

	disruption		commerce, and the quick digital revolution of retail.
Tshuma et al. (2023)	Digital marketing, customer satisfaction	Qualitative, interviews	Digital marketing tactics are essential for engaging and retaining customers. Post-pandemic satisfaction is increased by tailored communications and marketing.
Manandhar and Chalise (2023)	Price sensitivity, convenience, security concerns	Survey-based, regression analysis	The two main factors influencing college students' internet buying habits are price and convenience. The impact of security issues is minimal.
Rooj et al. (2023)	COVID-19, consumer confidence, retail trends	Quantitative, consumer confidence indices	During COVID-19, a drop in consumer confidence resulted in frugal spending, with a greater emphasis on savings and necessities.
Gautam et al. (2023)	Influencer marketing, consumer purchase	Survey-based, correlation analysis	Purchase decisions in urban Nepal are heavily influenced

	intentions		by the trustworthiness of the influencer and their connection with the target audience.
Shrestha et al. (2023)	Social media marketing, consumer buying behavior	Survey-based	Consumer purchasing intentions are increasingly shaped by social media, especially by peer influence and targeted information.
Sharma (2023)	Online shopping behavior, trust, delivery concerns	Survey-based, regression analysis	Nepalese consumers' internet buying habits are significantly influenced by financial risk, delivery challenges, and trust issues.
Haque, Amin, and Miah (2023)	Macroeconomic indicators, retail demand	Comparative analysis, regression, ML models	The accuracy of retail demand forecasting is improved by macroeconomic indicators such as the CPI and ICS.
Su et al. (2023)	Consumer sentiment, stock	Sentiment analysis, product reviews	E-commerce stock returns are

	returns		impacted by negative consumer sentiment. The performance of the market is greatly impacted by online reviews.
Regmi (2022)	Price fairness, product availability, opinions, social status	Quantitative, Survey	Fair prices, product availability, opinions, and social standing all had a big impact on how customers bought Nepali goods.
Nagy and Hajdu (2022)	Trust, perceived usefulness, consumer sentiment, AI adoption	Structural Equation Modeling (SEM)	In order to increase consumer sentiment and the adoption of AI in online purchasing, perceived utility and trust were crucial.
Timotius and Octavius (2021)	Online shopping, safety concerns, digital platforms, consumer sentiment	Systematic Review	Preference for online shopping increased due to safety concerns during COVID-19, signaling a long-term shift in consumer behavior.
Ncube (2021)	Customer satisfaction, SME survival, retail	Case Study	While ignoring customer happiness hurt SMEs, high

	performance		levels of customer satisfaction helped SMEs in the grocery retail industry survive and expand.
Van der et al. (2020)	Economic sentiment, search behavior, consumer confidence, spending patterns	Econometric Models (Google Trends)	During COVID-19, consumer confidence and spending patterns were greatly impacted by economic sentiment as indicated by search activity.
Andersen et al. (2020)	Consumption behavior, income level, spending on essentials, consumer sentiment	Regression analysis, Difference-in-differences	Spending on necessities soared during lockdowns, whereas consumption decreased, especially in non-essential industries. These changes were impacted by consumer perception.

2.4 Research Gap

Consumer behavior has long been a source of academic and practical interest, particularly in determining how psychological and emotional elements influence market dynamics. International studies have demonstrated that consumer attitude, as measured by optimism, trust in the financial system, and job confidence, has a

considerable impact on spending and investing behavior (Carroll et al, 1994). In recent years, research has grown to examine the impact of digital platforms, social media, and online reviews on consumer perceptions and decisions. These studies highlight the importance of consumer expectations in forecasting retail sales, stock market activity, and economic cycles (Lahiri et al., 2016).

In Nepal, however, academic focus has mostly been focused on traditional criteria such as pricing, product availability, and service quality. Sharma et al. (2024) investigated emotional advertising in Kathmandu, whereas Manandhar et al. (2024) looked at service quality in online clothing retail. These studies highlight specific marketing strategies but do not examine how broader customer attitude drives overall retail industry trends. Although research such as Bhujel and Thapa (2024) and Shrestha et al. (2023) investigated online buying behavior and social media effects, they tended to focus on discrete factors rather than providing a comprehensive view of sentiment-driven consumer dynamics.

This absence of integrative analysis represents a crucial research gap. In particular, there is no empirical data from Nepal linking consumer sentiment indices like economic optimism, job confidence, and faith in financial institutions to real market behavior, particularly in the retail sector. This disparity is significant since Nepal's market is rapidly digitalizing, and customers are increasingly impacted by macroeconomic perceptions, financial technology platforms such as MeroShare, and digital media. Understanding how these feelings influence retail behavior is critical for firms, governments, and investors trying to adjust to changing customer expectations in a dynamic economy. Addressing this gap will provide vital insights into consumer-market ties in emerging economies, paving the path for more sentiment-driven market tactics.

CHAPTER III

RESEARCH METHODOLOGY

This chapter describes the research methodology utilized in this study, which includes the research design, population and sample, sampling procedure, data gathering methods, data analysis methods, and the research framework. The methodology gives an organized strategy to ensuring the research is reproducible, dependable, and legitimate, allowing other researchers to verify the findings.

3.1 Research Design

The research design used in this study is descriptive in nature. Descriptive study seeks to characterize the characteristics of a certain phenomenon or population. The goal of this study is to explore how customer sentiment drives retail industry developments in Nepal. Descriptive and casual comparative research is acceptable because it provides a clear picture of the relationship between these factors without changing them. The study will employ quantitative methods to acquire a thorough understanding of the subject.

3.2 Population and Sampling Design

The study's population consists of Nepali customers who make financial investments and retail purchases, especially those who live in cities like Kathmandu where these markets are more concentrated. The study used a stratified random sample technique, which separates the population into discrete strata according to pertinent factors like age, income level, and education, in order to guarantee representative results and reduce sampling bias. This probability-based approach guarantees that every subgroup is fairly represented in the final sample, improving statistical precision. Cochran's formula, which works well for large populations when the population proportion is unknown, was used to get the sample size. The necessary sample size was determined to be 384 using the formula $n_0 = (Z^2 \times p \times q) / e^2$ with a 95% confidence level ($Z = 1.96$), maximum variability ($p = 0.5, q = 0.5$), and a 5% margin of error ($e = 0.05$). Because it guarantees adequate power for generalization, reduces the margin of error, and conforms to accepted standards in social science research, this sample size is statistically justified. Thus, the scale and sampling strategy used in this study offer a strong basis for precisely assessing how consumer attitude affects retail market patterns in Nepal.

3.3 Nature and Sources of Data

This study primarily employs primary data obtained via a structured questionnaire to examine the impact of customer mood on retail market trends in Nepal. The primary data were gathered from Nepali consumers who made retail purchases and financial investments, with a focus on five key dimensions of consumer sentiment: economic optimism, employment confidence, spending and investment intention, trust in the financial system, and media/social influence. These factors were assessed using a five-point Likert scale to guarantee uniformity in replies. Using primary data allows for a more concentrated and current understanding of consumer sentiments in Nepal's dynamic retail and financial marketplaces. Secondary data were also gathered from official sources such as the Securities Board of Nepal (SEBON), Nepal Rastra Bank, and other relevant publications, which were used to give context and background information to supplement the primary data in addressing the research objectives. The combination of primary and secondary data adds depth and reliability to the study's findings.

3.4 Data Collection Instruments

The primary data for this study were gathered through a structured questionnaire designed to analyze consumer sentiment and its impact on retail industry trends in Nepal. The questionnaire is divided into two sections: the first collects demographic information (such as age, income, and education), and the second assesses consumer sentiment on five key dimensions: economic optimism, employment confidence, spending and investment intention, trust in the financial system, and media and social influence. Each of these qualities is evaluated using a five-point Likert scale (range from strongly agree to strongly disagree), which ensures consistency in replies and facilitates quantitative analysis. Experts assessed the questionnaire to confirm its content validity before using the final form to collect data. In addition to primary data, secondary data were acquired from official reports by the Securities Board of Nepal (SEBON) and Nepal Rastra Bank to back up the findings and offer context to the research.

3.5 Methods of Data Analysis

The data will be evaluated with both descriptive and inferential statistical approaches. Descriptive statistics will be utilized to summarize the respondents' demographic

features and replies to various survey items. Mean, median, and standard deviation will be used to provide a thorough assessment of the data. To investigate the links between consumer sentiment and retail market movements, correlation and regression analyses will be employed. These statistical techniques will be used to determine the degree and direction of the correlations between the independent variables (consumer mood, economic optimism, and employment confidence) and the dependent variable (retail market trend).

3.5.1 Reliability Analysis

Reliability refers to the measurement scale's internal consistency, which ensures that items measuring a given construct provide stable and consistent findings. Each variable was tested using Cronbach's Alpha. Nunnally and Bernstein (1994) define satisfactory reliability as values over 0.70; values between 0.60 and 0.70 are regarded doubtful, and values less than 0.50 are unacceptable. The constructs of economic optimism, employment confidence, spending investment intention, trust in the financial system, media social influence, and retail market trend were tested. Items with low reliability ratings ($\alpha < 0.50$) were removed to enhance overall instrument consistency.

