A Study on Customer Preferences towards Selected Local Omani (FMCG) Products

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Abstract: *It is very important to study Consumer awareness and preferences towards selected local Omani (FMCG) products to understand the main reasons why people prefer branded products available in the market other than local products. To identify the reason why people reluctant to buy local products. Brand preference is closely related to brand choice that can facilitate consumer decision making and activate brand purchase. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. It reveals the heterogeneity of consumer choices leading to efficient market segmentation strategies. The cultural, social, psychological and personal factors of consumers lead to the preferences of consumer products. To look in depth about the national branding, it is vital that research need to be conducted in this field as different aspects. This research looks into the consumer awareness and preferences towards Oman's local products. The citizens and expatriates views on nation's local branding in general and branding Oman in particular is also been looked into the study. The study looks forward to find the result for giving appropriate recommendations if there exist a gap.*

Keywords: Consumer Awareness, Preferences, Local Omani Products, FMCG, Private Labels

JEL Classifications: M03, E23

1. Introduction

This study titled **"A study on Consumer preferences towards selected local Omani (FMCG) products",** examines the underlying reasons for awareness and preference towards selected local Omani brands. Every nation is facing the problem of their citizen's affinity towards the international products which bare brand name. It is evident from different studies that the people like to buy branded products due to its big publicity and advertisements. Thelocal entrepreneurs have less publicity and less fund when compared to the giant brands. The main purpose of this research is to investigate the customer's motives, attitudes and preferences of local products. In addition there is more competition in the market with the brands and customers are preferring global products over local Omani products. The major focus in this research is to find out the awareness and preferences of customers towards local Omani products in FMCG. This research is trying to thoroughly understand the increase customer awareness and encourage them to prefer local FMCG products of Oman. The cultural, social, psychological and personal factors of consumers lead to the preferences of consumer products. To identify the rate of awareness level of local product usage in Oman. To study about the factors influencing the consumer to use Oman's local products. To identify the causes and effect of less local product usage in Oman. To identify the relationship between usage of local products by Omani's and their satisfaction in using the same.More competition in the market with the giant brands. Every nation there exist the problem of affinity towards the international products which bare brand name. People like to buy branded products because of its big publicity and advertisements. Local entrepreneurs have less publicity and less fund when compared to the giant brands.

2. Literature Review

Lyson (2004), Farmers markets have been working since pre-industrial times and have gained increased interest in the production, processing, and buying of local food. Local foods systems provide several advantages over conventional and global markets including socio-economic and environmental benefits. Buying locally strengthens regional economies, supports family farms, provides delicious, "fresh-from-the-field" foods for consumers, preserves the local landscape, and fosters a sense of community.

According to Cheryl Brown (1990), a mail survey was used to gather information from the main food buyer in random households in southeast Missouri to analyze consumer preferences for locally grown food. A majority of shoppers in the region were not aware of the state's Agri Missouri promotion program. Consumers defined locally grown not as a statewide concept but as a narrower regional concept that could cross state boundaries. Most important when purchasing produce were quality and freshness, and most consumers perceived local produce at farmers' markets to be of higher quality and lower price.

Saffu and Walker (2006), in their study deals with the understanding of consumer switch pattern from local to foreign products. The purpose of the research is to find reasons behind why most consumers in Ghana prefer foreign products to the locally made ones and also how the

manufacturing firms can market their locally made products for domestic consumption.

Josiassen and Harzing (2008), apparently, consumer perception towards countries, cultures and products keep changing therefore giving challenges for practitioners in the field of international marketing and consumer behaviour. The generalization of findings to small developing countries, where there are no domestic brands or product in many products categories, is somewhat questionable. Yet, there are few studies that have systematically investigated this phenomenon in developing countries in sub-Saharan Africa.

Proctor (2005), in addition, this study will research empirically the causes of consumer attitude towards local and imported products in the Ghanaian market. The aim of marketing research is to bring out some of the risks associated with marketing decisions. Also provide information outlining the basis of the entire decision making process which is applicable to all aspects of marketing mix decision and should be the core part of the process of formulating marketing strategy Reasons for high consumption rate for imported products compared to the locally made are yet to be derived in this research and substantial marketing theories and literature will be considered to understand the topic better.

