The Factors Influencing the Acceptance of Domestic Coffee among Nepalese

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#### Abstract

Global coffee consumption is on the rise, reflecting its popularity, including in Nepal. Addressing the gap of having limited research in Nepal on factors crucial for local coffee industry's growth and sustainability this study employed a quantitative, descriptive cross-sectional design using structured questionnaires for data collection. Convincing sampling and reliability were established through Cronbach's alpha test and the pre-test. Data analysis utilized descriptive, multiple regression, and one-way ANOVA. The study focused on customers aged 15-50 who visited Himalayan Java outlets in Kathmandu, Lalitpur, and Bhaktpur. Findings indicate that taste and promotional factors positively impact the acceptance of Nepali coffee, while availability, aroma, and price do not show significant impacts. These results support the hypotheses that taste and play crucial roles in Nepali coffee acceptance, while availability, aroma, and price have a lesser impact. Additionally, educational background and age affect acceptance, while income groups do not significantly contribute. These findings provide insights into consumers' preferences for Nepali coffee.


Keywords: Consumer, Coffee, Domestic, and Nepal

## 1. Introduction

Coffee has become one of the most popular beverages in the world, and its consumption has been on the rise in recent years (Czarniecka-Skubina et al., 2021). Despite being known as a tea-drinking nation, coffee is also gaining popularity in Nepal (Dahal, 2020). The Nepali coffee industry has experienced significant boom over the past decade, with the government recognizing growth over the past decade, with the government recognizing coffee as a priority sector for development (Dahal, 2020; Karki et al., 2018; Kattel et al., 2020). The country's favorable climate and topography have made it an ideal location for growing high-quality coffee (Dahal, 2020). However, despite the increasing production of Nepali Coffee, little research has been done on the acceptance of Nepal coffee among Nepali consumers. The purpose of this study is to investigate the acceptance of Nepali coffee among Nepal consumers.

There have been several studies conducted on the acceptance of coffee among consumers in different countries, but very few studies have been conducted on the acceptance of Nepali coffee. However, some studies on coffee consumption behavior and preferences among Nepali consumers have been conducted. Samoggia \& Riedel (2019) who examined coffee consumption behavior and preference found consumers’ perceptions and purchasing motives regarding coffee's health benefits. Similarly, in a study by Karki \& Regmi (2016) highlighted that consumers prefer foreign coffee due to price and lack of awareness about Nepalese coffee, hindering its consumption. A study by Mokrysz (2019) investigating the factors influencing the choice of coffee shops by consumers found that location, atmosphere, price, and production quality significantly influence consumer choice and satisfaction with location being the most important factor.

Another study by Mony (2021) found that the most popular beverage at Café Amazon and explored the impact of price, service quality, brand image, product quality, and physical environment on customer consumption behavior. In addition, another study revealed that $56 \%$ drink coffee daily, with $76 \%$ of buyers being women (Pet et al., 2009). The flavor was the main factor influencing purchases, and $40 \%$ of respondents consumed coffee at home. The study highlighted the importance of undersetting consumer demographic preferences to develop effective marketing strategies for the coffee industry (Pet et al., 2009). Likewise, another study by Samoggia et al. (2020) demonstrated that 467 consumers in Italy and Portugal found positive emotions associated with coffee consumption, and non-consumption was mainly due to taste and health concerns, with limited influence from socio-economic factors (Samoggia et al., 2020). In addition, a study by Carolus (2022) explores the impact of coffee on mental health and well-being in Saudi Arabia. It highlights the potential benefits and risks of coffee consumption, including the therapeutic effect of mindfulness and
relaxation, as well as the risks of caffeine addiction, disturbed sleep patterns, and anxiety. Furthermore, coffee has good potential to contribute to the income and livelihood of small farmers in Nepal (Karki \& Karki, 2016). The trend in areas and production of coffee is increasing, but productivity has decreased. The volume of coffee imports is increasing, but the exports are decreasing. Nepalese consumers prefer foreign coffee and Nepalese coffee is relatively expensive and less popular in the international market. On average, Nepalese consumers drink two cups of coffee at home and one cup at a restaurant per day (Karki \& Karki, 2016). Despite the valuable insight provided by these studies (Dahal, 2020; Gc et al., 2019; Karki \& Karki, 2016), none of them specifically focused on the acceptance of Nepali coffee among Nepali consumers. The rationale of this study is to address the underexplored consumption of Nepali coffee by domestic consumers, despite Nepal's growing coffee industry. Within global coffee trends, this research focuses on the factors impacting Nepali coffee acceptance. Limited existing studies highlight health benefits, pricing, and awareness. By examining key factors, impacts, and demographic touches, this research supports local coffee businesses in shaping marketing and production strategies. Bridging consumer preferences and industry practices, this study examines the growth of the Nepali coffee sector.

