Impact of Branding on Consumer Behaviour at Himalayan Java Coffee Shops in Kathmandu Valley

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Sanjita Tamang³

Abstract
The study examines how branding affects consumer behaviour of consumers visiting Himalayan Java Coffee Shops in Kathmandu Valley by assessing the mediating effect of consumer attitude in relation to the branding elements (brand image, brand loyalty, brand trust and brand experience). The cross-sectional data was purposefully collected from 208 respondents ranging from under 18 years to older people residing in the Kathmandu Valley and previously who are exposed to consumption of coffee. Primary data was analysed quantitatively by using SMART-PLS. The study findings indicated significant impact of the constructs – Brand Image, Brand Loyalty, Brand Trust and Brand Experience on consumer behaviour at Himalayan Java. Additionally, the structural model affirmed that consumer attitude would act as a mediator in the relationship between Brand Image, Brand Loyalty, Brand Trust and Brand Experience. By filling in empirical gaps and utilising Theory of Planned Behaviour (TPB), this study advances our knowledge of how Brand Image, Brand Loyalty, Brand Trust and Brand Experience impacts consumer behaviour especially in case of Himalayan Java. The study stresses the eminent role of branding that impacts the consumer behaviour with the potential to assist the managers of several service and manufacturing industries to consider various branding elements when reaching out to the customers.

Keywords
Brand experience, brand image, brand loyalty, brand trust, consumer behaviour and consumer attitude

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INTRODUCTION AND STUDY OBJECTIVES

In today's highly competitive marketplace, building a strong brand has become an essential strategic tool for businesses to differentiate themselves and attract customers. The progress of a brand lies in its capacity to impact purchaser conduct and make a dedicated client base. Businesses across all sectors need a deep understanding of how branding impacts consumer purchasing decisions, and coffee shops business are no exception.

Branding, in the words of Randall (2000), is all about cultivating positive customer behaviour, maintaining the delivery of promised values and experiences, and building relationships with customers. Because the primary foundation of marketing and branding operations is consumer-focused and consumer-oriented, consumer behaviour is the starting point for the majority of branding activities (Blythe, 2013). According to Matzler and Hinterhuber (1998), they consume those products in order to satisfy their needs and wants. A consumer's decision to buy involves a series of steps, including recognising a need, looking for information, weighing the various options, deciding, and finally engaging in post-purchase behaviour.

There are several factors which affect consumer behaviour and among all factors branding is one of them. A study by Chovanova et al. (2017) showed that brand is the factor which has a positive impact on consumer purchase decision-making process. In an age where consumers are bombarded with choices, branding has emerged as a powerful tool for businesses to differentiate themselves and capture the hearts and minds of consumers (Aaker, 1996). It is the process of creating a relationship or a connection between a company's product and emotional perception of the customer for the purpose of generating segregation among competition and building loyalty among customers (Hislop, 2001). Brands have become more than just products or services – they are powerful symbols that shape consumer perceptions, preferences, and behaviours.

Branding encompasses various elements such as brand image, brand trust, brand associations, and brand communication. These elements shape consumers' perceptions and attitudes towards a brand. For instance, consistent messaging, positive experiences, and a strong brand identity can create favourable attitudes towards the brand. In a Nepalese study on tourist-based restaurants, Sthapit et al. (2023) argued that brand coverage and brand communication through social media would result in consumer response and value creation. For marketers, whatever their companies marketing strategies are, the main purpose of their marketing activities is to influence consumers’ perception and attitude towards a brand, establish the brand image in consumers’ mind, and stimulate consumers’ actual purchasing behaviour of the brand, therefore increasing sales, maximising
the market share and developing brand equity (Zhang, 2015).

From the iconic swoosh of Nike to the golden arches of McDonald’s, branding has the ability to evoke emotions, convey values, and establish connections with consumers on a deeply psychological level. Several psychological theories have been used to study consumer behaviour in the field of marketing, theory of planned behaviour is one of them. The Theory of Planned Behaviour (TPB) is indeed a prominent psychological theory used to study consumer behaviour in the field of marketing. It examines how branding strategies influence key determinants of consumer decision-making, including attitudes, subjective norms, and perceived behavioural control. Similarly, the key areas of focus in the prior studies includes brand loyalty, consumer perception and brand image, which has been given by theories such as the Brand Equity Model by Keller and the AIDA model. In today’s highly globalised, extremely dynamic, and incredibly rapid-moving world, where diversity characterises products across virtually all market segments, the coffee industry stands out with an overload of cafes and coffeehouses exploiting every possible market niche to effectively accommodate the diverse needs of potential customers.