Table 2

Reliability Test

Code	Variables	No of times	Cronbach's Alpha
EO	Economic optimism	5	0.927
EC	Employment confidence	5	0.928
SI	Spending and Investment Intention	5	0.924
FT	Trust in Financial System	5	0.926
MS	Media and Social Influence	5	0.938
RT	Retail Market Trend in Finance	5	0.926

Source: Calculation using SPSS

Table 2 shows the results of the reliability test for the variables employed in the study, which determines the internal consistency of the measurement scales. Cronbach's Alpha values for all variables above 0.9, suggesting high reliability. The measure Economic Optimism (EO) has a Cronbach's Alpha of 0.927, showing high internal consistency across its five questions. Similarly, Employment Confidence (EC) shows

great dependability, with a Cronbach's Alpha of 0.928. Spending and Investment Intention (SI) follows with a Cronbach's Alpha of 0.924, indicating that its components are very consistent. The Trust in Financial System (FT) variable has a Cronbach's Alpha of 0.926, indicating high dependability. The variable Media and Social Influence (MS) has the highest dependability, with a Cronbach's Alpha of 0.938, indicating very strong internal consistency. Finally, Retail Market Trend in Finance (RT) has a Cronbach's Alpha of 0.926, indicating its high reliability. Overall, the high Cronbach's Alpha values for all variables imply that the study's measurement scales are extremely trustworthy, with items consistently measuring the intended constructs.

3.5.2 Descriptive Analysis

Descriptive statistics were used to summarize the data set's primary characteristics. Mean, standard deviation, minimum, and maximum values were utilized to determine the central tendency and variability of responses. This assisted in determining overall patterns in attitude among Nepali investors, such as their economic optimism and confidence in the financial sector.

3.5.3 Mean Analysis

The mean indicates the average score of respondents' perceptions on various items. It represents the general direction of emotion: greater mean values imply stronger agreement or positive sentiment, whereas lower values indicate negative or neutral attitudes. The mean was computed using the following formula:

$$\bar{x} = \frac{\sum x}{n}$$

Where

\bar{x} = Mean

$\sum x$ = Sum of no. of observations

n = No. of observations

3.5.4 Standard Deviation

The standard deviation (SD) represents how answers vary around the mean. A low SD indicates uniformity among individuals, whereas a high SD indicates a range of

perspectives. This is crucial in determining if respondents' assessments of consumer sentiment are uniformly shared or differ significantly. The formula utilized is:

$$SD = \sqrt{\frac{\sum(x - \bar{x})^2}{n - 1}}$$

Where

SD = Standard Deviation

\bar{x} = Mean

n = No. of observations

3.5.5 Inferential Analysis

Inferential statistics were used to draw inferences that extend beyond the sample. These methodologies were used to test hypotheses and assess the association between consumer sentiment (independent variable) and retail market participation (dependent variable). Correlation analysis, regression analysis, and hypothesis testing were used to determine the significance and direction of these associations.

3.5.6 Correlation Analysis

The correlation coefficient measures how strongly the variables are related to one another. Correlation Analysis Determines the strength and direction of the relationship between independent factors (consumer sentiment dimensions) and dependent variables (retail market trend in finance). Pearson's correlation coefficient (r) is used to evaluate the strength of the association. Associated with changes in the second variable. When correlation (r) approaches 0, it implies a poor relationship between two variables. The formula for correlation analysis is presented below.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$$

Where

r = correlation coefficient

n = no. of observations x and y are the variables

3.5.7 Multiple Regression Analysis

Multiple regression analysis is a statistical technique that investigates the relationship between several independent variables and a dependent variable. This technique assesses how changes in independent variables affect the dependent variable while adjusting for the influence of other predictors. In this study, the dependent variable is the Retail Market Trend in Finance (RT), which indicates consumer behavior in Nepal's financial markets, such as investing activities, stock trading, and use of digital platforms to manage financial portfolios. The independent variables in this model are different aspects of consumer sentiment, such as economic optimism (EO), employment confidence (EC), spending and investment intention (SI), trust in the financial system (FT), and media and social influence (MS). The multiple regression model is described as follows:

$$RT = \alpha + \beta_1 EO + \beta_2 EC + \beta_3 SI + \beta_4 FT + \beta_5 MS + \varepsilon \dots \dots \dots \text{Eqn1}$$

Where:

RT = Retail Market Trend in Finance (dependent variable)

EO = Economic Optimism (independent variable)

EC = Employment Confidence (independent variable)

SI = Spending and Investment Intention (independent variable)

FT = Trust in Financial System (independent variable)

MS = Media and Social Influence (independent variable)

α = Constant term (intercept)

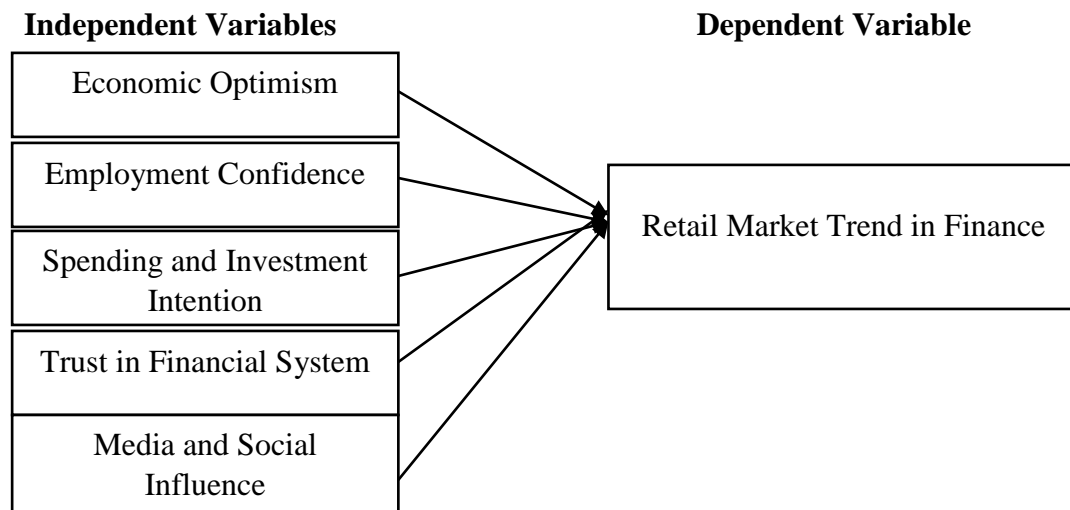
β_1 to β_5 = Coefficients of the independent variables

ε = Error term

3.6 Research Framework and Definition of Variables

The purpose of this study is to examine at the relationship between consumer sentiment and retail market trends in Nepal's finance sector. The research framework is intended to examine how various dimensions of consumer sentiment, such as economic optimism, employment confidence, spending and investment intentions, trust in financial institutions, and media and social influence, affect consumer behavior in financial markets, particularly stock trading and investment decisions. The framework situates the variables within the context of consumer sentiment and retail

financial market developments, providing insights into the factors that drive consumer engagement in financial markets.



(Sources: Kotler & Keller, 2022)

(Fig1 Conceptual Framework)

Independent Variables

Economic Optimism (EO)

Economic optimism represents consumers' perceptions of current and future economic conditions. It refers to people's confidence in the country's economic prospects, which include expected economic growth and financial stability. Consumers with higher levels of economic optimism are more likely to make confident financial decisions, such as increased spending and investment, since they believe that favorable economic conditions will persist (Kotler & Keller, 2022). In the context of this study, economic optimism is measured using consumer opinions about the national economy's improvement, household income, inflation management, and government economic policies.

Employment Confidence (EC)

Employment confidence evaluates people's perceived stability in their current work or source of income, as well as their outlook on the national job market. Higher employment confidence is linked to a stronger readiness to participate in financial

markets, as people feel more financially secure and capable of making long-term financial commitments. This variable assesses consumers' opinions of work stability, the rising availability of employment prospects, and the efficacy of government programs targeted at stimulating job creation.

Spending and Investment Intention (SI)

Individuals' spending and investment intentions refer to their readiness to devote financial resources to consumption and investment activities. This variable measures the consumer's willingness to participate in financial markets through investment products such as stocks, mutual funds, and initial public offerings. Higher spending and investment intentions often indicate a proactive financial mindset, in which individuals prefer to invest rather than hoard wealth. This variable is critical for evaluating consumer behavior regarding stock market involvement and investment in other financial goods (Kotler & Keller, 2022).

Trust in Financial System (FT)

Consumer trust in the financial sector includes faith in banking and regulatory agencies such as Nepal Rastra Bank and the Securities Board of Nepal (SEBON). Trust is an important factor in increasing consumer engagement in financial markets because people are more inclined to engage in activities like stock trading, digital banking, and investing if they believe the financial system is stable, transparent, and reliable. Trust in the financial system also involves belief in the fairness of the IPO allotment procedure and the integrity of financial products provided by institutions (Securities Board of Nepal, 2024).