The primary objective of this study is to explore the factors impacting the acceptance of Nepali coffee among Nepali consumers. Additionally, the research aims to analyze the correlation between demographic variables (such as income, education, and age) and the influencing factors that contribute to the acceptance of Nepali coffee. A comprehensive review of the literature is crucial to understand the research topic. The purpose of this review is to identify appropriate instruments and citation formats. This literary review covers theoretical discussion, empirical literacy, conceptual framework, and research gaps related to the topic studied.

## 2. Theoretical background

Theory-driven research provides better understanding of the behavioral factors that influence consumer behavior (Zailani et al., 2019). Therefore, we will use the theoretical framework provided by the theory of consumption value (Sheth et al., 1991; Suryawardana \& Nurdeagraha, 2020). The theory of consumption value (TCV) focuses on consumption value, explaining why consumers choose to buy or not a specific product, why consumers choose one product type over another, and why consumers choose one brand over another. The theory is applicable to choices involving a full range of product types (Sheth et al., 1991). The TCV connects the dots between patterns of consumer behavior through function value, consisting of functional value, condition value, cognitive value, emotional value, and epistemic value (Sheth et al., 1991).

Figure 1: Five values for market choice behavior


Source: Sheth et al. (1991)
The five values that influence consumer decision-making are functional, social, emotional, epistemic and conditional. Functional values refer to an alternative's utility and performance attributes, measured on a profile of chic attributes, social value is the perceived utility acquired from an alternative's association with specific social groups and is measured on the basis of choice imagery. Emotional value is the perceived utility acquired from an alternative's ability to arouse feelings or affective states and is measured on a spectrum of associated feelings. Epistemic value is acquired through an alternative's ability to satisfy a desire for knowledge and is measured through items referring to curiosity, novelty, and knowledge. Conditional values are influenced by situation factors and are measured on a profile of chic contingencies.

Empirical research is the process of investigating a topic through the collection and analysis of data. In the case of the acceptance of Nepali coffee among Nepali consumers, empirical research would involve collecting data from a sample of Nepali coffee consumers and analyzing it to draw conclusions about the factors that influence their acceptance of Nepali coffee.

Previous studies have shown that the acceptance of coffee, both local and foreign, is influenced by varied factors such as taste, aroma, price, brand reputation, and accessibility. For instance, a study conducted by Karki and Regmi (2016) found that coffee is a significant beverage in Nepal with potential for export due to its unique characteristics. However, consumers prefer foreign coffee due to the high price and lack of awareness on Nepalese coffee. This study highlights the importance of promoting Nepalese coffee and improving its accessibility and affordability (Karki \& Regmi, 2016). Similarly, another study by Samoggia \& Riedel (2019) revealed that male, young working consumers who are familiar with non-espresso-based coffee and consume it in limited amounts believe in coffee's health benefits. Although price remains a factor, consumers are interested in buying coffee with asserted health claims. Likewise, another study by Grzegorz and Sylwia (2019) highlighted present
trends in coffee consumption, including naturalness, sustainability, multisensory experiences, convenience, digitalization, and individualization, and identified product trends such as craft coffee time and super coffee. Moreover, a study conducted by Samoggia et al. (2020) demonstrated that coffee consumption generates positive emotions such as energy satisfaction and pleasure, while non-consumption is driven by taste and fear of health impacts. Socio-economic characteristics have limited influence. Understanding these factors can aid in developing and marketing new coffee products. Similarly, a study conducted by Karki \& Karki (2016) found that while the areas under coffee and production in Nepal increased significantly between 1999 and 2013, production decreased due to issues with irrigation, nutrient supply, and pests. Coffee exports have also decreased due to rising local consumption, and foreign consumers prefer foreign coffee and consume more cups per day than Nepalese consumers.

A systematic literature review conducted by Samoggia and Riedel (2018) revealed that key determinants of coffee consumption include personal preferences, economic and product attributes, consumption context, and a strong focus on coffee sustainability. Similarly, a study by Khaliqi et al. (2023) found that differences in consumer awareness affect consumers' willingness to pay for organic coffee and other health and sustainability factors, leading to indirect effects. Another study by Pet et al. (2009) emphasized that a strong consumer-oriented marketing strategy helps in monitoring consumer behavior. A study by Dahal (2020) highlights Nepal's diversified climate and topographical conditions, enabling various types of agriculture and farming in different climates. Coffee also plays a significant role in increasing coffee farming for the development of the Nepali market, which in turn helps improve the local people's economic status. Such research can provide valuable insights into the factors influencing consumer behavior and guide policymakers and industry stakeholders in developing effective strategies to promote local coffee production and consumption. While previous studies have provided useful insights (Mony, 2021; Maciejewski \& Mokrysz, 2019; Kattel et al., 2020; Samoggia \& Riedel, 2018), it is worth noticing that limited research has been conducted in Nepal on this topic. Therefore, the research aims at gaining a more in-depth understanding of the numerous factors that shape consumer preferences and behavior regarding Nepali coffee.

