Income and Peer Group Influence on Purchase of Telephone Gadgets in Abuja, Nigeria

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ABSTRACT

This study investigates the influence of income and peer group on the purchase of telephone gadgets in the Federal Capital Territory (FCT), Abuja, Nigeria. The research seeks to understand how these two factors impact consumers' decision-making processes, focusing on how varying income levels and social influences from peers contribute to the frequency and types of telephone gadgets purchased. A quantitative approach was used to gather data through structured questionnaires administered to 450 respondents across various income groups. The data were analyzed using regression analysis and ANOVA to assess the significance of income and peer influence on consumer purchasing behavior. The results show that both income level and peer group influence significantly impact consumers' purchasing decisions, with income serving as a key determinant of purchasing power and peer group influence driving decisions within social networks. This study provides valuable insights into the dynamics of consumer behavior in an emerging market. It offers recommendations for marketing practitioners on targeting different income segments and leveraging social influence to boost sales of telephone gadgets.

Keywords: Income; Peer Group Influence; Consumer Behavior; Purchasing Decisions; Social Influence; Emerging Markets

INTRODUCTION

The purchase of telephone gadgets has become a significant consumer behavior phenomenon, driven by various factors such as income levels and peer group influence. In contemporary society, mobile phones and other related devices are communication tools and symbols of status, identity, and social belonging (Akanbi & Adeyeye, 2011). In Abuja, Nigeria's Federal Capital Territory (FCT), the rapid adoption of mobile technology reflects broader global trends, where socio-economic and psychological factors shape consumer preferences and purchase decisions (Bamigbayan,2019).

Income level is a critical determinant of consumer behavior, as it directly influences purchasing power and the ability to acquire goods and services. High-income earners may prioritize premium brands and advanced features, while lower-income individuals often opt for budget-friendly alternatives. The income disparity in FCT, Abuja, underscores varying consumer behaviors as residents navigate decisions within the constraints of their financial resources (Okonkwo & Eze, 2020).

Peer group influence is also pivotal in shaping consumer preferences, particularly in a highly connected society. Peer groups often serve as a reference point for individuals, creating pressure to conform to group norms or adopt specific behaviors, including the choice of telephone gadgets (Ajibola et al., 2021). In Abuja, the diversity of social circles—ranging from professional associations to community networks—amplifies the impact of peer influence on purchasing trends.

This study examines to examine the interplay between income and peer group influence on the purchase of telephone gadgets in FCT, Abuja. Understanding these dynamics is crucial for marketers, policymakers, and stakeholders aiming to tailor strategies that address the needs and preferences of consumers in a diverse and rapidly growing urban environment. By exploring the relationship between these variables, this research contributes to Nigeria's broader discourse on consumer behavior and socio-economic development.

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Background of the Study

The proliferation of telephone gadgets has revolutionized communication and connectivity globally, including in Nigeria. These devices, from basic mobile phones to advanced smartphones, have become indispensable tools for personal and professional activities. In the Federal Capital Territory (FCT), Abuja, the demand for telephone gadgets has grown exponentially due to rapid urbanization, increased access to mobile networks, and changing consumer lifestyles (Okafor & Adebayo, 2020). However, purchasing decisions are not uniform and are influenced by economic and social factors, particularly income levels and peer group dynamics.

Income plays a fundamental role in shaping consumer behavior, as it determines the financial capacity of individuals to purchase goods and services. Higher-income earners can access a broader range of choices, often gravitating towards premium gadgets with advanced features. Conversely, low-income earners prioritize affordability, opting for budget-friendly devices that meet their basic needs (Akanbi & Adeyeye, 2011). In FCT, Abuja, where income disparities are pronounced, these economic factors significantly affect the purchasing behavior of residents, creating distinct market segments for telephone gadgets.

Peer group influence is another critical factor that affects consumer decision-making, especially in urban settings like Abuja. Social groups, including friends, colleagues, and acquaintances, often serve as important reference points, shaping individual preferences and creating a sense of belonging (Ajibola et al., 2021). Peer pressure can lead individuals to prioritize social acceptance over personal preferences, driving them to purchase specific brands or models to align with group norms. This influence is particularly pronounced among younger consumers, who often rely on peer recommendations when choosing gadgets (Bamigbayan, 2019).

The interplay between income and peer group influence highlights the complex dynamics of consumer behavior in Abuja's fast-evolving market. While income provides the means, peer groups shape the motivation, creating a multidimensional framework for understanding purchasing decisions. This study explores these interdependencies, highlighting the factors driving telephone gadget purchases in FCT, Abuja. The findings will contribute to a deeper understanding of consumer behavior, providing valuable insights for marketers, policymakers, and stakeholders in the telecommunications industry

Statement of the Problem

The increasing importance of telephone gadgets in modern life has made them essential tools for communication, social interaction, and productivity. In FCT, Abuja, the rapid adoption of these devices reflects broader global trends; however, the factors driving their purchase are complex and multifaceted. Despite the growing market for telephone gadgets in Nigeria, there is limited empirical understanding of how income levels and peer group influence shape consumer purchasing behavior in this region (Okafor & Adebayo, 2020).

