Research Article

FACTORS THAT INFLUENCE ONLINE BUSINESS IN NEPAL

* Dr. Thakur Pudasaini

School of Business, Northcentral University, now National University, San Diago, California, USA.

ABSTRACT

The purpose of this study was to explore the issues that influence the emergence and growth of online businesses in Kathmandu, Nepal, utilizing a qualitative case study design. The problem was a lack of scholarly knowledge and a paucity of literature concerning the nature of online businesses in developing countries, including Nepal. Nonetheless, the findings produced by this study supported the extant literature; it is essential to understand how online businesses might help people in the underdeveloped world. A total of 15 participants, all Kathmandu-based online business owners and managers involved with online start-ups were selected through a non-random purposive sampling method. The data were collected via in-person interviews, and fifteen interview questions were addressed. As a result, nine data-based themes emerged. The resultant transcripts were analyzed using Dedoose software. The study, which advanced knowledge of emerging online businesses in Nepal and similar developing countries, might help future entrepreneurs in Nepal to understand the possible constraints, consequences, and future of creating online business operations there. The primary conclusion was that electronic online services were found present and only constituted a partial component of the online business in Nepal. The prime implications were that online business in Nepal was still not fully born. An online business was found successful with urban, young 18-30-year-old consumers, and Nepal's gigantic mountains hindered online business development. Business leaders and consumers lack sufficient technical knowledge. The government has neither worked proactively with the private sector to advance online businesses nor universities and other educational institutions. Most Nepalis are not computer-literate, there is difficulty in delivering products swiftly, and Nepalese do business with leaders they trust. Still, most of the consumers were found to choose to patronize brick-and-mortar stores operating traditionally.

Index Terms: Customer needs, Online business, Online shopping, Technology.

INTRODUCTION

This study explored numerous issues that influence online business in Kathmandu, Nepal. Since research on Nepal's online business is inadequate or nonexistent, this study would advance scholarly knowledge and support future Nepali entrepreneurs. There exists a lack of technological expertise in Nepal, and further research is necessary to provide a basis for understanding the failure of online business to emerge in Nepal and to compete with other forms of business (Gaihre *et al.,* 2019). Only a few organizations are operating an online business in Kathmandu, Nepal. Therefore, it is essential to analyze and explore the issues that hinder an online business's development, particularly in developing countries like Nepal. Overall, the fact is that few appear to have studied online business in Nepal (Roshan, 2016).

STATEMENT OF THE PROBLEM

The problem to be addressed by this study was the lack of scholarly knowledge concerning online businesses in developing countries like Nepal (Al-Sayed *et al.,* 2020). Authors Al-Sayed *et al.,* (2020) found that the people who run online businesses will suffer from insufficient knowledge of technology. These authors also stated that consumers who often choose to conduct their purchasing online might also suffer from an insufficient presence of this emerging, technologically based form of business in developing countries like Nepal. Scholarly research about online retail business in developing countries, for instance, is either minimal or non-existent at present (Dunne *et al.,* 2016).

*Corresponding Author: Dr. Thakur Pudasaini,
School of Business, North central University, Virginia, USA.

PURPOSE OF THE STUDY

The purpose of this qualitative case study was to explore the numerous factors that affect online business in developing countries like Nepal. Issues to be studied include online business operation, consumer needs and behavior, availability of technology, and online business design during the current pandemic, all within Nepal's social, political, and economic environment.

CONCLUSIONS

This was a qualitative case study design based in Kathmandu, Nepal. The significant study factors were online business operation, consumer needs, behavior, easy access to technology, and exchange patterns typically based on the Nepali context and traditional culture.

The findings of previous academic studies were found to correlate with the responses collected from this series of in-person interviews. The study findings aligned with the existing literature and highlighted the breadth of new issues related to conducting online business in developing countries such as Nepal. It was also found that awareness of modern computer-based technology is the key to running an online business in developing countries like Nepal. The study found that online businesses in Nepal repose today at a primitive stage.

The study presented substantial findings, and the knowledge gained through this study into Nepali online business activities would facilitate decision-makers' ability to use the available resources effectively and efficiently (Eyre *et al.,* 2020). The study advanced our knowledge of emerging online businesses in Nepal and similar poor and developing countries. This research would have many future practical implications for those who desire to be online entrepreneurs in Nepal and those who want to analyze it (Marc Lim, 2014).

This research also highlighted difficulties that impede the opportunities for online business progress in Nepal (Roshan, 2016). This research on online shopping has increased new knowledge beyond similar studies done in other countries (Lazaroiu *et al.,* 2020). Also, this study on online business in developing countries has helped fill the lack of reported issues that affect online business, specially focusing on developing countries like Nepal (Garner, 2018).

This research found practical knowledge of importance, especially useful in understanding the economy and prospects for growth in developing countries like Nepal. The study offered a guiding framework for online entrepreneurs' possible future by expanding the business literature in this innovative field of business administration. Further, this research has facilitated an understanding of Nepal's emerging online business environment and its possibilities while, by extension, advancing knowledge of online business around the globe, particularly in the developing world. The study was substantial, and the knowledge gained through research into Nepali online business activities would clearly facilitate the decision maker's ability to use the available resources effectively and efficiently (Eyre *et al.,* 2020).