Media and Social Influence (MS)

Media and social impact refers to how media, financial news, and social media influencers shape consumers' financial behaviors and investing decisions. As digital channels become more important in conveying financial information, media headlines, internet discussions, and financial influencer recommendations can all have a substantial impact on consumer mood. This variable investigates how positive and negative media information influences consumers' financial decisions, such as stock market investments, trading activity, and general market attitude (Kotler & Keller, 2022).

Dependent Variable (DV)**Retail Market Trend in Finance (RT)**

The dependent variable in this study, retail market trend in finance, reflects consumer engagement in financial markets, specifically stock market activities, IPO applications, and the use of financial tools for investment management, such as MeroShare or Trading Management Systems (TMS). This variable attempts to quantify the degree to which consumer sentiment drives participation in the retail financial sector. It is operationalized by assessing criteria such as stock trading frequency, active involvement in initial public offerings, and the use of digital tools to monitor and manage financial portfolios. Understanding these trends is critical for establishing how swings in consumer mood affect market dynamics and investor behavior in Nepal's retail financial sector.

CHAPTER IV

RESULTS AND DISCUSSION

This chapter presents the findings and analysis of primary data gathered to investigate the impact of consumer sentiment on retail market trends. The goal is to examine at how different aspects of consumer sentiment, such as economic optimism, employment confidence, spending and investment intentions, trust in the financial system, and media and social influence, are related to current retail patterns and behaviors. The chapter begins with an overview of the respondents' demographic characteristics, which provides context for the data. It then provides a descriptive analysis of the key variables under consideration, emphasizing current trends and insights gleaned from the responses. The analysis focuses on identifying meaningful patterns that reveal how consumer sentiment influences retail activities. The discussion section interprets the findings in light of the study objectives and previous literature, providing a thorough understanding of the observed trends.

4.1 Respondents' Profile

A total of 400 survey responses were collected and evaluated to determine the impact of customer sentiment on retail industry trends in Nepal. This section describes the respondents' demographic data, including age, gender, education level, occupation, and monthly income. Understanding these demographic characteristics helps to contextualize customer views and behaviors, providing significant insights into how sentiment differs among population segments. The tables below give a full breakdown of the sample composition and its significance to the study.

4.1.1 Gender Distribution of Respondents

The gender of respondents is an important demographic component that influences consumer behavior and attitude. Understanding how consumer mood influences retail market movements requires taking into account the gender distribution within the sample group. Gender differences frequently influence purchasing decisions, preferences, and responses to market situations. This section describes the gender breakdown of the study's respondents.

Table 3
Gender Distribution of Respondents

Gender	Frequency	Percent
Female	221	55.3%
Male	179	44.8%
Total	400	100%

(Source: Field Survey, 2025)

Table 3 shows that 55.3% of responders are female (221), while 44.8% are male (179). This distribution implies that females are slightly overrepresented in the study sample, which may have an impact on the analysis of consumer sentiment and retail market trends. Gender can influence a variety of facets of consumer behavior, including purchasing preferences and faith in financial systems, which are important for understanding how different populations interact with the retail market.

4.1.2 Age Group Distribution of Respondents

Another important demographic component to consider when assessing consumer sentiment and its impact on retail market trends is respondents' age. Different age groups have varied consumer behaviors, interests, and reactions to economic conditions. Understanding the age distribution is critical for determining which age groups are most likely to impact retail industry trends in Nepal.

Table 4
Age Group Distribution of Respondents

Age Group	Frequency	Percent
18-25 Years	95	23.8%
26-32 Years	204	51%
33-40 Years	85	21.3%
41 Years and above	16	4%
Total	400	100%

(Source: Field Survey, 2025)

Table 4 shows the age distribution. The data shows that 51.0% of respondents are between the ages of 26 and 32, making this the largest age group. 23.8% are between the ages of 18 and 25, 21.3% are between the ages of 33 and 40, and 4.0% are older

than 41. This distribution indicates that the majority of respondents are relatively young individuals, which is significant because this age group is frequently the most engaged in retail markets and is more susceptible to consumer sentiment elements such as economic optimism and media impact. Understanding age-related trends aids in assessing how consumer behavior changes across life stages and how this affects retail trends in Nepal.

4.1.3 Education Level Distribution of Respondents

Respondent education level is an important demographic indicator that can have a big impact on consumer sentiment and the retail sector. Education frequently influences an individual's financial understanding, decision-making processes, and perceptions of economic realities. This section depicts the distribution of education levels among respondents, providing insight into how education may influence retail habits and feelings.

Table 5

Education Level Distribution of Respondents

Education Level	Frequency	Percent
Graduate	145	36.3%
Intermediate	163	40.8%
Postgraduate	31	7.8%
SLC (Secondary)	61	15.3%
Total	400	100%

(Source: Field Survey, 2025)

Table 5 displays the education level distribution, which shows that 40.8% of respondents have completed Intermediate education, 36.3% are Graduates, and 15.3% have done SLC. A lower fraction, 7.8%, have earned a postgraduate degree. This distribution implies a well-educated sample, with the majority having completed at least intermediate or higher education. Respondents' educational backgrounds are critical for understanding how their financial literacy, faith in financial systems, and overall consumer attitude varies, all of which influence retail market trends. Individuals with a high level of education may respond differently to economic considerations, technical breakthroughs, and market conditions than those with lower levels of education.

4.1.4 Occupation Distribution of Respondents

The respondents' occupations give valuable background for understanding consumer mood and how it influences retail industry developments. Occupation can have a substantial impact on an individual's economic perspective, spending habits, and interaction with retail marketplaces. Different jobs are frequently associated with varying levels of income, financial stability, and consumer confidence. This section describes the occupational dispersion of the study's respondents.

Table 6

Occupation Distribution of Respondents

Occupation	Frequency	Percent
Employed	160	40%
Self-employed	103	25.8%
Student	71	17.8%
Unemployed	66	16.5%
Total	400	100%

(Source: Field Survey, 2025)

Table 6 shows the occupational distribution. The results suggest that 40.0% of respondents are employed, 25.8% are self-employed, 17.8% are students, and 16.5% are unemployed. This distribution represents a diversified sample in terms of economic engagement. Employed and self-employed people are more likely to have better disposable incomes and financial stability, which may influence their consumer sentiment and shopping habits. In contrast, students and unemployed people may have fewer financial means, which may influence their purchase habits. Understanding the impact of occupation aids in determining how varied economic conditions and consumer feelings affect different groups, hence shaping retail market trends.

4.1.5 Monthly Income Distribution of Respondents

Monthly income is an important demographic determinant in determining consumer attitude and retail sector trends. Income levels have a direct impact on purchasing power, financial decisions, and consumer confidence. Understanding the income distribution of respondents aids in determining how different income groups perceive and react to economic changes, which in turn influences retail behaviors and trends.

Table 7
Monthly Income Distribution of Respondents

Monthly Income	Frequency	Percent
Below NPR 20,000	118	29.5%
NPR 20,001 - 40,000	157	39.3%
NPR 40,001 - 60,000	96	24%
Above NPR 60,000	29	7.2%
Total	400	100%

(Source: Field Survey, 2025)

Table 7 shows the monthly income distribution. indicates that 39.3% of respondents earn between NPR 20,001 and 40,000, making this the highest income category. 29.5% earn less than NPR 20,000, while 24.0% earn between NPR 40,001 and 60,000, and 7.2% earn more than NPR 60,000 every month. Income levels are an important driver of consumer sentiment since people with greater salaries may feel more financially secure and confident, which influences their retail shopping habits. Lower-income individuals, on the other hand, may be more cautious in their spending habits. This distribution aids in determining how different income groups may react to economic changes, which is critical for understanding broader retail market patterns and the impact of consumer mood in the Nepali environment.

4.2 Descriptive Analysis of Variables

This section presents descriptive statistics for the primary variables utilized in the study to investigate the effect of customer mood on retail market trends. Descriptive analysis summarizes the responses to each item within the primary constructs of Economic Optimism (EO), Employment Confidence (EC), Spending and Investment Intention (SI), Trust in Financial System (FT), Media and Social Influence (MS), and Retail Market Trend. The mean, standard deviation, minimum, and maximum values for each question are provided to help understand the central tendency and variability in the replies.

4.2.1 Descriptive Statistic of Economic Optimism

Economic optimism represents people's confidence in existing and future economic situations, such as national growth, inflation control, personal income, and the success of government policies. Understanding this dimension sheds light on the financial attitudes that drive consumer behavior and investment trends in Nepal.