Coffee is a globally significant commodity, with consumption steadily increasing since 2014 (ICO, 2018). Over recent decades, coffee has evolved through three waves of consumption, transforming from a commodity to a specialty product (Manzo, 2014). Arabica and Robusta are the two primary coffee varieties traded worldwide, with Arabica accounting for 57% and Robusta for 43% of global production in 2019/20 (ICO, 2018). According to the National Tea and Coffee Development Board, around 600 tons of coffee is consumed in Nepal every year, of which around 500 tons is domestically produced. “In recent years, our own production is getting a good market with good prices. Coffee produced in the country is being consumed within the country,” said Gaurab Luitel, information officer of the board (Nepal Republic Media Private Limited., 2019). The coffee culture is increasing day by day. This trend is evident not only on a global scale but also in localised markets like Nepal. While the valley was littered with chiya pasals (tea stalls), with Himalayan Java the first of its kind coffee house in the city, Karki, & Karki (2016) brought coffee within the reach of the middle-class and demystified this once foreign sounding drink. Himalayan Java began as a small coffee shop with an investment of around 1.3 million and now it is the largest Nepali Coffee chain with more than 40 outlets around the country and abroad. 50 percent of outlets in operation are in the form of franchises. Himalayan Java distinguished itself in the Nepali coffee market via dependable branding and customer service, adding to the nation's thriving coffee culture.

There are other coffee houses to name a few Kathmandu Coffee, Red Cherry, Red Mud Coffee, and Himalayan Impact of Branding on Consumer Behaviour at Himalayan...: Karanjit, Agrawal & Tamang
Mountain coffee etc. but the researcher has chosen Himalayan Java to thoroughly study the impact of branding on consumers because Himalayan Java was the first and now the leading coffee chain of Nepal. Himalayan Java has been able to create a market when people in Nepal hardly drink Coffee. Thus, for the better understanding of the brand and its growth this research has been conducted. The past studies have focused individually whether they have taken brand elements and examined consumer behaviour or have studied consumer attitude and consumer behaviour but an empirical gap issue remains there where people have neglected the consumer attitude in the model of consumer behaviour, so this study develops a modified and balanced framework by integrating consumer attitude in the consumer behaviour framework. Furthermore, this study implicitly explains about branding elements shaping the brands with special emphasis on consumer attitude and consumer behaviour. This approach aids coffee house owners to look into brand elements for sustained and differentiating business. To develop a deductive research model for this study, an extensive literature review was undertaken, using an observable variable derived from management and psychology. This study aims to provide important theoretical insights for researchers and managerial guidelines for the managers, which may help them develop and implement several marketing strategies as well as highlights the importance of branding and its impact on consumer behaviour.

**LITERATURE REVIEW**

**Coffee Consumption Culture and Consumer Behaviour**

A remarkable change in consumer culture may be seen in the evolution of coffee from a mass-produced commodity to an artisanal experience. Manzo (2014) have captured this progression in their "three waves of coffee consumption". In the initial wave, instant coffee became widely available and saw a boom in the 1960s (Ünan Göktan, D., & Uslu, T., 2022). Coffee became a luxury commodity during the second wave (1990s), which brought specialised coffee through companies like Starbucks. Lastly, the third wave raises coffee to the status of an artisanal, fine cuisine similar to wine by highlighting small roasters, brewing methods, and particular areas. Coffee is now more than simply a drink; it's an experience that encompasses social standing, lifestyle, and enjoyment.

Globally, consuming coffee has grown to be an important cultural phenomenon that affects consumer tastes and behaviour in a variety of settings. Given that coffee is a luxury good and a social status symbol, there is a growing trend in Asia-Pacific nations like South Korea and Japan towards the consumption of premium coffee Jeaheng et al. (2023), highlighting the influence of social and cultural perceptions on consumer behaviour. Similarly, consumer behaviour is influenced by the cultural significance of coffee worldwide; in European nations like France and Italy, ritualistic coffee drinking, focused on espresso and cafe culture, shapes taste
and buying decisions (Pijnenburg, 2021). According to (Li et al., 2022; Hindsley et al., 2020), there has been a cultural shift in the United States that influences consumer behaviour and willingness to pay premium prices for high-quality coffee experiences. In addition, taste preferences, societal influences, and cultural backgrounds all play a role in consumer behaviour in the coffee sector. Customers frequently select coffee products based on perceptions of quality, scent, and overall coffee shop experience (Lin, 2017; Spence & Carvalho, 2020).

