



# Relationship Between Service Quality and Customer Repurchase Intention in Cafe of Kathmandu Valley, Nepal

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## Abstract

**Background:** Customer Repurchase Intention (CRI) refers to a customer's willingness to purchase again from the same business in the future, influenced by service quality in cafes. However, there has been a lack of clear scientific research evidence to understand which service quality dimension leads to customer repurchase in cafe.

**Objective:** The study aimed to determine the relationship between service quality and customer repurchase intention in cafes.

**Methods:** A descriptive research design was used, using cross-sectional data collected from 160 respondents. We used correlation analysis and descriptive statistics to analyze the data using SPSS.

**Results:** The findings showed that 80% of the respondents have a high repurchase intention from cafes in Kathmandu. The study identified reliability as the most important dimension determining customer repurchase intention, followed by tangibles, assurance, responsiveness, and empathy ranked the lowest. All the dimensions affected customer repurchase intention except responsiveness, which was statistically insignificant to customer repurchase intention. Demographic factors such as age, marital status, employment status, annual income, and the number of years visited in cafes create differences in customer repurchase intention. Interestingly, academic qualifications did not make any difference.

**Conclusion:** The respondents exhibited that they were likely to repurchase. Based on service quality, reliability ranked highest, tangibles ranked second, assurance ranked third, responsiveness ranked fourth, and empathy ranked least, due to which cafe businesses must focus more on high-ranking factors for better customer repurchase in the future.

**Paper Types:** Research Paper

**Keywords:** Service Quality, Customer Repurchase Intention, Relationship, Cafe

**JEL Classification:** L83, L80, L26

## Introduction

Service quality is one of the major factors influencing customer satisfaction that can increase consumers' repurchase intention (Berliansyah & Suroso, 2018). It reflects that, to achieve a higher probability of customer repurchase, such interrelation can also be observed in the context of cafes (Cristo et al., 2017). Over the years, the cafe industry has seen rapid growth in Kathmandu Valley, where dozens of cafe shops have sprouted in recent years where they were nonexistent a few years ago (Dhakal, 2010). However, this sector was severely affected by the earthquake of April 25, 2015, which resulted in the drastic closure of firms (Economic Survey, 2015). The hotel and restaurant sector, in which the cafe industry comes, had a growth of gross value added by 37% in FY 2019/20; however, the entire service sector was again disrupted by COVID – 19 shown by the Economic Survey of Nepal, 2021. So, obstacles and situations like earthquakes and pandemics have continuously led to the closure of cafes. A study (Jin et al., 2013) has shown that service is one of the major strengths for continual sustainability that must be present for existence, as service can provide a sustainable advantage related to restaurants. The most important contributor to the profit of the food and beverage selling business is the link between customer satisfaction and repetitive buying (Gupta et al., 2007; Pedraja and Jesus, 2004). The Economic Survey 2021 reported that Nepal produces around 28078 metric tons of tea and 2625 metric tons of coffee, of which Nepal consumes 35%. Locally available high-quality tea and coffee improve the coffee industry in Nepal. According to the report (Economic Survey, 2021), such resources are available in the context of Nepal.

The 2015 earthquake and the COVID-19 pandemic severely affected cafes, including the hotel and restaurant industry (Economic Survey, 2015; Economic Survey, 2021). These industries eventually got back on track in providing services to customers. Even though there are studies that have proven that service quality and its dimensions can result in higher customer satisfaction leading to customer repurchase in restaurants in Nepal (Mahato & Goet, 2020), such test of service quality and customer repurchase has not been made clearer in the context of Nepali Cafe. Studies in the case of the hospitality industry, restaurants, and hotels are not new in the context of Nepal. However, limited discussion of the cafe industry leads to limited data and literature available in this field. Given the scarcity of comprehensive scientific literature investigating the influence of service quality dimensions on customer repurchase intention within the cafe industry, there is a need for quantitative research to establish the relationship between cafes and customer repurchase. Such research has the potential to serve as a promising platform for future testing and study of the cafe industry.

