check for updates

The role of social influence in mediating the relationship between relative advantage and purchase intentions for smartphones: A study in Kathmandu, Nepal

(iD) **Sajeeb Kumar Shrestha¹**

(iD) **Tej Bahadur Karki²**

(iD) **Dipak Mahat³⁺**

(iD) **Dasarath Neupane⁴**

¹*Faculty of Management, Tribhuvan University, Nepal.*
Email: drsajeeb@gmail.com
²*Social Development, Nepal Philosophical Research Center, Nepal.*
Email: drtejkarki@gmail.com
³*Faculty of Management, Institute of Research and Innovation, APU, India.*
Email: dipakmahatdm2047@gmail.com
⁴*Faculty Member, Department of English, Baneshwor Multiple Campus, Nepal.*
Email: neupane.dasarath@gmail.com

(+ Corresponding author)

ABSTRACT

This research explores smartphone usage dynamics in Kathmandu, Nepal, focusing on how relative advantage, social influence, and purchase intention interact in the context of the city's growing technological landscape. To address the identified gap in understanding the mediating role of social influence, descriptive and exploratory research methods are used. A survey involving 412 smartphone users was conducted both in person and online. The study reveals that relative advantage significantly impacts both social influence and purchase intention. Social influence is found to partially mediate the relationship between relative advantage and purchase intention. Specifically, individuals who perceive a greater relative advantage in a smartphone, thereby further enhancing their purchase intention. The research provides valuable insights into the factors driving consumer behavior in Kathmandu's smartphone market. It demonstrates that while relative advantage directly affects purchase intentions, social influence also plays a critical role in mediating this relationship. These findings can guide marketers in refining their product placement, promotional strategies, and community engagement efforts, ensuring they address both the perceived advantages of smartphones and the influence of social factors on consumer decisions.

Contribution/Originality: This research adds value by showing how social influence acts as a mediator between relative advantage and the intention to purchase, providing important insights into consumer decision-making and behavior in the smartphone market of Kathmandu.

1. INTRODUCTION

In recent years, the use of smartphones has witnessed a remarkable surge in transforming the way individuals communicate, access information, and engage with various services (Nwachukwu & Onyenankeya, 2017; Wang, Hsieh, & Kung, 2023). Nepal, situated amidst a rapidly evolving digital landscape, reflects this trend, with Kathmandu serving as a vibrant hub of technological advancement and consumerism (Pandey, 2018). There are over 20 million people in Nepal who use the internet, 73% of Nepalese citizens own and regularly use smartphones, and the number of people who use smartphones is gradually growing (Oli, 2023). As the smartphone business continues to grow, there are strengths, weaknesses, opportunities, and threats for those who promote smartphones. Consequently, understanding the factors influencing consumers' intentions to purchase smartphones has become a topic of

considerable interest for researchers and marketers alike. An important issue that has garnered significant focus is the notion of relative advantage, which pertains to the perceived superiority of new technology in comparison to existing options (Wang, Meister, & Wang, 2008). Previous studies have examined the direct impact of relative advantage on individuals' intentions to purchase smartphones. However, the mediating effect of social influence in this relationship has received less attention (Blanco-Encomienda, Chen, & Molina-Muñoz, 2024). Social influence encompasses the impact of interpersonal relationships, recommendations, and societal norms on individuals' decisions (Gulabdin, Sung, Sondoh Jr, & Madli, 2022). Social influence greatly impacts consumers' intentions. Societal elements impacting customers' desire to buy include social standards, social identification, social support, and social comparison. Granzin and Painter (2001) make the specific finding that social norms in Portugal and the United States are substantial predictors of domestic product purchasing behavior. Given the social nature of smartphone adoption and the influence of social networks in shaping consumer behavior, it is crucial to investigate whether social influence mediates the relationship between relative advantage and smartphone purchase intentions (Apasrawirote & Yawised, 2022). Therefore, this study aims to identify this gap by analyzing how social influence mediates the relationship between relative advantage and the intention to purchase smartphones, in the context of Kathmandu, Nepal. The dispersion of smartphones in Nepal has grown exponentially, and Kathmandu is the center of technological innovation and adoption. In this context, it is essential to understand the purchase intention dynamics in this specific cultural and geographical setting, which may deliver significant information for both academia and industry.

1.1. Significance of the Study

Anyone planning to conduct a similar study in the future will find this research to be a valuable resource. This research provides smartphone companies with valuable insights into the factors that influence consumer's inclination to purchase their products. Smartphone sellers might benefit from this research by learning about customers' most recent needs in terms of design, color, function, application, and pricing, among other aspects of smartphones. Smartphone manufacturers and app developers may use this valuable data to confidently move forward with future product and marketing plans.

2. LITERATURE REVIEW

2.1. Relative Advantage

Relative advantage is a crucial concept in the diffusion of innovations theory (Florea, 2014). Marketing has consistently utilized relative advantage, gauging the perceived superiority of a new product or service. Thus, it measures how much a new product or service is better than the old one (Morgan, 2012). Relative advantage refers to the consumer's subjective view of the benefits gained from using a product. Adoption speed advantage depends heavily on relative advantage. This perception of advantage is relative and depends on an individual's assessment of the costs and benefits associated with the innovation compared to the existing alternative (Bandara & Amarasena, 2018). An innovation also needs to offer a greater advantage in the specific context of adoption and use, not necessarily having greater functional value in an absolute sense. A social system's acceptance of an idea accelerates its perceived relative advantage. Assessing an innovation's relative advantage involves weighing economic profits, social prestige benefits, convenience improvements, and whether it satisfies needs deemed important (Tanye, 2016). How individuals perceive an innovation's advantages relative to prior options strongly influences their motivation to adopt or reject it. Therefore, highlighting an innovation's advantageous attributes compared to what already exists can accelerate its rate of diffusion and acceptance.

