

FACTOR AFFECTING SELECTION OF MOBILE BANKING FOR ONLINE SHOPPING PAYMENT IN NEPAL

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial
fulfillment of the requirements for the Master's Degree

By

Sushil K.C.

Shanker Dev Campus

Campus Roll No.: 3410/75

Exam Symbol No.: 14216/19

T.U. Regd. No.: 7-3-39-1893-2018

Group: Marketing

Kathmandu, Nepal

December 2024

CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**Factor Affecting Selection of Mobile Banking for Online Shopping Payment in Nepal**" The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of this dissertation.

Sushil K.C.

Signature:

Date of Submission:

REPORT OF RESEARCH COMMITTEE

Mr. Sushil K.C. has defended research proposal entitled "**Factor Affecting Selection of Mobile Banking for Online Shopping Payment in Nepal**" successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per the suggestions and guidelines of supervisor Asso. Prof. Dr. Suman K. Parajuli and submit the dissertation for evaluation and viva-voce examination.

Asso. Prof. Dr. Suman K. Parajuli
Dissertation Supervisor
Signature.....

Dissertation Proposal Defended Date:

.....

Dissertation Submitted Date:

.....

Asso. Prof. Dr. Sajeeb Kumar Shrestha
Head, Research Department
Signature

Dissertation Viva-voce Date:

.....

APPROVAL SHEET

We, the undersigned, have examined the thesis entitled "**Factor Affecting Selection of Mobile Banking for Online Shopping Payment in Nepal**" presented by Sushil K.C., a candidate for the degree of Master of Business Studies (MBS Semester). We hereby certify that the dissertation is acceptable for the award of degree.

.....
Asso. Prof. Dr. Suman K. Parajuli
Dissertation supervisor

.....
Internal Examiner
Signature

.....
External Examiner
Signature

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Chairperson, Research Committee

.....
Mr. Joginder Goet
Acting Campus Chief

Date:

ACKNOWLEDGMENTS

The Graduate Research Project entitled "**Factor Affecting Selection of Mobile Banking for Online Shopping Payment in Nepal**" has been prepared to fulfill the partial requirement for MBS degree of Tribhuvan University. My deepest acknowledgement goes to all those people who have helped and contributed for timely completion of this project.

Firstly, I would like to offer my sincere gratitude to my respected supervisor Lecturer Asso. Prof. Dr. Suman K. Parajuli of Shankar Dev Campus, Putalisadak for his constant encouragement, guidance, and valuable supervision at every step of my work. This study would not have been materialized in the present form without his incisive observations and intellectual direction in the course of completion.

I am totally grateful to Research Head Asso. Prof. Dr. Sajeeb Kumar Shrestha and Acting Campus Chief Mr. Joginder Goet for their help and support while preparing the thesis. I would also like to extend my thanks to all my faculty members and colleagues at Shankar Dev Campus for their support. I would remember the contribution of Shankar Dev Campus towards me and especially in encouraging and providing me with these valuable opportunities for conducting this research.

Lastly but not least I would like to thank my family and friends, senior graduates who gave suggestions about this task and for their kind support for achieving the goal.

Sushil K.C.

TABLE OF CONTENTS

<i>Cover Page</i>	<i>i</i>
<i>Certificate of Authorship</i>	<i>ii</i>
<i>Report of Research Committee</i>	<i>iii</i>
<i>Approval Sheet</i>	<i>iv</i>
<i>Acknowledgements</i>	<i>v</i>
<i>Table of Contents</i>	<i>vi</i>
<i>List of Tables</i>	<i>viii</i>
<i>List of Figures</i>	<i>ix</i>
<i>Abbreviations</i>	<i>x</i>
<i>Abstract</i>	<i>xi</i>
CHAPTER I.....	1
INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Problem Statement	3
1.3 Objectives of the Study	4
1.4 Research Hypothesis	5
1.5 Rationale of the Study	6
1.6 Limitations of the Study	7
CHAPTER II.....	8
LITERATURE REVIEW.....	8
2.1 Conceptual Review	8
2.1.1 Mobile Banking.....	8
2.1.2 Online Shopping.....	9
2.1.3 Theories of Selection Criteria of Mobile Banking	11
2.1.4 Determinants of Consumer Behavior	13
2.1.5 Mobile Banking in Nepal	14
2.1.6 Online Shopping in Nepal	17
2.1.7 Factors Affecting Adoption of Mobile Banking	19
2.2 Empirical Review.....	20
2.2.1 Review of International Empirical Studies	20

2.2.2 Review of Nepalese Empirical Studies	25
2.3 Research Gap	28
CHAPTER III.....	30
RESEARCH METHODOLOGY	30
3.1 Research Design.....	30
3.2 Population and Sample.....	31
3.3 Nature and Source of Data	31
3.4 Instrumentation of Data.....	31
3.5 Data collection Procedure.....	32
3.6 Methods of Analysis	33
3.7 Theoretical Framework and Definition of Variables	35
CHAPTER IV	38
RESULTS AND DISCUSSION	38
4.1 Respondents Demographic Profile	38
4.2 Descriptive Analysis.....	42
4.3 Correlation Analysis.....	47
4.4 Regression Analysis	49
4.5 Discussion	53
CHAPTER V.....	56
SUMMARY AND CONCLUSION.....	56
5.1 Summary	56
5.2 Conclusion.....	57
5.3 Implications.....	59
REFERENCES	
APPENDIX	

LIST OF TABLES

Table 1: Access on Payment Systems	15
Table 2: Usages of Payment Systems	16
Table 3: Summary of International Empirical Studies	21
Table 4: Summary of Nepalese Empirical Studies.....	25
Table 5: Reliability Test.....	33
Table 6: Respondents' Profile Analysis.....	39
Table 7: Propose of Mobile Banking Usages.....	40
Table 8: Selection of Website/Application Used	41
Table 9: Perception towards Online Shopping.....	42
Table 10: Perception towards Transaction Convenience	43
Table 11: Perception towards User Experience	44
Table 12: Perception towards Users Friendly Application Design and Layout.....	45
Table 13: Perception towards Perceived Risk.....	45
Table 14: Perception towards Perceived Benefit	46
Table 15: Correlation Analysis	47
Table 16: Model Summary.....	49
Table 17: Model Summary.....	50
Table 18: Regression Coefficients Analysis	51
Table 19: Summary of Hypotheses Test	53

LIST OF FIGURES

Figure 1. Technical Acceptance Model (Davis, 1986).....	12
Figure 2. Technical Acceptance Model (Davis, Bogozzi and Warshaw, 1989.....	12
Figure 3. Theoretical Framework.....	35

ABBREVIATIONS

ADSL	Asymmetric Digital Subscriber Line
ATM	Automated Teller Machine
B2B	Business To Business
B2C	Business To Consumer
BFI	Bank And Financial Institution
CAGR	Compounded Annual Growth Rate
DOI	Diffusion of Innovation
PDA	Personal Digital Assistance
PEU	Perceived Ease of Use
PSO	Payment Service Operators
PSP	Payment Service Providers
PU	Perceived Usefulness
QR	Quick Response
SMS	Short Message Service
SPSS	Statistical Package for Social Service
TAM	Technical Adaptation Model

ABSTRACT

This study explores the factors influencing mobile banking selection criteria for online shopping in Nepal, focusing on how transaction convenience, user experience, application design, perceived risk, and perceived benefit impact consumer behavior. The research is grounded in well-established models such as the Technology Acceptance Model (TAM) and the Theory of Planned Behavior (TPB), with the aim of providing insights into online shopping behaviors, specifically within the context of mobile banking. Through a structured questionnaire, data were collected from 227 respondents who are mobile banking users involved in online shopping. The results show that transaction convenience, user-friendly design, and perceived benefits significantly influence users' decisions to adopt mobile banking as a payment method. However, perceived risk did not emerge as a strong determinant.

The study also highlights the potential of mobile banking to drive e-commerce growth, especially in developing regions like Nepal, where online shopping is still emerging. Based on these findings, the study offers practical implications for banks and online retailers aiming to enhance customer satisfaction by improving mobile banking features and addressing potential user concerns. Moreover, it provides directions for future research, including exploring factors affecting non-users of mobile banking and the expansion of the study to include offline behaviors. The research contributes to the understanding of mobile banking adoption and offers recommendations for enhancing user experience and trust in mobile payment systems.

Keywords: mobile banking, online shopping, transaction convenience, perceived risk, Technology Acceptance Model

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Shopping is the act of a consumer buying a desired item or service from the market. The customer chooses the best product or service from the market after looking through the others. During the purchasing process, consumers prioritize their essentials or, if something strikes their attention, buy it with the intention of utilizing it soon. Additionally, individuals buy to take advantage of steep discounts, to elevate and preserve their status, to feel good, and to relieve stress.

Online shopping is the process by which a consumer uses a web browser or a mobile application to buy a service or product via the internet. In other words, a customer may acquire goods and services from an online business whenever they want, from the comfort of their own home. Online purchases of groceries, consumables, movie tickets, airline tickets, ready-to-eat meals, utilities, and other items are examples of online shopping (Jusoh & Ling, 2019).

Online shopping is one result of the significant paradigm change in business practices brought about by the internet. Online shopping was not as common a few years ago as it is now, mostly due to the difficulty in obtaining internet service and online payment gateways. Business-to-business (B2B) online purchasing is the process of setting up an online store that allows companies to purchase from other companies. Similar to this, business-to-consumer (B2C) processes have made it simple for customers to choose any product from a retailer's website and have it delivered quickly.

Compared to in-person buying, online shopping offers the advantages of time and cost savings, delivery capabilities, comprehensive product and pricing information, and the ability to avoid needless crowds. These days, people purchase without physically visiting the market by using devices like computers, smartphones, tablets, etc. Daraz, Hamrobazar, Sastodeal, Muncha, Foodmandu, KhetiFood, Nepbay, Gazabko.com, and others are some of the online retailers in Nepal. The internet buying trend in Nepal has grown rapidly due to recent technological advancements. Additionally, the present global pandemic setting, mobile banking, and the increasing awareness of the internet Online purchasing has become

more popular in Nepal as a result of COVID-19. Nepal has witnessed a transition to digital banking in recent years. Mobile phones are being used by more and more people to access financial services. More than nine million individuals in Nepal use mobile banking, according to the latest data from Nepal Rastra Bank. because mobile banking applications have made the majority of financial transactions easier. Thanks to digital banking, banks now have a greater grasp of the constantly shifting tastes and preferences of their customers. Understanding consumer behavior has made it possible to create digital media strategies that are more focused, pertinent, and well-informed.

However, Customers of banks and other financial institutions can utilize mobile banking, a service that enables users to do financial transactions remotely using a mobile device such a smartphone or tablet. In recent years, mobile banking has emerged as the most practical and safe way to conduct financial transactions, both banking and non-banking. Only one particular device (smart phone or tablet) with a SIM card—the phone number of which is already linked to the bank account—can be used for mobile banking.

In Nepal, mobile banking was first restricted to simple SMS-based inquiry services. The introduction of bill payment and cash transfer via mobile phones by Laxmi Bank in 2009 marked the beginning of the real growth of mobile banking for carrying out financial operations (Laxmi Bank Limited, 2009).

Nearly all banks and financial institutions in Nepal now provide mobile banking services, and as the internet and smartphones have grown in popularity, the number of people using mobile banking in Nepal has increased significantly. These services allow users to pay for products and services, pay for merchant payments, bank and wallet fund transfers, traverse bank branches and ATMs, pay for bills (credit card, utilities, school fees), pay for insurance premiums, and obtain account information (credit and deposit). Additionally, the usage of mobile banking to buy everyday necessities has increased due to the implementation of QR-based payment systems. Additionally, there is a function that allows users to receive rapid smartphone alerts of any changes made to their bank accounts. Users find mobile banking to be more convenient. In the past, a lot of customers just used mobile banking to keep track of their transactions and were unaware of its other functions. However, the increased use of mobile banking in Nepal in recent years may be attributed to the smart features and the customer's understanding of banking. To far, more than 9.8 million individuals have

registered for mobile banking. Mobile banking is a little less common in Nepal than in other Asian countries, although it is growing quickly. Nearly every bank in Nepal provides its clients with mobile banking services, and several of the country's commercial banks (Class A banks) have over 100,000 subscribers.

Mobile banking services provide the majority of the well-known online shopping options for purchasing movie tickets, various clothing and accessory brands, ordering snacks and drinks online, purchasing airline tickets, and purchasing hospitality, among other things. Depending on a number of variables, such as the customer's attitude, the kind of goods and services being bought, convenience, and how they are handled, the shopping experience can be either enjoyable or awful. The maximum daily and monthly transaction limits for mobile banking (including QR-based payments) are Rupees 3 Lakh and 10 Lakh, respectively, in accordance with the most recent provision of Directive Number 5 of Payment System Related Unified Directives, 2079, which was issued by Nepal Rastra Bank. In contrast, the daily and monthly maximum limits for Internet banking are Rupees Ten Lakh and Rupees Thirty Lakh, respectively, for both merchant payments and account transfers.

This study attempts to determine the impact of variables such as transaction convenience, user experience, user-friendly application & design, perceived risk, and perceived benefit as the mobile banking selection criteria for online shopping in Nepal. There are numerous factors that influence the choice of mobile banking for online shopping.

1.2 Problem Statement

The number of people using mobile banking in Nepal has significantly increased as a result of the development of the internet and the usage of smartphones. Nepalese banks are encouraging customers to utilize mobile banking through marketing initiatives. Even though internet banking offers several benefits, such as faster transaction speeds and reduced processing costs, many consumers are still reluctant to utilize these services because of security and uncertainty issues (Pokhrel, Adhikari, & Mishra, 2020). Because consumers are still hesitant to accept online payments, the Nepalese market is yet unfamiliar with mobile banking (Khatri & Dhungel, 2019). People may feel uneasy throughout the mobile banking payment process due to the lack of certainty, user ease, and fundamental experience. The recent rise in the number of mobile banking users indicates that Nepalese consumers are growing more trusting and confident in transactions conducted through mobile banking

these days.

In Nepal, internet shopping has grown in popularity in recent years. Numerous retailers are attempting to sell their goods via their applications and online portals, which offer a pleasant shopping experience. The digital payment mechanism is not widely used, despite the large market and prospective clientele. Mobile banking is crucial for drawing users inside an application and motivating them to make purchases. Numerous features of mobile banking applications facilitate online buying for customers. As the number of internet users rises, Nepal is heading toward a digital revolution.

Online shopping is replacing conventional shopping among the current generation. Rapid technological advancements, particularly the rise in smartphones, tablets, smart watches, and other portable gadgets, as well as 3G and 4G connections and instantaneous online conversations and texts, have created enormous opportunities for online commerce and mobile banking in Nepal. Social media platforms like Facebook, Instagram, and others have pushed conventional stores to post images online in an effort to draw in more clients. Online retailers such as Kaymu, SastoDeal, HamroBazar, UG Bazar, Kheti Food, Jeevee, and others are attempting to alter Nepalese consumers' purchasing habits. Since consumers don't have much time for in-person buying, electronic shopping makes sure that online shopping is enjoyable, engaging, simple, and takes less time. It makes it possible to purchase a wide range of goods at the best prices from various vendors around Nepal, including electronics, clothing, watches, accessories, shoes, furniture, food, and much more. Online shopping platforms enable the posting of items for people worldwide and the selection of payment and delivery options. All it takes to start an online company is to register on the platform, list the items for direct sale to customers around Nepal, and get ready for a ton of fresh orders.