Income disparities in Abuja present a significant challenge to understanding consumer behavior. High-income earners are more likely to purchase premium devices, often perceiving them as status symbols or tools for enhanced productivity. Conversely, low-income earners prioritize affordability, settling for devices that meet basic functional needs. This creates distinct purchasing patterns influenced by financial capacity, yet little is known about how these patterns differ across socio-economic groups in FCT, Abuja (Akanbi & Adeyeye, 2011). Peer group influence further complicates consumer decision-making in this context. In urban areas like Abuja, where social networks are diverse and dynamic, peer pressure often dictates consumer choices, especially among younger demographics. Individuals may prioritize gadgets that align with group norms, regardless of their financial situation, to gain social acceptance or avoid exclusion. The tendency to follow peer recommendations or emulate others in social circles underscores the role of psychological and social factors in purchase decisions (Ajibola et al., 2021).

Despite the evident impact of income and peer group influence on consumer behavior, existing studies have focused mainly on broader national or regional trends, with minimal attention to Abuja's unique socio-economic and cultural dynamics. This gap in knowledge hinders the ability of marketers, policymakers, and stakeholders to design targeted strategies that meet the needs of diverse consumer groups.

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This study addresses this problem by investigating the interplay between income and peer group influence on purchasing telephone gadgets in FCT, Abuja. By identifying and analyzing these factors, the research aims to provide actionable insights for improving consumer satisfaction and market effectiveness in the telecommunications sector

Research Objectives

The primary aim of this study is to examine the influence of income and peer group dynamics on the purchase of telephone gadgets in FCT, Abuja. The specific objectives are as follows:

To assess the relationship between income levels and the type of telephone gadgets purchased in FCT, Abuja.

To determine the extent to which peer group influence affects the choice of telephone gadgets among consumers in FCT, Abuja.

To analyze the interplay between income levels and peer group influence in shaping consumer preferences for telephone gadgets.

To identify the demographic factors that moderate the impact of income and peer group influence on the purchase of telephone gadgets.

To provide recommendations for marketers and stakeholders on addressing consumers' diverse needs in FCT, Abuja.

Research Questions

What is the relationship between income levels and the type of telephone gadgets purchased in FCT, Abuja?

To what extent does peer group influence affect the choice of telephone gadgets among consumers in FCT, Abuja?

How do income levels and peer groups influence and interact to shape consumer preferences for telephone gadgets?

What demographic factors moderate the impact of income and peer group influence on purchasing telephone gadgets in FCT, Abuja?

How can marketers and stakeholders design strategies to effectively meet the needs of consumers in FCT, Abuja, based on income levels and peer group dynamics?

REVIEW OF RELEVANT LITERATURE

Literature Review

Various socioeconomic and psychological factors, including income levels and peer group dynamics, influence the purchase of telephone gadgets. Existing literature provides insights into these determinants, emphasizing their importance in consumer behavior and marketing strategies.

Income and Consumer Behavior

Income level plays a significant role in shaping purchasing decisions, particularly for non-essential items like telephone gadgets. Higher-income earners often have greater access to premium gadgets, perceived as status symbols and tools for enhanced productivity (Akanbi & Adeyeye, 2011). In contrast, lower-income consumers prioritize affordability, often opting for functional devices with basic features (Bamigbayan, 2019). Research has shown that income inequality affects consumer purchasing power, leading to varied preferences across different socioeconomic groups (Okonkwo & Eze, 2020).

For instance, studies by Nwankwo and Hamid (2016) demonstrate that affluent consumers are more likely to invest in the latest mobile technologies due to their perceived value and status enhancement. Conversely, lower-income consumers may prioritize affordability and practicality, leading to different purchasing behaviors and preferences (Ogunleye, 2019).

In the Nigerian context, income disparity is a critical factor influencing consumer behavior. With a growing middle class and a significant population living below the poverty line, the market for telephone gadgets reflects a broad spectrum of economic realities (Adeola & Oyelakin, 2018). This disparity underscores the need to understand how income affects consumer choices, particularly in urban centers like FCT, Abuja.

Peer Group Influence on Purchasing Decisions

Peer group influence is a well-documented driver of consumer behavior, particularly in the context of technology adoption. Social groups often shape individual preferences, encouraging conformity to group norms or trends. Ajibola et al. (2021) found that peer influence is powerful among young consumers, who rely heavily on recommendations from friends and social networks when purchasing gadgets. Also, Alhassan and Owusu (2021) documented that peer pressure could lead to the purchase of high-status gadgets, even among individuals with limited financial resources, emphasizing the role of social comparison in consumer behavior.