2.2. Relative Advantages of Smartphone Consumption

Persaud and Azhar (2012) state that the relative advantages of smartphone consumption provide valuable insights for marketers. Identifying which capabilities and attributes drive consumer adoption allows companies to

effectively position new smartphone models and target communications to highlight the most compelling advantages. Different demographic segments prioritize different features, with younger consumers prioritizing status symbols, helps tailor segment-specific strategies. Uncovering new dimensions of advantage like enhanced productivity from location services generates opportunities for future innovations that amplify a smartphone's utility. Research also shows how communication platforms create important network effects that increase a smartphone's relative advantage against standard mobile phones over time (Shetty & Bhat, 2022). Moreover, revealing the diverse array of productivity, convenience, and social benefits illustrates why smartphones deliver multiple distinguishing advantages versus less capable devices (Ng, Hassan, Nor, & Malek, 2017). Overall, examining relative advantages provides crucial insights for stronger positioning, improved segmentation approaches, innovative opportunities, and strengthening smartphones' widely recognized predominant value in the marketplace.

2.3. Purchase Intention

The term "purchase intention" describes a customer's intentional approach to seeking out and buying a service or item. This is measured by percentage of consumers who would choose a certain brand over others (Zhang, Hassan, & Migin, 2023). Purchase intention represents the motivational factors that influence a buyer's decision-making and is an indication of their willingness to buy (Apasrawirote & Yawised, 2022). Customers with higher levels of purchase intention are more likely to complete a transaction. Purchase intention does not guarantee that a purchase will be made, as other unforeseen factors could interfere, but it indicates the influence different marketing activities have in bringing consumers closer to a purchase (Peña-García, Gil-Saura, Rodríguez-Orejuela, & Siqueira-Junior, 2020). Understanding the antecedents that drive purchase intention, such as brand image, product attributes, customer satisfaction, and loyalty, allows marketers to create strategies to optimize these variables and increase the probability of turning intended purchases into actual sales (Chen, 2013). Analyzing the product purchase intention is significant for market study, segmentation, and measuring the promotional strategy that influences customers (Suyanto & Dewi, 2023).

2.4. Purchase Intention of Smartphone Consumption

Kallier and Makhitha (2024) concluded that purchase intention provides valuable information for marketers' desire to increase smartphone sales. Brand perception, desired product qualities, and customer satisfaction levels are three of the most important elements that influence people's choices to buy a smartphone. By understanding these aspects, marketers may improve their tactics and messages' targeting. Understanding the factors that influence intentions may be used to improve key variables by customizing the content accordingly (Park, Hyun, & Thavisay, 2021). Examining intention differences between segments, like early adopters versus late adopters, facilitates tailored approaches to more effectively convince each group. Moreover, measuring intention over time enables the evaluation of campaigns, promotions, and new releases in progressing consumers along the purchase funnel (Majeed, Owusu-Ansah, & Ashmond, 2021). The significance of intention research is that it reveals opportunities to strengthen influencing factors to heighten willingness and likelihood of converting interested buyers into completing transactions. With purchase intention indicating motivational influence on decision-making, marketers can improve targeting by capitalizing on intentions revealed through insightful study (Zulqarnain, Iqbal, & Muneer, 2023).

2.5. Social Influence

Social influence is the degree to which other people affect an individual's disposition, including their beliefs, values, attitudes, and actions. It recognizes that consumers do not make choices in isolation, but rather are subjected to social effects from those around them. Family members, friends, peers, and the broader culture all exert some level of social influence that can shape individuals' preferences, opinions, and purchasing habits. Social influence stems from the basic human desire for social approval and acceptance. People tend to compare themselves to others and conform

to social norms out of this inherent need to fit in. Marketers have leveraged this concept by targeting influential members of social groups who can impact purchase decisions through word-of-mouth recommendations and demonstrations of preferred behaviors within their social network. Understanding the mechanisms of social influence provides valuable insights into how reference groups and interpersonal relationships guide consumer decision-making in a social, rather than solely rational or economic, manner.

2.6. Social Influence of Smartphone Consumption

Studying social influence provides significant insights for marketers seeking to increase smartphone adoption. Understanding how consumers are impacted by family, friends, and peers in forming preferences, opinions, and purchase behaviors allows the leveraging of word-of-mouth recommendations (Sindhuja, Panda, & Krishna, 2023). Examining the mechanisms of social influence, such as conformity to peer norms out of a desire for social approval, provides guidance on marketing tactics to appeal to consumers' innate human tendencies (Shah & Asghar, 2023). Identifying the most influential members of social groups enables engaging brand champions who can amplify purchase decisions through their networks (Aral & Walker, 2012). In addition, insights into which devices satisfy the need to express individuality and demonstrate lifestyle status provide opportunities to design appealing new features. Measuring subjective norms within demographics also helps customize strategies in response to varying influencers. The importance of social influence research lies in illuminating ways to harness the power of interpersonal relationships to guide decision-making in social rather than purely economic terms conducive to widespread smartphone adoption (Masaryk, 2014).

