

# Factors Influencing Purchasing Behavior in Shopping Malls in Kathmandu Valley

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**Abstract:** *The shopping mall concept has been a great success in delivering various products available under one roof. The present shopping trend has gradually shifted from grocery stores to shopping malls. The objective of the study was to measure the association and effect of advertising and the purpose of visits on purchasing behavior in the shopping malls among Nepalese consumers. The current research is descriptive and analytical. The participants in the study were from Kathmandu valley residents who frequently visited shopping malls. The sample size was 384. The convenience sampling technique was adopted to choose respondents. The survey questionnaire was used to collect primary data on a six-point Likert scale. The data were analyzed using mean, standard deviation, independent sample, t-test, correlation, and regression analysis. The study discovered that advertising has an association but does not significantly influence purchasing behavior in shopping malls. The study also found that the purpose of visits has an association with and influences purchasing behavior in the shopping mall. In addition, gender effect only on purpose to visit but not advertising and purchasing behaviour at the shopping mall. Future researchers can investigate other factors that influence purchasing decisions in the shopping mall.*

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**Keywords:** Shopping mall, grocery stores, purchasing behaviour, advertising, purpose to visit.

## I. INTRODUCTION

The shopping mall concept has been an enormous success, with the hidden motivation of delivering a wide range of products under one roof. Sharma (2012) stated

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that the current shopping trend had shifted from grocery stores shopping malls. The transition from kirana shops to shopping malls appears to be accompanied by a change in the personality, buying reasons, interests, attitudes, beliefs, and values of the typical Indian consumer (Shekar et al, 2016). There is a growing trend in the design of shopping malls to incorporate community centers with the goal of elevating cultural and spiritual values (Nielsen Report, 2014). As its original designers envisioned it, the mall would be a place where people from all across the neighborhood could congregate to do things like shop, attend events, and hang out with one another (Gruen & Smith, 1960). Therefore, the mall has become the epicenter of modern consumer society (Feinberg & Meoli, 1991). In an effort to better integrate culture and consciousness into the social fabric of their respective communities, shopping malls are being constructed (Nielsen Report, 2014). This highlights the importance of studying mall shopping patterns among Nepalese customers. Rajagopal (2010) discussed how consumers' purchasing habits shifted toward malls and street markets in Mexico City. Sharma (2012) surveyed customers' attitudes regarding shopping malls and examined their responses to questions about the malls' convenience, cleanliness, and the availability and quality of products and services. Although shopping malls are becoming more popular and mall purchases are gradually increasing, consumer purchasing behavior is changing due to various dimensions such as advertising, the purpose of visits, and so on. As Rousseau and Venter (2014) point out, many businesses mistakenly feel that older customers can't afford to buy anything new, so they ignore them. There have been changes in the way of shopping for Nepalese customers. Customers feel it is easier to purchase from a shopping mall than to go to different small shops for other items. As people became busier in this fast-changing world, the desire to save time drove many people to shop in Kathmandu's various centers. There is also the fact that shopping centers have drawn a large number of customers because they offer various products under one roof.

Shekar et al. (2016) investigated overall customer satisfaction, customer responses to the available products and quality offered at shopping malls, and respondents' comfort level when shopping in shopping malls. Madhavi and Leelavati (2013) analyzed the effect of visual merchandising on purchases, focusing on clothing for women. Kanoga et al. (2015) looked into how the place mix dimension affected the success of shopping centers in Kenya. Sohail (2015) showed that men and women were different in mall shopping in his empirical research study. The research found that with proper merchandising, smart store design and layout, and other visual aids, shops may aid customers in finding what they need and increase the products' appeal. Sharma (2012) found that shopping malls have gradually replaced 'Kirana stores in major Indian cities in recent times of consumerism. There is a scarcity of research in the shopping mall purchasing behavior field in Nepal. Sharma (2012) concluded that most customers purchase goods from local grocery stores. However, in the present scenario of Nepal, retail is slowly changing, with many shopping malls being constructed. Significant cities in Nepal have operated shopping malls increasingly. Findings from Saudi consumers suggest that gender differences in value views, lifestyles, and shopping inclinations have a major effect on mall attendance

(Sohail, 2015). The consumer's lifestyle permeates various aspects and varies with the sociologically relevant variables. The economic upliftment of people brings a change in the case of purchasing goods from shopping malls. Individual and family incomes are rapidly increasing, resulting in consumer spending. Sharma (2012) showed that consumer lifestyles are the primary aspect of society, manufacturing, advertisers, super mall owners, economists, researchers, and so on.