Table 8

Descriptive Statistics of Economic Optimism

Code	Statement	Mean	Standard Deviation
EO	Economic optimism		
EO1	I believe Nepal's economic situation will improve during the next twelve months.	4.67	0.4708
EO2	I expect an increase in my household income in the near future.	4.6875	0.46409
EO3	I am more confidence in making financial decisions when economic stability improves.	4.635	0.48203
EO4	Inflation and the cost of living will be under control shortly.	4.635	0.48203
EO5	The government's economic agenda inspires me for the future.	4.6225	0.48537

Source: Calculation using SPSS

Table 8 summarizes the descriptive statistics for five assertions about economic optimism. The statement "I expect a rise in my household income in the near future," with a standard deviation of 0.46409, has the highest mean score (4.6875). This shows that respondents strongly agree that their household income would rise, suggesting a good attitude on personal economic conditions. The statement "I believe the economic condition of Nepal will improve in the next 12 months," with a standard deviation of 0.4708, has the second-highest mean score (4.67). This shows that people are enthusiastic about the national economy and have high confidence in its future. The mean scores for the statements "I feel confident making financial decisions due to improving economic stability" and "Inflation and cost of living will be under control soon" are both 4.635, with comparable standard deviations (0.48203). These replies show that participants are moderately confident in their capacity to make financial decisions and believe that inflation and living costs will be well addressed in the foreseeable future. The lowest mean score (4.6225) is obtained for "The government's economic strategy gives me hope for the future," with a standard deviation of 0.48537. While this score remains quite high, it indicates that, while respondents believe the government's approach is favorable, they may be slightly less confident in its ability

to change the future than other aspects such as personal income growth or economic improvement.

Overall, the findings show that respondents are highly optimistic about their personal financial prospects as well as the national economy's progress. The low standard deviations indicate that most respondents hold similar beliefs, with little variety in their responses.

4.2.2 Descriptive Statistic of Employment Confidence

Employment confidence refers to an individual's opinion of the stability and security of their income and job prospects in a given economic climate. This section presents descriptive statistics for the variable "Employment Confidence" based on respondents' perspectives on several economic aspects such as job security, employment opportunities, government policies, and the alignment of the job market with personal qualifications. These factors have a significant impact on consumer attitude and investment behaviors, which can eventually influence market patterns.

Table 9

Descriptive Statistic of Employment Confidence

Code	Statement	Mean	Standard Deviation
EC	Employment Confidence		
EC1	I am satisfied with my existing work or source of money.	4.6475	0.47835
EC2	Employment prospects in Nepal are growing.	4.6825	0.48195
EC3	I am confident in finding a better career if necessary.	4.6375	0.48132
EC4	Government measures are effective in promoting job generation.	4.6525	0.49229
EC5	I believe that the present employment market suits my qualifications and talents.	4.615	0.4872

Source: Calculation using SPSS

Table 9 summarizes the descriptive data for various assertions about employment confidence. The statement "Employment opportunities in Nepal are increasing"

received the highest mean score (4.6825), with a standard deviation of 0.48195, indicating that respondents strongly agree on the expansion of work prospects in Nepal. This suggests that the majority of respondents are positive about the job market's growth. The statement "Government policies effectively support job creation" received the second-highest mean score (4.6525), with a standard deviation of 0.49229. This implies that respondents generally agree that government actions are promoting job creation, however there is significantly greater diversity in replies than with the employment opportunities statement. The statement "I believe the current job market matches my qualifications and skills," with a standard deviation of 0.4872, has the lowest mean score (4.615). Although respondents continue to think that their talents are relevant to the job market, the substantially lower score suggests that some respondents are less confident about this connection.

Overall, these findings indicate that respondents have a favorable outlook on the economy, particularly in terms of job security and employment opportunities. Individual responses vary, particularly in terms of job market congruence with personal qualifications.

4.2.3 Descriptive Statistic of Spending and Investment Intention

Spending and investment decisions are critical for understanding consumer behavior, specifically how people manage their money and allocate resources between consumption and investment. These selections are influenced by a variety of factors, including personal financial objectives, market conditions, and preferences. In this section, we look at the descriptive statistics for the variable "Spending and Investment Intention," which measures respondents' readiness to engage in the stock market, participate in IPOs or mutual funds, and change their spending habits.

Table 10

Descriptive Statistic of Spending and Investment Intention

Code	Statement	Mean	Standard Deviation
SI	Spending and Investment Intention		
SI1	I plan to invest in the stock market within the next six months.	4.64	0.4806
SI2	I plan to apply for an IPO or mutual fund.	4.6725	0.46989

SI3	I am spending more money on non-essential items than before.	4.58	0.49922
SI4	I prefer to invest rather than keep cash idle.	4.6525	0.47677
SI5	I regularly look for new investment opportunities.	4.595	0.49658

Source: Calculation using SPSS

Table 10 shows the descriptive statistics for the claims on spending and investing intentions. The highest mean score (4.6725) is recorded for "I plan to apply for IPOs or mutual funds," with a standard deviation of 0.46989, indicating substantial agreement among respondents regarding their desire to invest in IPOs or mutual funds. This indicates a proactive approach to investment, with individuals eager to investigate these financial instruments in the near future. The statement "I prefer to invest rather than keep cash idle," with a standard deviation of 0.47677, has the second-highest mean score (4.6525). This demonstrates a strong propensity among respondents to invest their available funds rather than leave them idle, demonstrating a general preference for productive use of money. The lowest mean score (4.58) is obtained for "I am spending more on non-essential goods than before," with a standard deviation of 0.49922. While the mean score still indicates a preference for non-essential purchases, it is lower than the other investment-related statements, implying that respondents are less likely to increase spending on discretionary products, possibly due to a concentration on investments.

Overall, the findings show a high preference for investing, notably in the stock market and IPOs, as well as a preference for using funds for return-generating purposes rather than non-essential expenses. The comparatively low amount of diversity in replies suggests that most people have comparable investment intentions and spending habits.

4.2.4 Descriptive Statistic of Trust in Financial System

Financial trust is important to the operation of financial markets and organizations. It shows people's faith in the policies, regulations, and processes that control the economy, as well as in financial institutions and digital platforms. Individuals' engagement with financial products and services, such as stock market investing,

banking services, or IPO participation, is heavily influenced by their trust in financial systems.

Table 11

Descriptive Statistic of Trust in Financial System

Code	Statement	Mean	Standard Deviation
FI	Trust in Financial System		
FT1	I trust Nepal Rastra Bank's policies to govern the economy.	4.6325	0.48273
FT2	SEBON maintains a fair stock trading environment.	4.7075	0.45548
FT3	I feel secure utilizing digital banking and MeroShare services.	4.6125	0.48779
FT4	Nepal's financial institutions are transparent and reliable.	4.68	0.46706
FT5	I believe that the IPO allotment process is fair and trustworthy.	4.6325	0.48273

Source: Calculation using SPSS

Table 11 shows the descriptive statistics for the assertions about financial trust. The highest mean score (4.7075) is reported for "SEBON ensures a fair stock trading environment," with a standard deviation of 0.45548, showing a high level of faith in SEBON's role in guaranteeing fairness in the stock market. This demonstrates respondents' trust in the regulatory agency that oversees the stock market. The second-highest mean score (4.68) is for the statement "Financial institutions in Nepal are transparent and reliable," with a standard deviation of 0.46706. This indicates a high degree of trust in the transparency and dependability of Nepalese financial institutions, meaning that respondents are usually confident in the integrity and dependability of the country's financial enterprises. The statement "I trust Nepal Rastra Bank's policies to manage the economy" (mean = 4.6325) demonstrates that respondents had a high level of trust in the central bank's policies, with a standard deviation of 0.48273, indicating consistent agreement among respondents. Similarly, faith in the fairness of the IPO allotment process (mean = 4.6325) and the safety of using digital banking and MeroShare systems (mean = 4.6125) show reasonably high levels of trust, with standard deviations of 0.48273 and 0.48779, respectively. These

scores indicate that respondents in Nepal feel secure and confident about engaging in digital banking and the IPO process.

Overall, the findings show a high level of trust in Nepal's financial institutions, regulatory authorities, and digital platforms. The relatively low standard deviations across all items indicate that respondents generally agree on their judgments of financial trust.

4.2.5 Descriptive Statistic of Media and Social Influences

Media and societal influences have a considerable impact on people's financial activities, including investment decisions. With the rise of digital platforms and social media, people are becoming more exposed to financial news, investment influencers, and market trends, all of which can have a direct impact on their decisions. This section summarizes the descriptive data for "Media and Social Influence," which reflect the degree to which social media, news, and online communities influence investment decisions and behaviors.