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

3.1. Relative Advantage and Purchase Intention

Various studies show that relative advantage is a major predictor of purchase intention. Study conducted by Venkatesh, Morris, Davis, and Davis (2003) "perceived relative advantage is the most significant cause of purchase intention." Similarly, Bandara and Amarasena (2018) suggest that factors such as relative advantage, perceived behavioral control, and perceived ease of use play a significant role in influencing the adoption of a product. This suggests that if consumers perceive that a product or service has a significant advantage over other alternatives, they are more likely to intend to purchase it. Rogers (2010) discovered that one important predictor of an innovation's acceptance is the extent to which it is thought to be superior to the concept it replaces to solve a specific issue. Relative advantage can also impact customer satisfaction. A study by Zeithaml (1990) explains that "perceived value, which is a function of the perceived benefits relative to the perceived sacrifices, is a key driver of customer satisfaction." According to a study by Oliver (1999) "perceived value, which is a function of the perceived benefits relative to the perceived sacrifices, is a key predictor of consumer loyalty." Therefore, based on the above review of related literature, the first hypothesis is determined by this study:

H₁: The presence of relative advantage has a positive effect on purchase intention of smartphone consumption.

3.2. Relative Advantage and Social Influence

Relative Advantage and Social Influence are two important factors in the adoption of new technologies and services. Peer pressure influences customers' voluntary adoption of new products and services (Kim & Park, 2011). In the context of cloud-based e-learning, a study found that relative advantage has a positive impact on cloud-based e-learning adoption, while the direct impact of social influence is inconclusive (Yunior & Sudibijo, 2024). Ho and Rajandram (2016) suggest that relative advantage and social influence are related factors that can impact the adoption and intention to use new technologies, products, or services. In the context of mobile banking, a study found that relative advantage and social influence are independent variables that influence the use intention of mobile banking

(Booranapim, Nuangjamnong, & Dowpiset, 2020)'. Therefore, highlighting the above review, the study has set the second hypothesis as below:

H_2: *The presence of relative advantage has a positive effect on the social influence of smartphone consumption.*

3.3. Social Influence and Purchase Intention

Research indicated that social influence, shopping culture, and impulsive purchasing affect preloved product purchase intention (Amaral & Djuang, 2023). Research examining how the social commerce construct affects customer trust and buy intention in the setting of e-commerce discovered that the social commerce construct significantly influences consumer trust, which in turn significantly influences purchase intention (Sindhu & Bharti, 2023). Another study on the impact of social and peer pressure on e-commerce purchase intention discovered that social and peer pressure significantly affect attitudes about e-commerce use as well as buy intention (Gunawan, Rahmania, & Kenang, 2023). One study conducted a bibliometric analysis of the literature on social commerce, which is a form of e-commerce that leverages social networks and user-generated content to influence purchase decisions (Dincer & Dincer, 2023). Therefore, based on the above literature, the third hypothesis is determined by this study as below:

H_3: *The presence of social influence has a positive effect on the purchase intention of smartphone consumption.*

3.4. The Mediating Role of Social Influence Between Relative Advantage and Purchase Intention

Wangpo and Wangmo (2022) suggest that social influence mediates this relationship, with positive social media interactions and brand equity leading to increased purchase intention. Ali and Naushad (2023) highlight the importance of social influence in shaping brand image, with positive interactions on social media leading to a more favorable perception of the brand and increased purchase intention. Yunior and Sudibijo (2024) explore that relative advantage and user satisfaction also directly impact behavioral intention, with social influence mediating this relationship. Similarly, social influence plays a significant role in shaping consumer engagement, with positive interactions on social media leading to increased engagement and a higher likelihood of purchasing from a socially responsible brand (Al-Haddad, Sharabati, Al-Khasawneh, Maraqa, & Hashem, 2022). Given the concern raised by the above findings, the study has established the fourth hypothesis, as follows:

H_4: *Social influence positively mediates the relationship between relative advantage and purchase intention.*

The aim of this study is to investigate and analyze the mediation role of social influence between relative advantage and purchase intention.
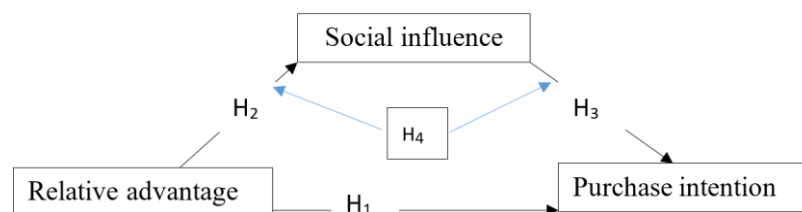

Figure 1. Conceptual framework.

Figure 1 displays the relationships between the variables and the research hypothesis, illustrating how Social Influence mediates the effect of Relative Advantage on Purchase Intention.

4. METHODS

4.1. Research Design

The research study used a descriptive and exploratory research design with a cross-sectional timeframe to assess the mediating role of social influence on the relationship between relative advantage and purchase intention.

4.2. Sample and Data Collection Tools

The following formula was implemented to determine the sample.

$$n = z^2 \times p(1-p)/\varepsilon^2$$
$$n = 1.96^2 \times 0.5(1-0.5)/0.05^2$$
$$n = 384.16$$

7% of $385 = 27$ numbers were added for non-response respondents.

A sample size of 412 respondents was determined to be adequate based on the population size. A non-random sampling method was used due to time limitations for the study. Both in-person and online surveys were employed to gather a broader sample across the Kathmandu district. For the in-person surveys, questionnaires were given to family members, friends, coworkers, and acquaintances in different parts of the Kathmandu Valley. This helped obtain a sample representative of the local population. Online surveys were distributed via smartphone forums and social media platforms, which are widely used among Nepalese users. A screening question verified that the respondents resided in the Kathmandu Valley area.