The study's fundamental issue is framed in terms of general preferences held by the general populace, which includes people of all ages and genders. People's demands have led to an increase in the availability of retail establishments. Increasing foot traffic and purchases is crucial for the success of any store, no matter how well-run it is. As the landscape of retail and e-commerce continues to shift, however, businesses are finding themselves increasingly cornered, particularly big-box stores in shopping malls. Today's buyer is savvier, more demanding, and more prepared than ever before to do their due diligence before making a purchase. As a result, many studies are conducted around the world to learn things like how consumers buy, what reasons motivate people to frequent shopping malls, the rationale behind their purchasing habits, the decision-making process, the major role players, and so on. The study's objective was to measure the effect of the purpose of visits and advertising on purchasing behavior in a shopping mall.

- To explore the association between advertising, purpose to visit, and purchasing behavior at a shopping mall.
- To examine the effect of advertising and purpose to visit on purchasing behavior at a shopping mall.
- To assess the effect of gender on advertising, purpose to visit, and purchasing behavior at a shopping mall.

## **II. LITERATURE REVIEW**

Previous studies on advertising and purchasing behavior showed a positive relationship. (Yang et al., 2000; Ramaprasad & Thurwanger, 1998; Pollay & Mittal, 1993; Bauer & Greyser, 1968) showed that advertisements influence consumer attitudes. According to Peter and Olson, millions of dollars are spent each year to research consumers' attitudes toward goods, services, and brands. Peter and Olson (2005) showed that a significant amount of money is invested in advertising, sales promotion, and other types of persuasion to influence or change consumer attitudes through advertisements, sales promotions, and various types of persuasion.

The purpose of a shopping mall visit may have different notions and practices. Hini, Gendall, and Kearns (1995) investigated a significant link between attitudes and purchasing behavior, though the relationship was fragile. Another variable in the current study to explain shopping mall purchasing behavior is the "purpose to visit." Bhardwaj et al. (2011) concluded that most customers purchased in shopping malls. According to his findings, 38% of respondents say they visit for fun. Leo and Phillipe (2002) showed

that the primary reasons for going to shopping malls are for entertainment, leisure time, meeting friends, and refreshments). The study revealed an intriguing finding: customers who have a specific reason for visiting shopping malls have less influence on shopping mall purchases.

Sohail (2015) showed that men and women were different in mall shopping in his empirical research study.

### *Conceptual Framework*

Based on previous studies, the researcher identified various variables such as advertising, the purpose of the visit, age, and gender. However, in this study, purchasing behavior at a shopping mall is the dependent variable, while advertising and visit purpose are independent variables.

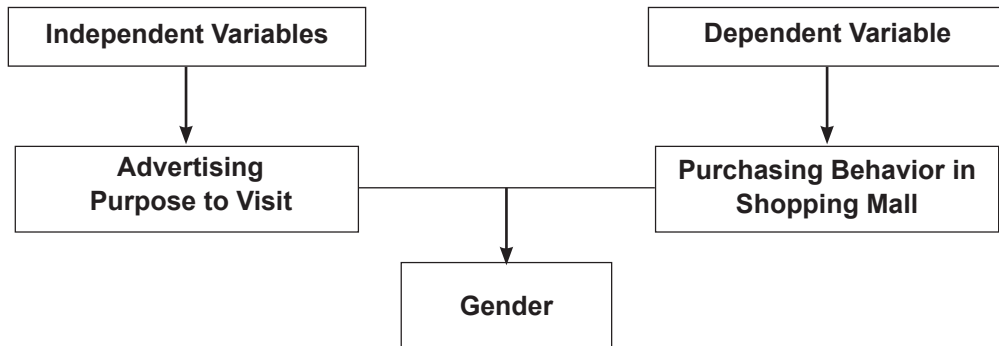


Figure 1. Conceptual framework

### *Research Hypotheses*

The study adopted two alternative hypotheses:

- H1: There is an association between advertising and purchasing behavior in a shopping mall.
- H2: There is an association between the purpose of visits and purchasing behavior in a shopping mall.
- H3: There is an effect of advertising on purchasing behavior in a shopping mall.
- H4: There is an effect of the purpose of visiting on purchasing behavior in a shopping mall.
- H5: There is an effect of gender on advertising, the purpose of visiting, and purchasing behavior in a shopping mall.

## **III. METHODOLOGY**

The research methodology comprises research design, population and sample data, data collection procedures, and information analysis tools.

The study has employed descriptive and analytical methods. This survey focused on people with a minimum knowledge of shopping malls. 450 questionnaires were distributed

to the target samples of various individuals, including business people, service holders, and students. A convenience sampling technique was adopted in the study. Primary information is the main source of data. The survey questionnaire was adopted to get pertinent information from respondents. The questionnaire was developed on a six-point Likert scale. A pilot study was conducted with fifty respondents from different areas of Kathmandu valley.

### *Reliability Analysis*

Most researchers use Cronbach's Alpha to analyze dependability and validity, ranging from zero to one; if the dimensions are well related, Cronbach's Alpha is high. The reliability and validity of each question in the data set were initially evaluated using Cronbach's Alpha analysis (Gliem & Gliem, 2003).