Customers use mobile banking for non-cash transactions and shopping based on a number of variables. In light of this situation, a lot of concerns remain about the factors that consumers use to choose mobile banking as a payment method for online purchases. These inquiries are associated with:

- i) What is the perception of user towards transaction convenience, user experience, user friendly application design and layout, perceived risk, perceived benefit and

online shopping?

- ii) Is there relationship between transaction convenience, user experience, user friendly application design and layout, perceived risk, perceived benefit and online shopping?
- iii) Do transaction convenience, user experience, user friendly application design and layout, perceived risk and perceived benefit have impact on online shopping?

1.3 Objectives of the Study

The main objective of this research is to find out the factors that influence the customers to select mobile banking for online shopping. However, the specific objectives of the study are as follows:

- i) To assess the impact of transaction convenience, user experience, user friendly application design and layout, perceived risk and perceived benefit on online shopping.
- ii) To analyze perception of user towards transaction convenience, user experience, user friendly application design and layout, perceived risk, perceived benefit and online shopping.
- iii) To examine the relationship between transaction convenience, user experience, user friendly application design and layout, perceived risk, perceived benefit and online shopping.

1.4 Research Hypothesis

The research is basically conducted to find the consumers selection criteria for electronic shopping. Moreover, how the factors impact an online shopping decision of customers. Following alternative hypothesis is developed to measure the association between different variables to fulfill the objective. The research hypotheses are:

- H1: There is significant relationship between transaction convenience and online shopping.
- H2: There is significant relationship between user experience and online shopping.
- H3: There is significant relationship between user friendly application design and layout and online shopping.

H4: There is significant relationship between perceived risk and online shopping

H5: There is significant relationship between perceived benefit and online shopping

1.5 Rationale of the Study

Every previous study on online shopping, mobile banking, and the factors used to choose a payment method produced fresh findings that benefited both online shoppers and mobile banking users, and this one is no different. This study aims to provide some fresh perspectives on the selection criteria that consumers use when they purchase online using mobile banking. We can clearly see the significance of these aspects in influencing consumers' choice of mobile banking once the selection criteria have been established. Numerous variables, including transaction ease, user experience, user-friendly application and design, perceived risk, and perceived reward, might impact the choice of mobile banking. Understanding the factors that influence people to purchase online rather than in person and to use mobile banking to pay instead of using cash is crucial.

The primary goal of this study is to educate the banking sector, online communities, and online consumers about the elements that are crucial when choosing a mobile banking provider. The study's findings will assist key users, such as bankers, academics, start-up businesses, and online shoppers, in understanding what draws users to mobile applications and non-cash payment systems and in segmenting them according to their purchasing patterns. They will also find it helpful to know what aspects internet buyers consider when choosing a mobile banking platform. It may serve as a guide for the creation of a multifaceted strategy framework for startups, online retailers, and even established organizations that now employ traditional payment methods. Secondary users like students, website owners, designers, and other interested individuals will also benefit from it.

Finding out whether or not there is a link between mobile banking and consumer engagement on the mobile application, as well as how an organization may improve its mobile banking application to draw in customers in the near future, are other implications of this study. Other academics, bankers, and researchers who study the same subject will also benefit from the study, which will serve as a source of reference information for future researchers on similar themes. It will be possible to better evaluate how factors such transaction ease, user experience, user-friendly applications, perceived risk, and perceived reward impact the criteria used to choose mobile banking for online purchasing.

1.6 Limitations of the Study

The study attempts to determine the criteria of consumer's mobile banking selection for online shopping. However, there are some research limitations in this study which are presented below:

- i) Due to time and financial limitation, the research had only 227 sample respondents and restricted to Kathmandu.
- ii) Data is collected through self-administered questionnaire. Data collected from the individual understanding of the respondents. Respondents may provide wrong information.
- iii) The researcher has limited himself to available literature and observations for theoretical and general part of this study.

CHAPTER II

LITERATURE REVIEW

The study's operational structure and conceptual review are presented in this chapter. It covers a review of empirical research on online shopping, mobile banking, and the selection criteria for online buying using mobile banking. It is a crucial and required step in research projects that include evaluating previous studies and other pertinent claims in the field of study in order to gather all necessary data, draw conclusions, and carry out more research. The operational architecture and empirical data on mobile banking payment selection criteria for online purchasing are presented in this chapter.

2.1 Conceptual Review

This section deals with the conceptual development of mobile banking and online shopping based on scholars' definition and various studies on the related matter.

2.1.1 Mobile Banking

Mobile banking is the process via which a consumer communicates with a bank using a portable electronic device, like a smartphone or PDA. With its distinct characteristics, it may also be viewed as an extension of online banking and a subset of electronic banking. More than ten years ago, mobile banking was initially implemented in Finland, where users could use SMS services to check account balances and make payments (Pasanen & Laukkanen, 2018).

Mobile solutions are now usable for a wide range of financial services due to the widespread use and personal character of mobile phones, the general dependability of mobile communication technology, and the favorable experiences with m-commerce payments. Numerous micropayment options and mobile banking are examples of contemporary mobile financial applications. Due to the lack of viable alternative payment methods, mobile payments are now mostly utilized to cover the cost of popular mobile content and services. Other effective uses include vending and ticketing. Users of mobile banking services can also get account information by SMS. For mobile content offerings and apps, mobile carriers want greater traffic and wider markets. Mobile content sales are made easier by effective mobile payment options, which significantly increase network traffic. The goal of technology suppliers is to establish standards that will serve as the foundation for more

sophisticated applications. For instance, an open framework for standardized mobile payments using credit cards is offered by the Mobile credit Forum. Standard APIs for establishing m-commerce apps are proposed by Pay Circle, a more technical forum (Mallat, Rossi, & Tuunainen, 2020). A consumer interacting with a bank using a mobile device, like a smartphone or personal digital assistant (PDA), is known as m-banking. In its most stringent version, m-banking excludes telephone banking, both in its conventional voice dial-up form and through dial-up to a service based on touch tone phones. The focus is on data transmission (Barnes & Corbitt, 2018).

2.1.2 Online Shopping

Online shopping is the practice of a consumer utilizing the internet as a channel to buy goods and services straight from the vendor. A kind of electronic commerce known as "online shopping" allows customers to purchase things without the need of middlemen. Online shopping is a cutting-edge type of commerce where buyers browse many websites with a variety of goods for sale, choose what they want, submit their orders, pay using credit cards, and then have the goods delivered in person by the seller. People are more likely to purchase online since it saves them time and allows them to do tasks that would otherwise take hours at the workplace or at home in a matter of minutes.

The dependent variable of online purchasing intention is impacted by the independent variables of attitude, perceived utility, perceived ease of use, perceived risk, and previous online shopping experience. The way people behave when they shop online is measured by their attitude. Traditional consumer literature has examined and recorded the factors influencing people's views about internet shopping. The Acceptance Model (Davis F. D., 1989) and the theories of logical action (Fishbein & Ajzen, 1975) are two of the most widely used theories to explain the behavior of online purchasing, according to a survey of experimental research in this area.

Globally, online buying is still expanding significantly. Growing confidence in online properties and the number of people buying online for the first time are to blame for the rise. However, the anticipated surge in online buying has not materialized. Online purchasing still only accounts for a little less than 2% of all retail sales (Spiwak, 2019). Few would contest that it has a bright future, yet most customers have been sluggish to embrace it.

In essence, online shopping is the practice of purchasing and selling products and services via the World Wide Web. "Internet shopping has become the fastest growing use of the internet," as explained by Forsythe and Bo (2020). However, the majority of online shoppers utilize the information they obtain online to make offline purchases. However, e-commerce has expanded rapidly due to the numerous benefits of online purchasing, including reduced transaction and search costs than conventional forms of shopping. Customers may order goods and services at the lowest possible price and purchase more quickly and with a wider range of options when they shop online (Koyuncu & Bhattacharya, 2020). As a result, marketers have thoroughly examined customer attitudes and behaviors around online purchasing and have invested billions of dollars to support all online buyer demographics. The fact that online stores do not have to pay the same prices as traditional ones is one of the obvious benefits of purchasing online. For an internet business, then, expenses such as labor, outfitting, rent, and utilities are no longer significant. This allows for lower prices for goods and services offered online (Corbitt, Tidwell, Fisher, & Lawrence, 2020).

Globally, online purchasing has been rapidly expanding. It was projected that US online retail sales will reach \$262 billion in 2014 and \$370 billion in 2017. According to Mulpuru (2019), revenues in Europe were predicted to reach \$160 billion in 2014 and \$240 billion by 2017. India's thriving middle class and energetic young have contributed to the country's rising consumption levels, making internet shopping one of the most popular methods of purchasing. By 2020, the internet industry, now valued at around \$4 billion, is expected to reach \$45 billion at a 50% compound annual growth rate (CAGR) (Business, 2014). All of the major companies currently involved in the Indian internet retail business have made a flurry of investments due to the market's enormous development potential. To strengthen its position in the Indian market, Amazon has declared a \$2 billion investment.

The largest online retailer in India, Flipkart, has also announced plans to raise \$1 billion in order to expand its business (Pasricha, 2014). Due to investors' confidence in the Indian internet sector, several other online businesses, such as Snap Deal, Jabong, and others, have also raised millions of dollars. In the context of e-retailing, the study by JiangNan and JiangShixiong (2018) identified six important underlying service convenience characteristics and associated measurement items. Access, search, evaluation, transaction, possession, and post-purchase convenience are the six e-service convenience aspects that were determined. To maintain high levels of clients' happiness and perceptions of total e-

service ease, online businesses should concentrate on these six components. Flexibility in terms of time and location for accessing online retailers, website accessibility, and psychological aspects of accessibility (e.g., comfort) are all included in the concept of access convenience. Search engine performance, website design, logical, user-friendly product sorting and classification systems, and site navigation speed are all considered to affect search convenience. Convenient pricing comparisons, clear product descriptions, and easy-to-measure quality are all components of evaluation convenience. Easy checkout, a variety of flexible payment options, and simple payment at the time of order delivery all contribute to transaction convenience. On-time delivery, precise order fulfillment, and convenient order delivery time are the three major components of possession convenience. Convenience after purchasing refers to the simplicity of enjoying the result without having to deal with annoyances like spam emails. Appropriate merchandising, marketing, and operations strategies, such as thoughtful product selection for online sales, clever Web store design and layout, trained online service representatives, customer interactive systems, and customer review systems, can be implemented to improve e-service based on customer feedback on the six e-service convenience dimensions mentioned above and associated specific aspects. E-retailers must coordinate with external third-party trading partners and integrate all activities across internal functional units when putting the chosen strategies into practice. This includes redesigning websites and service delivery procedures to accommodate customers' ever-evolving needs and preferences.

2.1.3 Theories of Selection Criteria of Mobile Banking

Numerous models pertaining to the selection and adoption of new technologies have been created; these models also apply to mobile banking. In a similar vein, the selection criteria for using mobile banking for online buying are heavily influenced by theories of consumer behavior. The models created by different academics that are pertinent to the field of study are covered in this section.

Technical Adaptation Model

A hypothesis called the Technical Adaptation Model (TAM) simulates how people adopt and utilize new technologies. One of the most often used frameworks for analyzing how people accept and use technology is TAM.

Fred Davis created TAM in 1986 with the express purpose of simulating users' adoption of technology or information systems. He identified perceived usefulness and perceived ease of use as the two main characteristics that motivate users and shape their attitudes toward utilizing computer systems, which in turn influence actual system use. Davis (1986)

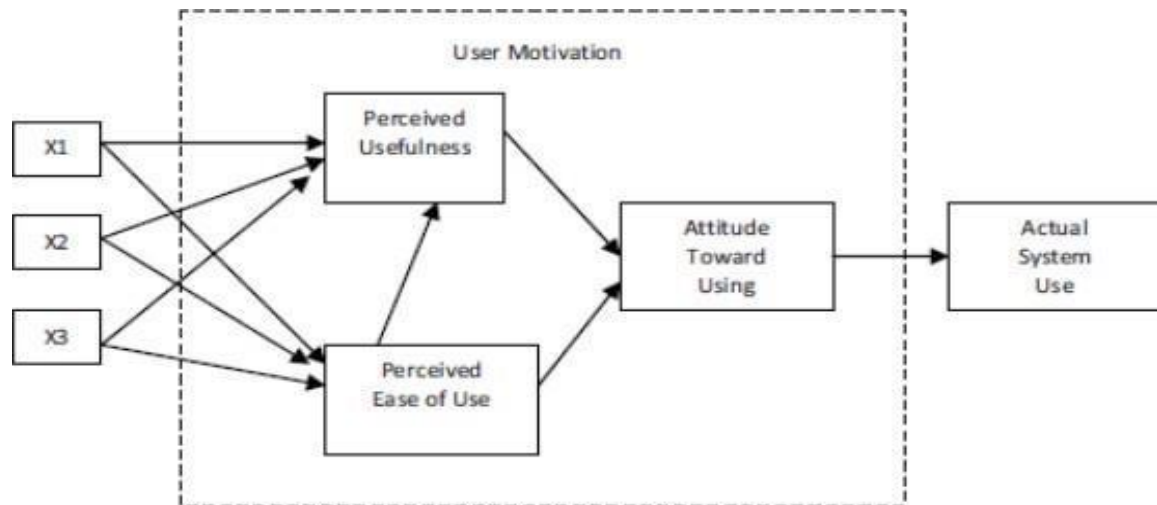


Figure 1. Technical Acceptance Model (Davis, 1986)

In 1989, Davis, Bagozzi, and Warshaw collaborated to create the first expansion of the Davis in the paper "User Acceptance of Computer Technology: A Comparison of Two Theoretical Models." In order to determine the elements that influence managers' and professionals' reluctance to adopt computer systems, the study was primarily undertaken. In addition to explaining people's intents in terms of their attitudes, subjective norms, perceived utility, perceived ease of use, and associated factors, the study sought to predict people's adoption of computers based on a measure of their intentions.

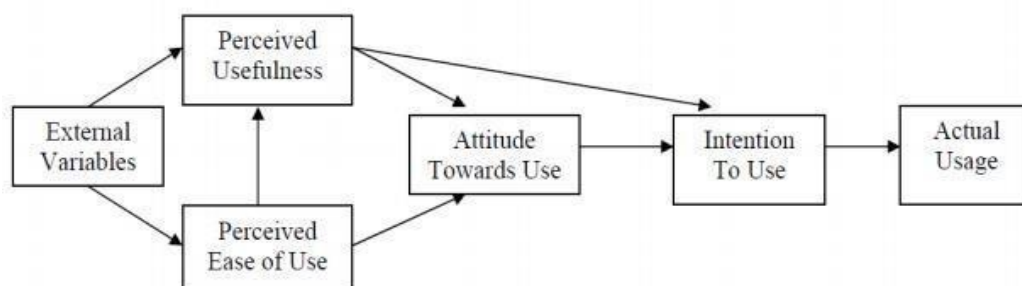


Figure 2. Technical Acceptance Model (Davis, Bagozzi and Warshaw, 1989)

Two particular beliefs—Perceived Usefulness (PU) and Perceived Ease of Use (PEU)—were included in and evaluated by the basic TAM model. A potential user's subjective belief that using a particular system would enhance his or her activity is known as perceived usefulness, and the degree to which the potential user anticipates the target system to be simple to use is known as perceived ease of use. In TAM, additional elements known as external variables may have an impact on an individual's belief in a system. (Davis and others, 1989).