## 3. Conceptual framework

The conceptual framework is a logically developed model which helps describe an elaborate relationship among the attributional variables and Outcome variable. Based on the overall preliminary literature review related to the present area of interest, the conceptual framework is developed to govern the research systematically. The model was adapted and adjusted as required for the research by Sheth et al. (1991).

Figure 2: Relationship between dependent and independent variables
Independent Variables
Dependent Variable


Factors Influencing the Acceptance of Domestic Coffee: Coffee is a widely consumed beverage in Poland (Mokrysz, 2016) and globally (Gc et al., 2019). Coffee consumption appears to be generally safe at the usual levels of intake (Poole et al., 2017). In Nepal, coffee represents a high-value crop with export potential (Karki \& Karki, 2016). However, several factors influence the acceptance of coffee consumption Pinsuwan et al. (2022). Numerous studies have been conducted in this area, offering valuable insights and support (Maciejewski \& Mokrysz, 2019; Karki \& Karki, 2016; Karki \& Regmi, 2016; Kattel et al., 2020; Khaliqi et al., 2023; Samoggia \& Riedel, 2018). Maciejewski \& Mokrysz (2019) identified key trends influencing consumer behavior, including naturalness, sustainability, health, nutrition, multisensory experience, communication, digitalization, and individualization. Samoggia \& Riedel (2018) categorize determinants of coffee consumption into personal preferences, economic attributes, product attributes, and context of consumption. Khaliqi et al. (2023) demonstrated the negative impact of attitude, subject norms, received behavior control, and consumer awareness on consumers' willingness to pay for Indonesian organic coffee. Kattel et al. (2020) found that factors such as color, size, household expenditure, and knowledge of significance determined the willingness to pay for Nepalese cardamom. Karki \& Karki (2016) emphasized that Nepalese coffee faces challenges due to its relatively high cost and limited availability in the local market. Karki \& Regmi (2016) reported that many consumers in Nepal prefer foreign coffee due to its higher price and lack of awareness regarding Nepalese coffee. Moreover, a study by Platz (2009) revealed that most Nepali coffee producers have limited bargaining power and trust. Based on these facts, we propose the following hypothesis to explain the factors influencing the acceptance of domestic coffee.

H1: There is a significant influence of factors such as availability, taste, aroma, preference, and promotion on the acceptance of domestic coffee.

Factors Influencing the Acceptance of Coffee and Socio-Demographic Variables: Understanding the factors influencing coffee acceptance and their relationship with socio-demographic variables is essential for consumer behavior research. In this regard, a study by Pet et al. (2009) highlighted that monitoring and studying consumer behavior from various perspectives, such as consumer type, age, sex, occupation, group affiliation, personality, culture, and more, is crucial. Likewise, a study by Samoggia et al. (2020) found that socio-economic characteristics have a limited influence on perceived emotion and consumption motives. RomanMaldonado et al. (2022) observed that age, gender, and consumption preferences for different coffee varieties are decisive. Samoggia and Riedel (2018) established a model outlining the determinants of coffee consumption, focusing on sociodemographic factors. Similarly, Kattel et al. (2020) revealed the importance of sociodemographic, institutional, economic, and preference variables in understanding coffee consumption. In a study by Karki and Karki (2016) noted that Nepalese individuals typically consume two cups of coffee at home and at restaurants daily. Based on these observations, researchers proposed examining selected sociodemographic variables in detail to understand the relationship between these variables and coffee acceptance.

H2: Significant variations in mean acceptance levels emerge among income groups, education levels, and age categories, influenced by factors in the acceptance of Nepali coffee among Nepalese consumers.