The study seeks to answer the following research questions;

1. What is the relationship between service quality and customer repurchase intention in cafes?
2. What is the level of customer repurchase intention in cafes?
3. What demographic characteristics in customer repurchase intention create the difference?

The general objective of the research was to determine the relationship between service quality and customer repurchases in cafes. The specific objectives were to identify the most significant dimension of service quality in the context of a cafe, determine the relationship between service quality dimensions including tangibles, reliability, responsiveness, assurance, and empathy with customer repurchase intention, measure the level of customer repurchase intention in cafes, and determine the difference created by demographic factors in customer repurchase intention.

This research provided data based on Nepali cafes in Kathmandu Valley, and cafe businesses can use them to understand how service quality affects customer repurchase intentions. Scientific research evidence is available in the hospitality, restaurant, and hotel industry context. However, the cafe industry research is the least represented area in Nepal. The cafe entrepreneurs can use the findings of this research to understand the dimensions of service quality that affect their customer repurchase

intention. It will help them create a proper strategy for their cafe in the long term. On the other hand, future researchers and students can use this research as a secondary data source or study the report to learn about the conclusions.

We organized this study into five sections. The first section was the background of the study. The second section critically reviews the relevant literature containing empirical and theoretical ones. Section III outlines the research method used for this study. Section IV discusses the results of this study, and the final section concludes the research and summarizes the implications.

## **Review of literature**

### ***Theoretical Review***

The researchers have used the Service Quality Model (SERVQUAL) to examine customer repurchase intention in this study. Parasuraman, Zeithaml, and Berry (1991) defined the service quality of a specific organization as the overall evaluation. The organization obtains this by comparing the performance of an organization with the consumer's general expectation of how it should perform (Ramya et al., 2019). The quality of service is measured using the SERVQUAL instrument along with its five dimensions developed by Parasuraman et al. (1988). SERVQUAL included tangibles, reliability, responsiveness, assurance, and empathy. The dimension of tangibles is physical facilities, including equipment and the appearance of personnel.

On the other hand, reliability is the ability to perform the promised service; responsiveness is the readiness to deliver prompt service and help customers. On the other hand, assurance is the employees' knowledge and consideration, and capability to encourage, trust, and confidence in their customers. Lastly, empathy is the individual attention that is provided to the customers by the firm. A new model named HOLSERV was proposed by Wong Ooi Mei et al. (1999) for hospitality and restaurant businesses. However, this research modified the questionnaire of the SERVQUAL model due to its understandability and acceptance. In this study, researchers have modified the 22 questions of the SERVQUAL model into 21 questions for better suitability and understanding of the participants. We reduced the five questions from the Empathy on SERVQUAL model to four. Also, Hellier et al. (2003) defined Customer Repurchase Intention as the customer's judgment about purchasing a chosen service again from the same firm considering their likely circumstances and current situations.

### ***Empirical Review***

We thoroughly and critically reviewed several studies to understand the research gap and develop a conceptual framework. Mahato and Goet (2020) took the restaurant goers in the Kathmandu Valley as their data. In the research, the independent variables were price and service quality, whereas the dependent variable was customer loyalty, and customer satisfaction as mediating variables. The study examined the influence of service quality on customer satisfaction and customer loyalty in the Nepalese restaurant industry. The researchers collected their data from 490 respondents. They concluded a significant positive relationship exists between perceived price, service quality, and customer loyalty. The results also showed that, in the Nepalese restaurant industry, service quality determines a higher level of customer satisfaction and shows service quality as an integral part of Nepalese restaurants retaining customers. The research focused on measuring the influence of service quality on customer satisfaction and customer loyalty in the restaurant industry. This study does not cover the influence of service quality on customer satisfaction and loyalty in the Nepali Cafe industry. Hence, the study is limited to the restaurant industry only, and we cannot generalize its findings to Nepali cafe culture and industry.

Cristo et al. (2017), located in Manado, Indonesia, aimed to find the influence of price, service quality, and physical environment as independent variables on customer satisfaction as the dependent variable.