Although coffee is not indigenous to Nepal, efforts to promote its production have led to a steady rise since Mr. Hira Giri planted the first seedlings from Myanmar in Gulmi District in the late 1930s. In the late 1970s, smallholder farmers in Nepal received seeds imported from India through the Agriculture Development Bank of Nepal, which helped to raise awareness of coffee as a possible income crop. The establishment of the Nepal Coffee Association (NeCCo) in 1983 contributed to the industry's expansion. Similarly, coffee output expanded dramatically by 2002; in the 2017–2018 fiscal year, Nepal exported 84,219 kilos of coffee and imported 163,377 kilograms, reflecting domestic demand. Approximately 60 percent of Nepali coffee is consumed domestically, within the major chains like Himalayan Java and Kathmandu Coffee. One of Nepal's most well-known coffee businesses, Himalayan Java, which has its origins in Fikkal, Ilam and sources coffee from nearby farms, has expanded from a small beginning to more than 40 outlets around Nepal and abroad, greatly influencing the nation's coffee culture. In nutshell, Himalayan Java is regarded as more than just a coffee shop; through its Mocha Trading division, it imports premium coffee equipment and exports Nepali coffee all over the world.

**Branding Dimension and Coffee Consumption**

In today's fiercely competitive market, branding stands as the linchpin influencing consumer behaviour, and this study of Himalayan Java coffee shops in Kathmandu Valley elucidates its profound impact. Himalayan Java crafts a holistic brand experience, meticulously curating ambiance, service, and atmosphere to immerse consumers in a memorable journey, fostering satisfaction and repeat visits. Its brand image, meticulously honed through marketing efforts, positions Himalayan Java as a beacon of quality, authenticity, and cultural resonance, attracting discerning consumers seeking not just coffee but a lifestyle affirmation. Through personalised loyalty programmes and community engagement, the brand cultivates enduring connections, fostering loyalty that transcends mere transactions, with loyal patrons becoming enthusiastic brand advocates. Crucially, Himalayan Java's commitment to transparency, integrity, and quality engenders trust among consumers, assuaging any doubts and cementing its position as a reliable and respected...
choice. The culmination of these branding efforts manifests in heightened consumer preference and engagement, with Himalayan Java emerging as a beacon in the competitive coffee landscape, illustrating the pivotal role branding plays in shaping consumer behaviour and driving business success.

**Hypothesis Development**

Based on prior studies, the literature review demonstrates the use of various theories while explaining the impact of branding on consumer behaviour. The most commonly used theories are Consumer Behaviour theory, Keller’s Brand Equity theory, Aaker’s Brand Equity theory, Theory of Planned Behaviour, and Consumer Engagement theory. Among these the theory of planned behaviour has been used to predict the behaviours Watson et al. (2014) and to study the link between attitudes and actions (Beedell & Rehman, 2000; Webb & Sheeran, 2006). It is a social cognitive model that sheds light on the factors resulting in a particular behaviour Ajzen (1991) and has been applied successfully in studying the behaviours (Liao et al., 2007). Research has been conducted that empirically validates the theory of planned behaviour where consumer attitudes, positively and significantly influence the particular intention towards brands (Chu et al., 2016). To date, this theory has been used to study the range of intentions and behaviours from a different path of life (Kim et al., 2013; Cook et al., 2002; Arvola et al., 2008) customer satisfaction Liao et al. (2007), and so on. However, there is not much research conducted in the Consumer attitude perspective as a mediating variable that has been done in the context of the theory of planned behaviour.

Similarly, research gaps and study objectives were taken into consideration when choosing the best fit theory. Because of its relevance and applicability, Theory of Planned Behaviour is most often applied among these as it aligns well with the consumer attitude, consumer behaviour and emphasise on brand related variables. Also, the framework is built upon 4 essential constructs which describes the relationship between brand image, brand loyalty, brand trust and brand experience with consumer attitude and then with consumer behaviour. It is drawn from established literature and tailored to address the specific research

**Conceptual Framework**

![Conceptual Framework](image-url)

Figure 1. Conceptual Framework

*Note. Adapted from Bulle (2020), Rawat (2020), Gennene (2011) and Ashraf et al. 2017*
gap, guiding the study's exploration of relationships and outcomes in the realm of impact of branding on consumer behaviour. Furthermore, the theoretical understanding and prepositions underpinning these constructs have not been developed in isolation. Instead, they are firmly grounded in the work of eminent scholars and researchers (Bulle, 2020; Rawat, 2020; Gennene, 2011; Ashraf et al., 2017) who have previously explored the intersections of factors impacting the Brands, Consumer Behaviour and Consumer Attitude.

