

<https://doi.org/10.3126/dristikon.v13i1.56032>

Exploring the Relationship between the Factors Affecting Consumer Behavior concerning Mobile Phones in Nepal

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Abstract

This study examined the relationship between publicity, company website, advertisement, brand ambassador, friends' recommendations, and social media while making buying decisions by consumers concerning mobile phone purchases. The population of the study comprised university students of Nepal. A structured questionnaire was sent to respondents. Out of the returned responses, 165 responses were selected for this study. A correlation test was employed to examine the relationship between the stated variables of the study. The finding demonstrated positive correlations between the variables of the test. All the variables had a statistically positive correlation with each other at $<.001$, except (friends' recommendation and company website; and friend recommendation and brand ambassador).

Keywords: purchase decision, reference groups, brand ambassador, social media, consumer behavior

Introduction

Background of the Study

The restoration of democracy in Nepal in 1990 created an environment for people to utilize their capabilities and talent for new ventures and activities, opening the door to a free market and new technologies in Nepal (Khanal & Souksavath (2005). World Bank (2022) reports that per Capital Income of Nepalese citizens in 2000 AD was \$455.18. In contrast, it reached 1,222.9 US\$ in 2022 AD, indicating a more than 200% per capita income growth, ultimately increasing the purchasing power of various items. An increase in per capita income increases consumer demand for many products; the mobile phone is very popular nowadays.

XINHUA/RSS (2021), in its October 31, 2021 issue, claimed that mobile devices worth 17.17 billion Nepali rupees (142.86 million U.S. dollars) were imported during the first three months of the fiscal year 2021/2022 amid the COVID-19 pandemic, accounting for 46.53 percent of the total imports in the previous fiscal year. Many workers from ASEAN countries move from one country to another for economic growth (Manning, 2018). Nepal Labour Migration Report (2020) reports that the number of labor approvals issued by the Department of Foreign Employment (DOEF) was 3,605 in 1993/94. Now, the number of youths leaving the country daily has remarkably increased. Migrant workers typically use mobile phones to maintain a sense of closeness and communication with their geographically distant social network (Yang 2008). Mobility restriction, social distancing from peers, changing study plans, and learning in online models are the significant challenges faced by students in the higher education sector due to the spread of Covid-19 (Yang 2008). Institutions have converted their teaching-learning methods to online learning, and investing in online management tools has become a significant issue (Pragholapati 2020). All these phenomena have contributed to the increased demand for mobile phones. Mobile phone is one of the most dominant means of communication worldwide. After the invention of wireless handheld devices, the growth and its users are at a peak.

National Planning Commission report on Multidimensional Poverty Index (MPI 2021) reports that 17.4% of the Nepali population lives in multidimensional poverty. With the potential addition of new poor people, Nepal's half of 30 million population appears vulnerable to extreme poverty. (World Bank 2021). Amid harsh economic conditions, mobile phones are becoming popular choices because mobile phones are comparatively cheaper for students, teachers, and ordinary people than other devices such as laptops (Hur et al. 2017).

Research Questions

Katiyal (2017) explains that there is a tendency for an individual to compare with others. With whom the individual compares is known as a reference group. The reference group could be an individual or a person. Thus, the reference person or the reference group greatly influences consumers' choice of product and brand. Understanding the reference group is essential for the business to capture a larger market, reach the more prominent consumer and influence them.

Therefore, this research starts with the following research problems:

- Is the relationship between publicity, Company website, advertisement, brand ambassador, friends' recommendation, and social media statistically significant?
- What is the relationship between publicity, Company website, advertisement, brand ambassador, friends' recommendation, and social media?

Research Objectives

The research has the following objectives:

- To examine the relationship between the variables publicity, Company website, advertisement, brand ambassador, friends' recommendation, and social media.
- To examine the relationship between publicity, Company website, advertisement, brand ambassador, friends' recommendation, and social media.

Significance of the Study

Understanding the relationship between the variables is crucial to marketing decision-makers. The research outcome may be helpful to marketers in designing their marketing strategies aimed at influencing prospects.