Kotler (2003) also supported the same thought. It is always of a big advantage if a firm knows how consumers will act in response to diverse marketing stimuli. They can then adapt strategies which will enable them to achieve the desired result with regards to consumer response. Acquiring knowledge about consumer behaviour can aid firms to decide on their marketing mix, the 4 P's of marketing; price, product, promotion and place. The study also discussed in the next concept under this chapter which according to these four categories signify stimuli that consumers are exposed to and which return have an impact on their behaviour.

Leon & Leslie (2000), In general, consumer is an individual who feels the need for purchase, initiating the purchase, by the information gathered, possessing collecting and finally disposing the product. Beside, some other people might be involved in the course of action. Mostly, the individual buying the product does not utilize it as a final user. The final decision-making could be influenced by others while purchasing the product. These outputs stage of this process would include an extensive range of moods, feelings attitude and behaviour which may imply positive or negative reinforcement of a particular lifestyle.

Solomon (1996), Consumer buying behaviour means the integral process of decision-making and also activity of people engaging in selecting, purchasing, consuming and disposing products. This also involves responses such as behavioural, mental and emotional which describe and follow these activities.

Khan (2004), in his study states consumer behaviour does not revolve only about purchasing a particular product. It is an extensive, complex process from the beginning to the end. The first step begins from the mind of the customer who recognizes the need, explores new information related options and variety of choices, defines the benefits of

diverse alternatives. Lastly, the process ends up in making the decision of purchasing the product. Customer satisfaction can be realized at a post stage purchase after the actual purchase, giving vital signal to the sellers.

Pradhan and Misra (2014), in there study explored the rural consumer buying behavior through brand awareness and influence of demographic factors on brand preference using primary as well as secondary data. The sampling regions included one of the rural district of Odisha viz, Keonjhar. The results indicated that there were statistical relationships between age, gender, family type and education with brand preference. However, there was no statistical relationship between occupation and annual income with the brand preference. Thus age, gender, family type and education only had statistical relationship with the brand preference of rural consumers in the Keonjhar district of Odisha.

Daphne T. Fernandes (2014), in there study examined the brand awareness in the rural area and their interest of consumers in branded products of Fast Moving Consumer Goods (FMCG). The results is showing an increasing tendency everywhere across the state especially in the case of healthcare and beauty care products.

3. Problem definition

More competition in the market with the giant brands.Every nation there exist the problem of affinity towards the international products which bare brand name. People like to buy branded products because of its big publicity and advertisements. Local entrepreneurs have less publicity and less fund when compared to the giant brands.

4. Objectives

- To identify the reason for most frequentlypreferring a retail outlet in Ibra region.
- To identify reason for customers switching the brands.
- To study and analyses the demographic factors influencing the consumer to go in a preferred shop.
- To identify the factors influencing purchase of local Omani FMCG
- Suggesting ways to improve the buying of Local Omani products

5. Research Methodology

This study followed a quantitative research approach. Primary data are obtained using a structured online questionnaire. The online questionnaire was randomly distributed to a sample (150) out of which 125 responded fully, Ibra College of Technology, Oman. The questionnaire consisted of fifteen (with 54 sub questions) questions in total, all of which were closed-ended questions and one open-ended question.For analysis, Microsoft Excel and SPSS were used.

The researcher's used both primary and secondary data into limelight to gain insight related to the above topic. With the help of the present research more useful findings and the proper suggestions were given by the researcher's. The

researcher's selected local products from market and a sample size collected the feedback on the said title.

This project focused on some products available in the market and the researcher's gave other alternatives for people and give opportunity to local food to be famous in the market.

5.1 Research Environment

The targeted respondents are the students, teachers and staff of Ibra College of Technology, local households ofNorth A' Sharquiah Region, Ibra region. 'Quantitative research is a formal, objective, systematic process in which numerical data are used to obtain information about the world. This research method is used: to describe variables; to examine relationships among variables; to determine cause-and-effect interactions between variables.'