**Brand Experience and Consumer Attitude**

As indicated by Clatworthy (2012), the experiential time of promoting ought to zero in on giving shoppers brand-significant encounters that include and add an incentive for them. Customers will eventually remember the brand's marketing if they have memorable experiences in which they are personally involved. According to Nardi and Whittaker (2002), the brand experience should communicate live across all touch points, whether in person or via remote means. Thus, the following hypothesis is established:

**H₁:** Brand Experiences Significantly influences Consumer Attitude

**Brand Experience and Consumer Behaviour**

Consumer behaviour is the study of processes behind a consumer’s selection, purchasing, using and disposing of products, services, ideas or experiences to satisfy needs and desires (Solomon et al., 2010). As Gupta and Vajic (2000), experience is the immediate perception or support in a specific live or virtual occasion wherein a purchaser acquires motivation or information from connections with different parts of labour and products. As per Tynan and McKechnie (2009), "experience" can likewise incorporate "post-experience recollections," "the most common way of understanding," or "any movement wherein buyers see, hear, feel, think, or have associations with others." As such, experience is a movement of associations between and among buyers, things, and organisations (Pentz & Gerber, 2013). As indicated by Helm (2007), online brand encounters are an immediate method for upgrading client experience and develop connections. Thus, it is hypothesised that:

**H₂:** There is a positive relationship between brand experience and consumer behaviour

**Brand Image and Consumer Attitude**

Behind the behaviour is the consumer's perspective of the world, an individual's process of organising and analysing various stimuli into a cohesive entity. Thus, for marketers, customers' impressions, such as brand image in our study, are far more important than their actual understanding (Schiffman et al., 2012). Customers' perceptions of a brand's overall image, such as its reputation, quality, and dependability, can also be influenced by its brand image. A solid brand picture can increase
shopper trust, prompting rehash buys and positive verbal exchange references. According to Elseidi and Baz (2016), luxury fashion product consumers' attitudes are significantly influenced by brand image. Luxury fashion product consumers consider the brand's image and reputation to be of utmost importance when making purchasing decisions. By making areas of strength for an idea and reliably imparting it through different components, organisations can fabricate a positive brand picture that requests to their main interest group and drives deals (Keller, 2009). Businesses in the luxury fashion industry must be aware of the significance of brand image and how it affects consumer attitudes in order to succeed (Zhu et al., 2019). Based on it, this study develops the following hypothesis:

\[ H_3: \] Brand Image Significantly influences Consumer Attitude

**Brand Image and Consumer Behaviour**

Marketers view strong brand image as an effective marketing strategy because it unquestionably influences consumer purchase behaviours. Customers' actions when making a purchase of a product are influenced by their impressions and feelings about the brand's products or services (Kim & Chao, 2019). In addition to marketing mix strategies, various brand building initiatives and promotional activities have an impact on consumers' purchasing habits (Davari & Strutton, 2014). Watson et al. (2015) analysed the effect of brand picture on the German attire industry. The findings lend credence to the notion that consumer purchasing decisions are influenced positively by brand image. Wu et al. (2011) also confirms that brand image influences purchasing decisions positively. Consequently, the study concluded that Apple's iOS smartphone purchase decision was positively influenced by brand image (Amron, 2018). Thus, it is hypothesised that:

\[ H_4: \] There is a positive relationship between brand image and consumer behaviour

**Brand Loyalty and Consumer Attitude**

Brand loyalty drives huge buyer commitment. The majority of customers will always give the audience what they want, and they also want to be associated with a brand that has always been loyal to them. Consumer attitudes are at the root of this study since they are critical in acquiring crucial insights into customers' intents and how they view a brand, which is the primary factor in purchasing and becoming loyal to a brand. Understanding consumer attitudes allows brands to manage their communication strategies in a way that best engages consumers, which ultimately contributes to brand loyalty. They engage in social media more frequently and are always willing to participate in the brand's events, competitions, surveys, and loyalty programs (Aluri et al., 2019). According to Lin and Wang (2006), the most significant and crucial competitive advantage in the current market is customer loyalty. According to Chen and Hu (2010), it is extremely challenging
to comprehend the consumer mind and identify the primary psychological factors that will sway consumer loyalty towards a company's product. Based on it, this study develops the following hypothesis:

$$H_5: \text{Brand Loyalty Significantly influences Consumer Attitude}$$

**Brand Loyalty and Consumer Behaviour**

Clients who are undaunted towards a brand are in a manner less worthy, sensitive and open to finish a more prominent cost for a specific brand stood out from various choices, since clients could see a surprising worth in the brand. One more benefit for organisations with brand faithful clients is the way that it can prompt market benefits. Another major benefit of a great brand is that selling to existing, loyal clients is much easier than attracting new ones. Loyalty to a brand is thus a significant benefit that contributes to value creation in at least four ways: lowering marketing costs, leveraging trade value, attracting new customers, and providing time to respond to competitor strands (Aaker, 1991). Openly promoting the brand allows advocates to spread positive word-of-mouth and attract new brand followers. For this reason, brand support seems to play a crucial part in establishing and preserving a brand's appeal (Amine, 1998).