2.1.4 Determinants of Consumer Behavior

The selection criteria for using mobile banking for online purchasing are also heavily influenced by theories of consumer behavior.

Cultural, social, personal, and psychological aspects are the four types of influences that influence consumer behavior. Terms like culture, subculture, and social class are included in the first category of cultural variables. Knowledge, ideas, the arts, rules, ethics, conventions, and many other skills and behaviors that a person acquires just by being a member of a community are all included in the complicated concept of culture. Each culture is made up of smaller subcultures that give their people a more distinct identity. Nationalities, religious groupings, tribes, and geographic places are the four types of subcultures. Social classes are hierarchically organized, largely uniform, and continuous divisions of a society whose members share similar beliefs, passions, and ways of acting. (Wong, Armstrong, Saunders, & Kotler, 2005).

Reference groups, families, social roles, and social status are all included in the second category, which is about social variables. Any group that directly or indirectly influences a person's attitude or conduct is considered a reference group. Family has been extensively studied and is regarded as the most important social component. Families can be divided into two categories. the orientation family, which includes one's parents and any family one establishes for themselves. Social role and social status are two ways to characterize a person's place in a group. The acts a person must perform in respect to others around him or her are referred to as roles. Every position has a status that reflects the societal esteem that goes along with it (Kotler, Wong, Saunders, & Armstrong, 2005). Age and life stage, employment, financial status, lifestyle, personality, and self-concept are all included in the third category, personal aspects. People's tastes in goods and services vary depending on

their age. Additionally, their purchases are shaped by the stages of their life cycle, which are the stages that families go through as they grow and change over time. Another element influencing a person's purchasing decisions is their line of work. People in different professions buy different goods and services because they have distinct demands (Kotler, Wong, Saunders, & Armstrong, 2005). Many purchase behaviors rely on the economic position of an individual. An individual's income, savings, disposable capital, borrowing capacity, and attitude toward saving money for spending are all included in their economic statistics. A person's lifestyle is defined as all of their habits that are demonstrated by their behavior, passions, convictions, and little indulgences. Personality recognizes the psychological traits of a person that motivate him to reasonable and steady behaviors towards one's surroundings. Finally, a person's perceived self-image is complicated. It includes a person's self-perception, desired self-perception, and how other people view them. A person's conduct is influenced by their general perception of themselves (Kotler, Wong, Saunders, & Armstrong, 2005).

According to Kotler, Wong, Saunders, and Armstrong (2005), psychological elements such as motivation, perception, learning, beliefs, and attitudes make up the fourth category. Specific reasons including hunger, thirst, recognition, and dedication are the causes of motivation, an internal and intricate process that shapes people's behavior. Perceptions influence how consumers behave and respond. A motivated person's assessment of the circumstance affects how they behave. The majority of human behavior is acquired through learning. Motives, stimuli, and responses are said to combine to generate learning in an individual. People develop attitudes and ideas that influence their purchase behavior by behaving and learning. While attitude refers to a person's ongoing assessment, feelings, and inclinations toward an item or concept, beliefs are the descriptive way a person thinks about something and are based on information, opinion, or faith. They may also carry sentimental charges.

2.1.5 Mobile Banking in Nepal

Customers may access banking services quickly and conveniently from their mobile devices using mobile banking. Although mobile banking services are mostly operated via mobile devices, several banking sectors now provide the most recent iteration of advanced mobile banking, known as BankSmart/BankSwitch, that can be accessed from a desktop or browser.

This is a result of technological advancements. As a result, mobile banking is no longer only dependent on mobile devices. Balance inquiries, recent transaction details, e-recharges, QR code payment services, and bill payment for utilities such as Ncell postpaid, Ncell prepaid, Top up, NTC ADSL, NTC landline, and NTC postpaid mobile phone bills are among the most common services offered by financial institutions in Nepal. Customers benefit from more advanced services like interbank fund transfers and merchant payments when mobile banking is integrated with various Payment System Operators (PSOs), such as Nepal Clearing House, Nepal Electronic Payment System Ltd, Union Pay International Company Ltd, Nepal Payment Solution Pvt. Ltd., Fonepay Payment Service Ltd., etc. Along with the extra benefit of saving consumers from the headache of traditional SMS banking, which requires them to commit the SMS syntax to memory, mobile banking also supports GPRS and SMS (Global IME Bank, 2021).

Table 1

Access on Payment Systems

S.N.	Particulars	Numbers	
		2079 Ashwin	2079 Kartik
1	Payment System Operators (PSO) *	10	10
2	Payment Service Providers (PSP) *	28	28
3	PSP Agents	9153	9210
4	Wallet Users	7925833	8297852
5	ATM Machines (Terminals)	4300	4302
6	Debit Cards	8573382	8677662
7	Credit Cards	188507	187311
8	Prepaid Cards**	62256	64891
9	Mobile Banking Customers	13591375	13825814
10	Internet Banking Customers	1122888	1141783
11	Branch Less Banking Centers	1739	1735
12	RTGS Participants	37	38
13	Connect IPS Users	404757	438180
14	ECC Members	63	63
15	IPS Members	96	99

(Source: Nepal Rastra Bank)

In Nepal, mobile banking applications have advanced in sophistication, including a range of features intended to improve users' ease and accessibility to financial services. In order to give a thorough picture of a customer's financial situation, these apps usually have an Account Dashboard that compiles data from many accounts, including credit card information, loan accounts, savings accounts, and overdrafts. Additionally, these apps are frequently available via mobile apps as well as desktop/browser-based login, guaranteeing continuous access to services across platforms.

Table 2

Usages of Payment Systems

S.N	Particulars	No. of Transaction		Total Amount (NPR in Million)	
		2079 Ashwin	2079 Kartik	2079 Ashwin	2079 Kartik
1	RTGS	62859	49343	2,177,812	1,980,870
2	ATM-CashWithdrawal	8356061	6664179	70,604	58,065
3	ECC	1396795	945609	930,789	657,311
4	IPS	997255	762332	211,432	173,879
5	Connect IPS	2038465	1843551	141,802	141,270
6	Debit Cards	9199716	7249824	74,146	60,699
7	Credit Cards	191946	123558	1,131	690
8	Prepaid Cards**	13378	13181	77	61
9	Internet Banking	303844	268144	10,215	10,080
10	Mobile Banking	11047474	11616566	48,652	48,887
11	Branchless Banking	68157	50792	1,453	1,092
12	Wallet	11465257	10743511	11,021	10,106
13	QR-Based Payments	782471	672689	2,722	2,529
14	Point of Sales (POS)	871488	608704	3,691	2,617
15	E-Commerce***	173657	113680	1,058	768

(Source: Nepal Rastra Bank)

According to Ashwin and Kartik's statistics on the use of payment systems, both the amount of transactions and the number of mobile banking transactions have grown over the course

of the month. Comparing mobile banking to other digital payment methods reveals that, despite the fact that 2079 Ashwin saw the most transactions on mobile banking, the amount of transactions is still rather small. This shows that for small-scale transactions, individuals prefer to utilize mobile banking. In a similar vein, we may observe that in 2079 Kartik, the amount paid using cards for online purchases was around Rs. 768 million.

2.1.6 Online Shopping in Nepal

While developing nations like Nepal are lagging behind developed nations, the latter have embraced the exponential rise of e-commerce. The usage and expansion of e-commerce in Nepal has been accelerated by the significant influence and introduction of new technology from China and India, two nearby nations. A thorough overview of the Nepalese e-commerce market and current online buyers may be found in the paragraph below:

Nepalese E-Commerce Market

E-commerce in Nepal began in 1999, when it was used only by non-resident Nepalese to send presents to their friends and relatives who lived in Nepal. When Nepal Telecom introduced ADSL (Asymmetric Digital Subscriber Line) broadband internet, internet usage began to gain popularity because it was before expensive and limited.

In 2014, there were 30,198 commercial websites out of 42,748 registered websites in Nepal, demonstrating the slow rate of e-commerce. The vast majority of e-commerce websites that offer credit card verification were created and deployed outside of Nepal. These e-commerce sites allow credit card and e-banking transfers, however their availability was restricted because dollar cards were not available in Nepal.

Nonetheless, a lot of businesses now spend a lot of money on digital marketing because they understand how important e-commerce is. Some of the top businesses have already begun operating digitally and have begun to provide online shopping via their official websites. In order to further encourage the flourishing online buying culture, businesses are also immediately collecting client feedback through various digital channels, including social media. However, developing Nepal still has a lot of work to do to expand and grow the e-commerce business, unlike developed nations where it is already mature (Malla, 2018).

During the COVID-19 pandemic, when physical purchasing might potentially spread the

disease, online shopping has become more popular. "The e-commerce potential for Nepal looks more promising than ever, and the Covid-19 crisis with the spread of the Internet has opened up new arenas, including outside Kathmandu Valley," said Mr. Amun Thapa, co-founder of Sasto Deal. Based on this, we can definitely predict the growth of e-commerce.

Nepalese Online Shoppers

In Nepal, the e-commerce sector is still in its infancy. main e-commerce companies now only serve a small number of Nepal's main cities. The rapid expansion of internet usage and increased knowledge of connected topics have encouraged residents to purchase online for a variety of goods and services. As consumers get more tech-savvy, there is less of a desire to touch the object when they are purchasing. In a similar vein, Nepalese consumers are increasingly considering brand information when making purchasing decisions (Gautham, 2018). 16.67 million individuals, or 63% of the population, have internet access as of October 2017, an increase of almost 15.60% from October 2016. Although less than 30% of Nepalese accessed the internet in 2010, the number of internet users nearly quadrupled in only five years. Since 95.62% of the population in Nepal have access to mobile towers in 2018, mobile phones are the primary factor driving the country's internet adoption (Neupane, 2018).

According to research conducted by Kaymu, one of the top e-commerce sites in Nepal, younger people between the ages of 18 and 34 are the most active participants in e-commerce transactions as compared to the comparatively older generation. It was discovered that the percentage of respondents who were users by gender was 72% for men and 28% for women. The Kathmandu Valley accounts for 53 percent of all e-commerce activity, followed by Biratnagar at 23 percent and Pokhara at 8 percent, according to a geographic distribution study of responding users. 54 percent of visitors were new, and 46 percent were returning, and the average session time for a new visitor is 5 minutes, while the average session time for a returning visitor is about 8 minutes (Ghimire, 2018).

Additionally, the findings showed that 56 percent of all online consumers in Nepal visited e-commerce websites using Google Chrome, with Mozilla Firefox coming in second with 16 percent. Google Chrome is the most widely used internet browser in Nepal. With 65% of all yearly traffic, desktop and laptop computers continue to lead the list of access devices.

Mobile devices come in second with 30% and tablets fifth. Cash on delivery is still the most popular option, with 85% of online shoppers choosing it over digital payment methods, bank transfers, Ipay, and credit cards, which account for 10%, 2%, 2%, and 1% of all purchases, respectively, even though the use of credit and debit cards in addition to online banking is increasing in Nepal. Compared to other typical days, the trade volume is much larger during festivals, when consumers purchase online more often. Ghimire (2018).

2.1.7 Factors Affecting Adoption of Mobile Banking

This study looks at a number of independent factors that affect how widely mobile banking is used. These factors include perceived risk, perceived gain, user experience, transaction ease, and user-friendly application design. The operational definitions of each of these parameters as they relate to the study are described below.

Transaction Convenience

The flexibility and ease of use of payment systems that enable consumers to finish activities quickly and with little effort are referred to as transaction convenience. According to this study, transaction convenience includes a number of important factors, such as how simple it is to use mobile banking for online shopping, how quickly transactions are completed, how simple it is to keep track of past transactions, how simple it is to access the mobile banking platform, and how little work it takes to complete a transaction. A user's experience and propensity to utilize mobile banking services are greatly influenced by these variables.

User Experience

The general impression that consumers receive of utilizing mobile banking for online shopping is known as the user experience. It encompasses a number of interactional characteristics, including engagement, which describes how involved users are with the mobile banking platform. Furthermore, the whole experience is improved when the service provider processes grievances and comments effectively. Another important consideration is price and merchant openness, as consumers are more inclined to interact with and trust platforms that provide accurate and transparent information. The quality of the information and advertisements as well as the speed at which services are rendered are other factors that affect the user experience. These factors collectively influence the user's level of happiness and probability of using the service again.

User-Friendly Application & Design

The effective implementation of mobile banking depends on an application and design that are easy to use. This element relates to how user-friendly, dependable, and useful the mobile application interface is. According to this study, an eye-catching layout that encourages people to interact with the platform is what defines a user-friendly design. Important features of the design are the application's straightforward language and the ease with which users may learn and utilize the system. The program must also be dependable, guaranteeing that the platform continuously fulfills user expectations without frequent faults or malfunctions, and multifunctional, providing a broad range of services.

Perceived Risk

When utilizing mobile banking, customers' perceptions of risk include those related to social, psychological, privacy, and financial performance. This study focuses on a number of important aspects of perceived risk. These include trust, which is crucial for fostering a connection between service providers and users, and security, which has to do with the protection of financial transactions and personal information. The total perceived risk is also influenced by financial transaction risks, such as the fear of fraud or money loss, and privacy concerns, especially with relation to sensitive personal and financial information. If consumers believe their security is jeopardized, these considerations may prevent them from using mobile banking services.

Perceived Benefit

The term "perceived benefit" describes the favorable results that consumers anticipate from using mobile banking, which increase its allure. Cost-effectiveness, which includes reduced transaction costs and the possibility of savings, and the availability of exclusive deals or promotions that enhance the service's appeal are the main determinants of perceived advantage for this study. Another apparent advantage is the increased flexibility and convenience that comes with using mobile banking anywhere, at any time. Lastly, the perceived value of utilizing mobile banking services is increased by time-saving features like quicker transaction processing and fewer in-person bank visits.

2.2 Empirical Review

2.2.1 Review of International Empirical Studies

Numerous research have been conducted worldwide in the area of online shopping and mobile banking selection criteria. This section examines relevant research conducted globally in the study's field.

Table 3

Summary of International Empirical Studies

Author(s)	Findings
Bland et al. (2024)	The study identified that performance and psychological risks are significant barriers to adopting mobile payments. Addressing security concerns is crucial to encourage adoption.
Benoit et al. (2023)	Perceived benefits, such as convenience and cost-effectiveness, play a crucial role in the adoption of mobile banking services, encouraging users to engage more with these services.
Shankar et al. (2021)	Convenience factors such as ease of access and fast transactions significantly influence the adoption of mobile banking, particularly in developing countries.
Barnes and Corbitt (2018)	Mobile banking adoption is influenced by market conditions, banking infrastructure, and customer perceptions. TAM highlights the technological aspects that influence adoption.
Sinthia and Darma (2019)	Perceived ease of use and usefulness positively influence attitudes toward mobile banking, with frontline employees playing an important role in facilitating adoption.
Shanmugam, Savarimuthu, and Wen (2018)	Perceived usefulness, benefits, and credibility affect users' intentions to adopt mobile banking, with attitude playing a mediating role between these factors and adoption.