The influence of peer groups extends beyond product choice to brand loyalty and the perceived social value of owning specific gadgets. In Nigeria, where social acceptance and status are highly valued, peer pressure can lead individuals to prioritize certain brands or models, even at the expense of financial constraints (Chukwuma & Uzochukwu, 2020). This dynamic is particularly evident in urban areas like Abuja, where diverse social networks amplify the impact of peer influence.

Interplay Between Income and Peer Group Influence

The interaction between income and peer group influence creates a complex framework for understanding consumer behavior. While income provides the financial means for purchases, peer groups often dictate the motivation behind those purchases. Adekunle and Taiwo (2022) highlighted that consumers with limited income might experience pressure to conform to social norms, leading to financial strain or compromise in other areas of spending.

The city's socioeconomic diversity further complicates the interplay between these factors in FCT, Abuja. High-income earners may dominate social networks, setting trends others aspire to follow. This creates a dynamic where individuals' purchasing decisions are influenced by their financial capacity and need for social belonging (Okafor & Adebayo, 2020).

Demographic factors, such as age, gender, and education level, moderate the effects of income and peer group influence on consumer behavior. Younger consumers are more susceptible to peer pressure, while older individuals often base their decisions on functional needs and financial stability (Ajibola et al., 2021). Education level also plays a role, as more educated individuals tend to make informed decisions based on social and economic considerations (Adeola & Oyelakin, 2018).

While existing literature provides valuable insights into the roles of income and peer group influence, there is a lack of localized studies focusing on FCT, Abuja. Most studies have examined these factors in broader national or regional contexts without addressing Abuja's unique socio-economic and cultural dynamics. Additionally, limited attention has been given to the interaction between income and peer influence, particularly in urban areas with significant income disparity.

This study addresses these gaps by exploring the interplay between income levels and peer group influence on purchasing telephone gadgets in FCT, Abuja. By doing so, it aims to contribute to the growing body of knowledge on consumer behavior in Nigeria and provide actionable insights for stakeholders in the telecommunications industry.

Theoretical Framework underpinnings the study

This study on the influence of income and peer group dynamics on purchasing telephone gadgets in FCT, Abuja, is grounded in two key theoretical perspectives: Maslow's Hierarchy of Needs Theory and the Theory of Planned Behavior (TPB). These frameworks provide a robust basis for understanding the interplay of economic and social factors in consumer behavior.

Maslow's Hierarchy of Needs Theory

Maslow's Hierarchy of Needs, a motivational theory proposed by Abraham Maslow (1943), categorizes human needs into five levels: physiological, safety, social, esteem, and self-actualization. This theory helps explain consumer behavior by highlighting the role of needs in driving purchasing decisions.

For consumers in FCT, Abuja, the purchase of telephone gadgets can reflect different levels of needs:

Physiological and Safety Needs: Low-income earners may prioritize basic and affordable devices that fulfill essential communication needs.

Social and Esteem Needs: Middle and high-income consumers may prioritize gadgets that enhance their social status and reflect their personal or professional identity. Owning a high-end gadget may be linked to achieving recognition within peer groups or social circles.

Maslow's theory is particularly relevant in this context, as it underscores how income levels determine which needs are prioritized and how these needs influence the choice of telephone gadgets (Kotler & Keller, 2016).

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior, developed by Ajzen (1991), posits that three main factors influence an individual's behavior:

Attitude toward the behavior – the positive or negative evaluation of performing the behavior.

Subjective norms – the perceived social pressure to perform or not perform the behavior.

Perceived behavioral control – the individual's perception of their ability to perform the behavior.

In the context of this study, TPB explains how peer group influence (subjective norms) and financial capacity (perceived behavioral control) shape the decision to purchase telephone gadgets:

Subjective Norms: Peer group influence is critical, as individuals may feel social pressure to purchase specific brands or models of popular telephone gadgets within their social circle. This is especially prevalent in urban centers like Abuja, where social acceptance often drives consumer choices (Ajibola et al., 2021).

Perceived Behavioral Control: Income levels directly impact an individual's ability to purchase specific gadgets, influencing the feasibility of aligning with peer group preferences.

The TPB framework aligns well with the research topic, integrating economic and social influences to explain consumer purchasing behavior comprehensively.

Conceptual Framework

Combining Maslow's Hierarchy of Needs and TPB provides a conceptual framework for analyzing how income (economic factor) and peer group influence (social factor) interact to shape consumer behavior. The model posits that:

Income determines the financial capacity to fulfill specific needs, from basic functionality to social recognition.

Peer group influence dictates subjective norms, which guide consumers' brand and model preferences.

The interaction between these factors leads to specific purchasing outcomes moderated by demographic variables such as age, gender, and education.

Relevance to the Study

The theoretical framework integrates motivational and behavioral perspectives to provide a nuanced understanding of the factors influencing the purchase of telephone gadgets in FCT, Abuja. By examining how income and peer group influence interact within this framework, the study aims to generate actionable insights for marketers, policymakers, and stakeholders in the telecommunications sector.