Table 1. Study variable.

SN	Factors	Descriptions
1	Relative advantage	Measured by 5 items. Items include: Convenient reliable and useful, fashionable stylish, and trendy, price quality and accessible, wide range, and easier for me.
2	Social influence	Measured by 6 items. Items include: Think smartphone is necessary for me, influence my usage, be important, influence my purchase, invest and advice.
3	Purchase intention	Measured by 5 items. Items include: Purchase future, time to time, share view, beneficial to my life, and willing to recommend.

Table 1 details the study variables, including Relative Advantage, Social Influence, and Purchase Intention, each measured by a set of specific items. The criteria used to access these factors provide clarity on the quantification of each variable in the research.

4.3. The Model used in the Research

This study adopted two models: the Technology Acceptance Model (TAM) and the Diffusion of Innovations (DOI) Theory. The TAM model focused on the intention to use and actual usage behavior, whereas the DOI model focused on relative advantage and social influence. By integrating this model study, we examine the relative advantage and social influence that mediate smartphone purchase intention.

4.4. Factor Analysis

Table 2 presents the results of the factor analysis, which identify the key dimensions of the dataset. The analysis revealed that the dataset contains three major factors, which provide insights into the underlying dimensions or latent variables that explain the patterns of correlations among the observed variables.

Table 2. Factor analysis.

Measurement variables	Factor loading value
Relative advantage	
RA1	0.756
RA2	0.608
RA3	0.703
RA4	0.634
RA5	0.697
Social influence	
SI1	0.670
SI2	0.710

Measurement variables	Factor loading value
SI3	0.756
SI4	0.723
SI5	0.642
SI6	0.901
Purchase intention	
PI1	0.664
PI2	0.741
PI3	0.611
PI4	0.734
PI5	0.595

4.5. Data Analysis

The collected data were processed through IBM SPSS v. 30 statistical software. The PROCESS Macro v4.2 program for SPSS, which was developed by Andrew F. Hayes, was also utilized. Descriptive and inferential statistical tools in SPSS and PROCESS were employed to identify the results of the analyses. Factor analysis was performed to identify underlying variables and to assess construct validity. Cronbach's alpha was employed to measure the reliability of the scale. Collinearity, and Durbin–Watson were conducted to validate that the statistical assumptions were met for the tests being performed.

4.6. Ethical Consideration

Consent was taken from the respondents by keeping a consent form on the front page of the questionnaire. Voluntary participation was also ensured. Confidentiality of the respondents was maintained. Similarly, ethical approval was obtained from the Nepal Philosophical Research Center before collecting any data from participants.

5. RESULTS AND INTERPRETATION

5.1. Demographic Information

Table 3 presents the demographic information of the participants. The study collected demographic information from 412 smartphone users in the Kathmandu district. The data was categorized based on 5 features: gender, age, education level, income level, and smartphone brand used.

For gender, most respondents were male (65.5%) and the rest were female (34.5%). In terms of age (Feature 2), the largest group was between 20-30 years old (39.8%), followed by 40-50 years (21.8%) and 50 years or older (17.7%). Only 16% were below 20 years old. When it came to education level, most had completed secondary education (37.1%) or had a Bachelor's degree (38.3%). About 16.3% had a Master's degree. Regarding monthly income (Feature 4), over 30% earned between 31k-40k Nepali rupees, and 23.3% earned 50k or more. Samsung was the most popular smartphone brand used by 27.2% of respondents. Other popular brands included Apple (23.8%), Xiaomi/MI (18%), Nokia (10%), and Huawei (6.1%).

Table 3. Demographic information.

S.N	Features	Types	Frequency	Percentage
1	Gender	Male	270	65.5
		Female	142	34.5
	Total		412	100
2	Age	Below 20 years	66	16.0
		20-30	164	39.8
		30-40	19	4.6
		40-50	90	21.8
		50 & above	73	17.7
	Total		412	100
3	Academic qualification	Below SEE	1	0.2

S.N	Features	Types	Frequency	Percentage
		SEE	153	37.1
		+2	32	7.8
		Bachelors	158	38.3
		Masters	67	16.3
		Above masters'	1	0.2
	Total		412	100
4	Income level	Below 10k	66	16.0
		11k- 20k	19	4.6
		21k- 30k	98	23.8
		31k- 40k	133	32.3
		Above 41k	96	23.3
	Total		412	100
5	Your smartphone	Samsung	112	27.2
		Apple	98	23.8
		Xiomi(MI)	74	18.0
		Nokia	41	10.0
		Huawei	25	6.1
		Oneplus	23	5.6
		Oppo	15	3.6
		Vivo	14	3.4
		Others	10	2.4
	Total		412	100

Source: Field survey, 2024.

5.2. Correlation and Reliability Test

Table 4 shows the correlation between different factors related to smartphone purchase intention and the reliability of each factor measure.

Table 4. Correlation and reliability test.

Factors	Relative advantage	Relative advantage	Purchase intention
Relative advantage	1		
Social influence	0.773**	1	
Purchase intention	0.724**	0.731**	1
Cronbach's α	0.774	0.849	0.720

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

The data shows the correlation between different factors related to smartphone purchase intention and the reliability of each factor measure.