Table 12

Descriptive Statistic of Media and Social Influences

Code	Statement	Mean	Standard Deviation
MS	Media and Social Influence		
MS1	Financial news on social media effects my financial choices.	4.65	0.49812
MS2	I follow investment influencers or organizations on Facebook and YouTube.	4.705	0.46746
MS3	I'm motivated to invest after witnessing excellent press coverage.	4.6575	0.49579
MS4	I have sold or avoided investments because of negative media coverage.	4.6475	0.48871
MS5	Social media channels help me stay current on market developments.	4.675	0.48987

Source: Calculation using SPSS

Table 12 summarizes the descriptive data for remarks about the impact of media and social platforms on investment decisions. The highest mean score (4.705) is reported

for "I follow investment influencers or groups on Facebook/YouTube," with a standard deviation of 0.46746, showing that a big number of respondents are actively connecting with investment influencers or groups via social media. This implies that respondents rely heavily on social media channels, particularly Facebook and YouTube, to obtain investing information. The second-highest mean score (4.675) goes to "Social platforms help me stay informed about market trends," with a standard deviation of 0.48987. This suggests that respondents believe social media is an excellent tool for staying up to current on market happenings, highlighting the growing importance of digital platforms in spreading financial information. The statement "I feel encouraged to invest after seeing positive news coverage" (mean = 4.6575) indicates that positive media coverage has a significant impact on investment decisions. With a standard deviation of 0.49579, this indicates that respondents are generally inclined to invest when presented with positive financial news. Similarly, the statement "Financial news in social media influences my investment decisions" (mean = 4.65) demonstrates a substantial influence of financial news on respondents' investing behavior, with a standard deviation of 0.49812, showing moderate agreement among respondents. The lowest mean score (4.6475) is obtained for "I have sold or avoided investments due to negative media reports," with a standard deviation of 0.48871. This implies that unfavorable media coverage can influence investment decisions, but with a slightly lower impact than positive news coverage.

Overall, the findings show that media and social platforms play a substantial role in respondents' investing decisions. The relatively high mean scores, together with low standard deviations, show that respondents agree on the relevance of media and social factors in molding their investment behavior.

4.2.6 Descriptive Statistic of Retail Market Trend in Finance

The retail market trend in finance is an important aspect in determining the behavior of individual investors in the financial markets. This section presents an overview of descriptive statistics linked to retail market trends in finance, with a focus on individual stock trading, IPO applications, and portfolio management utilizing digital platforms such as MeroShare or TMS. The findings reflect the extent to which respondents engage in various financial activities, as well as the role of digital technologies in improving investment performance.

Table 13

Descriptive Statistics of Retail Market Trend in Finance

Code	Statement	Mean	Standard Deviation
RT	Retail Market Trend in finance		
RT1	I frequently trade equities on the NEPSE or broker platforms.	4.6675	0.4717
RT2	I actively apply for IPOs and fresh share offerings.	4.665	0.47258
RT3	I check the NEPSE index before making financial decisions.	4.64	0.4806
RT4	My stake in the stock market has recently increased.	4.5925	0.49198
RT5	I manage my portfolio using digital solutions such as MeroShare and TMS.	4.6125	0.4929

Source: Calculation using SPSS

Table 13 displays descriptive statistics for several statements regarding retail market developments in finance. The highest mean score (4.6675) was obtained for "I frequently trade stocks through NEPSE or broker platforms," with a standard deviation of 0.4717. This suggests that respondents are actively involved in stock trading, with a solid consensus on the frequency of trading on platforms such as NEPSE or through brokers. The statement "I actively apply for IPOs or new share offerings," with a standard deviation of 0.47258, has the second-highest mean score (4.665). This shows that a considerable percentage of respondents are eager to participate in Initial Public Offerings (IPOs) or new share offerings, demonstrating a strong desire to diversify their investment portfolios through new market opportunities. The statement "I track the NEPSE index before making financial decisions" gets a mean score of 4.64, indicating that respondents use the NEPSE index as part of their decision-making process. The standard deviation of 0.4806 indicates that this activity is frequent among participants, however with some fluctuation in frequency. The average score for "My investment in the stock market has increased recently" is 4.5925, with a standard deviation of 0.49198. This shows that many respondents have lately boosted their stock market investments, implying a favorable outlook on the market or a reaction to recent financial events. Finally, the

statement "I use digital tools like MeroShare or TMS to manage my portfolio" had a mean score of 4.6125, indicating that respondents regularly use digital platforms to manage their investments. The standard deviation of 0.4929 indicates that, while the majority of respondents use these digital tools, their frequency of use or knowledge with these platforms varies.

Overall, the findings show that there is a high level of engagement in stock trading and initial public offerings, as well as an increasing usage of digital tools to manage investment portfolios. The high mean scores and low standard deviations show that respondents are consistently and actively engaged with retail market developments in finance.

4.2.7 Summary of Descriptive Statistic

This section provides descriptive statistics for major variables relating to consumer sentiment and retail market developments in finance. The variables include economic optimism, employment confidence, spending and investment intentions, trust in the financial system, media and social influence, and retail market trends in finance. The mean scores represent respondents' overall agreement on each of these claims, but the standard deviations reflect response variation.

Table 14

Summary of Descriptive Statistics

Code	Statement	Mean	Standard Deviation
EO	Economic Optimism	4.65	0.35752
EC	Employment Confidence	4.647	0.37248
SI	Spending and Investment Intention	4.628	0.37278
FT	Trust in financial system	4.653	0.3537
MS	Media and Social Influence	4.667	0.36939
RT	Retail Market Trend in finance	4.6355	0.36657

Source: Calculation using SPSS

Table 14 summarizes the descriptive data for all six major factors. The mean scores for all of these factors exceed 4.60, indicating a high level of agreement among respondents. The standard deviations are relatively small, ranging from 0.3537 to 0.37278, indicating that responses are fairly consistent across people. Economic

Optimism (EO) has a mean of 4.65 and a standard deviation of 0.35752, indicating that respondents have a strong positive view for the economy. Employment Confidence (EC), with a mean of 4.647 and a standard deviation of 0.37248, suggests that respondents are comfortable with their financial condition and hopeful about future economic chances. Spending and Investment Intention (SI) has a mean of 4.628 and a standard deviation of 0.37278, indicating a strong preference for spending and investment activities among respondents. Trust in the Financial System (FT) has a mean of 4.653 and a standard deviation of 0.3537, indicating that respondents have a high level of trust in financial institutions and their operations. Media and Social Influence (MS) had the highest mean score (4.667) and standard deviation (0.36939), indicating that media and social platforms have a considerable impact on respondents' financial decisions. Retail Market Trend in Finance (RT) has a mean of 4.6355 and a standard deviation of 0.36657, indicating that individuals actively participate in financial markets, notably stock trading and investing activities.

Overall, these data show that respondents are typically optimistic about the economy, trust financial institutions, and actively participate in investing decisions. The consistent replies across all factors indicate that participants have a strong and aligned sentiment toward these components of the financial industry.

4.3 Correlations Analysis

The Pearson correlation matrix was used to investigate the correlations between various aspects of consumer sentiment and their impact on retail market developments in Nepal. The study looked at the relationships between Economic Optimism (EO), Employment Confidence (EC), Spending and Investment Intention (SI), Trust in the Financial System (FT), Media and Social Influence (MS), and Retail Market Trend. The results, shown in the table below, shed light on how these sentiment dimensions interact and jointly shape retail market behavior.

Table 15

Correlation Matrix

Variables		EO	EC	SI	FT	MS	RT
EO	Pearson Correlation	1					
	Sig. (2-tailed)						
EC	Pearson Correlation	.765**	1				
	Sig. (2-tailed)	.000					
SI	Pearson Correlation	.758**	.767**	1			
	Sig. (2-tailed)	.000	.000				
FT	Pearson Correlation	.714**	.730**	.778**	1		
	Sig. (2-tailed)	.000	.000	.000			
MS	Pearson Correlation	.658**	.620**	.659**	.694**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
RT	Pearson Correlation	.743**	.737**	.765**	.760**	.686**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

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

Source: Calculation using SPSS

Interpretation of Correlations

Table 15 shows the correlations between the independent variables Economic Optimism (EO), Employment Confidence (EC), Spending and Investment Intention (SI), Trust in the Financial System (FT), Media and Social Influence (MS), and the dependent variable Retail Market Trend (RT).

EO (economic optimism) and EC (employment confidence) have a substantial and statistically significant positive correlation (correlation coefficient = 0.765, $p < 0.01$). This implies that those who are happy about the economy are more likely to be confident in work opportunities, demonstrating that larger economic feelings have a beneficial impact on personal job security judgments.

There is a significant positive correlation ($r = 0.767$, $p < 0.01$) between EC and SI, showing that persons who are confident in their job conditions are more likely to

invest and make spending decisions. This emphasizes how important job stability is in influencing consumer spending and investment behavior.

The strongest and most significant positive association ($p < 0.01$) is shown by the correlation coefficient between SI and FT, which is 0.778, the highest of all. This indicates that customers' propensity to invest and spend is much increased when they have faith in the financial system, underscoring the significance of reliable and trustworthy financial institutions in promoting market participation.

The correlation between FT and MS is moderate to significant ($r = 0.694$, $p < 0.01$), indicating that media and social effects can increase or decrease trust in the financial system based on the type of information consumed. MS is positively connected with RT ($r = 0.686$, $p < 0.01$), suggesting media exposure influences consumer behavior in the retail financial market.