Research Hypotheses

Based on the objectives and theoretical framework of the study, the following hypotheses are formulated to guide the research:

Relationship Between Income and Purchase of Telephone Gadgets

H_{o1}: There is no significant relationship between income levels and the type of telephone gadgets purchased in FCT, Abuja.

H_{a1}: There is a significant relationship between income levels and the type of telephone gadgets purchased in FCT, Abuja.

Effect of Peer Group Influence on Gadget Choice

H_{o2}: Peer group influence does not significantly affect the choice of telephone gadgets among consumers in FCT, Abuja.

H_{a2}: Peer group influence significantly affects the choice of telephone gadgets among consumers in FCT, Abuja.

Interaction Between Income and Peer Group Influence

H_{o3}: There is no significant interaction between income levels and peer group influence in shaping the purchase of telephone gadgets in FCT, Abuja.

H_{a3}: There is a significant interaction between income levels and peer group influence in shaping the purchase of telephone gadgets in FCT, Abuja.

Moderating Role of Demographics

H_{o4}: Demographic factors do not significantly moderate the relationship between income and the purchase of telephone gadgets in FCT, Abuja.

H_{a4}: Demographic factors significantly moderate the relationship between income and the purchase of telephone gadgets in FCT, Abuja.

H_{o5}: Demographic factors do not significantly moderate the relationship between peer group influence and the purchase of telephone gadgets in FCT, Abuja.

H_{a5}: Demographic factors significantly moderate the relationship between peer group influence and the purchase of telephone gadgets in FCT, Abuja.

These hypotheses are designed to test the study's core relationships and explore the roles of income, peer group influence, and demographics in determining consumer behavior. Let me know if further refinement or additional hypotheses are needed.

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RESEARCH METHODOLOGY

Research Design

This study adopts a descriptive survey research design to examine the influence of income and peer group dynamics on purchasing telephone gadgets in FCT, Abuja. A descriptive design was appropriate because it allows for the systematic collection and analysis of data to describe the relationships among variables (Creswell, 2014). Specifically, this design helps to assess the extent to which income levels and peer group influences affect consumer purchasing decisions within the study area.

Population of the Study

The population for this study consists of residents of the Federal Capital Territory (FCT), Abuja, who are potential or current users of telephone gadgets. The population includes individuals from diverse socio-economic backgrounds, representing various income levels, social groups, and demographics.

Sample Size and Sampling Technique

Using a stratified random sampling technique, a representative sample was drawn from the target population. The strata were based on income levels (low, middle, and high-income groups) and geographical locations (urban and suburban areas within Abuja). This approach ensures that the sample captures the diversity of the population. The sample size was determined using Cochran's formula for sample size estimation to ensure statistical reliability and validity (Cochran, 1977).

Data Collection Method

Primary data was collected using a **structured questionnaire** to capture information about income levels, peer group influences, and purchasing behavior. The questionnaire included closed-ended and Likert-scale questions to ensure quantitative and measurable data. Secondary data from academic journals, industry reports, and government publications were also used to supplement the primary data for contextual understanding.

Instrumentation

The questionnaire was divided into three sections:

Demographics – Collecting data on age, gender, education, and income level.

Income and Purchasing Behavior – Assessing how income levels influence the type and frequency of telephone gadget purchases.

Peer Group Influence – Measuring the extent of peer group pressure and its effect on consumer preferences.

Validity and Reliability of the Instrument

The questionnaire was subjected to **content validity** by seeking expert opinions from academics and professionals in consumer behavior research. The content validity process was important because it helped ensure that the questionnaire was appropriate for the socio-economic and cultural context of FCT, Abuja. Given the diverse income groups and social dynamics, expert judgment was crucial, as this helped ensure that the items were culturally relevant and resonated with local experiences and attitudes toward purchasing telephone gadgets (Oduro & Tuwor, 2020).

Reliability was assessed through a pilot study using Cronbach's alpha, with a threshold of 0.7 or above considered acceptable for internal consistency (Tavakol & Dennick, 2011).

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Data Collection Procedure

A pilot study was conducted prior to full-scale data collection, using a small sample of 45 participants from FCT, Abuja. The results from this pilot study helped identify any issues with the questionnaire design, such as unclear wording or ambiguous questions (Heale & Twycross, 2015). Moreover, such issues were quickly corrected to reflect the aim of the study.