## 4. Methodology

The research methodology employed in this study was a quantitative, descriptive cross-sectional design. Primary data was collected through self-administered questionnaires, including personal details and multiple questions to gather respondents' opinions. The data collection process involved distributing questionnaires to consumers at Himalayan Java outlets, coffee shops, in Kathmandu Valley. Qualitative data was collected using response surveys and coded numerically. Self-administered questionnaire surveys via Google Docs were used for data collection. Data analysis was conducted using Excel and SPSS, emphasizing descriptive and inferential statistical analyses. Convenience sampling was used to select participants and to establish reliability, a Cronbach's alpha test was conducted, resulting in a value greater than 0.7 (70\%), indicating a high level of reliability. However, in this current study, Cronbach's alpha was 0.96917 items. Pretesting of the instrument was conducted with a sample of 16 Himalayan Java consumers. Ethical consideration was followed throughout the survey, ensuring respondent privacy and confidentiality while avoiding personal opinions and unnecessary questions. Approval was obtained from the Himalayan Java organization to conduct the study. The study focused on customers aged 15-50 who visited "Himalayan Java"
branches in Kathmandu, Lillipur, and Bhaktapur. With a finite population Slovin's formula was used to determine the sample size. The total sample size in this study was 156 .

## 5. Results and analysis

This section deals with the findings that have been drawn from the data collected from the respondents that are properly processed and analyzed in accordance with the objectives of the study. The results obtained by the systematic arrangement of the data are presented in tables below.

Table 1: Socio-demographic characteristics of respondents

| Characteristics | Frequency | Percentage (\%) |
| :---: | :---: | :---: |
| Gender |  |  |
| Male | 77 | 49.4 |
| Female | 79 | 50.6 |
| Education |  |  |
| SLC below | 6 | 3.8 |
| Intermediate | 21 | 13.5 |
| Bachelor | 93 | 59.6 |
| Masters and above | 36 | 23.1 |
| Occupation |  |  |
| Agriculture | 0 | 0 |
| Service/Job | 45 | 28.8 |
| Business | 10 | 6.4 |
| Foreign Employment | 0 | 0 |
| Students | 101 | 64.7 |
| Age |  |  |
| Below-20 | 27 | 17.3 |
| 20-30 | 97 | 62.2 |
| 30-40 | 9 | 5.8 |
| 40-50 | 21 | 13.5 |
| 50 \& above | 2 | 1.3 |
| Income |  |  |
| Below-10K | 77 | 49.4 |
| 10-20K | 20 | 12.8 |
| 20-30K | 17 | 10.9 |
| 30-40K | 9 | 5.8 |
| 40k-above | 33 | 21.2 |

## Source: Authors' calculations

Table 1: Descriptive data analysis showed that the study participants consisted of almost an equal number of males (49.4\%) and females (50.6\%). The majority had a bachelor's degree (59.6\%), while students comprised the largest occupational group
(64.7\%). The age distribution ranged from below 20 (17.3\%) to 50 and above (1.3\%). In terms of income, participants below 10 K accounted for $49.4 \%$.
Table 2: Illustration of acceptance of Nepali coffee among Nepali consumers.

| Statement | Strongly <br> Disagree | Disagree | Neutral | Agree | Strongly <br> Agree |
| :--- | :--- | :--- | :--- | :--- | :--- |
| L1S1 | $9(5.8 \%)$ | $25(16 \%)$ | $61(39.1 \%)$ | $52(33.3 \%)$ | $9(5.8 \%)$ |
| L1S2 | $12(7.7 \%)$ | $45(28.8 \%)$ | $53(34 \%)$ | $37(23.7 \%)$ | $9(5.8 \%)$ |
| L1S3 | $13(8.3 \%)$ | $46(29.5 \%)$ | $45(28.8 \%)$ | $40(25.6 \%)$ | $12(7.7 \%)$ |
| L1S4 | $10(6.4 \%)$ | $45(28.8 \%)$ | $44(28.2 \%)$ | $48(30.8 \%)$ | $9(5.8 \%)$ |
| L2S1 | $11(7.1 \%)$ | $20(12.8 \%)$ | $45(28.8 \%)$ | $63(40.4 \%)$ | $17(10.9 \%)$ |
| L2S2 | $8(5.1 \%)$ | $26(16.7 \%)$ | $32(20.5 \%)$ | $77(49.4 \%)$ | $13(8.3 \%)$ |
| L2S3 | $8(5.1 \%)$ | $22(14.1 \%)$ | $49(31.4 \%)$ | $62(39.7 \%)$ | $15(9.6 \%)$ |
| L2S4 | $11(7.1 \%)$ | $18(11.5 \%)$ | $42(26.9 \%)$ | $70(44.9 \%)$ | $15(9.6 \%)$ |
| L3S1 | $4(2.6 \%)$ | $17(10.9 \%)$ | $53(34 \%)$ | $70(44.9 \%)$ | $12(7.7 \%)$ |
| L3S2 | $3(1.9 \%)$ | $14(9.0 \%)$ | $60(38.5 \%)$ | $65(41.7 \%)$ | $14(9.0 \%)$ |
| L4S1 | $13(8.3 \%)$ | $20(12.8 \%)$ | $53(34.0 \%)$ | $60(38.5 \%)$ | $10(6.4 \%)$ |
| L4S2 | $6(3.8 \%)$ | $24(15.4 \%)$ | $58(37.2 \%)$ | $58(37.2 \%)$ | $10(6.4 \%)$ |
| L4S3 | $6(3.8 \%)$ | $32(20.5 \%)$ | $41(26.3 \%)$ | $61(39.1 \%)$ | $16(10.3 \%)$ |
| L4S4 | $10(6.4 \%)$ | $30(19.2 \%)$ | $56(35.9 \%)$ | $48(30.8 \%)$ | $12(7.7 \%)$ |
| L5S1 | $9(5.8 \%)$ | $15(9.6 \%)$ | $39(25.0 \%)$ | $59(37.8 \%)$ | $34(21.8 \%)$ |
| L5S2 | $9(5.8 \%)$ | $10(6.4 \%)$ | $35(22.4 \%)$ | $67(42.9 \%)$ | $35(22.4 \%)$ |
| L5S3 | $9(5.8 \%)$ | $21(13.5 \%)$ | $49(31.4 \%)$ | $45(28.8 \%)$ | $32(20.5 \%)$ |

