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Direct Vs. Indirect Channels: Evaluating the Relative Influence of Digital Marketing Dimensions on Consumer Buying Behavior in Kathmandu Valley

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ABSTRACT

This study examines the relative impact of five core digital marketing dimensions—Search Engine Marketing (SEM), Content Marketing (CM), Social Media Marketing (SMM), Affiliate Marketing (AM), and Email Marketing (EM)—on consumer buying behavior within the urban ecosystem of Kathmandu Valley, Nepal. Utilizing a descriptive and causal-comparative research design, primary data were gathered from N = 384digitally active respondents through structured 5-point Likert scale questionnaires. Reliability analysis confirmed scale internal consistency across all constructs (α= .766 - .806). While bivariate Pearson correlation analysis indicated that all five digital channels positively and significantly correlated with consumer purchasing behavior ($p < .01$), multiple linear regression analysis ($R^2 = .594$, $F(5, 378) = 110.404$, $p < .001$ revealed significant variation in individual predictive power. Specifically, Email Marketing ($\beta = .453$, $p < .001$) and Social Media Marketing ($\beta = .375$, $p < .001$) emerged as significant positive determinants of purchasing decisions. Conversely, SEM, CM, and AM exhibited statistically insignificant direct effects in the structural model. These findings highlight the strategic primacy of direct, hyper-personalized, and highly interactive promotional strategies over passive digital advertising channels in emerging South Asian markets.

Keywords: Digital marketing, Consumer buying behavior, Email marketing, Social media marketing, Emerging markets, Kathmandu Valley.

INTRODUCTION

The acceleration of electronic commerce and digital media infrastructure in developing South Asian economies has altered consumer decision-making and brand engagement protocols. In Nepal, particularly within urban centers like Kathmandu Valley, corporate organizations have shifted capital allocation from conventional advertising media toward multi-channel digital strategies. However, marketing managers operating in developing e-commerce markets frequently apply digital frameworks derived from Western contexts without empirical verification of channel efficacy.

Although literature highlights the general efficacy of digital marketing tools (Chaffey & Ellis-Chadwick, 2016; Kannan & Li, 2017), the relative predictive weights of specific digital instruments—such as search advertisements, affiliate referral networks, organic content, email campaigns, and social media interactions—remain unverified in regional urban hubs. This study addresses this empirical gap by evaluating the comparative predictive impact of SEM, CM, SMM, AM, and EM on consumer buying behavior among urban consumers in Kathmandu Valley.

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LITERATURE REVIEW

Theoretical Frameworks: S-O-R and Technology Acceptance

Understanding consumer buying decisions in digital environments requires examining how external stimuli influence internal cognitive and emotional processing. The Stimulus-Organism-Response (S-O-R) Model (Mehrabian & Russell, 1974) provides a foundational framework, postulating that environmental marketing stimuli (S) influence consumers' internal organoleptic and affective states (O), which subsequently drive behavioral responses (R) such as purchasing decisions or brand avoidance.

In digital commerce, promotional messages across search engines, social feeds, and email inboxes act as external stimuli (S). Consumers process these stimuli through perceived usefulness, trust, and ease of interaction (O), culminating in transactional commitments (R).

In parallel, the Technology Acceptance Model (TAM) (Davis, 1989) and the Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975) explain how digital channel adoption shapes purchase intent. Davis (1989) highlights that *Perceived Usefulness (PU)* and *Perceived Ease of Use (PEOU)* determine an individual's willingness to adopt and interact with digital platforms.

In developing e-commerce economies, digital platforms must overcome consumer perceived risk and technical friction to facilitate continuous online shopping behavior.

Digital Marketing Dimensions and Consumer Behavior

- Search Engine Marketing (SEM): SEM incorporates paid search ads and search engine optimization (SEO) designed to capture high-intent consumer traffic at the exact moment of information retrieval (Moz, 2023). While SEM provides high visibility during early research phases, its conversion effectiveness depends heavily on site trust and immediate product relevance.

- Content Marketing (CM): CM focuses on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience (Pulizzi, 2014). Effective content builds brand authority and consumer trust over extended purchase cycles.

- Social Media Marketing (SMM): Social media platforms foster interactive engagement, peer recommendations, and social proof (Ahuja & Thatcher, 2015). Social commerce leverages normative influence and community interactions to turn passive media consumption into active purchasing decisions.

- Affiliate Marketing (AM**):** AM relies on third-party publishers and influencers to drive traffic and sales on a commission basis. Its success depends heavily on affiliate credibility and transparent endorsement practices.

- Email Marketing (EM): EM represents a direct, highly segmented, and personalized channel for consumer engagement (Chaffey & Ellis-Chadwick, 2016). Direct email communications deliver tailored promotional offers, cart recovery reminders, and personalized recommendations, reducing decision friction.