The research had 60 respondents representing service quality and physical environment. They concluded that service quality and physical environment have a positive and significant effect on the contribution to customer satisfaction. Having the responses of only 60 participants is the major weakness of this research, as only 15 respondents responded to each independent variable of price, service quality, and physical environment.

Additionally, a study by Mensah and Mensah (2018) conducted their research with independent variables like assurance and responsiveness, empathy, reliability, and tangible effect on the dependent variable of service quality. The study was conducted in 10 restaurants with a sample of 250 participants. The research concluded that service quality contributes to about 57% (more than half) to satisfaction, whereas satisfaction contributes 71% to repurchase intention. Thus, it shows that service quality and customer satisfaction affect repurchase intention. It revealed that the significant predictor of customer satisfaction is customers' perceived quality, and the significant predictor of repurchase intention is customer satisfaction. The research considered combining two dimensions of the SERVQUAL model: responsiveness and assurance. The research could have separated all the five dimensions of SERVQUAL, including tangibles, reliability, responsiveness, assurance, and empathy, better to understand the effect of service quality on repurchase intention.

A study regarding the impact of Service Quality on Customer Satisfaction in Hospitality (Ali et al., 2021) measured the impact of service quality on customer satisfaction. The study was conducted in Iraq with a sample size of 111 participants within a quantitative research design. The study concluded that empathy, responsiveness, assurance, and tangibles have a positive relationship with service quality, and reliability has a negative relationship with customer satisfaction in hospitality. The findings show that service quality dimensions are interrelationships with customer satisfaction in the hospitality sector. We can expand the methodological and conceptual framework developed for this paper to cafes and other industries.