The table shows the correlations between the three factors. The correlation between relative advantage and social influence is 0.773**, which is highly statistically significant. This indicates a strong positive relationship between the two variables. The correlation between relative advantage and purchase intention is 0.724**, which is once again highly significant. Similarly, the correlation between social influence and purchase intention is 0.731**, both showing strong positive relationships.

The Cronbach's alpha values measure the internal consistency and reliability of each factor's measure or scale. All three factors have acceptable Cronbach's alpha values above 0.7, indicating good reliability of the measures used for each construct.

5.3. Collinearity

Table 5 presents the collinearity statistics for the independent variables in the regression model. Collinearity is characterized by a strong correlation among independent variables within a regression model, which can pose challenges during analysis. VIF readings more than 10 and tolerance values less than 0.1 suggest possible collinearity problems.

Table 5. Collinearity.

Coefficients[a]			
Model		**Collinearity statistics**	
		Tolerance	**VIF**
1	Social influence	0.403	2.481
	Relative advantage	0.403	2.481

Note: a. Dependent variable: Purchase intention.

Here, the tolerance values for both social influence and relative advantage are 0.403. Tolerance is defined as 1 minus the proportion of variability that a predictor shares with other predictors in the model. Given that the tolerance values exceed the threshold of 0.1, it implies a low correlation between social influence and relative advantage.

The corresponding VIF (variance inflation factor) values are 2.481 for both predictors. Higher values indicate greater levels of collinearity, while VIF values around 1 indicate no correlation between the predictors. As the VIFs are below 10, it indicates social influence and relative advantage are not significantly correlated with each other.

Therefore, based on the collinearity statistics, multi-collinearity does not appear to be a problem between the independent variables in this regression model exploring the impact of social influence and relative advantage on purchase intention.

5.4. Homoscedasticity Test

Table 6 presents the model summary, showing the key statistics that describe the model's performance. The R value is 0.773, indicating a strong correlation between the independent and dependent variables. The R square value of 0.598 suggests that 59.8% of the variance in the dependent variable is explained by the model. The adjusted R square of 0.596 accounts for the number of predictors, while the standard error of the estimate is 0.315.

Table 6. Model summary[b].

Model	R	R square	Adjusted R square	Std. error of the estimate	Durbin-Watson
1	0.773[a]	0.598	0.596	0.315	1.472

Note: a. Predictors: (Constant), relative advantage, social influence.
  b. Dependent variable: PIN.

The Durbin-Watson test value of 1.472 provides information about the assumption of independent errors. The test verifies whether adjacent residuals exhibit correlation, a violation of independence. Values between 1.5-2.5 generally indicate no autocorrelation.

A Durbin-Watson value of approximately 1.5 here suggests the residuals are randomly distributed with no noticeable pattern, and the errors are uncorrelated. This satisfies the homoscedasticity assumption of equal variance of errors across all predictor variable values.

In summary, since the Durbin-Watson statistic falls inside the acceptable range, there is no significant autocorrelation detected in the model residuals. Thus, this test result reasonably meets the assumption of homoscedasticity required for valid regression analysis.

5.5. Results of Hypothesis

Table 7 presents the results of the hypothesis testing for direct and indirect effects. It shows the B coefficients, R^2 values, and confidence intervals (LLCI and ULCI) for each hypothesis, indicating the strength and significance of the relationships. The table also includes the indirect effects, with corresponding bootstrapped standard errors (BootSE) and confidence intervals. The results validate the proposed relationships between the variables, indicating acceptance of all hypotheses.

Table 7. Result of direct and indirect effect.

Hypothesis	Path	B coefficient	R²	LLCI	ULCI	Results
H₁	RA→PI	0.738	0.773	0.670	0.806	Accepted
H₂	RA→SI	0.767	0.772	0.7064	0.828	Accepted
H₃	SI→PI	0.436	0.724	0.336	0.535	Accepted
H₄	Indirect effect	Effect	BootSE	BootLLCI	BootULCI	Accepted
	RA→SI→PI	0.334	0.042	0.251	0.419	

H₁ (RA → PI): The coefficient of 0.7385 suggests a strong positive relationship between RA and PI. This indicates that as the perceived relative advantage of a product or service increases, so does the intention to purchase it.

H₂ (RA → SI): With a coefficient of 0.7677, there's a strong positive relationship between RA and SI. This means that as the perceived relative advantage increases, individuals are more likely to be influenced socially.

H₃ (SI → PI): The coefficient of 0.4362 indicates a moderately positive relationship between SI and PI. This suggests that as social influence increases, so does the intention to purchase.

(H₄: RA → SI → PI): The indirect effect of RA on PI through SI is 0.3348. This signifies that a portion of the impact of RA on PI operates through its influence on SI. In other words, the perceived relative advantage not only directly affects purchase intention but also indirectly affects it through its influence on social influence.

Additionally, Table 8 presents the total effect analysis. It shows the effect size of 0.7385, with a standard error (se) of 0.347 and a p-value of 0.000. The confidence interval ranges from 0.670 to 0.806, indicating that the effect is statistically significant and falls within the specified range.

Table 8. Total effect.