Marketing Management and Consumer Insights in Nepal

To contextualize digital marketing behavior within Nepal's unique socio-economic landscape, it is critical to examine local consumer research and communication dynamics. The empirical contributions of Dr. Gopal Thapa provide valuable insights into how Nepalese consumers perceive advertising, media channels, green products, and institutional marketing practices.

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Thapa (2013) investigated media habits and public perceptions toward advertising in Nepal, demonstrating that consumer trust and message reception vary significantly across demographics and media formats. Thapa (2015) emphasized that media preference dictates brand recall and message retention, noting that Nepalese consumers are increasingly selective regarding commercial claims. Expanding on youth demographic behavior, Thapa (2020) analyzed the impact of television advertising on children and urban youth in Kathmandu, revealing that visual media and peer culture heavily influence brand familiarity, lifestyle aspirations, and buying intent.

Furthermore, Thapa's (2019) investigation into green marketing frameworks and consumer perception toward sustainable products in Nepal demonstrated that functional quality, institutional trust, and perceived credibility are decisive determinants of consumer adoption in emerging markets. In institutional contexts, Thapa et al. (2025) analyzed marketing practices in the pharmaceutical sector, reiterating that long-term customer retention depends on consistent service delivery and relational trust building rather than superficial promotional push. Synthesizing these local insights suggests that while top-of-mind brand visibility (SEM, general content) creates initial awareness, conversion and sustained buying behavior among Nepalese consumers depend on trust, direct relevance, and social proof.

Conceptual Framework and Hypotheses

Drawing on the S-O-R framework and localized empirical evidence, digital marketing dimensions act as independent marketing stimuli predicting consumer buying behavior.

- H_1**:** Search Engine Marketing (SEM) has a significant positive impact on Consumer Buying Behavior.
- H_2**:** Content Marketing (CM) has a significant positive impact on Consumer Buying Behavior.
- H_3**:** Social Media Marketing (SMM) has a significant positive impact on Consumer Buying Behavior.
- H_4**:** Affiliate Marketing (AM) has a significant positive impact on Consumer Buying Behavior.
- H_5**:** Email Marketing (EM) has a significant positive impact on Consumer Buying Behavior.

METHODOLOGY

Research Design and Sampling

A quantitative, cross-sectional descriptive and causal-comparative research design was employed. The target population comprised consumer cohorts residing within Kathmandu Valley actively engaging in digital platform purchases. A convenience and purposive sampling strategy yielded a valid analytical sample of N = 384 completed responses.

Demographic Profile of Respondents

The sample exhibited demographic diversity across gender, age, education, and employment status:

- Gender: 51% Female (n = 196), 49% Male (n = 188).
- Age: 35% aged 26–30 years (n = 134), 33% aged >30 years (n = 127), 21.3% aged 21–25 years (n = 82), 10.7% aged 20 years (n = 41).
- Education: 38.7% Undergraduate/Bachelor (n = 149), 35% Graduate/Master (n = 134, 22.7% Up to +2 (n = 87), 3.7% Post-Master (n = 14).

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- Employment Status: 50% Job Holders (n = 192), 20.7% Business Owners (n = 79), 20.3% Students (n = 78), 9.0% Unemployed (n = 35).

Measurement & Statistical Analysis

Constructs were operationalized using 5-point Likert-type scales ranging from 1("Strongly Disagree") to 5 ("Strongly Agree"). Statistical analyses, including Cronbach's alpha reliability tests, Pearson correlation analysis, and multiple linear regression, were conducted using IBM SPSS Statistics (Version 22.0).

RESULTS

Reliability Analysis and Descriptive Statistics

Scale internal consistency exceeded the standard alpha = .70 threshold across all measurement constructs.

Table 1: Reliability Analysis and Descriptive Statistics

Construct	No. of Items	Cronbach's α	Mean (M)	Std. Deviation (SD)
Search Engine Marketing (SEM)	5	0.783	3.633	0.866
Content Marketing (CM)	5	0.766	3.567	0.823
Social Media Marketing (SMM)	5	0.794	3.552	0.8211
Affiliate Marketing (AM)	4	0.806	3.608	0.8445
Email Marketing (EM)	4	0.792	3.781	0.7584
Consumer Buying Behavior (CBB)	5	0.795	3.698	0.7681

Note: N = 384.

Correlation Analysis

Zero-order Pearson correlation coefficients revealed statistically significant positive associations ($p < .01$, 2-tailed) between all independent digital channels and consumer buying behavior:

- Email Marketing → CBB: $r = .698$, $p < .001$
- Social Media Marketing → CBB: $r = .658$, $p < .001$
- Affiliate Marketing → CBB: $r = .627$, $p < .001$
- Content Marketing → CBB: $r = .524$, $p < .001$
- Search Engine Marketing → CBB: $r = .517$, $p < .001$

Hypothesis Testing via Multiple Linear Regression

A multiple linear regression analysis was conducted to examine the joint predictive impact of the independent variables on consumer buying behavior.

