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## **Determinants Shaping Coffee Consumption Culture among Banking Professionals in Kathmandu Valley**

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### **Abstract**

The lifestyle of Nepali consumers, particularly in Kathmandu, is shifting due to the influence of globalization and Western culture. This study explores the emerging coffee culture, primarily among bankers in Kathmandu Valley, where coffee consumption is rising despite Nepal's traditional preference for tea. The research aims to identify the factors driving this trend, such as Western influence and changing consumer behavior and examines the attitudes of bank employees toward coffee. The study provides insights that will help marketers and the coffee industry strategize for future growth and offers a foundation for further research on coffee consumption in among various emerging cultures, Coffee drinking is one of the emerging cultures among Nepali consumers. These days, White Mochas, Cappuccinos, Lattes, Cafe Mocha, Americano, and Espressos are on everybody lips, literally and figuratively. Traditionally, Nepalese are more tea-people than coffee-people. There are tea stalls in virtually every nook and corner of the country and it is still the favorite national drink for the rich as well as the poor. But over the last couple of years, the habit of coffee consumption has shot up dramatically, particularly in Kathmandu and other urban centers, with youngsters of the MTV generation and foreign-returned professionals as the primary consumers.

**Keywords:** Coffee consumption habit, banking professionals, coffee culture, Kathmandu Valley

## **Determinants Shaping Coffee Consumption Culture among Banking Professionals in Kathmandu Valley**

The lifestyle of Nepali consumers is undergoing significant transformation, particularly in urban areas like Kathmandu, as a result of globalization and the growing influence of Western culture. This shift is evident not only in entertainment and leisure preferences but also in eating and drinking habits. Coffee culture, once foreign to Nepal, is becoming increasingly popular, especially among younger generations and professionals. As stated by sociologist T.B. Subba, “Globalization is altering the fabric of traditional societies, blending local and global habits into a new cultural synthesis” (Subba, 2019). This shift is especially noticeable in the rising coffee consumption, an emerging trend in a nation that has long favored tea.

Traditionally, tea has been the beverage of choice in Nepal, ubiquitous in every corner of the country. However, the last few years have witnessed a surge in coffee consumption, particularly in Kathmandu, with young people and returning expatriates being the primary drivers of this shift. As noted by G. Sharma (2021), “The urban centers of Nepal are rapidly embracing coffee culture, with cafes mushrooming around educational institutions and office spaces.” This trend, initially seen among tourists and foreigners, is now becoming mainstream, with local cafes and coffee chains meeting the growing demand.

Despite the increasing popularity of coffee, this habit has not yet reached the levels seen in Western countries where coffee is a daily staple. Nonetheless, the growing fascination with coffee in Kathmandu presents vast potential for market expansion. This study aims to analyze the factors driving the rise of coffee consumption among bankers in the Kathmandu Valley, examining the role of Western influence and changing consumer behavior.

### **Literature Review**

Huang et al. (2013) studied how price promotions influence customer product evaluations in coffee chain stores. Using a questionnaire survey of Starbucks consumers in Taiwan, the study found that price promotions had positive effects on customer quality evaluations and repeat-purchase intentions. It highlighted the need for coffee chain managers to strategically manage price promotions, taking into account customer characteristics to enhance long-term sales.

McGuire (1976) explored the internal psychological factors influencing consumer choices. The research identified three key factors: external influences (product exposure), internal directive factors (personality traits guiding decision-making), and internal dynamic factors (motivational forces driving consumption behavior). The study underscored the importance of understanding how these psychological factors shape consumer decisions. Brown et al. (1993) investigated the relationship between coffee and tea consumption and coronary heart disease in Scotland. Using data from the Scottish Heart Health Study, the research found that non-coffee drinkers had a higher prevalence of coronary heart disease compared to coffee drinkers. However, after adjusting for risk factors, no positive relationship between coffee or tea consumption and coronary heart disease was supported. Coffee is one of the most widely consumed beverages and most internationally traded commodities in the world in good part because caffeine is the world's most popular drug, a legal drug. Coffee was also a sort of early sports medicine, a pep pill that had the dual advantages of accessing energy through its caffeine and quelling hunger pangs. Coffee's purpose was to stimulate individual fortitude, not sociability. Coffee, which mainly grew wild, only slowly became a traded commodity.