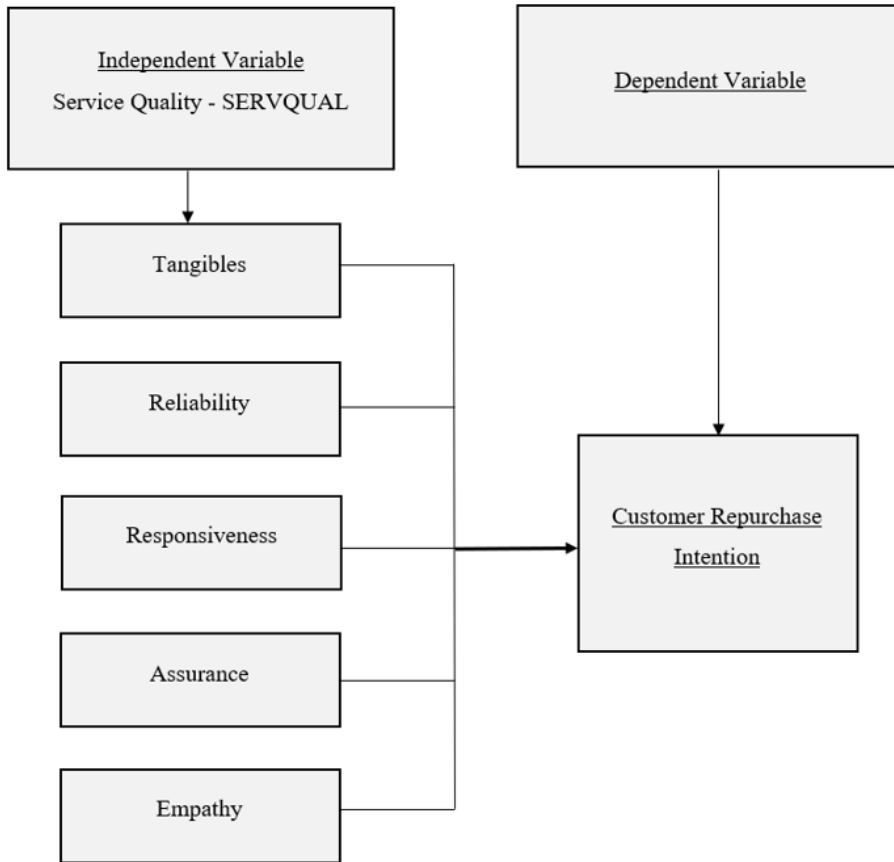
### ***Research Gap***

The research of Mahato and Goet (2020) has explained service quality and its influence on customer satisfaction and customer loyalty in the Nepalese restaurant industry as a whole, which doesn't examine the context of the cafe industry. Previous articles (Cristo et al., 2017; Mensah & Mensah, 2018; Ali et al., 2021; Hidayat et al., 2020; Bautista, 2020; Al-ghifari & Fachira, 2021) examined service quality, customer satisfaction, and customer repurchase in the international context, whereas such research has not yet been examined in Nepalese cafe culture, which creates a requirement for this research to be conducted, as the identified research gap can hinder progress in the field of the cafe industry as it limits the understanding of the specific context in Nepalese cafe culture. Without examining service quality and customer repurchase in Nepalese cafes, it may be impossible to draw accurate conclusions and develop effective strategies to enhance customer loyalty and retention. This may lead to biased views and wrong decisions, such as assuming that strategies effective in international contexts will work in Nepalese cafe. Thus, this research gap needs to be addressed to gain a more comprehensive understanding of service quality and its impact on customer repurchase intention in Nepalese cafe culture. This can facilitate informed decision-making and the development of tailored strategies for improving customer loyalty and retention in this context.

### ***Conceptual Framework***

The independent variable was Service Quality dimensions, and the dependent variable was customer repurchase intention. The variable that the researcher manipulates is an independent variable that is used to measure the effect of a dependent variable (Cooper & Schindler, 2014).

**Figure 1 Conceptual Framework**



Note: Adapted from Mensah and Mensah, 2018; Mahato and Goet, 2020.

The researchers have adapted the conceptual framework based on the references and knowledge of previous research articles provided above to identify the relationship between service quality and customer repurchase intention in this research.

## Research Methodology

### *Study Area*

The research focused on customers of cafes located within the Kathmandu Valley. We distributed a questionnaire to the customers who visited these cafes, and they provided information regarding service quality and their intentions to repurchase. We analyzed the responses obtained from the questionnaire to identify the relationship between service quality and customer repurchase intention.

### *Data Collection Techniques*

The researcher selected the quantitative method as this research method emphasizes quantification in the collection and analysis of data (Bryman & Bell, 2011) to obtain the objective of this research. We collected the data through a structured questionnaire after the expert’s evaluation for pre-testing, and the questionnaire was then physically distributed to the sample size with a cross-sectional design for the time frame of data collection. The questionnaire had two sections. The first section contained the

socio-demographic factors, and the second section contained questions related to service quality and customer repurchase. The questionnaire used Likert Scale to collect data from independent variables in the second section. Slovin’s Sample Design (Slovin, 1960) has been used to calculate the sample size. A total of 5460 population and a margin error of 0.08 were used as the population was heterogeneous. We collected 160 responses using the following formula for the research.

$$n = \frac{N}{1 + N e^2}$$

where, n = number of samples, N = Total population, e = margin error.

Calculation:

N = Average number of customers visiting daily in cafe of different locations in Kathmandu Valley \* 30

N = 182 \* 30

N = 5460

Then;

$$n = \frac{5520}{1 + 5520 (0.08)^2}$$

n = 152

n = 160 (number of data collected)

After screening the filled questionnaires, we recorded the data in SPSS 25 for Statistical Application for Windows. We performed proper formatting and coding to manage, allocate, and interpret the data. Descriptive Statistics were used to show the responses in frequency and percentage. Correlation analysis was used to analyze the relationship between service quality and customer repurchase intention. Descriptive statistics with mean and standard deviation were used to rank the dimensions according to their importance. A one-way ANOVA and t-test were used to determine the difference in customer repurchase intention caused by demographic factors.

Face validity was used to test the validity, and Cronbach’s Alpha was used to measure the reliability of this research. The reliability of the questionnaire was performed using Statistical Package for Social Science SPSS version 25 for Windows as it is the standard tool to quantify internal consistency (Heale and Twycross, 2015). Face validity was achieved by a review of the research questionnaire by research experts, field experts, staff, and managers of Cafes. Reliability for each independent variable had been analyzed by Cronbach’s Alpha as shown in Table 1, which showed that tangibles had a reliability of 73.1% for four items, reliability had a reliability of 83.4% for five items, responsiveness had a reliability of 83.4% for four items, assurance had a reliability of 71.5% for four items, and empathy had a reliability of 79.4% for four items. Similarly, the reliability of Customer Repurchase Intention was 81.9% for the three items.