- Model Diagnostics: $R = .770$, $R^2 = .594$, Adjusted $R^2 = .588$, SE = .4929.
- ANOVA Model Fit**:** $F(5, 378) = 110.404$, $p < .001$. The model explains 59.4% of the variance in consumer buying behavior.

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Table 2: Multiple Linear Regression Coefficients

Predictor Variable	Unstd. B	Std. Error	Std. β	t-value	p-value	Empirical Decision
(Constant)	0.577	0.139	—	4.144	0	—
SEM	-0.062	0.047	-0.07	-1.317	0.188	Rejected (H_1)
CM	0.024	0.048	0.026	0.505	0.614	Rejected (H_2)
SMM	0.351	0.048	0.375	7.324	0	Accepted (H_3)
AM	0.077	0.049	0.085	1.585	0.114	Rejected (H_4)
EM	0.459	0.048	0.453	9.563	0	Accepted (H_5)

Note: Dependent Variable: Consumer Buying Behavior (CBB); N = 384.

DISCUSSION & SYNTHESIS

Theoretical Discussion & Comparative Channel Dynamics

The empirical findings demonstrate a clear structural divergence between direct, interactive digital channels and passive, informational channels within Kathmandu Valley's retail ecosystem.

Email Marketing proved to be the single most powerful predictor of consumer buying behavior ($\beta = .453$, $t = 9.563$, $p < .001$). This finding corroborates global digital literature (Chaffey & Ellis-Chadwick, 2016; Kumar & Shah, 2021), confirming that direct, highly targeted, and personalized communications offer immediate call-to-action triggers that overcome digital content clutter. In the context of S-O-R theory, personalized emails act as high-potency external stimuli (S) that generate immediate perceived relevance and trust (O), leading to direct conversion decisions (R).

Social Media Marketing emerged as the second primary structural driver ($\beta = .375$, $t = 7.324$, $p < .001$). This aligns with empirical research by Ahuja and Thatcher (2015) and Kim and Kim (2023), proving that interactive platform engagement, peer endorsements, and visual social proof convert consumer interest into tangible transactions.

Conversely, Search Engine Marketing ($\beta = -.070$, $p = .188$), Content Marketing ($\beta = .026$, $p = .614$), and Affiliate Marketing ($\beta = .085$, $p = .114$) failed to demonstrate statistically significant direct effects in the structural model. While these channels display strong positive zero-order correlations with buying behavior ($r = .517$- $.627$), their direct predictive power vanishes in multivariate regression due to multi-channel mediation. In urban South Asian markets, passive search advertisements or educational blog posts serve as top-of-funnel discovery tools rather than closing mechanisms.

Contextualization with Domestic Marketing Research

Integrating these statistical findings with the domestic consumer research of Dr. Gopal Thapa provides deeper insight into local consumer psychology. Thapa (2013, 2015) established that Nepalese consumers exhibit nuanced media preferences and require credible communication channels before accepting commercial claims. Just as Thapa (2019) demonstrated that green product adoption in Nepal is constrained when institutional trust and functional credibility are missing, this study confirms that passive digital exposure (search ads or blogs) is insufficient to close sales unless accompanied by direct, personalized, and trustworthy engagement.

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Furthermore, Thapa's (2020, 2023) research on urban youth demographics in Kathmandu highlights that visual engagement and social interaction strongly shape brand perception. This aligns directly with the strong predictive weight of Social Media Marketing (beta = .375) found in this study. In line with Thapa et al. (2025), long-term retention in Nepalese consumer markets relies on direct, relational trust building (facilitated by personalized email communications) rather than superficial top-of-funnel promotional reach.

IMPLICATIONS, LIMITATIONS, AND CONCLUSION

Practical & Strategic Implications

i. Reallocate Capital Toward CRM & Email Automation: Marketing executives in Nepal should transition ad spend away from general pay-per-click search ads toward automated Customer Relationship Management (CRM) workflows and segmented email campaigns.

ii. Build Social Commerce & Interactivity: Brands must move beyond static social posting by integrating interactive live-streams, direct-messaging commerce, and verified influencer testimonials.

iii. Address the Digital Trust Deficit: Descriptive metrics indicated consumer hesitation regarding online platform transaction security (M = 3.160, SD = 1.4099). E-commerce operators must prominently display security certificates, support transparent return policies, and provide verified payment options to build transactional confidence.

Limitations & Future Research

This study is limited by its cross-sectional design and focus on Kathmandu Valley. Future research should implement longitudinal tracking and expand geographic sampling across secondary and rural cities in Nepal to evaluate regional variations in digital purchasing behavior.

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