Research Respondents with a population of approximately 55000 (includes 30000 Omani's and 20000 expatriates). A Sample of 125 respondents were used to complete the study.Sampling Adequacy of a minimum sample size can be used without affecting accuracy. This is called as adjusted minimum sample. Sampling Technique used is Non-probability Sampling, do not allow the study's findings to be generalized from the sample to the population. When discussing the results of a non-probability sample, the researcher must limit his/her findings to the persons or elements sampled. This procedure also does not allow the researcher to calculate sampling statistics that provide information about the precision of the results. The advantage of non-probability sampling is the ease in which it can be administered. Non-probability samples tend to be less complicated and less time consuming than probability samples.Convenience sampling method is used.

5.2 Research Instrument

An online Questionnaire were used to gather primary data. Answered by respondents from the list received from Ibra College of Technology (Students, teachers, staff) and the local households. The questionnaire is containing **13** questions with sub questions.An Online Questionnaire was used for the study. This method is simply to provide information and aim to explain phenomena. It is concerned with cause effect relationship and to make comparison of demographic groups. It covers definite geographical area and requires well thought out plan, careful analysis, and rational interpretation of findings. Research has its special significance in solving various operational and planning problems of business and industry.

5.3 Gathering of Data

1) Primary data collection method:The data will be collected using a set questionnaire distributed to 125 respondents
2) Secondary data collection method:Magazines, newspapers, previous articles and journal from web site were referred for the study.

Treatment of Data: Primary data from the survey will be processed and tabulated.The primary data analyzed using statistical tool SPSS

Analysis: Percentage analysis, Tables, Bar Diagrams, Pie Diagrams, and ANOVA was used to analyze the data

5.4 Online Questionnaire

An Online questionnaire using Google docs were made for this research and it was mailed to all respondents (students, teachers and staff) with the support of Administration of the College. Social media was also used to collect the data eg; Facebook, Watsapp etc. to collect data from the local households of Ibra region with the help of friends and relatives residing in Ibra region.

With sampling, the research findings can be generalized to the target population. Approximately 55000 (includes 30000 Omani's and 20000 expatriates)A Sample of 125 respondents were used to complete the study.

6. Scope of the Study

- The current study looks forward to find insights on the relationship regarding the awareness and preference level of local consumer's product usage in Oman.
- The present study will be helpful to understand the consumer attitude of the different levels of people towards Oman's Products.
- The classification of the different levels of the people in different demography.
- The study will also be helpful in analyzing the customer preferences towards the different factors
- This study will surely helpful for the future studies of researchers and academicians.
- It will also help the local Oman's brands in studying the effect of local product

7. Limitation

- Difficult find suitable information in short time.
- Difficulty in the formulation of question for questionnaire.
- Some respondents may not answer all questions in the questionnaire with accuracy.
- The researcher may face difficulties to distribute the questionnaire to respondents to collect information.
- The findings of the study are solely based on the information provided by the respondents.

8. Analysis& Interpretations

Table 1: Reason for purchase in the most preferred store

Reason	Count	Percentage
Discount	13	10.5
Variety	39	31.2
Service	43	34.4
Proximity	18	14.4
Ambiance	12	9.6
Total	**125**	**100**

Most of the respondents states that Service is the reason for their preference to store.After they look for variety of products available in the store for preferring a store for purchase.

Table 2: ANOVA preferences and age

	Sum of squares	df	Mean square	F	Sig
Between groups	.153	1	.153	.123	.726
Within groups	152.615	124	1.241		
Total	**152.768**	**125**			

ANOVA was done to find out whether there exists any difference in the preference of the customers based on their Age. The ANOVA value was 0.726 which is no significant at 0.01 levels. This denotes that there is no significant difference in the preferences and Age.

Table 3: ANOVA preferences and nationality

	Sum of squares	Df	Mean square	F	Sig
Between groups	5.233	2	5.233	4.347	.039
Within groups	146.864	123	1.204		
Total	**152.097**	**125**			

ANOVA was done to find out whether there exists any difference in the preference of the customers based on their Nationality. The ANOVA value was 0.039 which issignificant at 0.01 levels. This denotes that there is more significant difference in the preferences and Nationality.