**Table 1 Reliability Statistics**

	Cronbach’s Alpha	N of Items
Tangibles	0.731	4
Reliability	0.834	5
Responsiveness	0.834	4
Assurance	0.715	4
Empathy	0.794	4
Customer Repurchase	0.819	3

## Result and Discussion

### Demographic Status

Table 2 represents the demographic distribution of 160 respondents. The age group was divided into two groups, where 26.9% of the respondent fall into the age group of up to 20 years, and 73.1% falls into the age group of 21 years and above. The mean age was 22.43 years, with a standard deviation of 3.86. In the case of academic qualification, the majority of the respondents were +2 passed with 58.1% of total respondents, and the least was in SLC passed with only 3.1% of the total respondents. In the case of marital status, 90.6% were unmarried, 8.1% were married, and only 1.3% were divorced. Likewise, in employment status, 65% of the total respondents were students, 30.6% were employed, and only 4.4% were unemployed. The annual income in rupees of respondents was such; 65% earned less than 100,000, 15% earned between 100,001 to 250,000, 11.9% earned between 250,001 to 500,000, and 8.1% earned above 500,000. Similarly, 56.9% of the respondents had visited the cafe for less than one year, whereas 43.1% had visited the cafe for one year and above.

**Table 2 Demographic distribution of the Respondents**

	Frequency	Percent
Age		
Up to 20 years	43	26.9
21 years and above	117	73.1
Mean Age	22.43 ± 3.859	
Academic Qualification:		
SLC Passed	5	3.1
+2 Passed	93	58.1
Bachelors Passed	48	30.0
Master and above	14	8.8
Marital Status		
Married	13	8.1
Unmarried	145	90.6
Divorced	2	1.3
Employment Status		
Student	104	65.0
Employed	49	30.6
Unemployed	7	4.4
Annual Income in Rupees (Net Income)		
Less than 100,000	104	65.0
100,001 to 250,000	24	15.0
250,001 to 500,000	19	11.9
Above 500,000	13	8.1
Number of Years visited		
Less than one year	91	56.9
One year and above	69	43.1

Source: Field Survey, 2022

## Analysis of Responses to Service Quality

The statistical analysis of the measurement scale and questions that were asked on a five-point Likert scale where; 1 represented Strongly Disagree, 2 represented Disagree, 3 represented Neutral, 4 represented Agree, and 5 represented Strongly Agree.

**Table 3 Respondent response to Service Quality Dimensions at Cafes in Kathmandu Valley**

SN	Statements	1	2	3	4	5
Tangibles						
1	T1	3(1.9)	14(8.8)	61(38.1)	50(31.3)	32(20)
2	T2	3(1.9)	5(3.1)	39(24.4)	83(51.9)	30(18.8)
3	T3	5(3.1)	5(3.1)	28(17.5)	78(48.8)	44(27.5)
4	T4	2(1.3)	6(3.8)	46(28.8)	62(38.8)	44(27.5)
Reliability						
5	R1	5(3.1)	5(3.1)	41(25.6)	69(43.1)	40(25)
6	R2	5(3.1)	3(1.9)	31(19.4)	81(50.6)	40(25)
7	R3	5(3.1)	4(2.5)	25(15.6)	80(50)	46(28.8)
8	R4	5(3.1)	12(7.5)	43(26.9)	61(38.1)	39(24.4)
9	R5	3(1.9)	11(6.9)	55(34.4)	53(33.1)	38(23.8)
Responsiveness						
10	Re1	4(2.5)	6(3.8)	64(40)	61(38.1)	25(15.6)
11	Re2	7(4.4)	10(6.3)	63(39.4)	54(39.4)	26(16.3)
12	Re3	5(3.1)	6(3.8)	45(28.1)	68(42.5)	36(22.5)
13	Re4	4(2.5)	8(5)	50(31.3)	57(35.6)	41(25.6)
Assurance						
14	A1	7(4.4)	12(7.5)	51(31.9)	55(34.4)	35(21.9)
15	A2	4(2.5)	7(4.4)	42(26.3)	75(46.9)	32(20)
16	A3	5(3.1)	11(6.9)	44(27.5)	70(43.8)	30(18.8)
17	A4	4(2.5)	17(10.6)	46(28.8)	64(40)	29(18.1)
Empathy						
18	E1	4(2.5)	7(4.4)	35(21.9)	76(47.5)	38(23.8)
19	E2	9(5.6)	20(12.5)	51(31.9)	47(29.4)	33(20.6)
20	E3	7(4.4)	13(8.1)	50(31.3)	55(34.4)	35(21.9)
21	E4	5(3.1)	10(6.3)	56(35)	58(36.3)	31(19.4)