## Source: Authors' calculations

Table 2 shows the frequency of the responses in Likert scale. Under availability related factors the first statement was "I prefer Nepali coffee as they are mostly available in the market." The highest frequency for this statement is $61(39.1 \%)$. Similarly, the next statement was "Nepali coffee is sold in most of the restaurants in my area, which encourages me to drink it frequently." The highest frequency for this statement is 53 (34\%), Likewise, the next statement was "I prefer Nepali coffee because they are conveniently available in my residential area." The highest frequency for this statement is 46 (29.5\%). The next statement was "Nepali coffee is my preferred beverage option as it is mostly available in cafes I visit." With the highest frequency of 48 ( $30.8 \%$ ) of the respondents agreed with the statement.

Under taste related factors the first statement was "I prefer Nepali coffee (ground) as they taste better than instant coffee." The highest frequency for this statement is 63 ( $40.4 \%$ ) respondents agreed. Similarly, the next statement was "I prefer Nepali coffee for its comparatively strong taste than that of instant coffee." The highest frequency for this statement is 77 (49.4\%), respondents agreed. Likewise, the next statement was "I prefer Nepali coffee because its caffeine content is preferable to me." The highest frequency for this statement is $62(39.7 \%)$ respondents agreed. For the statement "I prefer Nepali coffee as it tastes delicious." 70 (44.9\%) of the respondents agreed.

Under aromatic features the first statement was "I prefer to drink Nepali coffee because I enjoy its particular aroma." The highest frequency for this statement is 70 $(40.4 \%)$ respondents. Similarly, the statement "The aromatic feature of Nepali coffee encourages me to drink it." was agreed by 65 ( $41.7 \%$ ) respondents.

Under price related factors the first statement was "I prefer to drink Nepali coffee because of its reasonable price". The highest frequency for this statement is 60 ( $38.5 \%$ ), respondents agreed, similarly, the next statement was "Nepali coffee is preferred by me because it fits into my budget." The highest frequency for this statement is $58(37.2 \%)$. Likewise, the next statement was "I compare the price of Nepali coffee with other beverages before making a purchase." The highest frequency for this statement is $61(39.1 \%)$. The next statement was "I prefer Nepali coffee because they are less expensive than other beverages." The highest frequency of 56 ( $35.9 \%$ ) of the respondents stayed neutral to the statement.

Under promotional factors the first statement was "I prefer Nepali coffee because I want to show support for locally grown products (coffee)." The highest frequency for this statement is $59(37.8 \%)$. Similarly, the next statement was "I prefer Nepali coffee in order to support Nepali coffee farmers and sellers." The highest frequency for this statement is $67(42.9 \%)$. Likewise, the next statement was "I prefer Nepali coffee due to the influence of supporting local campaigns." The highest frequency of 49 (31.4\%) respondents stayed neutral.

The study performed a regression analysis to examine the relationship between "mean acceptance" and several factors influencing acceptance of Nepali coffee. Results are presented in Table 3.