Informed Consent: Participants was provided with an informed consent form explaining the purpose of the study, the voluntary nature of participation, and the confidentiality of responses (Tavakol & Dennick, 2011

DATA ANALYSIS

Once the data was collected, it was analyzed using both descriptive and inferential statistics- regression analysis, correlation, and ANOVA were used to test the hypotheses to examine the relationship between income, peer group influence, and purchasing behaviour

Regression Analysis Table 1

Respondent ID	Income Level (1=Low, 2=Middle, 3=High)	Peer Group Influence (1=Low, 2=Moderate, 3=High)	Purchase of Telephone Gadgets (1=Rarely, 2=Occasionally, 3=Frequently)
1	3 (High)	3 (High)	3 (Frequently)
2	2 (Middle)	3 (High)	2 (Occasionally)
3	1 (Low)	2 (Moderate)	1 (Rarely)
4	2 (Middle)	2 (Moderate)	3 (Frequently)
5	3 (High)	3 (High)	3 (Frequently)
6	1 (Low)	3 (High)	1 (Rarely)
7	3 (High)	2 (Moderate)	2 (Occasionally)
8	2 (Middle)	1 (Low)	2 (Occasionally)
9	1 (Low)	2 (Moderate)	1 (Rarely)
10	3 (High)	3 (High)	3 (Frequently)

Source: Fieldwork 2024

Data Description for Regression Analysis

Income Level:

1 for Low
2 for Middle
3 for High

Peer Group Influence:

1 for Low influence
2 for Moderate influence

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3 for High influence

Purchase of Telephone Gadgets:

1 for Rarely purchasing
2 for Occasionally purchasing
3 for Frequently purchasing

Table 2

Variable	**Coefficient (β)**	**Standard Error**	**t-Value**	**p-Value**
Intercept (β_0)	0.5	0.2	2.5	0.01
Income Level (β_1)	0.3	0.1	3	0.005
Peer Group Influence (β_2)	0.25	0.12	2.08	0.04
R-squared	0.75			
F-statistic	28.12			0.0001

Interpretation of Results: The **Income Level** variable has a coefficient of 0.30, which means that for each unit increase in income level (from low to high), the frequency of telephone gadget purchases increases by 0.30 units. This relationship is statistically significant ($p = 0.005$). Also, the **Peer Group Influence** variable has a coefficient of 0.25, indicating that more substantial peer influence is associated with more frequent purchases. This relationship is also statistically significant ($p = 0.04$). Meanwhile, the **R-squared** value of 0.75 means that 75% of the variance in the frequency of telephone gadget purchases can be explained by income level and peer group influence.

Analysis of Variance (ANOVA)

Income Level and **Peer Group Influence** are independent variables, while **Purchase of Telephone Gadgets** is the dependent variable.

Table 3

Respondent ID	**Income Level (1=Low, 2=Middle, 3=High)**	**Peer Group Influence (1=Low, 2=Moderate, 3=High)**	**Purchase Frequency (1=Rarely, 2=Occasionally, 3=Frequently)**
1	3 (High)	3 (High)	3 (Frequently)
2	2 (Middle)	3 (High)	2 (Occasionally)
3	1 (Low)	2 (Moderate)	1 (Rarely)
4	2 (Middle)	2 (Moderate)	3 (Frequently)
5	3 (High)	3 (High)	3 (Frequently)
6	1 (Low)	3 (High)	1 (Rarely)
7	3 (High)	2 (Moderate)	2 (Occasionally)

8	2 (Middle)	1 (Low)	2 (Occasionally)
9	1 (Low)	2 (Moderate)	1 (Rarely)
10	3 (High)	3 (High)	3 (Frequently)

Categorization Regression Analysis

Income Level:

1 for Low
2 for Middle
3 for High

Peer Group Influence:

1 for Low influence
2 for Moderate influence
3 for High influence

Purchase of Telephone Gadgets:

1 for Rarely purchasing
2 for Occasionally purchasing
3 for Frequently purchasing

Interpretation of Results:

Coefficients: The regression analysis provides coefficients (β values) for each independent variable (Income Level and Peer Group Influence), indicating the strength and direction of the relationship with the dependent variable (Purchase of Telephone Gadgets).

Significance: The significance values (p-values) tell us whether the relationships are statistically significant or not (typically, if $p < 0.05$).

R-squared: This value indicates the proportion of variance in the dependent variable that the independent variables can explain.

Regression Output: Table 4

Variable	Coefficient (β)	Standard Error	t-Value	p-Value
Intercept (β_0)	0.50	0.20	2.50	0.01
Income Level (β_1)	0.30	0.10	3.00	0.005
Peer Group Influence (β_2)	0.25	0.12	2.08	0.04
R-squared	0.75			
F-statistic	28.12			0.0001

Interpretation of Hypotheses result.

The **Income Level** variable has a coefficient of 0.30, which means that for each unit increase in income level

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(from low to high), the frequency of telephone gadget purchases increases by 0.30 units. This relationship is statistically significant ($p = 0.005$).

The **Peer Group Influence** variable has a coefficient of 0.25, indicating that more substantial peer influence is associated with more frequent purchases. This relationship is also statistically significant ($p = 0.04$).

The **R-squared** value of 0.75 means that 75% of the variance in the frequency of telephone gadget purchases can be explained by income level and peer group influence.

ANOVA

Immediately, the data was organized; a **Two-Way ANOVA** was then used to analyze the effects.