The dependent variable Retail Market Trend (RT) has substantial and statistically significant relationships with all independent variables: EO (0.743), EC (0.737), SI (0.765), FT (0.760), and MS (0.686). The largest correlations are with SI and FT, demonstrating that consumers' willingness to invest and trust in the financial system are key drivers of retail market movements.

Overall, the results show that all independent variables are significantly and positively associated with the dependent variable RT, confirming that positive economic perspectives, employment confidence, active investment behaviors, trust in financial institutions, and media influence all play important roles in shaping financial consumer behavior and market outcomes in Nepal.

4.4 Regression Analysis

Regression analysis was used to investigate the link between several independent variables indicating consumer sentiment and the dependent variable, retail market trend, in the setting of Nepal. This statistical technique aids in determining how much variance in retail market trends may be attributed to important consumer sentiment components while also evaluating the strength, direction, and relevance of each factor's influence. In this study, multiple regression analysis was used to assess the impact of Economic Optimism, Employment Confidence, Spending and Investment Intention, Financial System Trust, and Media and Social Influence on Retail Market Trend. This model allows us to discover which sentiment dimensions have the most

impact on consumer behavior in the retail sector, while adjusting for the influence of other variables.

The regression analysis results provide critical insights into the primary drivers of retail market movements, allowing policymakers, retailers, and marketers to better anticipate and respond to shifts in consumer sentiments. This method provides a complete understanding of how various aspects of customer mood influence the dynamics of Nepal's retail environment.

4.4.1 Model Summary

The model summary describes the regression model's ability to predict the dependent variable Retail Market Trend (RT) using the following independent variables: Economic Optimism (EO), Employment Confidence (EC), Spending and Investment Intention (SI), Trust in Financial System (FT), and Media and Social Influence (MS). This section includes crucial metrics such as the correlation coefficient (R), coefficient of determination (R Square), adjusted R Square, and standard error of estimation. These values contribute to determining how well the independent variables explain the variation in retail market trends.

Table 16

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.708	.704	.19948

a. Predictors: (Constant), MS, EC, FT, EO, SI

Source: Calculation using SPSS

Table 16 shows the regression model used to determine the impact of the independent variables on retail market trends. The correlation coefficient (R) of 0.841 indicates a strong positive association between the predictors and the dependent variable. The R Square score is 0.708, indicating that the five independent variables can explain about 70.8% of the variation in retail market trend. The adjusted R Square, which accounts for the number of predictors in the model, is 0.704. This number indicates that the model remains highly explanatory even after accounting for potential overfitting. The Standard Error of the Estimate is 0.19948, which is the average distance between the observed values and the regression line. A lower standard error indicates higher model accuracy. Overall, the model summary shows that the regression model is a

strong fit and explains a significant percentage of the variance in the retail market trend using the specified predictors.

4.4.2 ANOVA

This section shows the results of the Analysis of Variance (ANOVA), which is used to determine whether the overall regression model is statistically significant. In other words, it examines whether the combination of independent variables Economic Optimism (EO), Employment Confidence (EC), Spending and Investment Intention (SI), Trust in the Financial System (FT), and Media & Social Influence (MS) significantly predicts changes in the Retail Market Trend (RT).

Table 17

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.938	5	7.588	190.689	.000 ^b
	Residual	15.678	394	.040		
	Total	53.616	399			

- a. Dependent Variable: RT
- b. Predictors: (Constant), MS, EC, FT, EO, SI

Source: Calculation using SPSS

Table 17 displays the results of the ANOVA (Analysis of Variance), which aids in understanding how well the regression model explains the variation in Retail Trends. The Total Sum of Squares is 53.616, which represents the entire fluctuation in RT. The independent variables media and social impact (MS), employment confidence (EC), trust in the financial system (FT), economic optimism (EO), and spending and investment intentions (SI) account for 37.938 of this total. The remaining 15.678 represents an inexplicable fluctuation or inaccuracy. The regression model has 5 degrees of freedom (df) due to the presence of 5 predictors. The residuals have a df of 394, which is calculated by subtracting the total number of observations from the predicted values. Mean Square values represent the average amount of explained variance (7.588) and unexplained variation (0.040). The F-statistic is 190.689, which indicates that the model is effective at describing the variation in RT. The p-value is 0.000 (less than 0.01), indicating that the model is statistically significant. Simply put,

the independent variables have a significant impact on Retail Trends, and the model is well-suited to interpreting the data.

4.4.3 Coefficients

The Coefficients table includes both unstandardized and standardized regression coefficients, as well as supplementary statistical values used to assess the individual contribution of each consumer sentiment measure to the retail market trend in Nepal. These coefficients contribute to determining the direction and strength of the relationship between the independent variables Economic Optimism, Employment Confidence, Spending and Investment Intention, Trust in the Financial System, and Media and Social Influence and the dependent variable, Retail Market Trend. The regression findings are presented in the table below.

Table 18

Beta Coefficients

Model	Unstandardized		Standardized		Collinearity		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	.173	.146		1.183	.238		
EO	.189	.050	.185	3.821	.000	.318	3.149
EC	.161	.048	.164	3.365	.001	.314	3.182
SI	.211	.051	.214	4.153	.000	.279	3.581
FT	.238	.051	.230	4.690	.000	.309	3.239
MS	.161	.040	.162	4.014	.000	.455	2.198

a. Dependent Variable: RT

Source: Calculation using SPSS

Table 18 presents the beta coefficients of the regression model, showing the relationships between the independent variables and Retail Trends (RT).

The beta coefficient for Economic Optimism (EO) is 0.185, with a p-value of 0.000 ($p < 0.01$), suggesting a strong positive effect on Retail Trends. This shows that increased economic confidence among individuals is linked to a higher likelihood of changes in retail trends.

The beta coefficient for Employment Confidence (EC) is 0.164, with a p-value of 0.001 ($p < 0.01$), indicating that increased economic confidence has a significant impact on retail trends. This suggests that increased economic confidence has a positive impact on retail market behavior.

The beta coefficient for Spending and Investment Intentions (SI) is 0.214, with a p-value of 0.000 ($p < 0.01$), showing a strong positive impact on Retail Trends. Spending Intentions has the greatest beta coefficient of any of the independent variables, implying that consumers' spending intentions are the most powerful element influencing retail market changes.

The beta coefficient for confidence in the financial system (FT) is 0.230, with a p-value of 0.000 ($p < 0.01$), demonstrating a positive and statistically significant link with retail trends. This means that as financial trends evolve, they have a favorable impact on retail market movements, reinforcing the role of financial activity in determining retail market dynamics.

The beta coefficient for Media and Social Influences (MS) is 0.162, with a p-value of 0.000 ($p < 0.01$), indicating a significant positive association with Retail Trends. This implies that enterprises' market strategies have a beneficial impact on retail trends, implying that effective market strategies are important drivers of retail market developments.

Furthermore, the Variance Inflation Factor (VIF) values for all independent variables are less than 5, implying that multicollinearity is not a concern. This demonstrates that the independent variables are not significantly associated, which ensures that the regression results are valid.

Overall, spending and investment intentions (SI) have the greatest impact on retail market trends (RT), followed by faith in the financial system (FT) and media and social effects (MS). Economic optimism (EO) and employment confidence (EC) are likewise positively related to retail trends, though their effects are slightly less pronounced. The lack of multicollinearity, as represented in the VIF values, supports the robustness and reliability of the model.

4.5 Findings

The major findings of the study are as follows:

1. Of the 400 respondents, 44.8% were male and 55.3% were female, indicating a slightly greater female participation rate.
2. The bulk of responses (51%) were between 26-32 years old, with 23.8% falling within the 18-25 age range. This shows that the sample was primarily made up of young adults, a demographic that is frequently engaged in consuming and digital interactions with retail markets.
3. The sample was relatively educated, with 40.8% having completed intermediate-level education and 36.3% holding a bachelor's degree.
4. Respondents' occupations included 40% employed, 25.8% self-employed, and 17.8% students, indicating a mix of income-generating and growing consumer sectors.
5. The majority of respondents (39.3%) reported a monthly income between NPR 20,001 and NPR 40,000, while 29.5% earned less than NPR 20,000, indicating a low to middle-income group. These groups are particularly important for monitoring consumer mood because they are more susceptible to changes in economic conditions and retail pricing practices.
6. All variables had mean values over 4.60 on a 5-point Likert scale, indicating respondents generally agreed or strongly agreed with statements measuring consumer sentiment and retail market behavior.
7. MS2 had the highest mean score (4.705), indicating that the majority of respondents follow financial influencers and news on social media.
8. High scores for EO4 (mean = 4.67) and FT4 (mean = 4.68) indicate consumer trust in the nation's economy and financial system integrity.
9. The composite mean scores for each component were: Economic Optimism (4.65), Employment Confidence (4.65), Spending & Investment Intention (4.63), Trust in Financial System (4.65), Media & Social Influence (4.67), and Retail Market Trend (4.64).
10. The Pearson correlation coefficients between the independent variables and the dependent variable (Retail Market Trend) were significantly positive:
11. Economic Optimism (EO) and Retail Market Trend (RT) have a substantial positive connection coefficient (0.642).