A loyal customer base is therefore one of the most important assets a company may possess and the main goal for any marketer (Aaker, 1991; Webster & Keller, 2004). Concluded by Amine (1998), loyalty to a brand is a key variable for customer retention in long-term perspective. Based on it, this study develops the following hypothesis:

$$H_6: \text{There is a positive relationship between brand loyalty and consumer behaviour}$$

**Brand Trust and Consumer Attitude**

A customer's prevailing belief and confidence in a brand is known as brand trust. In this case, it is abundantly clear that a brand's overall reputation is strongly influenced by how people feel about it. As a result, it may have an impact on the bottom line, such as operational profits (Rooney, 1995). It clearly shows how the brand keeps its promises and adheres to the brand's overall values (Schlecht, 2003). Simmons (2007) characterises that clients might find a brand to a great extent trustful because of its conveyance of value items and administrations. When a brand offers a high-quality product in such a setting, customers may gain trust and loyalty. Furthermore, when a brand gets sound surveys and evaluations, it might make extreme progress and trust from various clients (Rehan, 2014). Based on it, this study develops the following hypothesis:

$$H_7: \text{Brand Trust significantly influences Consumer Attitude}$$

**Brand Trust and Consumer Behaviour**

Brand trust influences buyers buy conduct when occasions are unchangeable as far as they might be concerned, causing them to feel powerless (Martin et al., 2017). According to Gefen (2000),
some would argue that consumers’ trust in a brand comes from their belief that the brand would act responsibly rather than exploit a vulnerable situation. According to Anderson and Narus (1990), European consumers’ purchasing and spending habits were more reasonable and adjusted during the new worldwide emergency. In this way, creating and keeping up with faithful clients is essential for each business in the present serious market (Zaidun et al., 2020). It relies upon a brand’s capacity to carry out its expressed roles that shoppers will depend on. Making brand trust is one of the most proficient ways of helping business execution and secure an economical upper hand (Ha, 2004).

Thus, it is hypothesised that:

\[ H_8: \text{There is a positive relationship between brand trust consumer behaviour} \]

\[ H_9: \text{Consumer Attitudes mediates the relationship between brand elements (i.e. } H_{9a} \text{ brand trust, } H_{9b} \text{ brand image, } H_{9c} \text{ brand experience and } H_{9d} \text{ brand loyalty) and consumer behaviour} \]

**RESEARCH METHODS**

Explanatory research was used to obtain primary data using the survey approach in accordance with the research objectives. An English language structured questionnaire was created in order to examine the proposed hypotheses. By using the convenience sampling technique, primary data collected from HJV consumers online as well as through the distribution of questionnaires from the different outlets of Kathmandu, Lalitpur and Bhaktapur. Similarly, many researchers commonly use the convenience sampling technique to predict consumer behaviour, as it is an effective method to promptly collect data from respondents (Sekaran & Bougie, 2016; Awan & Raza, 2012). The researcher measured all the constructs using well-established scales from earlier research studies in various conceptual and empirical literatures, which served as recommendations in the building of the conceptual framework (Table 1). The measurement items were re-validated to be used for Nepalese context since scales were established in different countries. All the items were measured on 5-point Likert Scale (i.e. 1 for “strongly disagree” and 5 for “strongly agree”) In addition, cross-sectional data was collected from a varied range of respondents, aged 18 and up, who lived in the Kathmandu valley and used HJV. All questions were required, therefore there were no missing data records. The self-administered survey ended with 208 responses. Since the population size was unknown, the researcher rigorously applied the Cochran formula to determine an adequate sample size, employing a sample size of 208 respondents underscores robustness and enhances the generalisability of our findings.

**Analysis Tools**

PLS-SEM was used to analyse the proposed relationship and the influence of their interactions (direct and mediated). PLS-SEM is considered as the most acceptable method for analysing data for our study because
it requires a small sample size, unlike CB-SEM, and the data does not need to have normal distribution. Furthermore, PLS-SEM allows the retention of a larger number of variables per component. In the model, the relationship between latent and observable variables was defined as reflective. This is because changes in the latent variables influence the measurement of the observable variables. Following Leguina’s (2015) two approaches, the proposed theoretical model was evaluated by comparing the measurement model to the structural model.

**DATA ANALYSIS AND DISCUSSIONS**

The results part is separated into the following sections, which include descriptive analysis (respondent profile), normality test, measurement model analysis, structural model analysis, hypothesis testing, and analysis of mediation.