- Kim, Shin, and Lee (2019) Trust is a critical factor in the adoption of mobile banking, especially in the initial stages, influencing users' intentions to use mobile banking services in South Korea.
- Malaquias and Hwang (2019) Trust and perceived ease of use were key determinants of mobile banking use, with cultural and economic factors playing a significant role across countries like Brazil and the U.S.
- Chitungo and Munongo (2018) TAM extension shows that perceived usefulness, ease of use, and social norms significantly affect mobile banking adoption in rural Zimbabwe, while perceived risks hinder adoption.
- Aboelmaged and Gebba (2020) Subjective norms and attitudes are critical in mobile banking adoption among university students, more than perceived ease of use or usefulness, especially in Dubai.
- Jusoh and Ling (2021) Experience, income group, and product perception strongly correlate with positive attitudes toward online shopping, similar to mobile banking adoption behaviors.

Bland et al. (2024) evaluated the perceived risks associated with mobile payment adoption, stressing the performance, financial, time, psychological, and social concerns that consumers experience. The research found that performance and psychological concerns were important hurdles to using mobile payments. These findings imply that consumers' worries regarding the security and effectiveness of mobile payment systems might inhibit adoption. Therefore, mobile payment providers must handle these concerns by developing effective risk management rules to reassure consumers and create good views toward mobile payment systems.

Benoit et al. (2023) evaluated the significance of perceived advantages in mobile banking adoption, specifically the importance of cost-effectiveness and convenience. Their research indicated that the perceived benefits, such as the flexibility to make transactions anywhere and anytime, play a vital role in motivating customers to use mobile banking services. The study revealed that customers who consider mobile banking as a quick and cost-effective

tool for managing funds are more inclined to participate with these services.

Shankar et al. (2021) studied the influence of convenience in encouraging mobile banking uptake. The study underlined the importance of transaction convenience, including access convenience, search convenience, and assessment convenience. These variables, all linked to the convenience and speed of accessing and utilizing financial services, were found to have a considerable positive influence on users' intentions to use mobile banking. The study revealed that when mobile banking services offer easy and rapid access, it considerably boosts the possibility of adoption, particularly in developing nations where customers have limited past experience with such technology.

Barnes and Corbitt (2018) evaluated the idea and possibility of mobile banking as a viable consumer banking channel. The rising amount of empirical research on mobile banking adoption emphasizes many aspects impacting customer behavior and the adoption process across distinct markets. The research concluded that mobile banking services are still at an embryonic stage, with their performance depending on variables such as existing banking infrastructure, market conditions, and client perceptions. Through the perspective of the Technology Acceptance Model (TAM), the study highlighted critical technological characteristics and human behaviors that would greatly affect the future adoption of mobile banking. It stated that while mobile banking offers great promise for extending electronic banking services, its success would primarily depend on current market circumstances over the next five years.

Sinthia and Darma (2019) evaluated consumer satisfaction and attitudes towards mobile banking by concentrating on the perceived ease of use and perceived utility of mobile banking services. Their findings reveal that customer views towards mobile banking are favorably impacted by the perceived simplicity of use and perceived utility of the services. They stressed the significance of frontline personnel in communicating the advantages and benefits of mobile banking to clients, therefore promoting uptake. The study indicated that these characteristics have a major impact in affecting customer views regarding utilizing mobile banking services.

Shanmugam, Savarimuthu, and Wen (2018) evaluated the factors impacting the behavioral

intention to utilize mobile banking. The study showed the relevance of perceived utility, perceived advantage, and perceived trustworthiness in changing users' willingness to use mobile banking. The research indicated that while perceived ease of use was not a major predictor, attitude played a mediating function between the perceived usefulness, perceived benefit, and behavioral intention to use mobile banking. This shows that if mobile banking is seen as advantageous and useful, clients are more likely to use the service, with attitude acting as a significant influencer in this process.

Kim, Shin, and Lee (2019) studied the relationships between initial trust and usage intentions of mobile banking in South Korea. Their study, which focused on integrated mobile banking solutions introduced by Korean telecom operators, indicated that early trust strongly affected the inclination to utilize mobile banking services. This research, the first empirical study on this issue, underlined the relevance of trust and the creative character of mobile banking in boosting adoption. The study stressed the relevance of trust in the earliest phases of mobile banking adoption and emphasized the possibility for future research on this key element.

Malaquias and Hwang (2019) evaluated mobile banking usage comparing individuals from Brazil and the United States, two nations with distinct degrees of development. The study indicated that confidence and perceived ease of use were major drivers of mobile banking adoption in both nations. However, the social effect was more substantial in Brazil, whereas in the U.S., individuals with higher levels of adoption rated mobile banking as easier to use. This implies that cultural and economic variables play a role in defining mobile banking adoption practices across nations.

Chitungo and Munongo (2018) expanded the Technology Acceptance Model (TAM) to analyze mobile banking uptake in rural Zimbabwe. The study indicated that characteristics such as perceived utility, perceived simplicity of use, relative benefits, personal innovativeness, and societal norms had substantial influence on consumers' attitudes and intentions to embrace mobile banking services. However, perceived risks and costs were found to negatively affect adoption. This underscores the need of knowing both the enabling and hindering variables in mobile banking uptake, particularly in rural regions with limited access to financial services.

Aboelmaged and Gebba (2020) explored the use of the TAM and Theory of Planned

Behavior (TPB) in understanding mobile banking usage among university students in Dubai. Their studies demonstrated a considerable influence of attitude toward mobile banking and subjective norms on adoption. However, perceived utility and reported simplicity of use did not substantially affect adoption, showing that subjective norms and attitude are more essential drivers for this particular cohort. The study highlighted the effect of social influence and individual attitudes in affecting adoption behavior, rather than the perceived technical qualities of mobile banking services.

Jusoh and Ling (2021) studied the elements influencing customers' attitudes regarding e-commerce purchases through online purchasing, including socio-demographic indicators, online buying behaviors, and purchase perceptions. The study indicated that while there was no significant difference in sentiments based on age, employment, or categories of items, income group and e-commerce experience were important variables in molding attitudes. Additionally, product impression and customer service were substantially connected with a good attitude toward online buying. These findings mirror larger consumer behavior patterns that might potentially apply to mobile banking uptake, where experience and perceptions of service quality are major factors.

2.2.2 Review of Nepalese Empirical Studies

This section reviews the related articles performed in the study's subject area nationally. The Summary of major national empirical studies is shown in Table 4.

Table 4

Summary of Nepalese Empirical Studies

Author(s)	Findings
Subba (2024)	Identified growing potential for mobile banking adoption in Nepal but highlighted the lack of interoperability and inadequate regulatory frameworks as significant challenges.
Pokharel, Adhikari, and Mishra (2024)	Found that perceived usefulness and attitude significantly impacted behavioral intentions toward mobile banking adoption in Kathmandu Valley, supporting the Technology Acceptance Model (TAM).

Shrestha et al. (2023)	Identified perceived ease of use, perceived usefulness, and perceived risk as key factors affecting internet banking adoption. Highlighted that addressing security risks would increase adoption.
Timilsina (2022)	Found that security concerns and trust issues were significant barriers to electronic payment adoption in Kathmandu. Emphasized the need for improved security protocols and transparency.
Pokhrel, Adhikari, and Mishra (2020)	Found that perceived usefulness, attitude, and perceived ease of use significantly influenced mobile banking adoption in Kathmandu. Suggested increasing awareness to drive greater adoption.
Timilsina (2020)	Identified perceived ease of use, usefulness, security, and trust as key factors for adopting electronic payment systems. Emphasized that ease of use and usefulness had a stronger influence than security and trust.
Malla (2018)	Found that price, product quality, recommendations, and delivery speed were crucial in shaping online shopping behavior, which indirectly affects the adoption of mobile banking for payments.
Shrestha, Wenan, Rajkarnikar, and Jeong (2020)	Found that perceived usefulness, perceived risk, and perceived ease of use were critical factors in adopting internet banking in Pokhara, consistent with the TAM framework.
Dangol and Kautish (2019)	Found that lack of robust security protocols and concerns about cyber fraud hindered the adoption of e-commerce and electronic payments in Nepal, emphasizing the need for improved security.

Subba (2024) investigated the role of fintech and mobile banking in Nepal's digital economy and recognized the significant potential for mobile banking adoption. However, the report also pointed out that the lack of interoperability across different payment systems and weak regulatory frameworks remained key obstacles. These limitations continue to impede the broader use of mobile banking for online retail payments, despite its rising popularity in other countries (Subba, 2024).

Pokharel, Adhikari, and Mishra (2024) discovered that perceived utility and attitude towards mobile banking strongly affected behavioral intention in the Kathmandu Valley. According to their research, both perceived ease of use and perceived usefulness were major drivers in determining users' views towards mobile banking, and these attitudes greatly affected their intentions to embrace mobile banking for online transactions. This conclusion is consistent with the Technology Acceptance Model (TAM), which implies that user attitudes are crucial in the adoption process.

Shrestha et al. (2023) performed in Pokhara found perceived ease of use, perceived utility, and perceived danger as the key variables impacting online banking adoption. The study indicated that addressing these variables, notably decreasing perceived security threats, would enhance the possibility of customers embracing internet banking for transactions. It also noted that the simplicity of use and the perceived benefits of mobile banking have a key impact in determining consumers' inclinations to utilize online banking services.

Timilsina (2022) studied the hurdles to electronic payment acceptance in Kathmandu, specifically focused on security concerns and trust difficulties. The survey indicated that many consumers were hesitant to accept digital payment methods owing to worries about privacy and financial security. This underlines a fundamental hurdle in the adoption of mobile banking, where trust and security are crucial elements affecting customer behavior. Timilsina's findings imply that overcoming these hurdles needs addressing user concerns linked to security and trust through enhanced procedures and increased openness.

Pokhrel, Adhikari, and Mishra (2020) performed a research in Kathmandu Valley to assess the use of mobile banking. Using Davis' Technology Acceptance Model (TAM), the study demonstrated that perceived utility and attitude towards mobile banking strongly affected users' behavioral intention to utilize mobile banking. Additionally, perceived simplicity of use favorably influenced attitude towards mobile banking. The study implies that boosting knowledge about the value of mobile banking might drive higher adoption among Nepali customers, prompting lenders to invest in awareness initiatives to increase user engagement.

Timilsina (2020) evaluated user views of electronic payment systems in Kathmandu Valley. The study indicated that perceived ease of use, perceived utility, perceived security, and perceived trust were key variables affecting the adoption of electronic payment systems. The

research revealed a hesitation towards digital payments, attributing this to limited accessibility, security concerns, and trust difficulties. The survey also indicated that simplicity of use and usefulness were bigger variables than security and trust in influencing users' propensity to participate with digital payments.

Malla (2018) focuses on the online purchasing behavior of young customers in Kathmandu, exploring factors that impact online shopping decisions. The study revealed numerous significant elements impacting online buying behavior, including pricing, product quality, referrals from friends and family, ratings, corporate reputation, customer service, and delivery speed. The research also stressed that the accuracy of product descriptions, fast delivery, and diversity of payment choices were significant in determining consumer happiness and their desire to engage in online buying.

Shrestha, Wenan, Rajkarnikar, and Jeong (2020) studied consumers' views towards online banking in Pokhara, utilizing the TAM framework to measure characteristics including perceived ease of use, perceived utility, and perceived risk. The study indicated that perceived utility, perceived danger, and perceived ease of use directly affected customers' adoption of online banking. These findings correspond with the wider TAM framework, which implies that these factors are key in determining the viability of online banking services in undeveloped nations like Nepal.

Dangol and Kautish (2019) evaluated IT security-related concerns and difficulties in Nepal's electronic payment system. The study indicated that consumers' perceptions of vulnerability were severely influenced by a lack of adequate security mechanisms, and worries about cyber fraud hampered the broad adoption of e-commerce and electronic payments in Nepal. This underscores the necessity of addressing security concerns to create confidence and encourage broader involvement in digital payment systems.

2.3 Research Gap

The financial industry in Nepal has considerable issues due to increased competition from both banks and non-banking firms, driving a high desire for enhanced services via globalization. While financial institutions are aggressively attempting to deploy mobile banking services, major gaps exist in the effective and efficient delivery of digital payments via mobile banking (Subba, 2024). Existing research has not effectively addressed the

fundamental difficulties that prevent the broad adoption of mobile banking for online payments, notably the factors that impact users' desire to utilize these services. This gap in knowledge is crucial since mobile banking, despite being available, is not completely adopted by all prospective users in Nepal due to concerns about security, convenience of use, and perceived advantages (Pokharel et al., 2024; Timilsina, 2022).

Several studies have studied the impact of perceived risk, convenience, and perceived rewards in mobile banking adoption (Shrestha et al., 2023; Shrestha et al., 2020), but little attention has been devoted to the integration of these factors in the context of Nepal's distinctive mobile banking environment. For instance, whereas perceived ease of use and perceived utility have been found to influence mobile banking adoption internationally, these characteristics have not been properly explored in Nepal, where cultural and infrastructural issues may effect user behavior differently (Pokhrel et al., 2020). Moreover, although mobile banking services are becoming available, the lack of knowledge and comprehension of these services remains a significant obstacle (Timilsina, 2020).

This study intends to fill these gaps by investigating the essential factors impacting mobile banking adoption for online payments in Nepal. It will explore how characteristics such as transaction ease, user experience, user-friendly design, perceived risk, and perceived rewards effect customers' propensity to utilize mobile banking (Shanmugam et al., 2018; Benoit et al., 2023). The research will also give insights into the challenges to adoption, concentrating on trust, security, and system interoperability concerns (Dangol & Kautish, 2019). By doing so, this study intends to bridge the existing information vacuum in electronic banking adoption in Nepal and give practical recommendations to enhance mobile banking services and encourage their broader usage for digital payments.

CHAPTER III

RESEARCH METHODOLOGY

This chapter primarily explains the research approach and technique utilized in the current research study, especially in regard to the research design and the data gathering processes. Research methodology refers to the many techniques and practices employed by the researcher in the complete aspect of the investigation. A research technique helps to tackle research issues in a methodical fashion. It provides up an overarching plan related with a research. It gives a fundamental foundation on which the investigation is built. Before providing the analysis and interpretation of data, it is vital that study technique be stated first. In the lack of technique, it is conceivable that the findings reached may be misconstrued. This chapter has been established and constructed as a guideline or a strategy for the attainment of target which is outlined in the first chapter. The fundamental purpose of this chapter is to lead chapter four for data presentation, descriptive and empirical analysis of mobile banking selection criteria for online purchasing.