### ***Research Objectives***

The research study is aimed at analyzing the factors influencing Coffee consumption culture among bankers of Kathmandu valley. The major objectives of the study are as follows:

To study the factors influencing Coffee consumption culture among Nepalese consumers, working at selected banks of Kathmandu Valley.

To find out the most important factor responsible for influencing Coffee consumption culture among Nepalese consumers, working at selected banks of Kathmandu Valley.

### ***Research Methodology***

The study has focused on an analysis of factors influencing coffee consumption culture among employees of selected banks of Kathmandu Valley. The research is descriptive and applied research. The research is based on quantitative data as the research involves collecting and converting data into numerical form so that statistical calculations can be made and conclusions are drawn. A total of 150 respondents were randomly selected from diverse positions

working at various commercial banks in Kathmandu Valley. Questionnaires, telephone calls and at times emails were sent to collect the data.

The sources of secondary data include books, journals, magazines, newspapers, internet and related research papers. The data was collected by visiting different locations in the valley and in a specific time period of four to six weeks. The data was collected from primary as well as secondary sources. Descriptive analysis as well as inferential analysis was used for analyzing the data. The central tendency, frequency table was used for descriptive analysis whereas the ANOVA test was done for inferential analysis.

### General Information of Respondents

**Table 1**

*Frequency distribution of Gender*

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	91	60.7
Female	59	39.3
Total	150	100

Among the respondents, males were found to prefer coffee over other drinks than their female counterparts, so their number is slightly found to be higher than females.

**Table 2**

*Frequency distribution of Age group*

<b>Age Group</b>	<b>Frequency</b>	<b>Percent</b>
18-30	54	36
30-35	61	40.7
35 and above	35	23.3
Total	150	100

During the research, respondents aged between 30-35 were found be consuming coffee frequently then the other age categories. The reason behind was the peer pressure and wanted to try various types of coffee as their adrenaline is slightly higher than the others.

**Table 3**

*Frequency distribution of Educational Background*

<b>Educational Background</b>	<b>Frequency</b>	<b>Percent</b>
Intermediate or below	12	8
Bachelors	60	40
Masters and above	78	52
Total	150	100

As the aforementioned data indicates bankers with maters and above degrees were found to be more frequently consuming coffee than the other levels of education. This is due to their developed habit of consuming coffee over period.

**Table 4**

*Frequency distribution of Monthly Income*

<b>Monthly Income</b>	<b>Frequency</b>	<b>Percent</b>
Less than 25,000	35	23.3
25,000 - 50,000	46	30.7
50,000 - 75,000	41	27.3
75,000 and above	28	18.7
Total	150	100

According to this distribution of monthly income, employees with an average salary below 50,000 were found to be consuming frequent coffee because of their low workload, being sociable, and habit.

**Table 5**

*Frequency distribution of Job Position*

<b>Job Position</b>	<b>Frequency</b>	<b>Percent</b>
Assistant Level	44	29.3
Officer Level	60	40
Manager Level	46	30.7
Total	150	100

In the above table, officers level staff were found be to frequently drinking coffee to keep them active with their work, sociable and at times offering to their clients as well.

**Table 6**

*Cross-tabulation between gender and number of cups of coffee per day.*

Number of cups of coffee per day							
Gender	1	2	3	4	5	6	Total
Male	15.4%	39.6%	11.0%	16.5%	11.0%	6.6%	100.0%
Female	33.9%	8.5%	32.2%	6.8%	10.2%	8.5%	100.0%
Total	22.7%	27.3%	19.3%	12.7%	10.7%	7.3%	100.0%

Pearson chi square value= 29.255, p=0.000

In the above table, the highest i.e. 39.6% of the male respondents drink 2 cups of coffee per day, and likewise for the female highest i.e. 33.9% of female respondents drink one cup of coffee per day. We can conclude that in the case of male respondents, most of them drink 2 cups of coffee per day and in the case of female respondents most of them drink one cup of coffee.