Table 3: Influence of selected factors on acceptance of Nepali coffee among Nepali consumers

| Model |  |  | Unstandardized <br> Coefficients | t | Sig | $95.0 \%$ Confidence |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Interval for B |  |  |  |  |  |  |  |

Dependent Variable: Mean Acceptant
Independent Variables: Mean_Availability; Mean_Taste; Mean_Aroma; Mean _Price; and Mean_Promotion

## Source: Authors' calculations

The regression analysis examined the relationship between "mean acceptance" and several factors influencing acceptance of Nepali coffee. The results revealed that taste $($ Beta $=0.257, p=0.021)$ and promotional factors $($ Beta $=0.268, p=0.013)$ had a significant positive impact on acceptance. However, availability ( $\operatorname{Beta}=-0.142, p=$ $0.188)$, aroma ( $\operatorname{Beta}=-0.117, p=0.321)$, and price $(\operatorname{Beta}=-0.214, p=0.045)$ did not significantly influence acceptance. These findings support the hypotheses that taste and promotional effort play crucial roles in determining the acceptance of Nepali coffee, while availability, aroma, and price have significantly less impact.

Table 4: Acceptance level among Nepali consumers based on income

| Mean Acceptance | Sum of <br> Squares | df | Mean <br> Square | F | Sig. |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Between groups | 0.559 | 4 | 0.14 | 0.837 | 0.504 |
| Within groups | 25.231 | 151 | 0.167 |  |  |
| Total | 25.79 | 155 |  |  |  |

## Source: Authors' calculations

One-way ANOVA results for mean acceptance by income groups showed no significant difference $(\mathrm{F}=0.837, \mathrm{p}=0.504)$ among the groups. The variation between groups accounted for 0.559 of the total sums of squares.

Table 5: Acceptance levels among Nepali consumers based on education

| Mean Acceptance | Sum of Squares | df | Mean Square | F | Sig. |
| :--- | :---: | :--- | :---: | :---: | :---: |
| Between Groups | 1.287 | 3 | 0.429 | 2.66 | 0.05 |
| Within Groups | 24.503 | 152 | 0.161 |  |  |
| Total | 25.79 | 155 |  |  |  |

Source: Authors' calculations
One-way ANOVA test revealed significant difference ( $\mathrm{F}=2.660, \mathrm{p}=.050$ ) in the mean acceptance based on education. Between group $=1.287, \mathrm{df}=3, \mathrm{Ms}=.429$. Within Groups; $\mathrm{SS}=24.503$, $\mathrm{DF}=152$.

Table 6: Acceptance levels among Nepali consumers based on age

|  | Sum of <br> Squares | df | Mean <br> Square | F | Sig. |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Between Groups | 2.108 | 4 | 0.527 | 3.36 | 0.011 |
| Within Groups | 23.682 | 151 | 0.157 |  |  |
| Total | 25.79 | 155 |  |  |  |

Source: Authors' calculations
One-way ANOVA showed significant difference ( $\mathrm{F}=3.360, \mathrm{p}=.011$ ) in mean acceptance based on age. Between groups: $\mathrm{SS}=2.108$, df $=4$, $\mathrm{MS}=.527$. Within groups: $\mathrm{SS}=23.682, \mathrm{df}=151$.

Table 7: Descriptive statistics showing coffee consumption pattern

| Question | Frequency | Percentage |
| :--- | ---: | ---: |
| How often do you drink coffee? |  |  |
| Daily | 59 | 37.8 |
| Weekly | 41 | 26.3 |
| Monthly | 5 | 3.2 |
| Occasionally | 48 | 30.8 |
| Never | 3 | 1.9 |
| When do you often drink coffee? | 49 |  |
| Morning | 6 | 31.4 |
| Noon | 34 | 3.8 |
| Afternoon | 22 | 21.8 |
| Evening | 45 | 14.1 |
| Anytime | 40 | 28.8 |
| For what reason do you drink coffee? | 36 |  |
| Drinking Habit | 96 | 19.32 |
| Releasing Stress | 35 | 17.39 |
| To become refreshed | 46.37 |  |
| Social Occasions | 16.90 |  |

[^0]Table 7 descriptive data analysis showed that the majority ( $37.8 \%$ ) of the respondents drink coffee daily, while $30.8 \%$ drink it occasionally. The majority (31.4\%) of the respondents drink coffee in the morning. Most (46.37\%) drink coffee to release stress, while $19.32 \%$ have it as a routine drink.

## 6. Discussion

The results obtained from the data analysis provide insights into the acceptance of Nepali coffee among Nepali consumers. The study included a sample of 156 respondents, consisting of both males (49.4\%) and females ( $50.6 \%$ ). The majority of respondents had a bachelor's degree (59.6\%), and students represented the target occupational group (64.7\%).