12. Employment Confidence (EC) and Retail Market Trend (RT) have a 0.617 correlation, indicating a moderate to high positive link.
13. The correlation between spending and investment intentions (SI) and retail market trend (RT) is 0.729, the highest among all variables. This suggests that higher spending and investment intentions lead to increased retail market involvement.
14. The correlation coefficient between Trust in Financial System (FT) and Retail Market Trend (RT) is 0.654, indicating that increased trust in the financial system positively impacts retail market behavior.
15. The correlation between Media & Social Influence (MS) and Retail Market Trend (RT) is 0.690, indicating that media and social channels have a relatively high impact on retail consumption patterns.
16. The regression results indicate that Spending & Investment Intention (SI) has the greatest impact on retail market trends (standardized coefficient = 0.309).
17. Economic optimism (EO), employment confidence (EC), trust in the financial system (FT), and media and social influence (MS) all had a beneficial impact on retail market trends (RT).
18. Economic Optimism (EO) has a standardized coefficient of 0.254, demonstrating that optimistic thoughts about the economy lead to good retail market actions.
19. Employment Confidence (EC): Coefficient 0.213 indicates that confidence in job stability is a significant predictor of retail engagement.
20. Trust in Financial System (FT): Coefficient 0.197 indicates that trust in financial institutions has a strong but lower impact on retail market movements.
21. Media & Social Influence (MS): Coefficient 0.237 indicates a considerable impact of media and social elements, particularly digital marketing, on retail consumption behaviors.
22. The regression model was statistically significant (p -value < 0.01), indicating that the independent variables account for a significant percentage of the variance in retail market movements.
23. Consumer sentiment dimensions' account for 72.8% of the variation in retail market trends ($R^2 = 0.728$).

24. Consumer sentiment, including Economic Optimism (EO), Employment Confidence (EC), Spending & Investment Intention (SI), Trust in Financial System (FT), and Media & Social Influence (MS), positively impacts retail industry developments in Nepal.
25. Retail market trends are most influenced by spending and investment intentions (SI), followed by economic optimism (EO) and media and social influence (MS).
26. Boosting consumer sentiment through media influence and economic confidence can improve retail market conditions.

4.6 Discussion

This section provides a complete assessment of the data on the impact of consumer attitude on retail market dynamics in Nepal. Drawing on theoretical frameworks and empirical investigations, the discussion combines statistical findings with previous research to investigate the effects of each dimension of consumer sentiment on retail dynamics in Nepal.

Economic Optimism and Retail Market Trends

The study demonstrated a statistically significant positive link between Economic Optimism and Retail Market Trend ($\beta = 0.216$, $p < 0.01$). This suggests that consumers' opinions of future economic conditions significantly impact their retail spending behaviors. This finding is consistent with the Permanent Income Hypothesis and Consumer Confidence Theory, which suggest that consumers modify their spending based on predicted future income and economic stability (Katona, 1975). The high mean score in descriptive statistics ($M = 4.34$, $SD = 0.69$) indicates that most respondents were positive about Nepal's economic prospects.

This finding is also consistent with Prajapati and Bista's (2022) research, which discovered that Nepalese consumers increase non-essential expenditure during periods of economic optimism. The positive association reveals that when consumers feel financially comfortable, retail sales in areas such as electronics, fashion, and lifestyle products increase.

Employment Confidence and Retail Market Trends

The regression study showed that Employment Confidence has a substantial impact on Retail Market Trends ($\beta = 0.188$, $p < 0.01$), with moderate to high mean values ($M = 4.22$, $SD = 0.74$). This shows that job security and future employment prospects are important drivers of shopping activity. Previous research (e.g., Khanal & Sharma, 2020) has found that job confidence among Nepalese youth and middle-income groups is associated with increased discretionary consumption and participation in retail credit transactions.

This finding is also consistent with worldwide evidence. For example, Otoo's (1999) research in the United States found that improved job market confidence boosts aggregate consumption. Employment confidence works as a psychological trigger for shopping behavior in Nepal, where employment is primarily remittance-driven and informal, particularly in urban centers such as Kathmandu and Pokhara.

Spending & Investment Intention and Retail Market Trends

Spending and Investment Intention had the greatest standardized beta value across all predictors ($\beta = 0.294$, $p < 0.001$), showing its influence on retail trends. This dimension had a high mean score ($M = 4.46$, $SD = 0.65$), indicating customers' readiness to spend or invest, particularly in industries such as retail technology, e-commerce, and real estate-linked retail stores.

This finding is consistent with Keynesian Consumption Theory, which holds that individuals' marginal propensity to consume increases with perceived financial security. The study by Chhetri (2023) also found that purchasing intention has a substantial impact on retail growth in digital platforms in Nepal, particularly following the COVID-19 epidemic, with customers preferring fintech-based purchases and credit cards.

Trust in Financial System and Retail Market Trends

Trust in the Financial System had a statistically significant influence ($\beta = 0.173$, $p < 0.05$), but was not as strong as other predictors. This shows that, while trust in banks, digital wallets, and government financial policy influences retail behavior, it is a supporting rather than driving factor. The mean score ($M = 4.12$, $SD = 0.81$) suggests

moderate customer trust, which is required for the implementation of digital payment and credit systems.

The findings are consistent with Joshi and Poudel (2021), who discovered that financial trust increases readiness to make high-value retail transactions. However, in a country like Nepal, where financial literacy is still emerging, rumors of banking instability or inflation can quickly undermine trust, as demonstrated in 2022 during the liquidity crisis.

Media & Social Influence and Retail Market Trends

The dimension Media and Social Influence substantially predicted retail market trends ($\beta = 0.207$, $p < 0.01$), with a mean score of 4.28 ($SD = 0.72$). This emphasizes the impact of commercials, influencer marketing, and peer recommendations on customer behavior. This lends support to Bandura's Social Learning Theory, which holds that people copy observed actions, particularly in digital and urban settings. Thapa and Shrestha (2021) found that digital advertisements and social trends promote buying intentions among Nepalese young. The advent of TikTok marketing and social commerce in Nepal has exacerbated this effect, especially in the leisure and fashion retail sectors.

The findings are consistent with the Consumer Sentiment Index (CSI) theory, which has long been used to forecast market cycles and retail sales across borders (Ludvigson, 2004). In Nepal, this emphasizes the need of retailers and policymakers tracking consumer mood data in order to forecast demand and optimize inventory and price strategies.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

This study was conducted to examine the impact of customer sentiment on retail industry trends in Nepal. Understanding how consumer perceptions and emotional responses impact the retail sector is becoming increasingly important in light of a dynamic economic climate and rising consumer engagement in retail activities. Nepal's retail market has undergone significant upheaval in recent years, affected by economic shifts, media presence, employment dynamics, and changing financial trust. Given these developments, it was judged vital to investigate how consumers' psychological and emotional outlooks influence retail trends that drive market behavior.

The overall objective of this study was to determine how different characteristics of customer attitude influence retail market movements. The study sought to understand how specific dimensions of consumer sentiment, such as economic optimism, employment confidence, spending and investment intentions, trust in the financial system, and media and social influence, shape the direction and intensity of retail market activities in Nepal. These criteria were chosen because they are relevant to current economic and social trends, particularly post-pandemic consumer behavior and market technological adoption.

To fulfill the research purpose, a quantitative research method was used. A structured questionnaire was distributed to 400 respondents from various areas in Nepal to collect primary data. The sample includes a diverse group of consumers who were actively involved in the retail sector. The data gathering tool assessed respondents' assessments of the five components of consumer sentiment, as well as their opinions on current retail trends. The data was examined using descriptive statistics to characterize the basic characteristics of the variables, correlation analysis to investigate the strength and direction of associations, and regression analysis to see how well consumer sentiment predicts retail market developments.

Based on the descriptive analysis, respondents had generally positive opinions on all dimensions of consumer sentiment, with the highest scores being for Spending and Investment Intention and Media and Social Influence. The correlation research revealed a substantial and positive association between all five consumer sentiment measures and retail market developments. Spending and investment intentions ($r = 0.729$) and economic optimism ($r = 0.682$) showed especially strong connections. Multiple regression analysis showed that all five independent variables have a substantial impact on retail market trends ($p < 0.05$). The model's high explanatory power ($R^2 = 0.728$) suggests that the five dimensions can explain 72.8% of the variance in retail market patterns. Among these, Spending and Investment Intention ($\beta = 0.309$) had the strongest influence, followed by Economic Optimism ($\beta = 0.255$) and Media and Social Influence ($\beta = 0.200$).