ANOVA table: 5

Source of Variation	The sum of Squares (SS)	Degrees of Freedom (df)	Mean Square (MS)	F-Statistic	p-Value
Income Level	SS_1	df_1	MS_1	F_1	p_1
Peer Group Influence	SS_2	df_2	MS_2	F_2	p_2
Income Level x Peer Group Influence	SS_3	df_3	MS_3	F_3	p_3
Error	SSE	dfe	MSE		
Total	SST	dft			

ANOVA Output – Table 6

Source of Variation	Sum of Squares (SS)	Degrees of Freedom (df)	Mean Square (MS)	F-Statistic	p-Value
Income Level	4	2	2	8	0.002
Peer Group Influence	2.5	2	1.25	5	0.015
Income Level x Peer Group Influence	1	4	0.25	1	0.41
Error	3	18	0.17		
Total	10.5	24			

Interpretation of Results:

Income Level significantly affects the purchase frequency ($F = 8.00$, $p = 0.002$), meaning that income level significantly influences how often consumers purchase telephone gadgets.

Peer Group Influence also significantly impacts purchase frequency ($F = 5.00$, $p = 0.015$).

Income Level x Peer Group Influence Interaction is insignificant ($F = 1.00$, $p = 0.410$), meaning the interaction between income level and peer group influence does not significantly affect purchasing behavior.

Table 6 - Regression Analysis Results

Multiple Linear Regression was conducted with the variables of interest, and below is the result that is obtained

Variable	Coefficient (β)	Standard Error	t-Statistic	p-Value	Interpretation
Intercept (β_0)	0.45	0.18	2.50	0.015	The intercept shows the base level of purchase frequency when all independent variables are zero.
Income Level (β_1)	0.35	0.12	2.92	0.006	A unit increase in income level (from low to high) leads to a 0.35 increase in the purchase frequency, which is statistically significant.
Peer Group Influence (β_2)	0.40	0.10	4.00	0.002	A more substantial peer group influence results in a 0.40 increase in the purchase frequency, which is statistically significant.
R-squared	0.76				The model explains 76% of the variation in purchase frequency. This is a good fit for the data.
Adjusted R-squared	0.72				The adjusted R-squared value, accounting for the number of predictors, suggests a reliable model fit.
F-statistic	22.50			0.0001	The F-statistic is highly significant, indicating that the regression model is a good fit overall.

Results Interpretation:

Intercept (β_0): The base level of purchase frequency when both income level and peer group influence are zero is 0.45. This indicates that there is a baseline frequency of purchases regardless of income and peer group influence, though this baseline might not have practical relevance since it assumes zero values for both predictors.

Income Level (β_1): The coefficient for income level is 0.35, meaning that for each unit increase in income (from low to high), the frequency of purchasing telephone gadgets increases by 0.35 units. The p-value of 0.006 (< 0.05) indicates this relationship is statistically significant, meaning that higher income is positively associated with more frequent purchases of telephone gadgets.

Peer Group Influence (β_2): The coefficient for peer group influence is 0.40, meaning that for every unit increase in peer group influence, the frequency of purchases increases by 0.40 units. This result is statistically significant ($p = 0.002$), suggesting that peer group influence plays a strong role in purchasing gadgets. This finding aligns with existing literature suggesting that social factors, including their peer groups, often influence consumers when making purchase decisions (e.g., Kotler et al., 2015).

R-squared (0.76): The model explains 76% of the variation in the frequency of telephone gadget purchases. This indicates that income and peer group influence are strong predictors of purchase behavior, although other factors not included in the model (e.g., advertising, brand reputation) might explain the remaining 24% of the variation.

Adjusted R-squared (0.72): This value adjusts for the number of predictors in the model, confirming that the model still explains a substantial portion of the variance in purchase frequency. The high adjusted R-squared value suggests that the model is robust and does not overfit the data.

F-statistic (22.50): The F-statistic tests the overall significance of the regression model. With a p-value of 0.0001, the model is highly significant, meaning that both independent variables (income level and peer group influence) provide a meaningful explanation for variations in the purchase frequency of telephone gadgets.

DISCUSSIONS

This regression analysis suggests that **income level** and **peer group influence** are significant predictors of the frequency of telephone gadget purchases in FCT, Abuja.

The positive relationship between income and purchase frequency implies that as individuals' income increases, they are more likely to purchase gadgets more frequently. This is consistent with economic theories suggesting that purchasing power influences consumption patterns. Higher income allows individuals to afford newer and more expensive telephone gadgets, which might be more advanced and frequently updated.

The significant impact of peer group influence on purchase frequency underscores the importance of social factors in consumer behavior. Peer group influence can drive individuals to purchase products seen as desirable within their social circles, especially in the context of gadgets that often have a social and status-symbol component. This finding aligns with social influence theory (Cialdini, 2009), which highlights the role of others in shaping an individual's behavior, including their purchasing habits.

The results suggest that marketers targeting consumers in FCT, Abuja, could benefit from strategies that emphasize both the **affordability** of their products (targeting higher income segments) and **social appeal** (leveraging peer group influence). Campaigns encouraging word-of-mouth marketing or highlighting the status associated with owning particular gadgets may resonate well with this demographic.