Limitations of the Study

Like other research, this study also has several limitations. The study collected the data using questionnaires sent through emails and other social media; thus, the researcher could not examine the non-verbal communication of respondents that could have some meaning. Further, the sampling technique used in this study was non-probability sampling. Since the questionnaires were emailed, this study did not apply the random sampling method.

Review of Literature

Mobile Phones

Mobile phones became the popular means of communication as they reduced communication costs and became accessible to retrieve information quickly and cheaply. It helps to obtain information on various topics, such as economic, social, and political topics (Aker et al. 2010). Mobile devices have various types of names in many languages. The Americans refer to called 'cell', the Germans name it 'handy,' and the Japanese call it 'keitai,' which means phone; in China, it is referred to as 'sho ji' or hand machine; in Arabic, it is sometimes called 'maximum,' referring to the act of carrying (Srivastava 2005). Smartphones are gaining popularity due to the internet's voice, data, and other services. Smartphones help in convenient and secure mobile commerce also. It helps get services like Electronic wallet applications, Electronic payment applications, Internet access, high computing, communication performance, and multimedia content from merchants to consumers (Chang et al. 2009).

Consumer Behavior

Consumer behavior can be explained as a study of how consumers buy, consume, and dispose of products or services, or experiences to satisfy their requirements. Many researchers claim that social, individual, and cultural factors influence consumer behavior. (Simonson et al., 2001). Ul Zia (2016) claimed that consumer behavior analysis is targeted to elaborate on the answer to the question that consumers behave differently in different situations. Kotler (2003)

explained that consumer behavior is the study that explains how individuals, groups, and organizations select, buy and dispose of goods, ideas, services, or experiences to satisfy their needs and desires. Kotler (2003) also discussed that cultural, social, and psychological factors influence consumers' buying behavior.

Reference Group

People are influenced by one another. Some people may be idols to other people. These could be co-workers, family members, relatives, neighbors, friends, seniors at the workplace, Religious associations, political parties, and clubs. They are known as the reference group (Gajjar 2013). Kotler et al. (2009) explained that consumers discuss with family, friends, co-workers, and sometimes with professionals and religious groups, directly and indirectly influencing consumers' attitudes and behavior. Ding et al. (2020) explored the information the reference group gave to enlarge the knowledge about the product and develop trust in the product, which also affects the user's purchase intention. Many kinds of literature explore that young people do not risk purchasing a product they may not know; they prefer to buy brands (Surucu et al. 2020). Mittal (2019) discovered that females in the Delhi-NCR region mostly prefer buying mobile phones recommended by friends/family without significant financial constraints. Uddin (2014) researched the factors affecting customer's buying decision of mobile phones and discovered that the most influencing factor is the physical features of mobile phones; some other factors also influence customers, and they are price, size, weight, recommendations of neighbor, friend, and colleagues as well as recommendations and advertising). Ozer (2012) researched the buying decision process for three technological products at different prices. The interviews were done with a buyer and their influencers.

Furthermore, interactive social tools the buyer used to collect product information were displayed as secondary data. This research explored that interactive social tools are effectively used to collect information about products at different prices, and other product-related opinions are perceived as trustworthy in the buying decision process. It also suggested that social factors, especially family opinions, strongly influence buying decisions when buying an expensive product.

Social Media

Many people follow social media influencers on social networking sites; 90% of respondents follow their recommendations regarding purchasing new products, visiting new places, or changing their behavior (Qin 2020). Ozer (2012) states that after the popularity of social media, it became a source for consumers to search for information about the product they like to buy. Wang et al. (2012) studied the impact of peer communication on social media on purchase intention and concluded that the two antecedents positively influence peer communication outcomes. Online consumer socialization through peer communication also

affects purchasing decisions in two ways: directly (conformity with peers) and indirectly by reinforcing product involvement. These findings have important theoretical and managerial inference. Gros (2012) found that the influence of Social Media varies based on the consumer's decision-making process.