The construct had variables like advertising, purpose-to-visit, and purchasing behavior at shopping malls tested to create bound all designed question squares to measure reliability. Table 1 shows the dependability of the things indicating that the dimensions have smart dependability.

Table 1  
Reliability results of study variables

| S.N. | Variables                            | Cronbach's Alpha Coefficient |
|------|--------------------------------------|------------------------------|
| 1    | Advertising                          | 0.715                        |
| 2    | Purpose to Visit                     | 0.725                        |
| 3    | Purchasing behavior in Shopping Mall | 0.680                        |

Table 1 shows that Cronbach's Alpha of advertising is zero, the purpose of visiting is 0.725, and purchasing behavior in a shopping mall is 0.680. The primary information is analyzed by calculative mean, variance, error, graphs, etc.

Correlation analysis was applied to test mutual associations between variables. The regression analysis has been applied to assess the impacts of advertising and the purpose of visits on purchasing behavior in shopping malls.

## **VI. RESULT AND DISCUSSION**

### *Demographic status*

Table 2  
Profile of respondents by gender

| Gender | Frequency | Percent |
|--------|-----------|---------|
| Male   | 185       | 48.2    |
| Female | 199       | 51.8    |
| Total  | 384       | 100     |

Table 2 states that 48.2% of respondents are male, while 51.8% are female. There is a majority of female respondents compared to male respondents.

Table 3  
Profile of respondents by age

| Age            | Frequency | Percent |
|----------------|-----------|---------|
| 16-21 Years    | 130       | 33.9    |
| 22-25 Years    | 147       | 38.3    |
| 26-35 Years    | 71        | 18.5    |
| Above 35 Years | 36        | 9.4     |
| Total          | 384       | 100.0   |

Table 3 showed that the majority of respondents are between the ages of 22 and 25, accounting for 38.3 percent, followed by the 16–21 age group (33.9 percent), the 26–35 age group (18.5 percent), and others (9.4 percent).

#### Descriptive Statistics Analysis

In this study, mean and standard deviation analyses were used. When there is a higher mean value, it shows that more respondents agree with the association or impact on shopping mall purchases.

#### *Mean and Descriptive Statistics Analysis*

Table 4  
Overall Mean and Standard Deviation of Variables

| Description                                 | Mean | Standard Deviation |
|---|------|--------------------|
| Advertising (Adv)                           | 4.28 | 1.035              |
| Purpose to Visit (PTV)                      | 3.87 | 1.024              |
| Purchasing behavior in Shopping Mall (PBSM) | 3.90 | 1.078              |

Table 4 displays the mean and standard deviation of all variables under consideration. It consists of three variables, each containing 25 questions to which respondents are asked to respond. The mean is more significant than 3.5, indicating that most respondents agree with the statements.

#### *Independent sample t- test*

Table 5  
Independent sample t-test

The findings of gender effect which is used to examine on the dependent and independent variables, are shown in this table.

| Variable             | Gender | Number | Mean | Std deviation | P-Value |
|----------------------|--------|--------|------|---------------|---------|
| Adverting            | Male   | 185    | 3.25 | 0.596         | 0.103   |
|                      | Female | 199    | 3.31 | 0.523         |         |
| Purpose- to –visit   | Male   | 185    | 3.36 | 0.667         | 0.032   |
|                      | Female | 199    | 3.84 | 0.678         |         |
| Purchasing behaviour | Male   | 185    | 3.43 | 0.613         | 0.016   |
|                      | Female | 199    | 3.36 | 0.652         |         |

Table 5 shows that there is no gender difference in advertising because the p-value is 0.103, which is more than 0.05. Also, the p-value is 0.032 lower than 0.05, indicating that there is a difference in purpose visits between men and women. The p-value of 0.016 is greater than 0.05, suggesting that there is no difference between men and women in consumer behavior.

### *Correlation Analysis*

Karl Pearson's formula was used to calculate the correlation coefficient. As the correlation is run, the following table displays the relationship of all variables:

Table 6  
Correlation Analysis

|                                      | Advertising | Purpose to Visit | Shopping Mall Purchase Behavior |
|--------------------------------------|-------------|------------------|---------------------------------|
| Advertising                          | 1           |                  |                                 |
| Purpose to Visit                     | 0.299**     | 1                |                                 |
| Purchasing Behavior in Shopping Mall | 0.309**     | 0.344**          | 1                               |

The correlation between purchasing behavior in shopping malls and advertising is 0.309, and the correlation between purchasing behavior in shopping malls and purpose-to-visit is 0.344. The correlation between advertising and purpose-to-visit is also 0.299. As a result, the highest correlation value between purchasing behavior in shopping malls and purpose-of-visit indicates that they are strongly correlated. At a 99 percent confidence level, the correlation between shopping mall purchase behavior, purpose-to-visit, and advertising is significant.