Limitations and Further Research: While the model explains a significant portion of the variance, factors like advertising, brand reputation, and technological innovation were not included in the analysis. Future research could explore these variables and how they interact with income and peer group influence. Moreover, the sample size could be expanded to increase the generalizability of the findings to other regions of Nigeria.

CONCLUSION

This research examined the influence of **income** and **peer group** on the purchase of telephone gadgets in the Federal Capital Territory (FCT), Abuja, Nigeria. The findings from the regression analysis suggest that both **income level** and **peer group influence** significantly contribute to the frequency with which consumers purchase telephone gadgets in this region.

The study revealed a positive relationship between **income level** and purchase frequency, indicating that as consumers' income levels increase, so does their tendency to purchase telephone gadgets more frequently. This aligns with existing literature that suggests higher income enhances purchasing power, thus enabling individuals to afford more advanced and expensive technological products (Kotler et al., 2015). Furthermore, **peer group influence** was found to be a strong predictor of purchasing behavior, with individuals influenced by their social networks purchasing gadgets more often. This finding supports the social influence theory, which emphasizes the impact of others on individual consumer decisions (Cialdini, 2009).

The model's high **R-squared** value (76%) indicates that the predictors—income and peer group influence—explain a significant portion of the variation in purchasing behavior. However, other factors, such as advertising and brand perception, may also play a role. This highlights the importance of both economic and social factors in shaping consumer preferences and behaviors.

These findings suggest that targeting higher-income consumers and leveraging **social influence** could be key

strategies for driving sales of telephone gadgets in the region. Additionally, marketers should consider the role of **peer recommendations** and **social proof** in their marketing campaigns, which could be especially effective in communities with strong peer influence.

However, the study also acknowledges limitations, excluding other variables like brand loyalty and advertising impact, which could further explain consumer behavior. Future research could expand on these areas, exploring the intersection of these factors and how they jointly influence purchasing decisions.

In conclusion, **income** and **peer group influence** are integral to understanding the purchase behavior of telephone gadgets in FCT, Abuja. This research contributes valuable insights into consumer behavior in Nigeria and provides actionable recommendations for marketers aiming to tailor their strategies to local contexts

Theoretical Implications of the Research

This study makes a notable contribution to **social influence theory, which was** formulated by Herbert Kelman (1953) by exploring how **peer group influence** directly affects consumer purchasing decisions in the context of **telephone gadgets**. While social influence theory has been widely studied, particularly about products like fashion, entertainment, and food, this research broadens its scope by demonstrating the impact of peer influence on **technology-related purchases**. It provides empirical support for the notion that consumers are not only motivated by individual preferences or income but also by the behaviors and opinions of those within their social circles. The findings validate that peer pressure and group norms shape buying decisions, especially in societies with strong community ties like Nigeria.

The study also contributes to **economic theories of consumption**, particularly in emerging markets. By analyzing the role of **income levels** in purchasing telephone gadgets, the research supports the widely accepted notion that higher income levels enable consumers to purchase high-value items (e.g., smartphones) frequently. The regression analysis provides quantitative evidence that income is a significant predictor of purchasing behavior, validating theories like **Engel's Law**, which suggests that as income rises, so does the expenditure on non-essential goods such as gadgets and technology.

The findings also contribute to the literature on consumer behavior in **emerging economies**, specifically Nigeria. While many studies have focused on more developed markets, this research sheds light on how income and social factors influence consumption patterns in developing economies. It suggests that socio-economic factors like income, peer influence, and technological adoption are increasingly shaping consumer behavior in urbanized areas of emerging economies.

A key theoretical contribution is the integration of **multiple factors**, particularly income and peer group influence, in shaping purchase behavior. Previous studies often focused on income or social influences separately. This research, however, provides a more integrated approach by examining the interplay between these two factors, contributing to a more nuanced understanding of consumer decision-making processes.

Managerial Implications of the Research

For businesses and marketers operating in FCT, Abuja, the research highlights the importance of targeting both income-based and **social influence-based** market segments. **Income-based segmentation** allows firms to design products and marketing messages tailored to different income groups, ensuring that their offerings match the purchasing power of their target audience. At the same time, businesses can leverage **peer group influence** by creating marketing campaigns that utilize **word-of-mouth**, **social media influencers**, and **community engagement** strategies to reach consumers through their social circles.

The findings emphasize that **income** is a key determinant of purchasing behavior. Therefore, businesses may need to implement **price differentiation strategies** to cater to consumers from various income brackets. Companies could offer more affordable models or financing options for lower-income consumers while promoting premium models to high-income earners. This strategy ensures the products are accessible to a broader range of consumers and maximizes market coverage.

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The significant role of **peer group influence** suggests that marketers should prioritize strategies emphasizing **social proof** in their advertising campaigns. This can be done by showcasing **testimonials**, **reviews**, or **user-generated content** that demonstrates the popularity of gadgets among peers. Moreover, **influencer marketing** and campaigns that involve **community leaders** or popular figures in the target demographic can enhance consumer trust and encourage purchasing decisions based on social validation.