**Profile of the Respondents**

Table 2 displays the demographic information gathered from respondents on gender, age, income level and profession.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Source of Measurement</th>
</tr>
</thead>
</table>

The table shows the socioeconomic background of 208 respondents, with the majority of the respondents being male (54.81%), and the rest of them being female (45.19%), providing the fundamental framework for our study. The age group of 25-29 years had the highest percentage (30.77%) of respondents, followed by the age group of 30-34 years (24.04%). Regarding annual income, the highest percentage of respondents (58.65%) earn up to Rs.40k followed by Rs 40k-80k (24.52%) and Rs. 80k and above (16.83%). Similarly, regarding job professions, the majority of respondents were engaged in other different kinds of jobs (37.5%) followed by Students (18.27%), Teacher (11.06%), Banker (10.58%). Thus, most of the respondents in the study were mostly young, educated students and up to Rs. 40,000, which formed a cornerstone for socio-demographic understanding.

**Descriptive Statistics**

The study proceeds by analysing the normality of the scale indicator data distribution using SmartPLS software. Skewness and kurtosis measurements, which normally fall between -1 and +1, can be used to determine normality. As a result, it is found that every observed item is normally distributed, allowing the
study to move on to the measurement and structural model analysis sections.

**Evaluation of the Outer Measurement Model**

To analyse the model's reliability and validity, we conducted a thorough evaluation of Standardized Factor Loading (SFL), Composite Reliability (CR), Internal Consistency Reliability (Cronbach’s Alpha), Convergent Validity, and Discriminant Validity. Initially, in search of robust results, the SFL of all the employed observed items was computed, and all the observed items’ factor loading scores exceeded the minimum threshold of 0.50 Purwanto (2021) (Table 3), indicating that all the factors had adequate reliability. Similarly, internal consistency was evaluated through both Cronbach’s alpha and composite reliability, with the results postulating Cronbach’s alpha values inside the range of 0.748 to 0.881 and CR values spreading from 0.906 to 0.939 (refer Table 3), confirming the scales high level of internal consistency (i.e. exceeding the threshold value of > 0.70).

Similarly, Rho coefficient values are taken into consideration while measuring construct dependability using PLS. Furthermore, the AVE value is utilized to assess convergent validity, and it is considered satisfactory if it exceeds 0.50. Table 4 shows that all constructs

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**Table 2**

Demographic Profiles of the respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>114</td>
<td>54.81</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>94</td>
<td>45.19</td>
</tr>
<tr>
<td>Age</td>
<td>18-24</td>
<td>35</td>
<td>16.83</td>
</tr>
<tr>
<td></td>
<td>25-29</td>
<td>64</td>
<td>30.77</td>
</tr>
<tr>
<td></td>
<td>30-34</td>
<td>50</td>
<td>24.04</td>
</tr>
<tr>
<td></td>
<td>35-39</td>
<td>32</td>
<td>15.38</td>
</tr>
<tr>
<td></td>
<td>40 and above</td>
<td>27</td>
<td>12.98</td>
</tr>
<tr>
<td>Annual Income</td>
<td>Up to 40k</td>
<td>122</td>
<td>58.65</td>
</tr>
<tr>
<td></td>
<td>Rs40k-80k</td>
<td>51</td>
<td>24.52</td>
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<tr>
<td></td>
<td>Rs80k and above</td>
<td>35</td>
<td>16.83</td>
</tr>
<tr>
<td>Profession</td>
<td>Student</td>
<td>38</td>
<td>18.27</td>
</tr>
<tr>
<td></td>
<td>Teacher</td>
<td>23</td>
<td>11.06</td>
</tr>
<tr>
<td></td>
<td>Banker</td>
<td>22</td>
<td>10.58</td>
</tr>
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<td></td>
<td>Engineer</td>
<td>21</td>
<td>10.1</td>
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<tr>
<td></td>
<td>Entrepreneur</td>
<td>21</td>
<td>10.1</td>
</tr>
<tr>
<td></td>
<td>Doctor</td>
<td>5</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>78</td>
<td>37.5</td>
</tr>
</tbody>
</table>

*Note. Data collected from Survey in 2023*
Table 3
Evaluation of the Outer Measurement Model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Observed Items</th>
<th>Factors Loadings</th>
<th>AVE</th>
<th>CR</th>
<th>Cronbach’s Alpha</th>
</tr>
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<tbody>
<tr>
<td>Brand Experience</td>
<td>BE_1</td>
<td>0.8</td>
<td>0.666</td>
<td>0.909</td>
<td>0.874</td>
</tr>
<tr>
<td></td>
<td>BE_2</td>
<td>0.821</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>BE_3</td>
<td>0.846</td>
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<td></td>
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<tr>
<td></td>
<td>BE_4</td>
<td>0.776</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>BE_5</td>
<td>0.837</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td>BI_1</td>
<td>0.798</td>
<td>0.63</td>
<td>0.895</td>
<td>0.854</td>
</tr>
<tr>
<td></td>
<td>BI_2</td>
<td>0.758</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>BI_3</td>
<td>0.804</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>BI_4</td>
<td>0.774</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>BI_5</td>
<td>0.831</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>BL_1</td>
<td>0.883</td>
<td>0.755</td>
<td>0.939</td>
<td>0.919</td>
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<td></td>
<td>BL_2</td>
<td>0.881</td>
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<td>Brand Trust</td>
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<td>0.932</td>
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</table>

Note. Researchers calculation based on survey data.

have AVE scores that are above these limit criteria, indicating good convergent validity.