3.1 Research Design

The research adopts a descriptive research approach to examine the factors impacting mobile banking choices for online retail payments in Nepal. This design gives an in-depth insight of numerous factors, such as transaction convenience, user experience, perceived risk, and perceived rewards, by documenting their present state and connection without modifying them. The technique is suitable for describing the predominant elements that impact mobile banking uptake in the context of online buying. Additionally, a causal-comparative study methodology is utilized to evaluate potential cause-and-effect links between distinct elements. For example, it analyzes how perceptions of ease of use or security issues effect the choice to use mobile banking.

A quantitative method is utilized in the study, with data collected using a self-administered survey disseminated via Google Forms. The study contains questions aimed to measure important aspects impacting mobile banking usage, such as ease and security. A convenience sampling strategy is used to pick respondents, guaranteeing that data may be acquired easily from a large sample. The research will employ statistical analysis to analyze the links between independent and dependent variables, offering useful insights into the factors that drive mobile banking uptake in Nepal. This technique coincides with the study's

aims of studying and evaluating the factors that influence the adoption of mobile banking for online retail payments.

3.2 Population and Sample

The demographic for this study encompasses all mobile banking users in Nepal who utilize mobile banking platforms for online purchasing. The research focuses on those who engage in online transactions utilizing mobile banking services. For the sample, a total of 227 respondents were recruited, representing mobile banking users who undertake purchasing through online platforms. Convenience sampling, a non-probabilistic sampling approach, was chosen owing to time and resource constraints. This method allows for the effective collecting of data from varied age groups of mobile banking customers. The surveys were delivered through several social media sites, such as Facebook, Viber, and Instagram, targeting individuals whose email addresses were known to the researcher.

3.3 Nature and Source of Data

All Nepali mobile banking users who utilize mobile banking platforms for online buying make up the study's population. The study focuses on those who use mobile banking services to conduct online transactions. A total of 227 respondents—representing mobile banking users who purchase online—were chosen for the sample. Due to time and resource limitations, convenience sampling—a non-probabilistic sample technique—was used. This method made it possible to gather data from mobile banking customers of all ages in an effective manner. Targeting those whose email addresses the researcher knew, the questions were disseminated via a variety of social media sites, including Facebook, Instagram, and Viber.

3.4 Instrumentation of Data

A questionnaire, created by the researcher based on the identification of demographic features and the pertinent dependent and independent variables acquired from the literature review, served as the main instrument for collecting data in this study. The survey was broken up into two portions and included 26 opinion statements. Demographic information such as gender, age, occupation, income level, degree of education, frequency of use of mobile banking, and online shopping apps were gathered in the first section. A five-point Likert scale was used in the second section to quantify the dependent and independent

variables. Respondents were asked to rate their agreement or disagreement with a variety of statements, ranging from "Strongly Disagree" to "Strongly Agree." The goal of the research was outlined in detail on the questionnaire page, which was sent by email using Google Forms. Descriptive and analytical statistical methods were used to evaluate the data, and Microsoft Excel and SPSS were used to interpret the results. In order to verify the scale's internal consistency, reliability was evaluated using Cronbach's alpha, a commonly used technique for assessing numerous scale components.

3.5 Data collection Procedure

This study used the survey approach, which is best suited for descriptive research, to gather primary data. Respondents received self-administered surveys over email, minimizing in-person interaction because of pandemic-related worries. Five important characteristics were measured by the closed-ended questions in the questionnaire, which used straightforward language to guarantee clear comprehension. Respondents were asked to offer answers based on their experiences using mobile banking for online purchasing throughout the two-week data collecting period. To guarantee the accuracy of the answers, care was taken to steer clear of unclear or biased questions. Several sources were used for secondary data collecting in order to bolster the research's theoretical foundation and backdrop. These included scientific publications and study reports from both domestic and foreign studies, websites providing pertinent data, and textbooks about online buying behavior. These secondary sources served to provide the context for the primary data analysis and gave a basic comprehension of the study issue.

Reliability Test

Before the whole data gathering procedure, a pilot test was carried out to guarantee the validity and reliability of the measuring tool. Cronbach's Alpha, which is frequently used to check internal consistency and make sure the scales measure what they are supposed to, was used to evaluate the instrument's dependability. The reliability of the instrument was ensured by using a threshold of 0.01 for the P-value to evaluate statistical significance (Tavakol & Dennick, 2011). The dependability of the instrument was further confirmed by comparing the mean values of the replies; scores more than three indicated a favorable reaction (Nunnally & Bernstein, 1994). This method made it possible to guarantee that the information gathered would be authentic and trustworthy for the research.

Table 5

Reliability Test

Variable	Cronbach's Alpha	No. of Items
Transaction Convenience	0.925	5
User Experience	0.841	4
User Friendly application design and layout	0.907	5
Perceived Risk	0.892	4
Perceived Benefit	0.790	3

The reliability test findings for the study's variables, as determined by Cronbach's Alpha, are shown in Table 5. Higher Cronbach's Alpha ratings indicate more reliability and reflect the scales' internal consistency. With five questions and the greatest reliability of 0.925, the measure "Transaction Convenience" indicates that participants' perceptions of transaction convenience are very consistent. With five items, "User Friendly Application Design and Layout" likewise demonstrates excellent reliability (0.907), suggesting that respondents often assess the mobile banking application's usability and layout. With four items and a Cronbach's Alpha of 0.892, the "Perceived Risk" variable likewise exhibits high reliability, capturing the steady impression of danger related to mobile banking. With four components, "User Experience" has a much lower score of 0.841, but it is still within a respectable range for reliability. Lastly, even though "Perceived Benefit" only includes three items and the lowest reliability (0.790), it is nonetheless deemed appropriate for social science study (Nunnally & Bernstein, 1994). These numbers show that the measuring scales are accurate for examining the variables in the research.

3.6 Methods of Analysis

Investigating the element that determines the mobile banking selection criterion for online buying in Nepal is the primary goal of the data analysis in this study. The methods used to conduct the analysis in chapter four are covered in this section. To comprehend the results and extrapolate the conclusions, specific stages and procedures must be followed while evaluating data. Only legitimate replies were taken into consideration for the study when all of the questionnaires from the respondents were properly collected. Data gathering forms will contain the information. The data must be arranged to make some sense so that it may be used in the project work later on.

Descriptive Analysis

Descriptive statistics were used in the first stage of data analysis to provide an overview of the respondents' attributes and the distribution of important variables. A comprehensive summary of the sample population, including demographic information like age, gender, income level, and frequency of mobile banking usage, may be presented thanks to this method. Frequencies, percentages, and measures of central tendency were used to assist categorize the data, which was crucial for comprehending general trends and patterns in online purchasing preferences and mobile banking activities.

Correlation Analysis

The associations between the independent factors (such as transaction convenience, user experience, and perceived risk) and the dependent variable (mobile banking selection criterion for online purchasing) were then determined using correlation analysis. Insights into how several elements including convenience, user experience, and risk perception affect the uptake of mobile banking were provided by this analysis, which also assisted in determining the direction and strength of relationships. The correlation analysis's findings provided a basis for additional hypothesis testing by illuminating the characteristics most strongly associated with preferences for mobile banking.

Regression Analysis

Multiple regression analysis was used to examine the connections between the variables in greater detail. The combined impact of many independent factors on the dependent variable of mobile banking selection criteria was evaluated using this methodology. Taking into account all the variables at once, regression analysis made it possible to identify the elements that significantly influenced customers' decisions to utilize mobile banking for online purchasing. The results of the regression analysis provide a thorough understanding of the variables impacting the uptake of mobile banking and assisted in validating the hypothesis.

Multiple Regression Model;

$$\text{User Experience} = \beta_0 + \beta_1(\text{Transaction Convenience}) + \beta_2(\text{User Friendly Application Design \& Layout}) + \beta_3(\text{Perceived Risk}) + \beta_4(\text{Perceived Benefit}) + \beta_5(\text{User Experience}) + \varepsilon$$

Where,

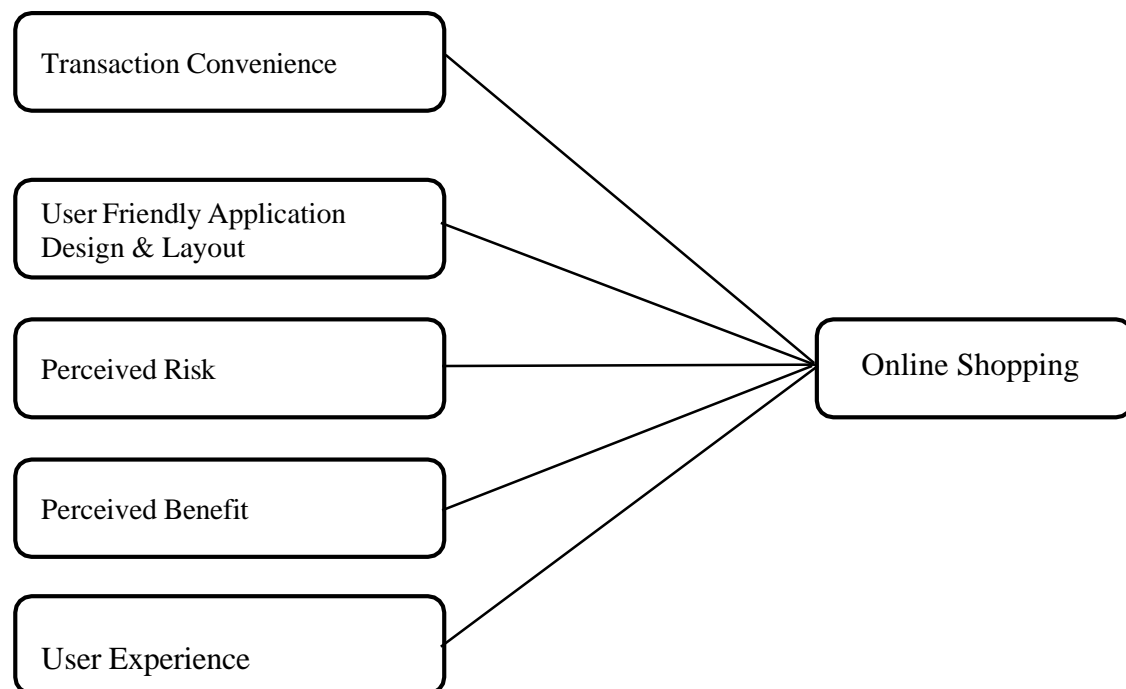
β_0 = Intercept of the dependent variable

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Coefficient of the variables

ε = Error term

3.7 Theoretical Framework and Definition of Variables

The previous studies conducted on finding the determinants which helps in an adoption of mobile banking and the factors influencing online shopping has helped to design an operational framework for the study of mobile banking selection criteria for onlineshopping in Nepal. The framework is an adaptive version of Technology Acceptance Model (TAM) introduced by Fred Davis in (1986).



Source: Davis (1986) and Shrestha et al. (2020)

Figure 3. Theoretical Framework

Transaction Convenience

The ease with which consumers may utilize mobile banking apps to execute their transactions is reflected in transaction convenience. It has components like speed, accessibility, and ease of use for actions like payments or money transfers. According to research, customers choose systems that save time and effort during payment procedures,

making transaction convenience one of the most important elements driving the adoption of online payments and mobile banking (Shrestha et al., 2023; Timilsina, 2020). Users are more likely to embrace and have faith in mobile banking for online buying when the transaction procedure is well-optimized.

User-Friendly Application Design and Layout

The usability and visual appeal of mobile banking apps are the subjects of this variable. User involvement and enjoyment are enhanced by an intuitive layout with simple navigation, eye-catching graphics, and little complexity. Studies show that an application's design quality has a big influence on user acceptability since better designs are seen as more practical and easy to use (Pokharel et al., 2024; Shrestha et al., 2020). Users are more inclined to utilize mobile banking for transactions when the UI is both aesthetically pleasant and useful.

Perceived Risk

The user's assessment of the possible drawbacks of utilizing mobile banking technologies is known as perceived risk. These dangers include system instability, financial fraud, and illegal data access. Adoption is hampered by high perceived risk since digital transactions depend on user confidence in the platform's security and privacy. According to research, lowering perceived risk with strong security measures and transparent information can boost user confidence and make it easier for people to accept using mobile banking for online purchases (Timilsina, 2022; Dangol & Kautish, 2019).

Perceived Benefit

The term "perceived benefit" describes the benefits that consumers attach to mobile banking, including increased accessibility, cost effectiveness, and convenience. People are more likely to embrace innovations that they believe will improve their transaction experiences or save them time and effort. As consumers balance the benefits against possible hazards, prior research indicates that greater perceived benefits have a beneficial impact on the decision to use mobile banking (Pokhrel et al., 2020; Subba, 2024). Providing certain advantages can promote broader use of mobile banking services.

User Experience

All facets of the user's contact with the mobile banking app are included in the user experience, including functioning, emotional reactions, and satisfaction. Building trust and ensuring sustained platform participation requires a satisfying user experience. According to studies, user views and intents to use mobile banking for online payments are significantly influenced by elements like dependability, smooth operation, and pleasurable interactions (Pokharel et al., 2024; Shrestha et al., 2023). User loyalty and happiness are increased by an effective and well-designed user experience.

CHAPTER IV

RESULTS AND DISCUSSION

The statistical findings produced by the examination of the gathered data and their interpretation in order to meet the goals of the study are presented in this chapter. It starts with a summary of the demographic characteristics of the respondents, which gives information on the participants. After that, descriptive analysis is carried out to look at the associations between dependent and independent variables. This includes frequency distribution, means, standard deviations, and correlations. Bivariate correlation is used to evaluate hypotheses in inferential analysis. Regression analysis is then used to assess the model's validity, and the results are used to inform discussions and conclusions. The combined goal of these sections is to investigate the variables affecting Nepal's adoption of mobile banking for online purchasing.

4.1 Respondents Demographic Profile

The demographic analysis and interpretation of primary data gathered via surveys are covered in this section. This aids in gaining understanding of the respondents' demographic profile. Gender, age group, occupation, income, and other details are included in the responder profile. There were 227 genuine responders gathered. The response rate was 100% as a result. Students, workers, business owners, and other independent contractors made up the respondents. With the use of tables, statistics, and descriptions, the survey responses are shown below.

There is a notable gender gap in the respondents' demographic profile, with 60.8% of them being men and 39.2% being women. This suggests that in Nepal, men use mobile banking for online buying more frequently. In order to foster inclusion, measures aimed at increasing female usage of mobile banking services are necessary, as the gender gap may affect how these services are perceived and used.

The majority of responders (61.2%) are between the ages of 26 and 35, with those between the ages of 15 and 25 coming in second (24.2%). This indicates that younger and middle-aged people are the ones that use mobile banking the most, maybe as a result of their increased comfort level with technology and online platforms. With just 3.5% of respondents being between the ages of 46 and 55, there may be a use gap among older

generations, necessitating efforts to raise their level of digital literacy.