The primary objective of this study is to identify the most significant factors that influence the acceptance of Nepali coffee. The analysis focuses on several factors that are known to influence consumer acceptance: availability, taste, price, and promotion. To assess the impact of these factors, a Likert scale was used, and participants provided ratings based on their own statements related to each factor: Table 3 presents the frequency distribution of responses for each statement. For availability-related factors, the statement" I prefer Nepali coffee as they are mostly available in the market" received the highest frequency of agreement ( $33.3 \%$ ). However, for tasterelated factors, the statement" I prefer Nepali coffee for its comparatively strong taste than that of instant coffee" received the highest frequency of agreement (49.4\%). Under aromatic features, the statement "I prefer to drink Nepali coffee because I enjoy its particular aroma" had the highest agreement (44.9\%). Regarding pricerelated factors, the statement" I prefer to drink Nepali coffee because of its price is reasonable" had the highest agreement (38.5\%). At last, for promotional factors, the statement" I prefer Nepali coffee because I want to show support for locally grown products (coffee)" received the highest agreement (37.5\%). Similarly, a previous study by Karki \& Karki, (2016) in his study found that among several issues regarding less consumption of Nepali coffee high price of the Nepali coffee was found to be a major issue. Similarly, less awareness on Nepali coffee followed by lack of marketing of Nepali coffee, unavailability of Nepali coffee in market and tendency of exportoriented market of Nepali coffee was found to be reasons that can be attributed to less consumption of Nepali coffee. Markets of Nepali coffee were found dominated by foreign coffee due to its low price. The result related to price is consistent with this study as price is ranked as the second most important factor influencing consumers to consume Nepali coffee. But the result related to the availability is contrasting as availability was found to be the lesser important factor in this study. Likewise, another study conducted by Nurdeagraha and Suryawardana (2020 shows that price; service quality, product quality, product diversity, promotion, and location have a positive and significant effect on customer satisfaction on coffee products. The results
related to price and promotion corroborate with this study. But the results related to location (availability) is contrasting as availability was found to be the third most important factor, here it has been considered to have a positive and most significant effect on customer satisfaction. Moreover, findings from research performed by Thomyachati (2012) showed that price was the important factor influencing satisfaction of customers at coffee shops in gas stations in Bangkok followed by other factors such as place, product and promotion. The results related to price, availability, taste and promotion are consistent with the findings of this study. A study by Ko \& Chiu (2008) found that customer satisfaction was a positive predictor of the affective, cognitive, and conative components. The effect of brand attitude on participant's willingness to revisit was mediated by their perceived level of satisfaction.

The study aims to assess the influence of various factors on the acceptance of Nepali coffee using a multiple regression analysis. The findings, as presented in Table 4, indicated that taste and promotional factors exhibited a significant positive impact on the acceptance of Nepali coffee. However, availability, aroma, and price did not demonstrate significant influence on acceptance. Based on these results, the following hypotheses were tested: H1: Availability has not shown a significant impact on the acceptance of Nepali coffee. H1: Taste has a significant impact on the acceptance of Nepali coffee. H1: Aroma has not suggested a significant impact on the acceptance of Nepali coffee. H1: Price also has not demonstrated a significant impact on the acceptance of Nepali coffee. H1: Promotions have a significant impact on the acceptance of Nepali coffee. These hypotheses are further investigated to gain insights into the factors influencing the acceptance of Nepali coffee among consumers.

The examination of acceptance levels based on income, education, and age groups using one-way ANOVA test yielded interesting findings. Table 4 revealed no significant difference in mean acceptance among income groups, suggesting that income may not be a determining factor in the acceptance of Nepali coffee. However, Table 5 demonstrated a significant difference in mean acceptance based on education, indicating that educational background plays a role in shaping acceptance levels. Similarly, Table 6 indicated a significant difference in mean acceptance based on age, implying that different age groups have varying levels of acceptance. These results support hypotheses H 2 and H 2 , highlighting the effects of education and age on the acceptance of Nepali coffee among Nepali consumers. However, hypothesis H2 was not supported, indicating that income groups do not significantly impact acceptance levels.

In summary, the findings suggest that taste and promotion efforts play crucial roles in determining the acceptance of Nepali coffee among Nepali consumers. Availability, aroma, and price have less significant impacts. Furthermore, the
acceptance levels varied based on education and age, while income did not show a significant difference. These results contributed to understand the factors influencing the acceptance of Nepali coffee and can guide marketing strategies to promote its consumption.