Likewise, the discriminant validity of the constructs was examined using two prominent and robust criteria recommended by Leguina, namely the "Fornell-Larker criterion" and the "heterotrait-monotrait" ratio (HTMT). The Fornell-Larcker criterion was evaluated by comparing the Average Variance
Extracted (AVE) for each factor to the square of its correlation with other factors to establish the level of predicted difference across items measuring various constructs. The Fornell-Larckers criteria, a traditional indicator for determining discriminant validity, involves comparing the square root of the Average Variance Extracted (AVE) for each construct to the inter-construct correlations inside the structural model, as Fornell stated in 1981. As shown in Table 5, the bivariate correlation among every construction in the model is consistently below the square root of the AVE values, indicating a strong level of distinctiveness within the construct.

Assessment of Structural Model
To further explore the complex structural relationship between exogenous and endogenous variables, a thorough structural equation analysis was carried out. Likewise, researchers also specifically looked closely at how well the model predicted and explained fluctuations in both the independent and dependent variables. The variance inflation factor (VIF) is a widely employed metric for assessing multicollinearity issues among the independent variables. Furthermore, the observed variables ‘VIF values spanned from 1.73 to 2.98, all of which fell below the threshold of 3.3
demonstrating the structural models have no multicollinearity issues.

Similarly, the R2 value increases the structural model’s predictive power, so it’s crucial to make sure the values are high enough to adequately characterize the structural model. When R2 value exceeds 10%, it is considered sufficient for explaining variance in dependent variables. Here, the study’s findings demonstrate that the model’s R2 value accounted for the factors relating to consumer attitude and consumer behaviour up to 0.655 or 65.5% and 0.597 or 59.7%, respectively. Explicitly, figure 1 also shows the R2 value and outer loading details. In addition, for variables namely brand trust, brand image, brand loyalty and brand experience collectively explained 59.7% of the variation in consumer behaviour, which ensured satisfactory model fit.

Finally talking about SRMR values, which accounted for 0.065 below the cut-off criteria, which exhibited the better fit of the model being used.

**Hypothesis Testing**

Hypothesis testing is the final stage in the structural model to test the relationship between the constructs. In this setting, researchers used Smart PLS 4.0, bootstrapping technique to assess the structural model evaluation, which considers beta value, LLCI and ULCI, as shown in Table 7. The Beta values usually demonstrate the nature of the relationship. Similarly, Smart PLS 4.0, produced the result from bootstrapping of 10,000 data resampling. Likewise, five direct hypotheses and four mediating relationships are proposed in the current study. The direct structural paths (H1, H3, H4, H5, H6, H7 and H9) showed significant association, as the finding showed non-zero value
between the LLCI and ULCI range. The study shows the significant relationship between Brand Image and Brand Loyalty and consumer behaviour. The supporting result indicates that the way consumers perceive a brand, including its image, reputation, and values, has a substantial impact on their behaviour as well as that consumers who exhibit higher levels of brand loyalty are more likely to engage in repeat purchases. Whereas the study did not find a significant relationship between Brand Experience and Brand Trust and Consumer Behaviour. This indicates the relationship between brand experience and brand trust and consumer behaviour may be more complex or nuanced than initially assumed. It may prompt researchers to explore additional variables, refine measurement techniques, or consider alternative methodologies to better understand this relationship.

Likewise, to examine whether consumer attitudes of Coffee drinkers fully or partially mediated the relationship, researchers conducted mediating analysis. The direct effect of Brand Trust,
Brand Image, Brand Loyalty and Brand Experience was supported in the study (See Table 6) and also indirect effect of Brand Trust, Brand Image, Brand Loyalty and Brand Experience was supported in the study (non-zero value between LLCI and ULCI, See Table 7), which postulates that consumer attitude showed partial mediating effect in the relationship. This study indicated that brand elements like image, experience, trust, and loyalty strongly influence consumer attitudes. Consumer attitudes, in turn, mediate the relationship between brand elements and consumer behaviour, highlighting the importance of cultivating positive perceptions to drive desired actions and brand engagement. Understanding these dynamics enables marketers to strategically align brand elements to enhance consumer attitudes and ultimately drive business success.