Table 6

Respondents' Profile Analysis

Category	Subcategory	Frequency	Percentage
Gender	Male	138	60.8
	Female	89	39.2
Age (in years)	15-25	55	24.2
	26-35	139	61.2
	36-45	25	11.0
	46-55	8	3.5
Profession	Employee	139	61.2
	Self-Employed (Business)	28	12.3
	Student	56	24.7
	Unemployed	4	1.8
Income Level of Family (Monthly Income in Rs.)	25,000 and below	17	7.5
	26,000-50,000	50	22.0
	51,000-75,000	85	37.4
	76,000-100,000	34	15.0
	Above 100,000	41	18.1
Mobile Banking Usage	Always	85	37.4
	Never	3	1.3
	Rarely	10	4.4
	Sometimes	36	15.9
	Very Often	93	41.0
Mobile Banking Users	Always	26	11.5
	Never	10	4.4
	Rarely	31	13.7
	Sometimes	80	35.2
	Very Often	80	35.2
	Total	227	100.0

Source: Survey, 2024

According to the occupational profile, 61.2% of respondents are employed, indicating that working people are more likely to use mobile banking since they have access to resources and are financially independent. 24.7% of respondents are students, which reflects their increasing convenience-driven dependence on digital payment methods. However, the low percentage of respondents who were self-employed (12.3%) and jobless (1.8%) may point to obstacles including a lack of faith in digital payment systems or restricted access to

technology. According to family income levels, the majority of respondents (37.4%) make between Rs. 51,000 and Rs. 75,000 per month, with 22% earning between Rs. 26,000 and Rs. 50,000. This distribution suggests that middle-income groups are more likely to use mobile banking, maybe as a result of affordability and the demand for effective payment options. The fact that just 7.5% of people earn less than Rs. 25,000 suggests that adoption is limited among lower-income groups, which might be due to a lack of funds or restricted access to digital infrastructure.

The majority of respondents are highly engaged with mobile banking, as seen by the fact that 41% use it very frequently and 37.4% use it constantly. Nonetheless, 1.3% never use it and 4.4% use it seldom, indicating a tiny percentage that is still not able to use mobile banking services. This emphasizes how crucial it is to solve usability and awareness issues in order to increase adoption even further. Finally, 35.2% of respondents said they used mobile banking "sometimes" or "very often," showing a balanced usage pattern, when questioned about their overall mobile banking user experience. But 4.4% never use mobile banking, and 13.7% use it infrequently. According to these figures, even if mobile banking is becoming more popular, some customers continue to have difficulties, necessitating customized solutions to improve system dependability and user happiness.

Table 7

Propose of Mobile Banking Usages

Mobile Banking Usage Purpose	Frequency	Percentage
For Online Statement	117	52
Utilities Payment	160	71.1
Account Transfer	188	83.6
Online Purchase	154	68.4
Purchase Groceries	86	38.2
Book Flight Tickets	120	53.3
Book Movie Tickets	81	36
Demat	127	56.4
Mero Share	136	60.4
Pay Government Revenue	46	20.4
Pay School Fees	33	14.7
Pay EMI	41	18.2
Fast Foods	97	43.1

Source: Survey, 2024

Out of the 25 sample, 117 respondents, or 52%, use mobile banking for online statements;

160, or 71.1%, use it for utility payments; 188, or 83.6%, use it for account transfers; 154, or 68.4%, use it for online purchases; 86, or 38.2%, use it for grocery purchases; and 120, or 53.3%, use it to book airline tickets, according to Table 4.7 above. Additionally, 81 people, or 36%, use mobile banking to book movie tickets, 127 people, or 56.4%, use it for Demat, 136 people, or 60.4%, use it for Mero Share, 46 people, or 20.4%, use it to pay government revenue, 33 people, or 14.7%, use it to pay for school fees, 41 people, or 18.2%, use it to pay for EMIs, and 97 respondents, or 3.1%, use it to buy fast food.

Table 8

Selection of Website/Application Used

Website/Application Used	Frequency	Percentage
Daraz	182	86.3
Sastodeal	68	32.2
Muncha	21	10
Nepbay	11	5.2
Shopmandu	8	3.8
Bahtbhateni Online	55	26.1
Urbangirl	17	8.1
Gogazzab	11	5.2
Hamrobazar	58	27.5
Kheti	18	8.5

The frequency and proportion of websites and applications utilized for online purchasing are displayed in Table 8. 211 of the 225 responders responded to the question. In this case, 182 respondents, or 86.30% of the respondents, use Daraz more often than any other website or application. 32.2% of people use Sastodeal, 27.50% use Hamrobazar, 26.10% use Bhatbhateni Online, 10% use Muncha, 5.2% use Nepbay, 3.8 use Shopmandu, 8.1% use Urbangirl, 5.2% use Gogazzab, and 8.5% use Kheti. Because there were more options accessible to the responder, allowing them to select more options, the overall percentage of the website used is higher than 100%. Respondents often shop on the Daraz, Hamrobazar, Sastodeal, and Bhatbhateni Online applications. As a result, these websites are growing in popularity and meeting the needs of online buyers.

4.2 Descriptive Analysis

This section of the study describes the descriptive analysis of the information gathered from the participants via the questionnaires used in the investigation. The field of quantitatively characterizing the primary aspects of data collecting is known as descriptive statistics. Simply said, descriptive statistics provide an overview of the sample and the observations that have been made. Descriptive analysis uses statistical metrics and methods to interpret the data. The mean, frequency, and standard deviation are those statistical measurements. The researcher can determine which way the typical response falls on the Likert scale by looking at the mean value. The average difference from the mean is shown by the standard deviation. The majority of data would cluster around the mean if the standard deviation was low. A large standard deviation would suggest that there was a lot of diversity in the replies. The tabular form is used to display this mean and standard deviation. The respondents were given "Likert Scale" questions for this purpose, which ranged from 1 to 5 in order of the following responses: 1 = Strongly Disagree 2 = Disagree 3 = Indecisive 4 = Consent 5=Strongly Agree for all factors in survey study. There were 227 responders (N) to each question. The descriptive statistics and questions pertaining to each determinant are displayed below, indicating the respondents' degree of agreement.

Table 9

Perception towards Online Shopping

Code	Statement	Mean	SD
OS1	I generally tend to purchase online which offers wide variety of products and services.	3.78	0.893
OS2	I generally prefer the online shopping which saves my time and effort.	3.97	0.982
OS3	I like to buy online with convenient transaction process.	4.04	1.015
OS4	I prefer the website and applications with higher customer ratings.	3.93	0.977
OS5	Due to the prompt payment procedure, my intention for mobile banking selection gets highly influenced.	3.87	0.955
	Weighted Average Online Shopping	3.918	0.9644

The descriptive analysis of online purchasing is displayed in the result above. The standard deviation is 0.9644 and the overall mean is 3.918. The average respondents agree on the

following views on internet purchasing, as indicated by Table 4.3.1, where the mean of all variables is greater than 3. Online shopping saves me time and effort, and I prefer websites and applications with higher customer ratings. I also prefer online shopping because it's convenient and offers a wide variety of products and services. Finally, my intention to choose mobile banking is greatly influenced by the quick payment process.

The most often accepted statement, "I like to buy online with convenient transaction process," is shown by the highest mean of 4.04. The statement, "I generally tend to purchase online, which offers wide variety of products and services," was less agreed upon by respondents, as seen by the lowest mean of 3.78. Respondents' responses, such as "I like to buy online with convenient transaction process," deviate more from the norm.

Table 10

Perception towards Transaction Convenience

Code	Statement	Mean	SD
TC1	It is easy to use mobile banking for online shopping.	4.07	0.987
TC2	The payment transaction process of mobile banking for online shopping is quick.	4.01	0.941
TC3	It is easy to monitor transaction history of online shopping in mobile applications.	4.03	0.924
TC4	It is easy to access the mobile banking payment option in online shopping sites.	3.73	0.988
TC5	It takes less effort to perform payment transaction using mobile banking applications for online shopping.	3.98	0.892
	Weighted Average Transaction Convenience	3.964	0.9464

The descriptive statistics of shoppers' transaction convenience concerns during a transaction are displayed in the research of transaction convenience descriptive statistics. Transaction convenience has an overall mean of 3.964 and a standard deviation of 0.9464. This demonstrates the necessity for mobile banking to facilitate transactions for Nepali internet shoppers. In Table 4.10, the mean of all variables is greater than 3, indicating that all of the

statements were accepted by the respondents. The majority of respondents concur that "it is easy to use mobile banking for online shopping," as indicated by the highest mean of 4.07. Respondents' agreement with the statement "It is easy to access the mobile banking payment option in online shopping sites" is lower, as indicated by the lowest mean of 3.73. The statement "It is easy to access the mobile banking payment option in online shopping sites" is where respondents deviate the most, though.

Table 11

Perception towards User Experience

Code	Statement	Mean	SD
UE1	The mobile banking application I use is interactive with high engagement rate.	3.58	0.925
UE2	I feel the mobile banking application provide effective grievances and feedback processing for issues related to online shopping.	3.46	1.010
UE3	Transaction using mobile banking application gives information on merchants and product/service price.	3.55	0.960
UE4	The information and advertisement in mobile banking sites are adequate to facilitate online shopping.	3.39	1.044
	Weighted Average User Experience	3.495	0.98475

Table 4.11, where the mean of all variables is greater than 3, indicates that respondents concurred that user experience plays a significant role in encouraging online consumers to utilize mobile banking for their purchases. All of the statements have received agreement from the responders. With the highest mean of 3.58, the statement "The mobile banking application I use is interactive with high engagement rate" indicates that the majority of respondents concur with it.

With the lowest mean of 3.39, the statement "The information and advertisement in mobile banking sites are adequate to facilitate online shopping" indicates a larger degree of disagreement among respondents. The statement, "The information and advertisement in mobile banking sites are adequate to facilitate online shopping," is also more likely to be deviated from by respondents.

Table 12

Perception towards Users Friendly Application Design and Layout

Code	Statement	Mean	SD
UF1	The mobile banking application is attractive and looks appealing.	3.67	0.969
UF2	The language use in the mobile banking applications is simple.	3.88	0.940
UF3	The application is easy to learn for using.	3.87	0.941
UF4	The mobile application is multifunctional.	3.81	0.970
UF5	I can rely on using mobile banking for payment option for online shopping.	3.85	0.981
	Weighted Average User Friendly Application Design and Layout	3.816	0.9602

According to the analysis of descriptive data on user-friendly application design and layout, the standard deviation is 0.9602 and the aggregate mean is 3.816. Table 4.12's mean of all variables is greater than 3, indicating that respondents agreed with every assertion regarding user-friendly application design and layout. The statement that respondents agree with the most, "The language use in the mobile banking applications is simple," has the highest mean (3.88), while the statement that respondents disagree with the most, "The mobile banking application is attractive and looks appealing," has the lowest mean (3.67). The respondents' remark, "I can rely on using mobile banking for payment option for online shopping," deviates significantly from the norm, though.

Table 13

Perception towards Perceived Risk

Code	Statement	Mean	SD
PR1	I feel it is secured to use mobile banking for online shopping.	3.70	0.971
PR2	I trust mobile banking as payment option for online shopping.	3.82	0.859
PR3	Privacy is maintained for all of my online purchase transaction.	3.65	0.954
PR4	I feel there is no financial transaction risk present while using mobile banking for online shopping.	3.42	1.034
	Weighted Average Perceived Risk	3.6475	0.9545

Descriptive statistics of perceived risk are studied to determine the effects of risk, privacy, payment options, and security. With a standard deviation of 0.9545, the overall mean for individualized assurance is 3.6475. According to Table 4.13, where the mean of all variables is more than 3, respondents felt that perceived risk is a significant consideration when purchasing online.

All of the statements have received agreement from the responders. With the highest mean of 3.82, the statement "I trust mobile banking as payment option for online shopping" indicates that the majority of respondents concur with it. Additionally, the answer with the lowest mean (3.42), "I feel there is no financial transaction risk present while using mobile banking for online shopping," indicates that respondents are more disagreeing. The statement, "I feel there is no financial transaction risk present while using mobile banking for online shopping," is where respondents deviate the most, though.

Table 14

Perception towards Perceived Benefit

Code	Statement	Mean	SD
PB1	Online shopping is cost effective while using mobile banking.	3.56	1.009
PB2	Online shopping using the mobile banking provides various offers.	3.55	0.969
PB3	I can shop anytime anywhere at my own convenience.	3.91	0.948
	Weighted Average Perceived Benefit	3.67333	0.97533

When using mobile banking for online purchasing, the findings display descriptive statistics of perceived advantage that explain cost effectiveness, a variety of offers, and simplicity. Perceived benefit has an overall mean of 3.673 and a standard deviation of 0.975. The majority of respondents concur with the statement because the mean value of all the statements is greater than 3. Nonetheless, the respondents' acceptance of the statement "I can shop anytime, anywhere, at my own convenience" is shown by the highest mean value of 3.91. Additionally, the statement "Online shopping using the mobile banking provides various offers" has the lowest mean (3.55), indicating a larger degree of disagreement among respondents. The statement "Online shopping is cost effective while using mobile banking"

is where answers deviate the most, though.

4.3 Correlation Analysis

The statistical analysis conducted to confirm the assumptions and determine the importance of using mobile banking for online purchasing is covered in this portion of the investigation. To determine if the independent and dependent variables were correlated, the Pearson correlation test was used. The hypotheses were tested using online shopping as the dependent variable and Transaction Convenience, User Experience, User Friendly Application Design and Layout, Perceived Risk, and Perceived Benefit as the independent variables. A straightforward bivariate analysis was also performed in addition to the Pearson correlation test to ascertain the relative significance of each factor influencing online shopping through mobile banking. To determine the link between the dependent and independent variables in this research, five hypotheses were developed. In a similar vein, this section also addresses the degree of correlation between the variables being studied. To find the positive association, Pearson's correlation analysis was used. A positive correlation shows that the connection is going in the right direction, with one growing in response to the other's growth. The opposite of the aforementioned is shown by a negative correlation, which occurs when one falls while the other rises.

Table 15

Correlation Analysis

Independent Variables	Dependent Variable	Pearson Correlation	Sig. (2-tailed)	N	Remarks
Transaction Convenience	Online Shopping	0.731	0.000	227	Positive Significant
User Experience	Online Shopping	0.548	0.000	227	Positive Significant
User Friendly Application Design	Online Shopping	0.621	0.000	227	Positive Significant
Perceived Risk	Online Shopping	0.534	0.000	227	Positive Significant
Perceived Benefit	Online Shopping	0.589	0.000	227	Positive Significant

The findings of a correlation study that was done to evaluate the connections between various independent factors and online buying behavior are shown in the table. Pearson's correlation coefficient, which measures the direction and strength of the association, is used to measure each variable. In order to be sure that the observed links are not the result of chance, the significance values show if these relationships are statistically significant.

Online purchasing and transaction convenience have a substantial positive link, as seen by the Pearson correlation value of 0.731. This implies that online buying tends to rise in tandem with improvements in transaction convenience, or how simple it is for customers to finish their transactions. More frequent or probable online buying is correlated with a higher transaction convenience score. This association is statistically significant, as shown by the significance value of 0.000, which supports the idea that one of the main reasons why customers pick online shopping platforms is the ease of financial transactions.

Online buying and user experience have a somewhat favorable link, as seen by the Pearson correlation of 0.548. This suggests that improved user experiences—like simple navigation, quick loading times, and unambiguous interfaces—improve online buying habits. This association is also statistically significant, as seen by the p-value of 0.000, indicating that user experience is a key factor in determining consumers' choices to purchase online. Users are more likely to keep using a mobile banking or shopping app for their buying needs if they have a good experience with it.