Table 4: ANOVA preferences and number of family members

	Sum of squares	Df	Mean square	F	Sig.
Between groups	1.280	3	.427	.341	.796
Within groups	151.488	122	1.252		
Total	**152.768**	**125**			

ANOVA was done to find out whether there exists any difference in the preference of the customers based on their number of members in family. The ANOVA value was 0.796 which is not significant at 0.01 levels. This denotes that there is no significant difference in the preferences and number of member.

Table 5: Reason for switching a brand

Reason	Respondents
Cost	51
Quantity	29
Satisfaction	32
More benefits	7
It is an Omani product	6
Total	**125**

From the above table 51 per cent responded as Cost of the product and Satisfaction from the product is the most important reason for the customer to switch from one brand to another.

Table 6: Factors that influence purchase of local products

	milk	ghee	curd	Milk powder	laban	Ready to eat	Ready to cook	drinks	Tooth paste	Skin care	detergent	Dish wash	Toilet soup	shampoo	oil	frozen
Quality	59	47	50	49	55	49	48	43	47	48	43	37	41	48	42	52
Brand	26	28	36	31	29	26	27	36	44	35	32	36	32	35	38	25
Price	20	13	12	20	19	16	22	18	18	14	21	22	20	17	20	15
Display	11	19	12	12	7	13	4	9	6	13	12	8	9	12	8	16
Offers	5	8	7	10	8	17	17	15	6	11	12	20	22	12	15	12
Ads	4	10	8	3	7	4	7	4	4	4	5	2	1	1	2	5
	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125

The above table shows Quality as the most important factor influencing the purchase of local products.

9. Findings

- Service is the major reason for purchasing in the most preferred store. Also variety is another major factor. ANOVA was done to identify the reason for purchase based on different demography. It was found relatively significant difference based on the nationality.
- The three major factors Service, Brand and Price respectively are reason for purchasing from the most preferred store.
- ANOVA was done to identify the variant reason for purchase based on different demography. It was found relatively significant difference based on the nationality.
- Quality and Brand preference is the major reason for preferring a local FMCG. Price is also a major factor.
- Family is one reason of influence for buying a product. Self-interest is also an influencing factor for the same.

- Advertisement of the product is another important factor for choosing a brand.

10. Major Finding

- The product must keep Quality and Brand image in the mind of the customer along with reasonable price. To get the market for Local FMCG Products
- Advertising is another important factor for the brand preference

11. Suggestions & Recommendations

The local brand awareness need to be improved in all aspects is turned into an important variable that impacts customer's perceptions of a local brand nation.Achievement in local brand awareness and its management arises from understanding and overseeing brand image and loyalty correctly to create strong characteristics that will impact consumers. The customer decision making is very important while talking about the preferences of a local product.The

perception of the customer should be improved to a wider spectrum as they expect more reasonable prices at the same time quality product.This research concentrates on the importance of these dimensions (local brand awareness, local brand loyalty, and local brand image and consumer behavior) of customer built local brand equity in light of consumer's perceptions of a local brand. This study focused around the assumption that all these dimensions of customer based-brand image and loyalty will have impact on consumer's perceptions of brand. However, this study aims to discover which among these three dimensions. Measures need to be taken to improve the quality and image in the mind of the customer to improve sales of local products

12. Conclusion

The main objective of this research is to assess the impact of consumer behavior via media on brand awareness by evaluating different factors price, quality, brand, promotion, offers, etc... It was revealed from the study that media which is traditional media and new media (social media) positively influence the improvement in brand awareness. The research indicates that customer preferences increases when brand awareness increases. Also Significant difference is there based on the nationality and shop preferred for purchase. This research also found that the most efficient variable on local brand awareness is customers thinking on quality and then service. At the same time brand image maximizes awareness during involvement and interaction processes (Kotler& Keller's, 2009).

This study also displays the relationship between media advertisement and switching of brand preference. The media advertisements specially transfer information from one customer to another and social media's interactive features assist customers to share their thoughts quickly and widely.

13. Scope for Further Research

1) More study can be done based on different dimensions like customer loyalty, brand consciousness, etcof local product to improve the purchasing behavior of customers.
2) Also an extensive study relating to customer satisfaction, marketing on financial angle of this research can be done.
3) Other focus of study can be done based on the local product marketers' awareness on customer expectation.

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