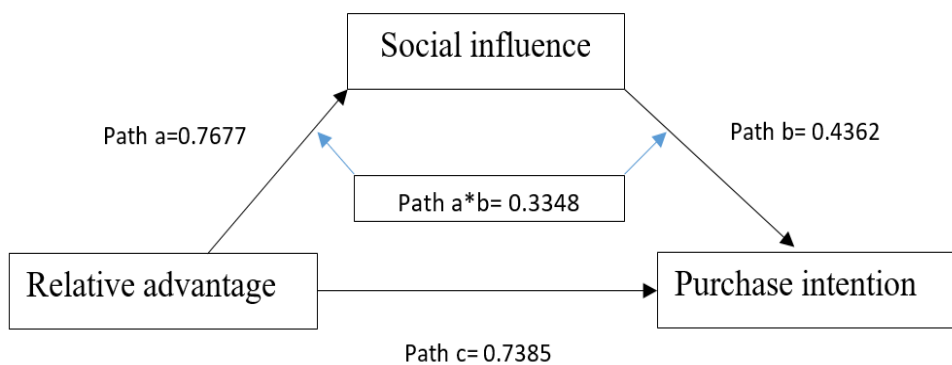| Effect	se	p	LLCI	ULCI
0.7385	0347	0.0000	0.670	0.806

Figure 2. Analytical result.

The Figure 2 illustrates the mediation analysis by showing how Social Influence (SI) partially mediates the relationship between Relative Advantage (RA) and Purchase Intention (PI). It depicts Relative Advantage directly affecting both Social Influence and Purchase Intention positively. Additionally, it demonstrates that part of the effect of Relative Advantage on Purchase Intention is channeled through its impact on Social Influence. This suggests that individuals who perceive a relative advantage in a product or service are not only more likely to intend to purchase it but are also more influenced by social factors, which further amplifies their purchase intention.

944

6. DISCUSSION

The study provides insights into demographic factors shaping consumer behavior in Kathmandu's smartphone market. Gender distribution highlights a higher male representation (65.5%) than female (34.5%), suggesting gender preferences differ. The key 20-30 age group comprises 39.8%, indicating a prime target for manufacturers. Educational attainment, such as 37.1% completing secondary education, shows a need for strategies tailored to literacy levels. Income is critical, with over 30% earning 31k-40k Nepali rupees per month, showing pricing must consider affordability. Brand preferences are led by Samsung (27.2%), Apple (23.8%), and Xiaomi/MI (18%), underscoring key players in the market.

The results of the mediation analysis provide valuable insights into the relationships between relative advantage, social influence, and purchase intention. It was found that there is a strong positive correlation between relative advantage and social influence; a parallel result was observed in Bangladesh's Islamic banking sector, where researchers found 0.225 (Saifuzzaman, Mahmood, & Rosli, 2023) also observed between relative advantage and purchase intention 0.731**; however, the study conducted by Nazir and Tian (2022) observed 0.159. Furthermore, a study in Medan City demonstrates a positive correlation between social influence and purchase intention, with a significant effect of SI on PI at 0.342 (34.2%) (Hutahaean, 2020). This indicates that higher perceived relative advantage is associated with greater social influence on an individual and their intention to purchase a product or service. Specifically, when people feel that a product or service offers an advantage over alternatives in terms of benefits, costs, or quality, they are both more susceptible to social influence regarding that product or service and more intrinsically motivated to purchase it themselves. The positive correlations between relative advantage and both social influence and purchase intention suggest that perceptions of improved value or utility enhance consumers' receptiveness to social cues as well as their own self-driven purchase propensity.

Furthermore, the study found a direct positive effect of relative advantage on purchase intention, indicating that an increase in perceived relative advantage directly boosts one's intention to purchase. Relative advantage also exerts a direct positive influence on social influence; a similar result was observed in use of M-Banking, where RA impacts of PI with 0.311 and SI impacts PI with 0.275 (Booranapim et al., 2020). Showing that a higher perceived relative advantage leads to greater social influence on an individual, these findings demonstrate how evaluations of a product or service as more useful or favorable relative to others make people more open and receptive to interpersonal recommendations or norms regarding that item. When consumers view an offering as particularly advantageous, they are likely more engaged with the social discourse around it, seek endorsements or advice from their network, and allow others' positive experiences or feedback to shape their views to a greater extent. The increased social influence seen with higher perceived relative advantage also suggests people may be more inclined to discuss favored products or services within their circles to garner approval or share information that could benefit others.

Research demonstrated a moderate positive effect of social influence on purchase intention, indicating a link between higher levels of social influence and increased purchase intention. Perhaps most notably, there was a significant indirect effect of relative advantage on purchase intention operating through social influence. This supports the mediating role of social influence in the relationship between relative advantage and purchase intention.

7. CONCLUSION

This current study investigated the mediating role of social influence in the relationship between relative advantage and purchase intention among smartphone users in Kathmandu, Nepal. The results show strong positive correlations between relative advantage, social influence, and purchase intention. This research showed that social influence plays a mediating role in the relationship between relative advantage and purchase intention. Social influence, defined to include the perceived necessity of smartphones, the influence of other people's opinions, and the importance of recommendation, played a mediating role by increasing the effect of relative advantage on purchase intention. The opinion and behaviour of their social group not only spurs consumers to see the advantages of a

smartphone, but also significantly influences them. The strong positive correlation between social influence and purchase intention indicates that social dynamics are important for consumer decisions. This research underlines the dual pathway through which relative advantage influences purchase intention: directly, by its very nature, and indirectly, through increased social influence. This dual impact implies that marketing strategies should not only aim to show the relative advantages of smartphones but also aim to manipulate social influence through word-of-mouth and social endorsements.

7.1. Implications

Launch targeted marketing campaigns like Digital Advertising, Influencer Collaborations, and Educational Workshops focusing on relative advantages and social influence to enhance purchase intention among smartphone users in Kathmandu.