Online buying and user-friendly application style and design have a moderately to strongly favorable connection (0.621). This implies that customers are more inclined to purchase online when a mobile banking or shopping app has an intuitive, user-friendly, and aesthetically pleasing design. The value of a well-designed app in promoting online buying habits is further supported by the statistical significance of 0.000. In this case, customer trust and happiness are directly impacted by the design of the user interface (UI) and user experience (UX), which in turn influences use.

Online buying and perceived risk have a somewhat favorable correlation (0.534). This positive correlation implies that consumers are more likely to continue online shopping when they believe the perceived risk is effectively managed (for example, through secure payment systems or return policies), even though perceived risk is frequently associated

with the fear of fraud, data theft, or product dissatisfaction. Reducing perceived risk (via trust-building strategies like secure payment gateways) may increase online purchasing participation, as seen by the significance value of 0.000, which shows that perceived risk has a statistically significant impact on consumer buying behavior.

Online purchasing and perceived benefit have a somewhat favorable association, as shown by the Pearson correlation of 0.589. The advantages that customers believe they get from shopping online, such as ease, lower costs, or access to a greater selection of goods, are referred to as perceived benefits. Online buying is more likely when the perceived advantage is bigger. The statistical significance of 0.000 emphasizes how crucial it is to highlight the alleged advantages—like savings, ease, or special deals—in order to encourage customers to make purchases online. Overall, there is a positive and statistically significant link between online buying behavior and all of the independent variables: transaction ease, user experience, user-friendly application design, perceived risk, and perceived reward. These results imply that enhancing these elements may greatly raise the probability that customers would purchase online. These variables are significant factors in determining the decision to purchase online since the associations are supported by statistically significant p-values (all 0.000).

4.4 Regression Analysis

One statistical method for determining the associations between variables is regression analysis. This section ascertains which independent variables account for outcome variability, the extent to which independent variables and the dependent variable account for dependent variable variability, and which variables are significant (in comparison to other variables) in explaining the dependent variable's variability. The effects of independent factors (transaction convenience, user experience, user-friendly application design and layout, perceived risk, and perceived benefit) on the dependent variable (online shopping) were investigated using linear regressions.

Table 16

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750	.563	.553	.53778

Predictors: (Constant), Transaction Convenience, User Experience, User Friendly Application Design and Layout, Perceived Risk and Perceived Benefit.

The statistical measure of the data's proximity to the fitted regression line is called R-square. For multiple regressions, it is sometimes referred to as the coefficient of determination or the coefficient of multiple determinations.

R-squared is simply defined as the proportion of the response variable fluctuation that can be explained by a linear model. R-squared is consistently in the range between 0% and 100%. Generally speaking, the better the model matches the data, the greater the R-square. Table 4.20 shows that the independent factors of Transaction Convenience, User Experience, User Friendly Application Design and Layout, Perceived Risk, and Perceived Benefit account for 56.30% of the variance in the dependent variable of online buying.

The selection criteria for mobile banking and online shopping also have a high positive correlation, as shown by the R-value of 0.750. The standard error of the estimate shows that there is 0.53778 units of variability in the observed value of online shopping from the regression line.

Table 17

Model Summary

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	82.200	5	16.440	56.845	0.000
Residual	63.915	221	.289		
Total	146.116	226			

Predictors: (Constant), Transaction Convenience, User Experience, User Friendly Application Design and Layout, Perceived Risk and Perceived Benefit.

Dependent Variable: Online shopping

At the 1% level of significance, the model is significant since the p-value is smaller than alpha, or $0.000 < 0.01$. Therefore, because the multiple linear model is effective in elucidating the cause-and-effect connection, it may be utilized to evaluate data.

Table 18

Regression Coefficients Analysis

Model	Unstandardized		T	Sig.	Collinearity Statistics	
	Coefficients				Tolerance	VIF
	B	Std. Error				
(Constant)	.841	.192	4.372	.000		
Transaction convenience	.555	.073	7.630	.000	.353	2.835
User experience	-.025	.071	-.354	.724	.388	2.575
User friendly application design and layout	.077	.076	1.005	.316	.326	3.070
Perceived risk	.002	.066	-.003	.998	.421	2.374
Perceived benefit	.183	.066	2.758	.006	.433	2.307

Dependent Variable: Online shopping

The regression analysis table shows the effects of many independent factors on online buying behavior. The coefficients, t-values, and p-values are used to evaluate the statistical significance and influence of each variable. "Transaction Convenience" has a favorable correlation with online buying, as seen by its coefficient of 0.555. The p-value of 0.000 and the t-value of 7.630 indicate that this variable significantly influences customers' decisions to purchase online. This finding suggests that consumers are more inclined to purchase online when transaction procedures are seen as easy. The tolerance of 0.353 and the VIF (Variance Inflation Factor) value of 2.835, which is well below the threshold of 10, show that multicollinearity is not a problem, guaranteeing the dependability of the coefficient for transaction convenience.

Online buying behavior is not significantly impacted by the "User Experience" variable, even if its coefficient is positive at -0.025. The strong p-value of 0.724 and the t-value of -0.354 indicate that user experience, as this model defines it, has no discernible impact on consumers' decisions to purchase online. This finding would suggest that customer behavior is more influenced by variables other than user experience or how user experience is assessed. Additionally, the VIF of 2.575 and tolerance value of 0.388 confirm the lack of

multicollinearity, guaranteeing that inter-correlations with other variables won't skew the findings.

Despite having a positive coefficient of 0.077, the variable "User Friendly Application Design and Layout" is not statistically significant, as shown by its t-value of 1.005 and p-value of 0.316. This implies that consumers' perceptions of a mobile application's style and appearance have no impact on their propensity to purchase online. In the context of this research, these results may suggest that, while a user-friendly design is crucial, it may not be a deciding factor in customers' purchasing decisions. With a VIF of 3.070 and a tolerance of 0.326, the model likewise shows no multicollinearity problems.

With a coefficient of 0.002, a very low t-value of -0.003, and an exceptionally high p-value of 0.998, the "Perceived Risk" variable has no discernible influence on online buying behavior. In this instance, perceived risk seems to have little to no impact on people's choice to purchase online, despite being a prevalent consideration in consumer decision-making. This result can indicate that the study's sample of customers either views risk as insignificant or that other considerations outweigh it. Furthermore, the VIF of 2.374 and tolerance of 0.421 show that multicollinearity has no effect on this variable.

With a significant t-value of 2.758 and a p-value of 0.006, "Perceived Benefit" has a positive coefficient of 0.183 and falls below the significance level of 0.05. This implies that people are more inclined to purchase online when they believe that there are more advantages to doing so, such as convenience, cost savings, or a bigger selection of goods. This result highlights how crucial perceived value is when making decisions. Further confirming that multicollinearity is not an issue for this variable are the tolerance value of 0.433 and VIF of 2.307.

In conclusion, the regression analysis shows that perceived advantage and transaction ease significantly influence online shoppers' decisions. When consumers believe that transactions are more convenient and provide more advantages, they are more inclined to purchase online. However, in this specific model, it does not seem that perceived risk, user experience, or user-friendly application design have a substantial impact on online purchase choices. The validity of the regression findings is guaranteed by the lack of multicollinearity among the independent variables.

Table 19

Summary of Hypotheses Test

S.N	Alternative Hypothesis (Based on Correlation Analysis)	Remarks
H1	There is significant relationship between transaction convenience and online shopping.	Accepted
H2	There is significant relationship between user experience and online shopping.	Accepted
H3	There is significant relationship between user friendly application design and layout and online shopping.	Accepted
H4	There is significant relationship between perceived risk and online shopping	Accepted
H5	There is significant relationship between perceived benefit and online shopping	Accepted

4.5 Discussion

Before making a purchase, online shoppers carefully consider their options, paying particular attention to the accuracy and dependability of product information. One of the most important factors impacting online buying behavior is the ease of payment choices, especially mobile banking. Consumers may be hesitant, though, due to things like transaction delays, security issues, and the general dependability of the payment method. Customers find it challenging to completely embrace internet buying because of these issues. The purpose of this study is to determine the variables that affect Nepali consumers' decisions to utilize mobile banking for online purchases. In particular, the study investigates how online buying behavior is influenced by transaction ease, user experience, application design and layout, perceived risk, and perceived gain. A survey was carried out using Google Forms to distribute a questionnaire, and 227 valid replies were obtained. The goal of the study is to determine how these independent factors relate to the dependent variable, which is online purchasing.

Convenience of transactions has been a crucial factor in encouraging internet purchasing. The findings show that consumers are more willing to purchase online when they believe transactions to be simple, quick, and safe. This confirms the results of previous research that highlighted the crucial impact that transaction ease plays in encouraging online shoppers

(Leung et al., 2020; Sharma et al., 2020). Customers are more inclined to select platforms that streamline the purchase process in a fast-paced digital environment, which lowers entrance barriers and increases total shopping frequency.

Another important consideration was user experience. Customers are more likely to purchase online as mobile banking systems become more user-friendly and satisfying. Similar findings from other studies have indicated that user-friendly interfaces and increased customer involvement with online purchasing platforms are positively correlated (Bhatnagar et al., 2022; Zhang et al., 2021). User confidence is increased and the likelihood of regular online purchase behavior is increased when mobile banking applications are user-friendly and offer smooth experiences.

Consumer behavior is significantly influenced by the way mobile applications are designed. A well-designed, user-friendly mobile banking experience may dramatically affect purchase decisions. This result is in line with other research showing that mobile applications' visual attractiveness and simplicity of use are essential for increasing user happiness and promoting online transactions (Stern et al., 2021; Patel & Choudhary, 2022). Online shopping platforms may significantly differentiate themselves in competitive marketplaces by having an attractive application design.

The results of this study indicate that, despite the fact that perceived risk has historically been a disincentive to online purchasing, its effect lessens as customers feel more safe and confident about their transactions. This outcome is consistent with earlier studies that shown that customers' trust in the safety of online transactions might allay worries about the dangers of doing their shopping online (Yang & Kim, 2021; Chen et al., 2020). This implies that improving security measures on mobile banking systems may allay worries even more and boost online buying activity.

Online buying behavior was also found to be significantly influenced by perceived benefits, such as variety, convenience, or the availability of discounts. Previous research have found similar results, indicating that when customers see definite and observable benefits, they are more willing to purchase online. Online shopping platforms are becoming more and more popular because of the convenience, time savings, and increased product availability that consumers are frequently driven by (Liu et al., 2020; Zhang et al., 2022).

In conclusion, this study's results are consistent with the wider body of research, demonstrating that elements including transaction ease, user experience, application design, perceived risk, and perceived reward play crucial roles in determining online buying behaviors. These results imply that by improving these elements, mobile banking systems may further boost customer engagement, which will encourage more users to adopt mobile banking for online purchases. Businesses and developers looking to enhance mobile banking experiences and boost engagement in digital transactions might benefit from the research's useful implications.

CHAPTER V

SUMMARY AND CONCLUSION

In this chapter, the noteworthy findings of the research are described. Data analysis, hypothesis testing, and a summary of the descriptive and inferential analyses were completed in the preceding chapter in accordance with the study's goal. This chapter provides a concise synopsis of the study's results and conclusions. Additionally, it makes generalizations by drawing conclusions from the data.

5.1 Summary

Finding and investigating the fundamental factors that influence customers' online purchasing decisions has been the primary goal of the study. The study primarily focuses on what drives an online consumer to use mobile banking as a method of payment when they purchase online. Online shopping is preferred for a number of reasons, including time savings, ease, safe payment methods, etc. Online buying is essentially more convenient for people. When a consumer shops online, they use a web browser or a mobile application to buy a service or product. In other words, a customer may acquire goods and services from an online business whenever they want, from the comfort of their own home. Online purchases of groceries, consumables, movie tickets, airline tickets, ready-to-eat meals, utilities, and other items are examples of online shopping. Compared to in-person buying, online shopping offers the advantages of time and cost savings, delivery capabilities, comprehensive product and pricing information, and the ability to avoid needless crowds. These days, people purchase without physically visiting the market by using devices like computers, smartphones, tablets, etc. Daraz, Hamrobazar, Sastodeal, Muncha, Foodmandu, KhetiFood, Nepbay, Gazabko.com, and others are some of the online retailers in Nepal. The internet buying trend in Nepal has grown rapidly due to recent technological advancements. Additionally, the present global pandemic setting, mobile banking, and the increasing awareness of the internet Online purchasing has become more popular in Nepal as a result of COVID-19.

In essence, the study looks for the key elements that promote internet buying. Based on a survey of the literature and a variety of articles and journals, there were a number of criteria for choosing mobile banking when buying online. The highlighted dimensions of online shopping—transaction convenience, user experience, user-friendly application design and

layout, perceived risk, and perceived benefit—were taken into consideration while developing a conceptual framework and five hypotheses based on the literature study. Using a questionnaire, these characteristics were examined in the Nepalese context to determine their significance in choosing mobile banking as a payment method for online purchases.

A Google form was used to gather 227 replies. To arrive at the result, a variety of analyses were conducted on the acquired data. The answer demonstrated that every element has a favorable impact on internet buying. Additionally, the data revealed that employees and students are prime targets for internet purchasing. Therefore, these elements may be viewed as a chance for both new and established businesses to improve and update their website or application in order to draw in a sizable customer base. Two assumptions pertaining to internet purchasing were supported by the study's findings.

The study's hypotheses were tested using Pearson's correlation test. According to the 5% threshold of significance, transaction convenience and perceived advantage were significant. Each dimension of the independent and dependent variables had a P-value of correlation that was smaller than alpha, or $p < 0.05$. Thus, it can be said that online buying is significantly correlated with the independent variables of transaction ease and perceived advantage. However, at the 5% level of significance, the independent variables of perceived risk, user experience, and user-friendly application design and layout were not significant, meaning they had no meaningful connection to online buying.

The strength of the association between each independent variable and dependent variable is shown by the Pearson correlation coefficient value. All of the independent variable's characteristics show a moderate to strong positive link with online purchasing, according to the inferential analysis. Therefore, it can be said that when consumers purchase online, they place a higher value on transaction ease and the perceived advantages of mobile banking.

5.2 Conclusion

Online shopping is the process by which a consumer uses a web browser or a mobile application to buy a service or product via the internet. In other words, a customer may acquire goods and services from an online business whenever they want, from the comfort of their own home. Online shopping is quite popular these days, and having items delivered right to your home is the newest trend in business. Numerous websites and programs are

available specifically for online buying. Additionally, conventional stores have begun to advertise on Facebook, Instagram, and other social media platforms, posting images of new products and enabling their target audience to view them on computers and smartphones. This motivates the client to purchase more frequently in addition to reminding them of the store they frequent. However, internet shopping is still in its early stages of development because to inadequate payment and delivery systems. Online businesses have grown significantly in other nations as a result of people's increased living standards and lack of time for in-person shopping. This includes grocery buying, car reservations, electronic repair and maintenance, and many more services that can be accessed through mobile banking.