Source: Field Survey, 2022

- T1 = I find that Cafes in Kathmandu Valley have modern-looking equipment.
- T2 = I find that Cafes in Kathmandu Valley have physical facilities that are visually appealing.
- T3 = I find service materials used (Tea Pots, Dishes, etc.) are visually appealing at Cafes in Kathmandu Valley.
- T4 = I find employees at Cafes in Kathmandu Valley have a neat, and professional appearance.
- R1 = When Cafes in Kathmandu Valley promise to do something by a certain time, it does so.



- R2 = When I have a problem, Cafes in Kathmandu Valley show a sincere interest in solving it.
- R3 = Cafes in Kathmandu Valley perform the service right the first time.
- R4 = Cafes in Kathmandu Valley provide their service at the time it promises to do so.
- R5 = Cafes in Kathmandu Valley insist on flawless record keeping.
- Re1 = I am informed when the employees of Cafes in Kathmandu Valley will perform services.
- Re2 = Employees in Cafes of Kathmandu Valley provide me with prompt service.
- Re3 = Cafes of Kathmandu Valley employees are always willing to help me with any problem.
- Re4 = Cafes of Kathmandu Valley employees are never too busy to respond to my requests.
- A1 = I feel confident with the behavior of employees of Cafes in Kathmandu Valley.
- A2 = I feel safe in transactions in Cafes in Kathmandu Valley.
- A3 = Employees of Cafes in Kathmandu Valley constantly respect me as a customer.
- A4 = Employees of Cafes in Kathmandu Valley have enough knowledge to answer my questions.
- E1 = I find the operating hours of Cafes in Kathmandu Valley are convenient.
- E2 = Employees at Cafes in Kathmandu Valley give me personal attention.
- E3 = Cafes in Kathmandu Valley have my best interest at heart.
- E4 = Employees of Cafes in Kathmandu Valley understand my specific needs.

***Analysis of Respondents’ Response to Customer Repurchase Intention***

**Table 4 Respondent Response to customer repurchase intention at Cafes in Kathmandu Valley**

SN	Statements	1	2	3	4	5
	Customer Repurchase					
1	C1	9(5.6)	33(20.6)	57(35.6)	37(23.1)	24(15)
2	C2	5(3.1)	3(1.9)	21(13.1)	75(46.9)	56(35)
3	C3	4(2.5)	11(6.9)	24(15)	69(43.1)	52(32.5)

Source: Field Survey, 2022

- C1 = Cafes in Kathmandu are my first choice of visit for a cafe.
- C2 = I will definitely visit the cafes in the future.
- C3 = I will recommend the cafes to others.

***Ranking of Variables***

Table 5 shows the rank of different service quality dimensions, including Reliability, Tangibles, Assurance, Responsiveness, and Empathy. Among these dimensions, reliability has the highest mean value of 3.84; tangible has a mean value of 3.81; assurance has a mean value of 3.67; responsiveness has a mean value of 3.67; and empathy has a mean value of 3.64.