### *Test of Multicollinearity*

Multicollinearity might make it difficult to comprehend the regression variable, as stated by Hair et al. (1998). The results may be greatly skewed by very collinear variables, rendering them nongeneralizable.

There is no variable in Table 7 with a tolerance value below 0.10. The VIF for the independent variables is also under 10.

Table 7  
Multicollinearity Statistics

| S. No. | Independent Variables | Tolerance | VIF   |
|--------|-----------------------|-----------|-------|
| 1      | Advertising           | 0.794     | 1.260 |
| 2      | Purpose to Visit      | 0.599     | 1.670 |

### Regression Analysis

One of the most popular ways to analyze data is through regression analysis (Bryan & Cramer, 2001). In the regression model, the dependent variable is purchasing behavior in the shopping mall and the independent variables are advertising and purpose-to-visit.

Table 8  
Regression Analysis

| B                | Unstandardized Coefficients |            | t     | Sig. |
|------------------|-----------------------------|------------|-------|------|
|                  |                             | Std. Error |       |      |
| (Constant)       | .976                        | .231       | 4.228 | .000 |
| Advertising      | .094                        | .046       | 2.029 | .053 |
| Purpose to visit | .116                        | .043       | 2.708 | .007 |
| R2               | 0.336                       |            |       |      |
| F                | 64.112                      |            |       |      |
| P                | 0.000                       |            |       |      |

$$Y=0.976+0.094X_1+0.116X_2+..+er$$

Where Y= Purchasing behavior in shopping malls (PBSM), X1 =Advertising (ADV), X2 =Purpose to Visit (PTV), er = error terms.

Table 7 shows that both the F-value (64.11) and the p-value (0.00) of the Model are statistically significant at the 5% level. Because of this, a linear fit is used to establish the model's parameters. The results show that whereas advertising has a p-value and t-value of 0.053 and 2.029, respectively, the purpose-to-visit metric has a p-value and t-value of 0.007 and 2.208. There is no impact of advertising on purchasing behavior in shopping mall whereas, significant impact of purpose-to-visit.

Table 9  
Hypothesis Testing

| Hypothesis | Relationship/ Impact      | Result                         |
|------------|---------------------------|--------------------------------|
| H1         | ADV-----PBSM              | Supported/ Accepted            |
| H2         | PTV-----PBSM              | Supported/ Accepted            |
| H3         | ADV -----PBSM             | Not supported Rejected         |
| H4         | PTV -----PBSM             | Supported/ Accepted            |
| H5         | PTV -----ADV,PTV and PBSM | Not accepted acceptance of PTV |



### *Test of Hypothesis*

The study's four hypotheses are examined statistically, and the results are tabulated in Table 9.

### *Findings and Discussions*

The purpose-to-visit has a significant association and impact on purchasing behavior in shopping malls. In contrast, advertising has an association but no significant impact on purchasing behavior in shopping malls. Most Kathmandu valley shoppers prefer City Center to other shopping malls.

According to this study, advertisements have no significant impact on purchasing behavior at a shopping mall. Yang, 2000 contradicts the results of Ramaprasad & Thurwanger, 1998; and Pollay & Mittal, 1993, which concluded a positive relationship between advertising and purchasing behavior.

The study also found that shoppers' decisions are affected by their "purpose-to-visit." This result is in agreement with that of Bhardwaj et al. (2011).

The study also found that gender has only an effect on the purpose to visit. The result is similar to Sohail (2015) showed that men and women were different in mall shopping in his empirical research study.

## **V. CONCLUSION AND IMPLICATIONS**

According to the findings of the initial analysis, consumers prefer to visit shopping malls for specific reasons. Advertising does not influence shopping mall purchasing behavior. The most famous shopping mall in the Kathmandu valley is City Center. The purpose of the visit must be identified and improved before the strategy is developed and implemented. Malls should cut advertising costs while focusing on publicity, public relations, and sales promotion. Shopping malls need to consider the purpose to visit shopping malls at planning policy-making and strategy formulation stages to achieve their desired goals.

Shopping malls are in a growth phase, and customers are becoming familiar with the needs of shopping malls to extend their shopping patterns. Purpose-to-visit has a more significant influence on purchasing behavior in a shopping mall than advertisements, and it can be generalized that consumers typically, do not seek information about the shopping mall. Therefore, shopping malls should cut advertising costs and focus on publicity, public relations, and sales promotion. In the case of Nepali shopping malls, purpose-to-visit leads to increased mall purchase behavior, so shopping malls need to know the purpose of visiting shopping malls to prepare appropriate plans, strategy formulation, and policymaking to achieve their goals.

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