**Table 7**

*Cross Tabulation between Age Groups and consumer's most preferred place for Coffee consumption*

Most preferred place for coffee consumption					
Gender	Café	Meeting Room	Working Desk	Open Environment	Total
18-30	24.1%	18.5%	37.0%	20.4%	100.0%
30-35	34.4%	11.5%	21.3%	32.8%	100.0%
35 and above	14.3%	0.0%	42.9%	42.9%	100.0%
Total	26.0%	11.3%	32.0%	30.7%	100.0%

Pearson chi square value= 17.565, p=0.007

In the above table, 24.1% of the age group 18-30 respondents prefer coffee at a café, 18.5% prefer a meeting room, 37% prefer at working desk and 20.4% an open environment. Likewise, 34.4% of the age group 30-35 prefer coffee at a café, 11.5% at a meeting room, 21.3% at the working desk, and 32.8% at an open environment. Meanwhile, in the case of the age group above 35, 14.3% prefer at café, no one prefers in meeting room, 42.9% prefer at working desk and 42.9% prefer in open environment.

We can conclude that in the case of the age group, 18-30 highest respondents preferred a working desk, in the case of 30-35, the highest respondents preferred a café and in the case of age group of above 35 most of the respondents prefer in working desk and open environment.

**Table 8**

*Cross Tabulation between Income level and cup of coffee consumption per day*

Number of cups of coffee							
Monthly Income	1	2	3	4	5	6	Total
Less than 25000	54.3%	31.4%	0.0%	14.3%	0.0%	0.0%	100.0%
25000-50000	32.6%	21.7%	10.9%	10.9%	13.0%	10.9%	100.0%



50000-75000	0.0%	24.4%	58.5%	14.6%	0.0%	2.4%	100.0%
75000 and above	0.0%	35.7%	0.0%	10.7%	35.7%	17.9%	100.0%
Total	22.7%	27.3%	19.3%	12.7%	10.7%	7.3%	100.0%

Pearson chi square value= 115.289, p=0.000

In the above table, 54.3% of respondents with a monthly income of less than 25000 drink one cup of coffee per day, 31.4% respondent two cups per day, and 14.3% respondent drink four cups of coffee per day. Likewise, 32.6% of respondents with income level between 25000 to 50000 drink one cup of coffee per day, 21.7% two cups per day, 10.9% three cups, 10.9% four cups per day, 13% five cups per day and 10.9% drink six cups of coffee per day. Among the respondents of income level 50000-75000, 0% drink one cup, 24.4% drink two cups of coffee, 58.5% drink three cups of coffee per day, 14.6% drink four cups, and 2.4% drink six cups of coffee per day. Similarly, 0% of respondents with income of 75000 and above drink one cup of coffee per day, 35.7% drink two cups of coffee, 10.7% drink four cups of coffee per day, 35.7% drink five cups of coffee per day, and 17.9% respondents drink six cups of coffee per day. We can conclude that, among the respondents with an income level less than 25000 highest of them drink one cup of coffee per day, among 25000-50000 highest of them drink one cup of coffee, among 50000-75000 highest prefer three cups of coffee per day and among the respondent with income level 75000 and above highest number prefer two and five cups of coffee per day.

**Table 9**

*Cross Tabulation between job position and craving for coffee the most*

When do you crave coffee the most						
Job Position	High work pressure	During meetings	Break time	Cold weather	All weather	Total
Assistant Level	20.5%	0.0%	34.1%	34.1%	11.4%	100.0%
Officer Level	31.7%	8.3%	33.3%	10.0%	16.7%	100.0%
Manager Level	21.7%	21.7%	32.6%	13.0%	10.9%	100.0%
Total	25.3%	10.0%	33.3%	18.0%	13.3%	100.0%

Pearson chi square value= 22.446, p=0.004

In the above table, 20.5% of assistant-level respondents crave coffee during high work pressure, 0% during meetings, 34.1% during break time, 34.1% during cold weather, and 11.4% during all weather. Likewise, 31.7% of officer-level respondents crave coffee during high work pressure, 8.3% during meetings, 33.3% during break time 10% during cold weather, and 16.7% during all weather. Among the manager-level respondents, 21.7% crave coffee because of high work pressure, and other 21.7% during meetings, 32.6% crave it during break time, 13% in cold weather, and 10.9% in all-weather including rainy and summer seasons.