**DATA ANALYSIS AND DISCUSSIONS**

Based on TPB theory, this study sheds light on the impact of branding on consumer behaviour while incorporating moderating the role of consumer attitude in the context of Himalayan Java Coffee Shops in the Kathmandu Valley. In today’s market, gaining customer trust and establishing brand loyalty is more vital than providing them with benefits and outstanding services (Burnett & Hutton, 2007). The data analysis indicated some intriguing discoveries in this research study. The study found a positive relationship between brand experience and consumer behaviour in context of HJV. The findings have supported the research by Schlecht (2003), Simmons, (2007), where they discovered that brand experience has positive effect on consumer behaviour. Similarly, the study also found positive relationship between brand image and consumer attitude. This highlights how important it is to have a strong brand image that promotes favourable consumer perception and validates the crucial impact that good brand experiences serve in engaging with consumers.

The result has also supported the research study by Keller (2009) where he found that how brand image was significantly influenced by Consumer Attitude in the area of modern marketing communication environment. In addition, the study also found a positive impact of brand image with consumer behaviour which supports the findings of (Davari & Strutton, 2014; Watson et al., 2015). Similarly, the study also indicated the positive relationship of brand loyalty with consumer behaviour which is similar with the findings of (Jacoby & Kyner, 1973). The findings revealed that brand loyalty is a function of decision-making process. Likewise, the study found a positive relationship between brand trust and consumer attitude which is the same with the findings of (Schlecht, 2003; Simmons, 2007). In addition, the study also found a positive impact of brand trust with consumer behaviour. Anderson and Narus (1990) had mentioned that the accumulation of trust leads to better communication which certainly helps firms achieve more. Furthermore, the findings revealed that consumer attitude had a significant direct impact...
on brand loyalty which supported the research study by Lin and Wang (2006). They defined customer loyalty as a customer’s favourable attitude towards an m-commerce website, resulting in repeat purchase. Whereas the study found negative relationship between brand experience and consumer attitude which contradicts with the findings of Aluri et al. (2019). This inconsistency warrants further investigation into the specific aspects of brand experience that resonate with HJV’s customer base in the Kathmandu Valley.

Similarly, the study also found a positive relationship between consumer attitude and consumer behaviour. In addition, the study also focused on the indirect effect of checking the relationship between the variables. The success of all four hypotheses on the mediating role of consumer attitudes offers valuable insights, indicating that branding efforts at HJV should prioritize cultivating positive brand experiences and fostering a strong brand image, which positively influence consumer attitudes, leading to increased brand loyalty and desired consumer behaviour.

CONCLUSION AND IMPLICATIONS

This study has been conducted to shed light on the impact of branding on the behaviour of consumer while taking consumer attitude into consideration. With regard to developing countries like Nepal, this framework is especially novel since it presents a fresh perspective on how branding elements impact consumer behaviour even in the context of Kathmandu Valley. Despite the paucity of existing studies on consumer behaviour and impact of branding, this research has the potential to contribute to these concepts in the area of marketing while also addressing a significant empirical gap. Furthermore, the research adds light on the application of Theory of Planned Behaviour to these factors, providing a unique branding perspective.

Theoretically, the study gave additional literature regarding the Himalayan Java in Kathmandu. Therefore, the findings of this study can add to the existing body of the literature and can serve as a starting point on which future studies can be built. The study also shed light on how commercial interests intersect with societal values, shaping perceptions and behaviours. It underscores the role of branding in perpetuating or challenging cultural norms, influencing social identities, and contributing to consumer culture’s evolution. Understanding these dynamics informs discussions on ethical marketing, cultural representation, and societal well-being, prompting reflection on the broader implications of consumerism in society. The study can help decision makers to identify the major factors that may determine the choice of consumers. Such information will help the management of the Himalayan Java in formulating appropriate marketing strategies in order to make their consumer’s choice towards their brand. It can help restaurateurs find the valuable factors that the customers consider to be the most important, as well as finding the areas of service where the restaurant needs to focus on to ensure
highest level of satisfaction of guests. In this way, this study offers practical implications for various stakeholders including policy makers, economists, analysts, financial institutions, individual investors, government and other stakeholders involved in this field. Similarly, future research should explore broader facets of brand elements to better comprehend how branding impacts consumer attitude and consumer behaviour. Other different important variables such as consumer intention, brand awareness, advertisement and other variables would contribute to a more comprehensive analysis. Also, the consumer behaviour towards branding cannot be determined on the basis of single coffee shop, thus, other coffee shops should be studied for more accurate results. Lastly, a larger sample size that represents a more diverse range of individuals from various regions of Nepal would improve the generalisability of the findings which can be helpful to the marketeers in long run.

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**Conflict of interest**
Authors declared having no conflict of interests associated with this study.

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