**Table 5 Ranks of Service Quality Dimensions for Customer Repurchase Intention**

Rank	Dimensions	Mean	Std. Deviation
1	Reliability	3.84	0.78
2	Tangibles	3.81	0.71
3	Assurance	3.67	0.82
4	Responsiveness	3.67	0.79
5	Empathy	3.64	0.85

Source: Authors’ Calculation

The present study aligns with the Service Quality Model (Parasuraman et al., 1999), as both studies demonstrate that reliability is the foremost determinant of customer repurchase intention, whereas empathy is the least significant. Furthermore, the study’s findings are consistent with those of Al-ghifari and Fachira’s (2021) research paper identify tangibles as the second most crucial dimension. The similarity of outcomes strengthens the existing body of research on this topic, indicating a high level of consistency in this field.

***Correlation between Service Quality Dimensions and Customer Repurchase Intention***

**Table 6 Correlation between Service Quality Dimensions and Customer Repurchase Intention**

Service Quality Dimensions	Customer Repurchase Intention
Tangibles	.530**
Reliability	.602**
Responsiveness	0.08
Assurance	.584**
Empathy	.645**

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

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

Source: Authors’ Calculation

Table 6 shows a significant positive relationship between the service quality dimension, including tangibles, reliability, assurance, empathy, and customer repurchase intention. Responsiveness and customer repurchase have a positive relationship, but it is not significant, with a value of 0.08. There is a significant positive relationship between tangible and customer repurchases, with a value of 0.530. Between reliability and customer repurchase, there is a significant positive relationship with a value of 0.602. There is a significant positive relationship between assurance and customer repurchase with a value of 0.584, and there is an essential positive relationship between empathy and customer repurchase is 0.645.

Ali et al. (2021) found that reliability negatively correlated with customer repurchase intention and satisfaction in their study on hotel service quality. However, the present study reveals a positive relationship between reliability and customer repurchase intention in cafes. These contrasting findings may be due to the varying importance assigned to service quality dimensions in hotels versus cafes. Such discrepancies highlight the significance of industry-specific research and provide valuable insights to cafe entrepreneurs in making data-driven decisions.

***Level of Consumer Repurchase Intention***

**Table 7 Level of Customer Repurchase Intention**

Level of Customer Repurchase Intention	Frequency (n)	Percentage (%)	Mean	Std. Deviation
Low	32	20	3.75	0.87
High	128	80		
Total	160	100		

Source: Field Survey, 2022. and Authors’ Calculation

Table 7 shows the level of customer repurchase intention of the respondents visiting cafes in Kathmandu Valley. Among 160 respondents, 32 showed a low level of repurchase intention which is 20%, and 128

respondents showed a high level of repurchase intention which is 80% of the total respondents. The mean for the level of customer repurchase intention is  $3.75 \pm 0.87$ .

***The difference in Customer Repurchase Intention based on Demographic Characteristics***

**Table 8 The Difference in Customer Repurchase Intention by Demographic Characteristics**

Demographic Characteristics	N	Mean	Std. Deviation	t / F value	p-value	Test
<b>Age</b>						
Up to 20 years	43	4.02	0.66	5.741	0.018	t-test
21 years and above	117	3.66	0.92			
<b>Academic Qualification</b>						
SLC Passed	5	4.53	0.30	1.742	0.161	ANOVA
+2 Passed	93	3.70	0.83			
Bachelors Passed	48	3.73	0.89			
Master and above	14	3.95	1.14			
<b>Marital Status</b>						
Married	13	4.31	0.35	3.101	0.048	ANOVA
Unmarried	145	3.71	0.89			
Divorced	2	3.33	0.47			
<b>Employment Status</b>						
Student	104	3.68	0.83	3.101	0.048	ANOVA
Employed	49	3.97	0.88			
Unemployed	7	3.38	1.30			
<b>Annual Income</b>						
Less than 100,000	104	3.59	0.88	4.507	0.005	ANOVA
100,001 to 250,000	24	3.86	0.74			
250,001 to 500,000	19	4.21	0.64			
Above 500,000	13	4.21	1.01			
<b>Number of years visited in the cafe</b>						
Less than one year	91	3.60	0.80	6.739	0.010	t-test
One year and above	69	3.96	0.93			