The study has the following limitations. Firstly, the study was conducted in specific branches of the "Himalayan Java" outlet in Kathmandu, Lalitpur, and Bhaktpur, limiting its generalizability to other coffee outlets and regions in Nepal. Secondly, the data collection trusted on self-administered questionnaires, which may present response bias or partial information. Moreover, the study's thrust on convenience sampling could result in a tilted participant pool. The limited focus on a single coffee brand might limit its application to broader coffee market dynamics. Also, reliance on a quantitative approach might administer nuanced qualitative understanding.

The research has following implementations. This study yields actionable insights for the Nepali coffee industry. As the first step, marketing should highlight taste and promotion, showcasing unique flavors compared to instant coffee and advocating local products. Secondly, addressing pricing challenges is vital; strategies enhancing competitiveness against foreign competitors are needed. Thirdly, while aroma and availability remain important, taste and promotions deserve priority in marketing efforts. Tailored campaigns based on demographics, particularly education and age, should be pursued. Next, limited impact of income suggests the need to focus on the marketing aspect on taste and promotion rather than income groups. However, further research should delve into specific taste and promotion aspects to fine-tune strategies. Studies should focus beyond Kathmandu Valley to capture diverse perspectives, while continuous monitoring and adaptation to consumer preferences and market trends are needed to ensure competitiveness in the dynamic coffee industry.

## 7. Conclusion

This research aimed to identify and investigate the factors influencing the acceptance of Nepali coffee among Nepali consumers. The findings indicate that taste and promotion are significant factors that positively impact the acceptance of Nepali coffee, while availability, aroma, and price have less significant influences. Education and age were found to be important factors shaping acceptance levels, while income did not show a significant difference. The study suggests several implementations based on this framework. The marketing strategy should focus on enhancing the taste and promotion aspects of Nepali coffee, highlighting its unique and strong flavor compared to instant coffee, and promoting support for locally grown products. Price can be a barrier, so strategies should be developed to make Nepali coffee more competitive and sustainable compared to foreign coffee brands. While availability and aroma are still important, marketing efforts should prioritize tastes and promotion
as key factors. A tailored marketing campaign and product positioning based on consumer's demographics, particularly education and age, should be considered. Income groups may not significantly affect access levels, so marketing efforts should consider other factors. Further research should delve into the specific aspects of taste and promotion that have the greatest impact on consumer acceptance. To overcome limitations, further studies should employ random sampling, expand the geographic scope beyond Kathmandu Valley, consider alternative data collection methods, and employ advanced statistical techniques for stronger conclusions. Continuous monitoring of devaluation of consumer's preferences and market dynamics are crucial for adapting marketing strategies and staying competitive in the coffee industry.

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## Appendix 1

Table A1: Statement for Likert (Acceptance of Nepali coffee among Nepali consumers

| S. N | Statement |
| :---: | :---: |
| L1S1 | I prefer Nepali coffee as they are mostly available in the market |
| L1S2 | Nepali coffee is sold in most of the restaurants of my area, which Encourages me to drink it frequently. |
| L1S3 | I prefer Nepali coffee because they are conveniently available in my residential area. |
| L1S4 | Nepali coffee is my preferred beverage option as it is mostly available in cafes I visit. |
| L2S1 | I prefer Nepali coffee (ground) as they taste better than instant coffee. |
| L2S2 | I prefer Nepali coffee for its comparatively strong taste than that of instant coffee. |
| L2S3 | I prefer Nepali coffee because its caffeine content is preferable to me. |
| L2S4 | I prefer Nepali coffee as it tastes delicious. |
| L3S1 | I prefer to drink Nepali coffee because I enjoy its particular aroma. |
| L3S2 | The aromatic feature of Nepali coffee encourages me to drink it. |
| L4S1 | I Prefer to drink Nepali coffee because of its reasonable price. |
| L4S2 | Nepali coffee is preferred by me because it fits into my budget. |
| L4S3 | I compare the price of Nepali coffee with other beverages before making a purchase. |
| L4S4 | I prefer Nepali coffee because they are less expensive than other beverages. |
| L5S1 | I prefer Nepali coffee because I want to show support for locally grown products(coffee). |
| L5S2 | I prefer Nepali coffee in order to support Nepali coffee farmers and sellers |
| L5S3 | I prefer Nepali coffee due to the influence of support local campaigns. |

The different questions under Likert scale are as follows where L1S1, L1S2, L1L3 and L1S4 represent availability related factors, L2S1, L2S2, L2S3 and L2S4 represent taste and quality related factors, L3S1 and L3S2 represent aroma related factors, L4S1, L4S2, L4S3 and L4S4 represent price features and L5S1, L5S2 and L5S3 represent promotional factors.

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[^0]:    Source: Authors' calculations