7.2. Limitations

This study used convenience sampling techniques to collect data so that future researchers can use random sampling techniques to make a more inclusive representation of consumers of smartphones.

This study has covered only Kathmandu Valley consumers, so future studies should conduct in-depth research to understand the factors influencing smartphone purchase intentions in diverse regions of Nepal.

REFERENCES

Al-Haddad, S., Sharabati, A.-A. A., Al-Khasawneh, M., Maraqa, R., & Hashem, R. (2022). The influence of corporate social responsibility on consumer purchase intention: The mediating role of consumer engagement via social media. *Sustainability, 14*(11), 6771. https://doi.org/10.3390/su14116771

Ali, I., & Naushad, M. (2023). Examining the influence of social media marketing on purchase intention: The mediating role of brand image. *Innovative Marketing, 19*(4), 145-157. http://dx.doi.org/10.21511/im.19(4).2023.12

Amaral, M. A. L., & Djuang, G. (2023). Relationship between social influence, shopping lifestyle, and impulsive buying on purchase intention of preloved products. *KINERJA, 27*(1), 91-106. https://doi.org/10.24002/kinerja.v27i1.6635

Apasrawirote, D., & Yawised, K. (2022). Factors influencing the behavioral and purchase intention on live-streaming shopping. *Asian Journal of Business Research, 12*(1), 39-56. https://doi.org/10.14707/ajbr.220119

Aral, S., & Walker, D. (2012). Identifying influential and susceptible members of social networks. *Science, 337*(6092), 337-341. https://doi.org/10.1126/science.1215842

Bandara, U., & Amarasena, S. M. (2018). *Impact of relative advantage, perceived behavioural control and perceived ease of use on intention to adopt with solar energy technology in Sri Lanka.* Paper presented at the International Conference and Utility Exhibition on Green Energy for Sustainable Development.

Blanco-Encomienda, F. J., Chen, S., & Molina-Muñoz, D. (2024). The influence of country-of-origin on consumers' purchase intention: A study of the Chinese smartphone market. *Asia Pacific Journal of Marketing and Logistics*(ahead-of-print). https://doi.org/10.1108/APJML-05-2023-0462

Booranapim, T., Nuangjamnong, C., & Dowpiset, K. (2020). Factors of relative advantage and social influence toward intention to use of m-banking: A case study of commercial bank. *Available at SSRN 3790615.* https://doi.org/10.2139/ssrn.3790615

Chen, L. Y. (2013). Antecedents of customer satisfaction and purchase intention with mobile shopping system use. *International Journal of Services and Operations Management, 15*(3), 259-274. https://doi.org/10.1504/ijsom.2013.054442

Dincer, C., & Dincer, B. (2023). Social commerce and purchase intention: A brief look at the last decade by bibliometrics. *Sustainability, 15*(1), 846. https://doi.org/10.3390/su15010846

Florea, D.-L. (2014). *The relationship between branding and diffusion of innovation: A systematic review.* Paper presented at the 2nd Global Conference on Business, Economic, Management and Tourism (pp. 1527 − 1534). Prague: Procedia Economics and Finance.

Granzin, K. L., & Painter, J. J. (2001). Motivational influences on "buy domestic" purchasing: Marketing management implications from a study of two nations. *Journal of International Marketing, 9*(2), 73-96. https://doi.org/10.1509/jimk.9.2.73.19883

Gulabdin, S., Sung, T. P., Sondoh Jr, S. L., & Madli, F. (2022). The effect of social influence and interpersonal identification on the relationship between personality and performance of agents in the multilevel marketing (mlm) industry. *Malaysian E Commerce Journal, 6*(1), 44-53.

Gunawan, C. M., Rahmania, L., & Kenang, I. H. (2023). The influence of social influence and peer influence on intention to purchase in e-commerce. *Review of Management and Entrepreneurship, 7*(1), 61-84. https://doi.org/10.37715/rme.v7i1.3683

Ho, R. C., & Rajandram, K. V. (2016). *The influence of social media data on online purchase: A study on relative advantage of social commerce.* Retrieved from https://www.irma-international.org/viewtitle/149099/?isxn=9781466697874

Hutahaean, J. (2020). The analysis of social influence toward purchase intention through perceived ease of use. *Journal of Advanced Research in Dynamical and Control Systems, 12*(4), 588-595. https://doi.org/10.5373/jardcs/v12i4/20201956

Kallier, S. K., & Makhitha, K. M. (2024). Determinants affecting young consumers' smartphone purchase intention during Covid-19 pandemic. *Mediterranean Journal of Social Sciences, 15*(1), 23-41.

Kim, S.-H., & Park, H. J. (2011). Effects of social influence on consumers' voluntary adoption of innovations prompted by others. *Journal of Business Research, 64*(11), 1190-1194. https://doi.org/10.1016/j.jbusres.2011.06.021

Majeed, M., Owusu-Ansah, M., & Ashmond, A.-A. (2021). The influence of social media on purchase intention: The mediating role of brand equity. *Cogent Business & Management, 8*(1), 1944008. https://doi.org/10.1016/j.jbusres.2011.06.021

Masaryk, R. (2014). Researching social influences on decision making: The case for qualitative methods. *Human Affairs, 24,* 336-348. https://doi.org/10.2478/s13374-014-0231-z

Morgan, N. A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science, 40,* 102-119.