**Table 10**  
*Correlation Analysis by Consumption Decision*

	Coffee is a refreshing drink	Coffee is an aromatic and tasty drink	Coffee is a social drink	Coffee is a healthy drink	Coffee is a Western drink	Coffee is an addictive drink	Coffee is a superior drink	Coffee is an all-season drink
Coffee is a refreshing drink		.359**	-.280**	-.276**	-.008	.457**	.085	.213**
Coffee is an aromatic and tasty drink			.597**	.201*	.563**	.498**	.562**	.713**
Coffee is a social drink				.511**	.763**	.074	.668**	.658**
Coffee is a healthy drink					.310**	.094	.379**	.104
Coffee is a Western drink						.270**	.567**	.449**
Coffee is an addictive drink							.386**	.316**
Coffee is a superior drink compared to other available beverages								.672**
Coffee is an all-season drink								

Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

### **Finding**

From the above correlation Table 1, the following inferences, and conclusions can be made:

Coffee is a refreshing drink and has a positive correlation with coffee being an addictive drink and coffee is an aromatic and tasty drink i.e., 0.457 and 0.359 respectively. Therefore, as the perception of people perceiving coffee as a refreshing drink increases, similarly their perception of coffee as an aromatic tasty drink, and addictive drink increases, and vice versa.

Coffee is an aromatic and tasty drink that has a strong correlation with coffee as a social drink, coffee is a Western drink and coffee is a superior drink compared to other available beverages i.e. 0.597, 0.563, and 0.562 respectively. Therefore, as the perception of people perceiving coffee as an aromatic and tasty drink increases, similarly, their perception of coffee as a social drink, coffee is a Western drink, and as a superior drink increases, and vice versa.

Coffee is a social drink and has a strong correlation with coffee being a Western drink and coffee is a superior drink compared to other available beverages i.e. 0.763 and 0.668 respectively. Therefore, as the perception of people perceiving coffee as a social drink increases, similarly their perception of perceiving coffee is a Western drink and coffee is a superior drink compared to other available beverages increases, and vice versa.

Coffee is a healthy drink and has a strong correlation with coffee is a superior drink compared to other available beverages i.e. 0.379. Therefore, as the perception of people perceiving coffee is a healthy drink increase, similarly perception of people perceiving coffee is a superior drink compared to other available beverages increases, and vice versa.

Coffee is a Western culture drink that has a strong correlation with coffee being a superior drink compared to other available beverages i.e. 0.567. Therefore, as the perception of people perceiving coffee as a Western culture drink increases, similarly, the perception of people perceiving coffee as a superior drink compared to other available beverages increases, and vice versa.

## Conclusion

The research reveals a significant rise in coffee consumption among bankers in Kathmandu Valley, primarily driven by coffee's role as a stimulant and refreshing drink. The coffee culture is poised for growth, especially in workplaces, offering substantial market opportunities. Refreshments, followed by taste and aroma, are the key factors influencing coffee consumption, while the impact of Western culture appears minimal. Older respondents, facing higher work pressure, crave coffee more during breaks, often consuming it at their desks due to time constraints. Younger bankers, with lighter workloads, prefer cafés. Higher education correlates with a preference for black coffee, reflecting health-consciousness, while increased income is linked to greater coffee consumption with milk.

Overall, coffee is steadily gaining traction in Nepal, particularly in the banking sector. Given Nepal's comparative advantage in coffee cultivation and growing demand for Nepali specialty coffee, this sector holds significant potential for commercialization. Government and industry stakeholders should capitalize on this opportunity for future growth.

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