Basically, the following variables influence a person's decision to use mobile banking for online shopping: offers, numerous choice availability, and payment method. When someone chooses to purchase online using mobile banking, a lot of factors are at play at once. Online commerce in Nepal is expected to develop in the upcoming days due to changes in people's living and working patterns. When making purchases, the elder age prefers to visit stores in person rather than relying on internet purchasing. However, the younger generation—students, employees, etc.—is switching from conventional to online buying, which is made possible by mobile banking.

This study's primary goal is to identify the elements that impact consumers' decisions to use mobile banking for online purchases. To determine which component has the most influence on the choice to purchase online, five criteria were identified and evaluated. A person's decision to purchase online is influenced by a number of factors, including transaction ease, user experience, user-friendly application design and layout, perceived risk, and perceived reward. Through a questionnaire, 227 respondents were questioned about their online shopping experiences and the variables that influenced their decision to use mobile banking for their online purchases. Finding a correlation between online buying and factors influencing the choice of mobile banking payment method was the aim of the study. The ultimate goal of this study was to have a better knowledge of the selection criteria for mobile banking in Nepal when it comes to online buying. The study's findings and data analysis supported the existence of a strong positive correlation between mobile banking selection factors such as perceived advantage and transaction convenience. However, it was shown that other factors such as perceived risk, user experience, and user-friendly application design and layout were not relevant when it came to using mobile banking for online

purchasing in Nepal. All things considered, this study has offered more helpful assistance in identifying the selection criteria for mobile banking when purchasing online.

5.3 Implications

Practical Implications

This study makes a substantial contribution to our knowledge of the variables influencing the use of mobile banking for online purchasing, especially in Nepal. According to the findings, online buying behavior is significantly influenced by mobile banking selection factors, including transaction ease, user experience, user-friendly application design, perceived risk, and perceived advantages. Current and prospective online consumers may be encouraged to utilize mobile payment methods by the study's emphasis on the substantial convenience and user experience benefits of mobile banking.

This study emphasizes how crucial it is for the banking sector to improve mobile banking services in order to improve user experience and foster consumer trust. Banks and other financial institutions may encourage more consumers to utilize mobile banking for online shopping by solving issues with transaction ease, perceived risks, and user interface design. Furthermore, the results can help online merchants improve their payment processes to increase client accessibility and attractiveness. This study sheds light on the variables that affect online buyers' choices of mobile banking as a mode of payment. By being aware of these variables, customers may choose payment methods that balance the ease of mobile payments with potential security risks associated with online transactions.

Theoretical Implications

By identifying important characteristics that affect the adoption of mobile payments, the study adds to the expanding body of information about online purchasing behavior and mobile banking usage. The framework created for this study offers a theoretical foundation for comprehending how customer behavior in the context of online buying is influenced by the interaction of transaction convenience, user experience, application design, perceived risk, and perceived reward. This study adds to the body of research on the use of technology in online buying, especially with regard to mobile banking, which is still poorly understood in relation to Nepalese customers.

Future Scope

The report identifies a number of topics for more research. First, although 227 respondents is a suitable sample size for an academic study, it might not be enough to capture a more comprehensive view of Nepalese customers. For more broadly applicable findings, future research might expand the sample size to more accurately reflect Nepali offline and online shoppers. Second, only mobile banking users who had previously shopped online were included in the study. Future studies should examine how non-users of mobile banking behave in order to determine what elements would encourage people to utilize mobile banking for online transactions. This would assist determine ways to boost the use of mobile payments and offer insightful information about the obstacles impeding adoption.

Third, this study only used online tools (like Google Forms) to gather data. To further understand the variables driving the adoption of mobile banking for online shopping, future research should include a wider range of data gathering methods, such as focus groups or in-depth interviews. Finally, although five criteria were the focus of this study, they only accounted for 56.3% of the variation in online buying behavior. To provide a more complete model of mobile banking choices for online purchasing, future studies should include other factors including social impact, marketing tactics, and confidence in e-commerce platforms.

REFERENCES

- Aboelmaged, M. G., & Gebba, T. R. (2020). Mobile banking adoption: An examination of technology acceptance model and theory of planned behavior. *Journal of Internet Banking and Commerce*, 25(2), 1-19.
- Barnes, S. J., & Corbitt, B. (2018). Mobile banking: Concept and potential. *International Journal of Mobile Communications*, 1(1), 45-54.
- Benoit, A., Mauboussin, B., & Li, X. (2023). The role of perceived benefits in mobile banking adoption. *Journal of Business and Management*, 15(2), 53-68.
- Bland, E., Changchit, C., Changchit, C., & Pham, L. (2024). Investigating the components of perceived risk factors affecting mobile payment adoption. *Journal of Risk and Financial Management*, 17(6), 216. <https://doi.org/10.3390/jrfm17060216>
- Chitungo, S. K., & Munongo, S. (2018). Extending the Technology Acceptance Model to mobile banking adoption in rural Zimbabwe. *Journal of Business Administration and Education*, 9(1), 56-72.
- Dangol, S., & Kautish, S. (2019). IT security-related issues and challenges in electronic payment system in Nepal: A study from customer's perspective. *International Journal of Information and Education Technology*, 9(8), 642-648.
- Delone, W., & McLean, E. (2003). The DeLone and McLean model of information systems success: A ten-year update. *Journal of Management Information Systems*, 19(4), 9-30.
- Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention, and behavior: An introduction to theory and research*. Addison-Wesley.
- Forsythe, S. M., & Bo, S. (2020). Consumer patronage and risk perceptions in internet shopping. *Journal of Business Research*, 56(11), 956-963.
- Gautham, A. (2018, January 3). *Riding the e-commerce wave*. The Kathmandu Post. <https://kathmandupost.com/miscellaneous/2015/01/02/riding-the-e-commerce-wave>

- Jiangnan, L., & Jiangshixiong, L. (2018). Consumer perceptions of e-service convenience: An exploratory study. *Procedia Environmental Sciences*, 20, 342-348.
- Jusoh, Z. M., & Ling, G. H. (2019). Factors influencing consumers' attitude towards e-commerce. *Proceedings of the International Conference on Business and Social Sciences*, 205-214.
- Khatri, J. R., & Dhungel, K. U. (2019). Internet banking in Nepal: Use and challenges. *Kathmandu University Journal of Economics and Business*, 1(1), 1-16.
- Kim, G., Shin, B., & Lee, H. G. (2019). Understanding dynamics between initial trust and usage intentions of mobile banking. *Journal of Financial Services Marketing*, 24(2), 89-103.
- Kotler, P., Wong, V., Saunders, J., & Armstrong, G. (2005). *Principles of marketing* (5th ed.). Pearson Education.
- Koyuncu, C., & Bhattacharya, G. (2020). The impacts of quickness, price, payment risk, and delivery issues on online shopping. *Journal of Retailing and Consumer Services*, 55, 123-130.
- Malla, S. (2018). Online shopping behavior among young consumers in Kathmandu, Nepal. *Journal of Business and Social Sciences*, 5(2), 142-150.
- Mallat, N., Rossi, M., & Tuunainen, V. K. (2020). Mobile banking services: Adopting new and innovative mobile financial applications and service provisioning methods. *Journal of Financial Services Marketing*, 25(1), 10-25.
- Neupane, N. (2018, January 20). *Nepal added over 250 internet users per hour*. The Kathmandu Post. <https://kathmandupost.com/money/2018/01/20/nepal-added-over-250-internet-users-per-hour>
- Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). McGraw-Hill.
- Pasanen, M., & Laukkanen, T. (2018). Mobile banking innovators and early adopters: How they differ from other online users? *Journal of Financial Services Marketing*, 23(4), 312-328.

- Pokharel, S., Adhikari, D., & Mishra, P. (2024). Adoption of mobile banking among users in Kathmandu Valley: A study based on Technology Acceptance Model. *Journal of Business and Social Science Review*, 6(1), 45-58.
- Pokhrel, L., Adhikari, D., & Mishra, A. K. (2020). Adoption of mobile banking among users in Kathmandu Valley. *Nepalese Journal of Management and Information Systems*, 7(1), 45-56.
- Shankar, M., Rishi, S., & Roy, D. (2021). Convenience factors influencing mobile banking adoption in developing countries. *International Journal of Business Science and Applied Management*, 16(1), 32-47.
- Shrestha, S., Wenan, W., Rajkarnikar, P., & Jeong, M. (2023). Consumers' attitudes towards internet banking services in Pokhara, Nepal: An empirical study based on Technology Acceptance Model. *Journal of Financial Studies*, 12(3), 132-147.
- Sinthia, P. A., & Darma, A. G. (2019). Technology acceptance model and e-satisfaction in mobile banking. *International Journal of Computer Science and Information Technology*, 11(5), 65-71.
- Subba, P. (2024). The potential of mobile banking in Nepal: Current trends and future challenges. *Nepal Journal of Technology and Innovation*, 3(1), 25-36.
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, 2, 53-55.
- Timilsina, M. (2022). User perception on electronic payment services in Kathmandu Valley. *International Journal of Digital Banking*, 4(2), 82-94.
- Timilsina, S. (2020). User perception on electronic payment services in Kathmandu Valley. *International Journal of Business and Management*, 15(1), 23-30.

APPENDIX

SURVEY QUESTIONNAIRE

Dear Respondents,

I am an MBS student of Shankar Dev Campus, Tribhuvan University. I am conducting a survey entitled “**Factor Affecting Selection of Mobile Banking for Online Shopping Payment in Nepal**”, as part of a graduate research project for partial fulfillment of the course requirement. I request you to go through these questions and answer them. It will just take few minutes. I assure you that the data and information collected will be kept confidential and used exclusively for my academic purpose.

Thank you very much for your cooperation.

Sushil K.C.

MBS-Shankar Dev Campus

Section A: Demographics Variables

1. Gender: Male Female

2. Age: 15-25 26-35 36-45 46-55 Over55

3. Profession: Student Employee Self Employed (Business) Unemployed

4. Income Level of Family (Monthly Income in Rs.)

25,000 and below 26,000-50,000 51, 000-75,000

76,000-1,00,000 Above 1,00,000

5. How often you use mobile banking?
 - Always
 - Very Often

- Sometimes
- Rarely
- Never

6. Have you used mobile banking for online shopping? (If No, please do not proceed)

- Always
- Very Often
- Sometimes
- Rarely
- Never

7. For what purpose you use mobile banking? (Multiple choices)

For Online Statement Utilities Payment Account Transfer Online Purchase

Purchase Groceries Book Flight Tickets Book Movie Ticket Demat

Meroshare Pay Government Revenue Pay School Fees Pay EMI

Fast Foods

Others (Please specify if any recent activities are there).....

8. Which website/application have you used from the following? (Multiple choices) Daraz

Sastodeal Muncha Nepbay Shopmandu Bhatbhateni Online Urbangirl

Gogazzab Hamrobazar Kheti Others

Section B: Liker Scale Questionnaire

Key: 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree

Section	Statement	1	2	3	4	5
Online Shopping	I generally tend to purchase online which offers wide variety of products and services.					
	I generally prefer the online shopping which saves my time and effort.					
	I like to buy online with convenient transaction process.					
	I prefer the website and applications with higher customer ratings.					
Transaction Convenience	Due to the prompt payment procedure, my intention for mobile banking selection gets highly influenced.					
	It is easy to use mobile banking for online shopping.					
	The payment transaction process of mobile banking for online shopping is quick.					
	It is easy to monitor transaction history of online shopping in mobile applications.					
	It is easy to access the mobile banking payment option in online shopping sites.					
User Experience	It takes less effort to perform payment transaction using mobile banking applications for online shopping.					
	The mobile banking application I use is interactive with high engagement rate.					
	I feel the mobile banking application provides effective grievances and feedback processing for issues related to online shopping.					
	Transaction using mobile banking application gives information on merchants and product/service price.					
User Friendly Application Design and Layout	The information and advertisement in mobile banking sites are adequate to facilitate online shopping.					
	The mobile banking application is attractive and looks appealing.					
	The language used in the mobile banking applications is simple.					
	The application is easy to learn for using.					
	The mobile application is multifunctional.					
Perceived Risk	I can rely on using mobile banking for payment option for online shopping.					
	I feel it is secured to use mobile banking for online shopping.					

	I trust mobile banking as payment option for online shopping.					
	Privacy is maintained for all of my online purchase transactions.					
	I feel there is no financial transaction risk present while using mobile banking for online shopping.					
Perceived Benefit	Online shopping is cost effective while using mobile banking.					
	Online shopping using mobile banking provides various offers.					
	I can shop anytime anywhere at my own convenience.					

Thank You for Your Response !!

FACTOR AFFECTING SELECTION OF MOBILE BANKING FO...

By: Sushil K.C.

As of: Dec 3, 2024 12:28:46 PM
18,791 words - 3 matches - 1 source

Similarity Index

1%

Mode:

sources:

160 words / 1% - Internet from 13-Oct-2022 12:00AM

www.nrb.org.np

paper text:

ABSTRACT This study explores the factors influencing mobile banking selection criteria for online shopping in Nepal, focusing on how transaction convenience, user experience, application design, perceived risk, and perceived benefit impact consumer behavior. The research is grounded in well-established models such as the Technology Acceptance Model (TAM) and the Theory of Planned Behavior (TPB), with the aim of providing insights into online shopping behaviors, specifically within the context of mobile banking. Through a structured questionnaire, data were collected from 227 respondents who are mobile banking users involved in online shopping. The results show that transaction convenience, user-friendly design, and perceived benefits significantly influence users' decisions to adopt mobile banking as a payment method. However, perceived risk did not emerge as a strong determinant. The study also highlights the potential of mobile banking to drive e-commerce growth, especially in developing regions like Nepal, where online shopping is still emerging. Based on these findings, the study offers practical implications for banks and online retailers aiming to enhance customer satisfaction by improving mobile banking features and addressing potential user concerns. Moreover, it provides directions for future research, including exploring factors affecting non-users of mobile banking and the expansion of the study to include offline behaviors. The research contributes to the understanding of mobile banking adoption and offers recommendations for enhancing user experience and trust in mobile payment systems. Keywords: mobile banking, online shopping, transaction convenience, perceived risk, Technology Acceptance Model

CHAPTER I INTRODUCTION 1.1 Background of the Study Shopping is the act of a consumer buying a desired item or service from the market. The customer chooses the best product or service from the market after looking through the others. During the purchasing process, consumers prioritize their essentials or, if something strikes their attention, buy it with the intention of utilizing it soon. Additionally, individuals buy to take advantage of steep discounts, to elevate and preserve their status, to feel good, and to relieve stress. Online shopping is the process by which a consumer uses a web browser or a mobile application to buy a service or product via the internet. In other words, a customer may acquire goods and services from an online business whenever they want, from the comfort of their own home. Online purchases of groceries, consumables, movie tickets, airline tickets, ready-to-eat meals, utilities, and other items are examples of online shopping (Jusoh & Ling, 2019). Online shopping is one result of the significant paradigm change in business practices brought about by the internet. Online shopping was not as common a few years ago as it is now, mostly due to the difficulty in obtaining internet service and online payment gateways. Business-to-business (B2B) online purchasing is the process of setting up an online store that allows companies to purchase from other companies. Similar to this, business-to-