Nazir, M., & Tian, J. (2022). The influence of consumers' purchase intention factors on willingness to pay for renewable energy; mediating effect of attitude. *Frontiers in Energy Research, 10,* 837007. https://doi.org/10.3389/fenrg.2022.837007

Ng, S. F., Hassan, N. S. I. C., Nor, N. H. M., & Malek, N. A. A. (2017). The relationship between smartphone use and academic performance: A case of students in a Malaysian tertiary institution. *Malaysian Online Journal of Educational Technology, 5*(4), 58-70.

Nwachukwu, C., & Onyenankeya, K. (2017). Use of smartphones among college students in Nigeria: Revelations and reflections. *Journal of Communication, 8*(2), 171-182. https://doi.org/10.31901/24566586.2017/08.02.212

Oli, L. B. (2023). Exploring the risks and benefits of internet and technological devices for children. *Journal of Tikapur Multiple Campus, 6,* 126-142. https://doi.org/10.3126/jotmc.v6i01.56370

Oliver, R. L. (1999). Fundamental issues and directions for marketing. *Journal of Marketing, 63*(1999), 33-44.

Pandey, S. (2018). *Moving beyond access the landscape of internet use and digital inequality in Nepal.* Kathmandu, Bagmati, Nepal: Martin Chautari.

Park, J., Hyun, H., & Thavisay, T. (2021). A study of antecedents and outcomes of social media WOM towards luxury brand purchase intention. *Journal of Retailing and Consumer Services, 58*(2), 102272.

Peña-García, N., Gil-Saura, I., Rodríguez-Orejuela, A., & Siqueira-Junior, J. R. (2020). Purchase intention and purchase behavior online: A cross-cultural approach. *Heliyon, 6*(6), e04284. https://doi.org/10.1016/j.heliyon.2020.e04284

Persaud, A., & Azhar, I. (2012). Innovative mobile marketing via smartphones: Are consumers ready? *Marketing Intelligence & Planning, 30*(4), 418-443. https://doi.org/10.1108/02634501211231883

Rogers, E. M. (2010). *Diffusion of innovations.* New York: The Free Press.

Saifuzzaman, M., Mahmood, R., & Rosli, N. S. (2023). Effects of relative advantage, complexity, social influence, and awareness on Islamic banking adoption in Bangladesh. *International Journal of Research and Innovation in Social Science, 7*(10), 1005-1018. https://doi.org/10.47772/ijriss.2023.701079

Shah, S., & Asghar, Z. (2023). Dynamics of social influence on consumption choices: A social network representation. *Heliyon, 9*(6), e17146. https://doi.org/10.1016/j.heliyon.2023.e17146

Shetty, K. A., & Bhat, S. (2022). Advancement and contribution of mobile smartphones to the consumer. *International Journal of Case Studies in Business, IT and Education, 6*(2), 699-713. https://doi.org/10.5281/zenodo.7438323

Sindhu, P., & Bharti, K. (2023). The effects of atmospherics and influencers on purchase intention in social commerce. *Journal of Database Management, 34*(1), 1-23.

Sindhuja, P., Panda, A., & Krishna, S. J. (2023). Influence of social media on consumer buying behavior. *International Journal of Scientific Research in Engineering and Management, 7*(8). https://doi.org/10.55041/ijsrem25382

Suyanto, A. M. A., & Dewi, D. G. (2023). Marketing mix on purchase intention and its impact on the decision to purchase Somethinc products. *International Journal of Professional Business Review, 8*(10), e03779. https://doi.org/10.26668/businessreview/2023.v8i10.3779

Tanye, H. A. (2016). Perceived attributes of innovation: Perceived security as an additional attribute to Roger's diffusion of innovation theory. *International Journal of Multicultural and Multireligious Understanding, 3*(6), 6-18. https://doi.org/10.18415/ijmmu.v3i6.57

Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly, 27*(3), 425-478. https://doi.org/10.2307/30036540

Wang, J. C., Hsieh, C.-Y., & Kung, S.-H. (2023). The impact of smartphone use on learning effectiveness: A case study of primary school students. *Education and Information Technologies, 28*(6), 6287-6320. https://doi.org/10.1007/s10639-022-11430-9

Wang, Y., Meister, D., & Wang, Y. (2008). *Relative advantage and perceived usefulness: The adoption of competing icts digit 2008 proceedings association for information systems ais electronic library (aisel).* Retrieved from http://aisel.aisnet.org/digit2008

Wangpo, K., & Wangmo, S. (2022). The influence of social media marketing on purchase intention: The mediating role of brand equity. *Asian Journal of Research in Marketing, 11*(5), 20-33. https://doi.org/10.5958/2277-6621.2022.00018.4

Yunior, M. C., & Sudibijo, Y. A. (2024). The influence of social influence, relative advantage, user satisfaction on cloud-based e-learning with behavioral intention as a mediating variable. *Technium Social Sciences Journal, 56*, 36-50. https://doi.org/10.47577/tssj.v56i1.10742

Zeithaml, V. A. (1990). Delivering quality service: Balancing customer perceptions and expectations. *Simon and Schuster Google Schola, 2*, 791-824. https://doi.org/10.5860/choice.28-0390

Zhang, M., Hassan, H., & Migin, M. W. (2023). Exploring the consumers' purchase intention on online community group buying platform during pandemic. *Sustainability, 15*(3), 2433. https://doi.org/10.3390/su15032433

Zulqarnain, M., Iqbal, M., & Muneer, S. (2023). Impact of social media marketing on purchase intention: The moderating role of perceived enjoyment. *Journal of Social Media Marketing, 2*(2), 35-48. https://doi.org/10.33422/jsmm.v2i2.1171