Company Website

The Law Insider defines a company website as " all websites owned, operated or hosted by the Company or through which the Company conducts the Business and the underlying platforms for such websites." Salehi et al. (2012) discovered that website information convenience is always important for the success of companies in selling their product in a competitive market. It also helps to get competitive advantages and achieve final goals in e-commerce.

Publicity

Promotional activities are required to pursue and influence the consumer decision-making process, which surely disseminates information about the product to potential consumers (Ul Zia, 2016). Xie and Peng (2010) concluded that publicity with social responsibility creates a strong tie-up between consumer and brand; nevertheless, ability-related publicity has no such significant effect on the consumer's brand loyalty.

Advertisement

Kotler (2003) discussed that advertising could enhance a product's long-term image or trigger quick sales. Kumar et al. (2013) defined advertising as a way to convince the target group to purchase or take some action on a product, service, content, and so on. Ayanwale et al. (2005) surveyed to understand the influence of advertising and concluded that advertising influences both gender, males and females, in their buying decisions. Captivating and rich quality advertising has a more decisive influence on consumer buying decisions. They also revealed that TV advertising was the most preferred advertising media. Reddy (2022) claimed that various advertising and tactics affect buyers' choices and consumer buying behavior.

Brand Ambassador

Kertamukti (2015) explains whose achievements are publicly accepted in many fields and who are intended to promote a company and product are known as brand ambassadors. Putri et al. (2021) stated that brand ambassadors positively influence buying interest. Brand ambassadors' attractiveness also positively and significantly influences the purchase intention of prospects, consistent with Marpaung's (2021) and Reddy's (2022) findings.

Methods and Materials

This study employed cross-sectional research and a quantitative approach. The population includes all the management, pure science, education, and humanities students

pursuing their studies at the bachelor's or above bachelor level in Nepal. Sampling technique The non-random, snowball sampling method was used in this research. The study collected primary data from 165 respondents using a structured questionnaire sent to the respondents using emails and various social media. The questionnaire was created using Google Forms. Those forms were sent to many university students via the researcher's email and social media; this was the first data collection phase. Then, the questionnaire recipients were requested to complete and submit it. The collected responses were then exported to SPSS (Statistical Package for Social Science Version 25), and all all-necessary data coding and interpretation were carried out. Descriptive and inferential statistical tools were applied in this research.

Results and Discussion

This chapter presents the data in a tabular format and analyzes the data with different variables. The analyzed data are presented in tabular form, and the explanation is presented subsequently.

Table 1

Reliability Statistics

Cronbach's Alpha	N of Items
0.818	18

Table 1 presents the reliability statistics of the study. From Table 1, it is apparent that the reliability of the instrument is acceptable. The consistency test indicated a Cronbach Alpha value of .818, which is robust (Tan 2009).

Table 2

Demographic Profile of the Respondents

Variables	Groups	N	Percent
Gender	Male	92	55.8
	Female	73	44.2
Faculty	Science and Technology	26	15.8
	Management	125	75.8
	Humanities	6	3.6
Qualification	Others	8	4.8
	Above Masters	5	3
	Masters	32	19.4
	Bachelor	128	77.6
	Total	165	100

Table 2 presents the gender profile of the respondents of the study. Out of 165 respondents, 55.8 percent of the respondents were males, and the remaining 44.2 percent were females. Further, table 2 exhibits the faculty profile of the study's respondents. Out of 165 respondents, 75.2 percent were from the Management faculty, 15.8 percent were from Science and Technology faculty, 3.6 percent were from the Humanities faculty, and the remaining 4.8

percent were from the other faculty. Similarly, the same table exhibits the educational qualification profile of the respondents. At the time of the survey, out of 165 respondents, 77.6 percent were pursuing a bachelor's level of education, 19.8 percent of respondents were enrolled at the Master's level, and 3 percent were enrolled in academic programs above the Master's level.