The study found that consumer shopping behavior is changing rapidly, and the trend is toward everything online. The study also found that there should be more money, more investment to run online business in Nepal which is lacking. So, the operational challenges were Nepal's lack of funds, technology, and resources. The study also revealed that the growth of technology is beneficial for the people and the coming age which generates opportunity for all people if they have knowledge of technology. However, Nepal is far behind in the development of technology. There also is a need to prioritize growing and innovating online business in Nepal and the need rests on the dissemination of information about technology. However, lamentably, it is yet in its primitive stage.

The study found that retailers generally are not ready to explore- nor do they have such technical readiness. Online business also is carried on strangely, since there are lots of things still being done manually. Online business owners have operational challenges, like dealing with software issues. Some of the customers have no idea about online modalities. Almost all consumers in Nepal lack technical knowledge about the market's mobile application and service details. Due to the low literacy rate, all people do not know how to operate a smartphone. The study also revealed that a broad area of the mountainous country is not covered, so online business owners face geographical issues, and business opportunities are missing. It needs to prioritize technology, followed by the development of leadership skills, resources, capital, and market awareness. The study also revealed that online business in the context of the Nepalese culture, it is growing up slowly. The current trend is that we have a massive number of customers between the ages of 20 to 30, which is the age always for online purchases. The study also revealed that the new generation of people increasingly and frequently uses online services like shopping, payment of food, and everything. Senior people still do not use online platforms because they face many technological difficulties. So, demographic factors affect a lot in terms of technology. Overall, the issues affecting online business in developing countries in Nepal were geographical, economic, and based on factors such as age, demand, and supply.

The study further revealed that there should be lighter government regulation. Proper rules and regulations for online business development were still null and essentially non-existent. Current legal matters do not allow entrepreneurs to borrow enough cash from outside the country. Hence, the most significant factors affecting online business in Nepal were the internet, online infrastructure, government policy, and supply. Further, most of the population was still unaware of the recent technological advancement. The typical Nepali customer still does not fully trust the ability to order online.

The study found that entrepreneurship is present in Nepal, and a leader's character positively relates to business achievement in Nepal. Entrepreneurship and leadership are quietly correlated. However, the study also revealed that online business is being affected because it is not yet designed well. The study further revealed that Nepal has not yet developed the culture of working online from home, for the most part. Nepal's online business was found in a primitive mode due to the lack of technological education. Mass awareness of the parameters of online business education was found lacking. The study also found that e-commerce is a very early phase in Nepal. It is only limited to Kathmandu. People living in rural areas use less technology than those living in urban areas. There exist network problems. Nepal has many remote regions, and many consumers were affected by network problems.

The study offered a guiding framework for online entrepreneurs' possible future by expanding the business literature on this innovative field of business administration (Eyre *et al.,* 2020). Further, this research facilitated an understanding of Nepal's online business environment and its possibilities while, by extension, advancing knowledge of online business around the globe, particularly in the developing world. This researcher is confident that the study might advance scholarly knowledge of business administration in a challenging environment and support future Nepali entrepreneurs who select to operate an online business. Nepal is landlocked and developing, away from most developed countries, and it has not yet developed technological infrastructures. Therefore, Nepal's online business was found still in its initial stages. Most of the research studies presented here have concluded that technology is the key to running an online business for the organization and the customers. It was also found that most Nepali consumers still lack technical knowledge, showing that they are generally unaware of the digital payment process.

The primary conclusion in this regard found by this study was that electronic online services were present but only constitute a partial component of the online business. It was also found that there seems to be no proper and adequate support from the government for the development of this burgeoning online business. There was no good policy for developing online businesses in Nepal yet. The prime implication anyone can pinpoint is that online business in Nepal was found still at a low level. The study also revealed that the technical knowledge of people living in rural areas remains extremely low compared to those living in urban areas. This study also found that most Nepal customers are still not very aware of how to use and handle modern technological devices. On the other hand, the study also found that technological development is becoming a necessary critical infrastructure for livelihood and online businesses in metropolitan portions of Nepal. It was also found that the uses of mobile phones and smartphones are very high, especially in urban areas. This is the case far more commonly than in the remote and rural areas of the mountain republic of Nepal.

Again, the study found an inadequate supply of electric power in Nepal, which suffers repeated and sporadic outages. Geographical, technical, economic, socio-economic, and cultural factors and people's trust have affected Nepal's online business. Thus, the study found that even online customers in Nepal do not yet trust ordering online, a significant implication found by this study. Factors affecting online business in Nepal are the lack of widespread knowledge of technology, lack of support from national or municipal governments, and the lack of framing public policy regarding online business development. Other significant factors include the lack of accessible

and consistent availability of the internet and the lack of awareness of the existence of an online business.