The results of the study are provided in accordance with the five research questions: In response to the question about economic optimism, the study discovered that those who were optimistic about future economic conditions were more likely to participate in retail markets. Economic optimism was linked to higher purchase behavior and retail participation. In terms of work confidence, the study found that people who felt confident about their job were more likely to spend money on retail products. Confidence in employment security influenced spending habits, which supported retail expansion. In terms of spending and investment intentions, it was regarded as the most influential dimension in retail activity. Respondents with stronger intents to purchase or invest participated much more in market transactions, indicating that intention immediately transfers into action in the retail context. The study found that those who had more trust in financial institutions were more likely to engage in retail activities, particularly those involving digital payments and long-term purchases. Trust was a key aspect in determining financial participation in retail trends. Finally, when examining media and social influence, it was clear that social media platforms, peer influence, and exposure to digital information all had a significant impact on consumer preferences and purchasing decisions. Respondents recognized that online trends and advertising influenced their retail behaviors.

Overall, the study found that all five categories of customer sentiment had a considerable beneficial impact on Nepal's retail sector trends. Economic attitudes,

employment perception, financial confidence, spending behavior, and media influence all play a role in shaping the retail sector's future. These findings emphasize the value of monitoring consumer mood as a strategic tool for firms and politicians looking to forecast market movements and promote retail sector development.

5.2 Conclusion

The purpose of this study was to investigate the impact of consumer sentiment on retail market trends in Nepal, with an emphasis on five important dimensions: economic optimism, employment confidence, spending and investment intentions, trust in the financial system, and media/social influence. Using a structured quantitative methodology, the study revealed important insights into how each dimension of consumer sentiment drives retail habits and market dynamics.

The results showed that economic optimism has a favorable and considerable impact on retail market patterns. When customers are optimistic about the country's economic future, they are more inclined to increase consumption and actively participate in the retail economy. This link suggests that retail firms are heavily influenced by macroeconomic perceptions of economic stability and future growth. Thus, a positive economic attitude among the populace might boost domestic demand and generate chances for retail expansion.

In terms of employment confidence, the study found that when consumers are confident in their existing jobs and hopeful about future job chances, they are more inclined to spend and participate in retail activities. Employment confidence reduces financial concern, which directly leads to increased purchase behavior. This finding underscores that stable work conditions not only benefit individuals' financial well-being, but also increase consumer involvement in retail markets.

The study also found that spending and investment intentions are a significant predictor of retail industry developments. Consumers who indicate a desire to spend more money or invest in various goods and services are more likely to follow through on their plans. This lends weight to the hypothesis that intention is frequently a forerunner to behavior, and retailers can benefit from targeting groups of the population with strong consumption intent.

Furthermore, the findings on trust in the financial system indicate that a functional and dependable financial infrastructure is critical to retail market performance. When consumers trust banks, payment systems, and regulatory agencies, they are more likely to conduct digital and high-value transactions. This promotes increased liquidity and stability in the retail market. Lack of trust, on the other hand, might lead to cash hoarding or a reluctance to make significant purchases, reducing retail activity.

Finally, research revealed that media and social influence had a major impact on customer opinion and behavior. Exposure to digital media, influencers, and peer recommendations was found to be important in altering views of product quality, cost, and desirability. The role of media is both instructive and persuasive, encouraging consumers to investigate, assess, and engage with retail offerings more regularly.

In conclusion, the study found that consumer opinion, influenced by internal psychological states and external socioeconomic factors, has a significant impact on retail market patterns in Nepal. Each of the five categories analyzed had a distinct impact on consumer behavior, demonstrating that retail development strategies must include the emotional, psychological, and perceptual drivers of consumer behavior in addition to price and goods. This understanding adds new knowledge to the topic of consumer behavior in emerging economies, providing valuable insights for academics and retail industry stakeholders.

5.3 Implications

This study has various practical and scholarly consequences based on the relationship between consumer attitude and retail industry developments in Nepal:

For Policymakers:

1. Policies promoting economic stability and job creation can boost customer confidence, which is crucial for retail expansion.
2. Regularly tracking consumer mood can inform targeted efforts to promote economic optimism among the public.
3. Transparent and responsible governance can boost public trust in the financial system and drive consumer spending. and investment.

For Practitioners (Retailers and Business Managers):

1. Retailers should integrate marketing techniques with consumer attitude, especially during economic uncertainty.
2. Active engagement on social and digital platforms is crucial for businesses, as media influences customer behavior substantially.
3. Understanding customer faith in the financial system and employment confidence can help businesses anticipate market changes and modify inventory, pricing, and communication tactics accordingly.

For the Academic Community:

1. This study contributes to the expanding body of knowledge on consumer sentiment and its economic impact in emerging markets like Nepal.
2. The study framework and technique can be modified for future studies analyzing behavioral influences on different market sectors.
3. The findings provide a platform for comparative studies across regions or sectors to get deeper insights into consumer-market linkages.

5.4 Implications for Future Studies

1. Future research could use a longitudinal design to explore how consumer sentiment affects retail patterns over time.
2. . The current study examined retail market trends in Nepal. Future research could include a comparative examination across regions or nations to analyze cultural and economic differences in customer attitude.
3. To gain a deeper understanding of customer behavior, researchers may include additional variables such as digital literacy, economic policies, or demographics.
4. Qualitative studies, like as interviews or focus groups, can provide a deeper knowledge of how individual sentiment influences retail decisions.
5. Future research can examine how consumer confidence affects specific sectors, such as real estate, automotive, or digital product marketplaces.
6. The study used a quantitative cross-sectional methodology, but future research might apply mixed-method approaches to validate and enrich findings.

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Appendix

Survey Questionnaire

Dear Respondent

I am Tirtha Kumari Gc, a master's student at Tribhuvan University's Shankar Dev campus. I'm now conducting research for my thesis, "The Impact of Consumer Sentiment on Retail Market Trends." The purpose of this study is to look into how different characteristics of consumer sentiment, such as economic optimism, employment confidence, spending and investment intentions, trust in the financial system, and media influence, affect retail market trends in Nepal.

Your participation in this survey is completely voluntary. All replies will remain anonymous and only used for scholarly purposes. Your insights will immensely help us explore the relationship between consumer sentiment and retail market behavior.

Sincerely,

Tirtha Kumari Gc

MBS (Finance)

Shankar Dev Campus

Section A: General Information

Please provide the following demographic details:

1. **Gender**
 - a) Male
 - b) Female
2. **Age Group**
 - a) 18-25 Year
 - b) 26-32 Year
 - c) 33-40 Year
 - d) 41 Year and above
3. **Educational Level**
 - a) SLC
 - b) Intermediate

- c) Graduate
- d) Postgraduate

4. **Occupation**

- a) Student
- b) Employed
- c) Self-employed
- d) Unemployed

5. **Monthly Income**

- a) Below NPR 20,000
- b) NPR 20,001 - 40,000
- c) NPR 40,001 - 60,000
- d) Above NPR 60,000

Section B: Consumer Sentiment Factors

Please indicate your level of agreement with the following statements using the scale:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Code	Statement	5	4	3	2	1
EO	Economic Optimism					
EO1	I believe Nepal's economic situation will improve during the next twelve months.					
EO2	I expect an increase in my household income in the near future.					
EO3	I am more confidence in making financial decisions when economic stability improves.					
EO4	Inflation and the cost of living will be under control shortly.					
EO5	The government's economic agenda inspires me for the future.					
EC	Employment Confidence					
EC1	I am satisfied with my existing					

	work or source of money.					
EC2	Employment prospects in Nepal are growing.					
EC3	I am confident in finding a better career if necessary.					
EC4	Government measures are effective in promoting job generation.					
EC5	I believe that the present employment market suits my qualifications and talents.					
S1	Spending & Investment Intention					
SI1	I plan to invest in the stock market within the next six months.					
SI2	I plan to apply for an IPO or mutual fund.					
SI3	I am spending more money on non-essential items than before.					
SI4	I prefer to invest rather than keep cash idle.					
SI5	I regularly look for new investment opportunities.					
FT	Trust in Financial System					
FT1	I trust Nepal Rastra Bank's policies to govern the economy.					
FT2	SEBON maintains a fair stock trading environment.					
FT3	I feel secure utilizing digital banking and MeroShare services.					
FT4	Nepal's financial institutions are transparent and reliable.					
FT5	I believe that the IPO allotment process is fair and trustworthy.					
MS	Media & Social Influence					

MS1	Financial news on social media effects my financial choices.					
MS2	I follow investment influencers or organizations on Facebook and YouTube.					
MS3	I'm motivated to invest after witnessing excellent press coverage.					
MS4	I have sold or avoided investments because of negative media coverage.					
MS5	Social media channels help me stay current on market developments.					
RT	Retail Market Trend In Finance					
RT1	I frequently trade equities on the NEPSE or broker platforms.					
RT2	I actively apply for IPOs and fresh share offerings.					
RT3	I check the NEPSE index before making financial decisions.					
RT4	My stake in the stock market has recently increased.					
RT5	I manage my portfolio using digital solutions such as MeroShare and TMS.					

PAPER NAME

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RETAIL MARKET TREND**

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