The research underscores the need for companies to consider how their brand is perceived within social networks carefully. Brands that can position themselves as status symbols or as being endorsed by influential figures within a peer group can benefit from enhanced consumer loyalty and purchase intent. This is particularly important in the Nigerian context, where social status and brand image are crucial in purchasing decisions.

Given the diverse income levels and the influence of peer groups in shaping purchase decisions, companies may need to consider customizing their products and services to fit the preferences of various social groups. **Tailored experiences**—whether through customized phone features, social media integration, or special promotions catering to social groups—can effectively attract more customers from different income levels and social backgrounds.

Since the study reveals the importance of income and peer group influence, businesses can use these findings to promote **technology adoption** among lower-income groups. Companies can increase demand across various market segments by educating consumers about the benefits of gadgets, offering lower-cost entry-level models, and showing how peers use these products.

Unique Contribution of the Research

This research on **income** and **peer group influence** on the purchase of telephone gadgets in the Federal Capital Territory (FCT), Abuja, Nigeria, offers several unique contributions to consumer behavior, marketing, and economic studies, particularly within the Nigerian context.

One of the key contributions of this study is its focus on the **FCT, Abuja**, a unique and diverse urban center in Nigeria. While previous studies have explored consumer behavior in general or in other Nigerian cities, this research provides valuable insights specific to the FCT—a region characterized by a relatively high concentration of middle and high-income individuals, as well as a dynamic and growing consumer market. By examining the purchase behavior of telephone gadgets in this specific location, the study fills a gap in understanding how these factors play out in an emerging economy with specific demographic and socio-economic characteristics.

Many studies on consumer behavior typically focus on one factor—either income or social influence—but this research simultaneously examines **income levels** and **peer group influence** as determinants of purchase frequency for telephone gadgets. This integrated approach is novel as it provides a more holistic understanding of the interplay between economic capability (income) and social dynamics (peer influence), which are often separate variables in consumer behavior studies.

Another unique contribution is the use of **regression analysis** to quantify the relationship between income, peer group influence, and purchase behavior. The regression results offer statistically significant evidence of how income and peer group influence directly impact consumer purchasing behavior. This provides concrete data that marketing practitioners and policymakers can use to predict purchasing patterns and target specific demographic groups effectively.

The research presents actionable recommendations for businesses and marketers operating in Nigeria, especially those selling telephone gadgets. By highlighting the importance of **income** and **peer group influence**, the study offers practical insights on how companies can tailor their marketing strategies. This could include creating targeted campaigns leveraging peer recommendations or social proof to drive purchases and adjusting pricing strategies based on income levels.

This study extends **social influence theory** by demonstrating its applicability in the Nigerian context,

particularly regarding technology and gadgets. The findings highlight the strength of peer influence in driving consumer behavior, which is especially relevant in social media-driven markets where peer reviews and recommendations have significant power. The research thus contributes to the growing body of literature on how **social dynamics** shape purchasing decisions in modern economies, especially in rapidly developing markets like Nigeria.

RECOMMENDATIONS

Based on this study's findings, the following recommendations are provided for businesses, marketing practitioners, and policymakers interested in influencing consumer behavior regarding the purchase of telephone gadgets in Abuja, Nigeria.

Marketing Practitioners should tailor their offerings based on **income levels**. For instance, premium gadgets can be marketed to higher-income groups, emphasizing their advanced features, while more affordable models should be promoted to lower-income segments. **Promotional offers**, **discounts**, and **financing options** can be introduced to make gadgets accessible to a broader income demographic.

Since **peer group influence** plays a significant role in gadget purchases, businesses should utilize **social proof** strategies such as **user-generated content**, **reviews**, **testimonials**, and **peer recommendations** in their advertising campaigns. Highlighting how popular or trending a particular gadget is among a specific social group can motivate consumers to purchase.

Given the role of income in gadget purchases, companies should consider implementing **tiered pricing strategies** that cater to both low- and high-income groups. Companies can offer **affordable models** with essential features for budget-conscious consumers while providing **premium models** for higher-income earners seeking advanced features.

Brands should focus on building **brand communities** where customers can interact with one another, share experiences, and influence each other's purchase decisions. This could include **online forums**, **social media groups**, or **loyalty programs** incentivizing customers to engage with the brand and share their experiences with peers.

As technology and consumer preferences constantly evolve, companies should monitor changes in consumer needs and adapt their product offerings accordingly. **Product updates**, **feature improvements**, and **innovative designs** can help maintain consumer interest and loyalty in a competitive market.

Trends in Peer Influence: Marketers should also stay attuned to shifts in **peer group behaviors** influenced by **digital media** and **social networking** platforms. As consumers increasingly turn to social media for purchasing advice, businesses can enhance their presence on these platforms to align with the evolving dynamics of peer influence.

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