Table 3
Descriptive Statistics for the Constructs

Scales	N	Minimum	Maximum	Mean	S. D.
Overall	165	17	85	53.98	10.28
Friend	165	3	15	8.93	2.71
Social Media	165	4	20	13.55	2.84
Publicity	165	3	15	9.40	3.29
Company Website	165	3	15	10.19	2.57
Advertisement	165	2	10	5.90	2.16
Brand Ambassador	165	2	10	6.01	2.19

Table 3 presents the summary statistics of the study. This study used a structured questionnaire containing 17 Likert items to measure different constructs. The first column in the table shows the constructs measured in the study, and the third column presents the number of Likert items used to measure the constructs in the scale column, i.e., the first column of Table 3. Each Likert item was measured on scales ranging from 1= Strongly Disagree to 5 = Strongly Agree. To measure the construct "influence of friends' three Likert items were used. The maximum possible score is 15 (Number of Likert Items, i.e., 3 x Maximum possible scale, i.e., 5), and the minimum possible score is 3 (Number of Likert items, i.e., 3 x minimum possible scale, i.e., 1). The mean score for the construct friends' recommendation is 8.93, below the average value. The mean value is 3x3 (number of Likert items, ie. 3 x mean value of scale, i.e., 3 (neither agree nor disagree). Therefore, the impact of friends' recommendations on brand selection is low.

Further, the construct "Social Media influences" had a mean score of 13.55, above the average value. The average or mean value is 4x3 (number of Likert items, i.e., 4 x mean value of scale, i.e., 3 (neither agree nor disagree). Thus, the impact of friends' recommendations on brand selection is high. Similarly, the construct "Publicity Influences" had a mean score of 9.40, above the average value. The average or mean value is 3x3 (number of Likert items, ie. 3 x mean value of scale, i.e., 3 (neither agrees nor disagrees). Therefore, the impact of friends' recommendations on brand selection is slightly high. To measure the construct "Companies website,' three Likert items were used. The mean score for the construct Company's website impact is 10.19, above the average value. The average or mean value is 3x3 (number of Likert items, i.e., 3 x mean value of scale, i.e., 3 (neither agree nor disagree). Therefore, the impact of

friends' recommendations on brand selection is high. To measure the construct "Advertisement Effect," two Likert items were used. The mean score for the construct advertisement effect was 5.90, below the average value. Therefore, the impact of Advertisements on brand selection is low. Likewise, the mean value of the construct "Brand Ambassadors " was 6.01, slightly above the average value. Therefore, the impact of Advertisements on brand selection is a bit high.

Table 4
Correlations Matrix (N= 165)

Variables	P	CW	A	BA	F	SM
P	1					
CW	.402**	1				
A	.444**	.303**	1			
BA	.360**	.240**	.442**	1		
F	.211**	0.145	.198*	0.094	1	
SM	.469**	.389**	.294**	.231**	.309**	1

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

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

Where P= Publicity, CW= Company Website, A= Advertisement, BA= Brand Ambassador, F= Friend, and SM = Social Media.

Table 4 presents the Correlation between the variables publicity, company website, advertisement, brand ambassador, friends' recommendation, and social media. Table 4 shows that all the tested variables have a positive Correlation at a significance level <.01, except for the Correlation between a friend's recommendation and the company website and brand ambassador.

Conclusion

The study examined the relationship between publicity, Company website, advertisement, brand ambassador, friends' recommendations, and social media concerning consumer buying behavior of different university students in Nepal. The study made observations of 165 students. Pearson's Correlation test was applied to examine the above-mentioned variables' relationship. The study's findings indicated that tested variables have a positive Correlation at a significance level <.01. However, the relationship between friends' recommendations and the company website; and friends' recommendations and brand ambassadors have an insignificant positive relationship.

Implication

The positive Correlation between publicity, Company website, advertisement, brand ambassador, friends' recommendations, and social media regarding consumer buying behavior

implies that the prospects view these variables linearly. The marketers of mobile phones may gain insights from the relationship between the specified variables and tailor their marketing mixes to retain and improve their marketing performance.

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