The study also found that knowledge of technology is neither widespread nor uniform among the public. The presence of advanced technology worldwide will have meaning for business worldwide, but it is not yet exemplary in Nepal. The absence of development in the technology field hindered Nepal's online business. Mass awareness of the parameters of online business education was found lacking. The study's primary additional conclusion was that electronic online services are present. Still, as of now, it only constitutes a partial payment system component. Online transactions occur, but not entirely as in other parts of the world. This study added to the literature on online business with a particular reference to a developing country like Nepal. Technology and computer knowledge were prominent factors for the smooth operation of online business in the 21st century. Developing countries like Nepal needed to redesign online business operations to meet the people's potential demands (Pudasaini, 2020, August; Rylands *et al.,* 2016).

This study found a lack of technological expertise in Nepal and reported that further research is necessary to provide a basis for understanding the failure of online businesses (Gaihre *et al.,* 2019). This study also addressed a significant literature gap and added knowledge to the literature. This study demonstrates how online business operation, consumer needs and behavior, the availability of technology, and the presence of an online business, influence business success.

Nepal is a "least developed" and landlocked country where most people live in rural areas and abject poverty. In this context, factors that would be explored in future studies would benefit people not only in Nepal but across the entire developed and underdeveloped countries of the globe. This study found that Nepal's online business is still in the initial stage of growth and development. This newness, its novelty, has led online business owners to manage business operations via mechanisms that have long existed in the country. Although this study focused on online businesses created and operated by online business entrepreneurs in Kathmandu, Nepal. Its findings supported that future online entrepreneur would likely thrive as they consider starting an online business in Nepal. This study was significant because it offered online entrepreneurs' greater insight into online business ideas, knowledge, and information. Through this study, any person wishing to operate an online business might gain insight into an online business and associated problems, their significance, and the range of operational modalities involved in this emerging field of business.

Finally, this study offered a rich data set from which future entrepreneurs might draw guidance before launching an online business venture. Although technological advancement has influenced business, society, and the environment in the developing world (Video Recording, 2016), it was found still in the most primitive stages. This study might be perceived as significant because it offered entrepreneurs insight into business ideas, knowledge, and information regarding online businesses with positive and negative outcomes in Nepal.

REFERENCES

Al-Sayed, Mustafa M.., Hassan, Hesham A.., Omara, & Fatma A. (2020). Intelligent cloud service discovery framework. *Future Generation Computer Systems.* https://doi: 10.1016/j.future.2019.12.027

Dunne, T. C., Aaron, J. R., McDowell, W. C., Urban, D. J., & Geho, P. R. (2016). The impact of leadership on small business innovativeness. *Journal of Business Research*, *69*(11), 4876-4881. https://doi: 10.1016/j.jbusres.2016.04.046

Eyre, R., De Luca, F. & Simini, F. (2020). Social media usage reveals recovery of small businesses after natural hazard events. *Nature Communications*, *11*(1).

Garner, B. A. (2018). Amazon in the global market. *Journal of Marketing & Management*, *9(*2), 63-73.

Gaihre S., Kyle J., Semple S., Smith J., Marais D., Subedi M., & Morgan, H. (2019). Bridging barriers to advance multisector approaches to improve food security, nutrition, and population health in Nepal. *Transdisciplinary Perspectives*, *19* (1).

Lazaroiu, G., Neguriţa, O., Grecu, I., Grecu, G., & Mitran, P. C. (2020). Consumers' decision-making process on social commerce platforms: Online trust, perceived risk, and purchase intentions. *Frontiers in Psychology*, 1-7. https://eds-b-ebscohost-com.proxy1.ncu.edu/eds/detail/detail?vid=4&sid=4b61804e-0cb3-4fe3-bb88-59e0912f0e22%40pdc-v-sessmgr06&bdata= JnNpdGU9ZWRzLWxpdmU%3d#AN=143311788&db=edb

Marc Lim, W. (2014). Understanding the influence of online flow elements on hedonic and utilitarian online shopping experiences: A case of online group buying. *Journal of Information Systems*, *28*(2), 287-306. https://eds-b-ebscohost-com.proxy1.ncu.edu/ eds/detail/detail?vid=4&sid=d4925ce4-b84b-41bb-900b-84922746e2b3%40pdc-v-sessmgr04&bdata= JnNpdGU9ZWRzLWxpdmU%3d#AN=99943549&db=bth

Pudasaini, T. (2020, August). Business redesign. *Enepalese.com.* https://www.enepalese.com/2020/08/283602.html?fbclid=IwAR2 1KwXdHiluLwmwUQnLFdTzsH1eZJH8R6z4ykq0A_1wZ-nsNyOQ7g9qXi8

Roshan, P. (2016). E- commerce/E-business in Nepal: Prospects and challenges. https://mgmtref.wordpress.com/2016/07/16/e-commmercee-business-in-nepal-prospects-and-challenges/

Rylands, B., Böhme, T., Fan, J., Gorkin, R., & Birtchnell, T. (2016). The adoption process and impact of additive manufacturing on manufacturing systems. *Journal of Manufacturing Technology Management*, *27(*7), 969-989.

****