Source: Authors' Calculation

Table 8 shows the difference in customer repurchase intention caused by demographic characteristics. In the case of age and the number of years visited in the cafe, a t-test has been used as the data has only two possible values. One-way ANOVA has been used in academic qualification, marital status, employment status, and annual income. Based on age, the p-value of age is 0.018, which is less than 0.05 ( $0.018 < 0.05$ ). This shows a significant relationship between age and customer repurchase intention in cafes at a 95% confidence level. The age group of up to 20 years has higher customer repurchase intention as it has a higher mean. In the case of academic qualification, the p-value is 0.161, greater than 0.05 ( $0.161 > 0.05$ ), which shows that academic qualification is statistically insignificant at a 95% confidence level. Also, the mean shows that respondents having academic qualifications of SLC passed

have higher customer repurchase intention. Similarly, the p-value of marital and employment status is 0.048, which is smaller than 0.05 ( $0.048 < 0.05$ ). This shows that marital status and employment status have a significant relationship with customer repurchase intention at a confidence level of 95%. The mean value of married respondents is the highest, which shows that married respondents have a higher customer repurchase intention. At a 95% confidence level, the p-value of employment status is 0.005. Here, the p-value of 0.005 is less than 0.05 ( $0.005 < 0.05$ ), which shows that there is a significant relationship between employment status and customer repurchase intention. Employed respondents have the highest mean, showing higher repurchase intention. In the case of the number of years visited in the cafe, the p-value is 0.010, which is less than 0.05 ( $0.010 < 0.05$ ). This shows that the number of years visited in cafe is statistically significant at a 95% confidence level. Also, the mean of respondents who visited the cafe for one year and above have a higher mean. It shows that respondents who visited the cafe for one year and above have higher repurchase intentions in the cafe.

The current study's outcomes regarding the relationship between respondents' age groups and the number of years visited are consistent with those of Cristo et al.'s (2017) study. Both studies indicate that younger respondents exhibited higher repurchase intention, and those who had visited the cafe for more than a year had greater intentions to revisit.

## Conclusion and Recommendation

The study aimed to determine the relationship between service quality and customer repurchase intention, where the findings showed that the level of customer repurchase intention is high among the respondents. Reliability is the most important dimension in determining customer repurchase intention, whereas empathy is the least important dimension. Similarly, all the service quality dimensions positively correlated with customer repurchase intention. Reliability, tangibles, assurance, and empathy significantly positively correlated with customer repurchase intention. However, responsiveness had no significant relationship with customer repurchase intention. The findings in demographic factors showed that age, marital status, employment status, annual income, and the number of years visited in Cafe had a significant relationship with customer repurchase intention. Academic qualification and customer repurchase intention had no significant relationship.

The findings suggest that responsiveness has no significant but positive relationship with customer repurchase, and it is one of the least important dimensions in determining customer repurchase intention. So, Cafes in Kathmandu Valley should focus more on the responsiveness of their staff to customers and create readiness to deliver prompt services. Therefore, providing training to the staff for good interaction with the customer and correct responses to the customers can increase the service quality of the Cafe, resulting in higher customer repurchase intention. As the study suggests that the age group of up to 20 years and respondents visiting the cafe above one year have more repurchase intention in Cafes. This shows that there will be continuity of customer repurchase in Cafes of Kathmandu Valley which can help the business during its growth period.

The study design was cross-sectional, due to which the data had been collected only at a certain period. The data were collected through a structured questionnaire, which can eliminate the ability of respondents to provide personal opinions and suggestions. The study area was limited to Kathmandu Valley only. The sample size had been limited, so future researchers could use a bigger population. Future researchers can use this research as a reference to study customer repurchase intention with different dimensions. This research used the SERVQUAL model to determine service quality, and researchers can also examine it using other models of service quality, such as Gronroos, HOLSERV, and SERVPERF, in the future. Researchers can use a more diverse demographic population to determine the differences created in customer repurchase intentions.

## Conflict of Interest

No conflict of interest has been declared by the authors in this study.

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