

## CONSUMERS' INTENTION TOWARDS THE PURCHASE OF LOCAL FOOD PRODUCTS IN OMAN

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### Abstract

Consumers in Oman have an increased access to a wide variety of food products from other countries. The advancement in communication has increased the knowledge and awareness of consumers and as a result, the significance of the products' origin is influencing consumer intention to purchase. Despite it, the responsiveness of consumers towards local food products in Oman has not become taboo. Thus, the current research aims to identify the key factors that drive the intentions of customers towards purchasing local food products.

The data was collected through a mall intercept survey method using a self-administered structured questionnaire on a sample of 452 local and expatriates consumers. The Kruskal-Wallis H Test was used to measure the difference of behavior among the mean ranks. Based on emotional factor, support to local economy and value, the study revealed a difference in attitude between expatriates and Omani consumers towards a purchase of local food products. Based on the evidence, researcher suggests that suppliers and hypermarkets should come up with more efficient marketing mix backup, especially for local food products. Besides enriching the body of literature, it gives cue to the concerned practitioners about the need for another comprehensive study involving a larger sample size and covering more regional markets that could further corroborate/refute these findings and explore the likely reasons thereof.

### Introduction

Having 4.72 million populations, Oman is experiencing one of the fastest population growth rates (i.e. more than 9 %) in the world. Expatriates who constitute 30% of the population (Worldometers.info, 2017) mainly contribute the growth of the population. According to market reports by (Royal & Embassies, 2014), the Omani retail sector is continuously expanding and has been growing at the rate of 7% since 2011. Large construction projects, predominantly malls, and hypermarkets, add more retail space to the sector to flourish (Rakesh & Belwal, 2014). The hypermarket's growth is emerging dominantly and replacing traditional markets (souqs). The market landscape of Omani market is diverse. In emerging markets, the presence of hypermarkets, consumers' expectations are changing and their preferences in relation to purchases intention. Omanis and expatriate consumers prefer to visit hypermarkets at least once a week for shopping and recreation purpose as well (Rakesh Belwal, 2014). Only in the capital city, currently, the number of shopping malls is 16. The growth of malls and hypermarkets is based on the shift in income, lifestyles and thus, spending patterns. According to Omani Consumer Price Index, a large portion of household spending still goes towards food and related products. Omani market expected to continue with the same current pace politically and economically (Royal & Embassies, 2014).

In a market like that of Oman that also includes 30% expatriates belonging to different nationalities and cultures, it becomes a matter of investigation whether the attitude of these two major segments (Omanis and expatriates) is identical. To the best of its accessibility, the researcher did not come across any study focussing upon the selected issues particularly in the context of Omani Market. Therefore, this present study tries to examine any likely difference between Omani and expatriate consumers as far as their purchase intention of local food products is concerned.

### Literature Review

The purchase intention is explained widely by the theory of planned behavior (TPB) described "from intentions to actions". Ajzen (1991) considered the role of attitude, subjective norms and perceived behavioral control as antecedents to purchase intention that leads to behavioral outcomes. This behavioral factors based on TPB are linked with intentions to behavior have occurred in the context of food/drink consumption (Ajzen & Sheikh, 2013). Regarding the sustainable food choices, Bissonnette and Contento (2001) reported a positive relationship between intentions and behavior for organic and locally produced foods purchasing. Similarly, other studies Tarkiainen and Sundqvist (2005) and (Diamantopoulos & Paliawadana, 2011) reported that there is a positive relationship between purchase intention and extent of purchase for local foods. Therefore, consumers who enter into a food store with the intention of purchasing foods will effectively execute their behavior to the extent by which they select various local products.

Defining "local food" is a key issue because there is no single definition for that. Hingley, M., Boone, J., and Haley, S. (2010), defined local food on the geographical basis as supply approximately 30 miles from where a consumer lives. Jones, P., Comfort, D. and Hillier, D. (2004), clarified local food products as food produced, processed, traded and sold within a defined area. This research also acknowledged that definitions of local food depend on the stakeholder groups and their expectations. However, the public recognizes "local" as a marketing arrangement of direct supply from farmers to consumers at regionally local markets. Onozaka, Nurse, and McFadden (2010) described "local" in terms of ecology and population is a basic ecological unit in a specific climate perspective. Therefore, based on the definitions of local in the literature, local Omani food products mean the products grown or produced in Oman.

Perceived value is rooted in equity theory. The equity theory considers the ratio of the consumer's outcome/input to the outcome/input of seller. The consumer evaluates that what is fair, right, or deserved for the perceived cost of the offering (Yang & Peterson, 2004). According to Kotler and Keller (2011), customers form expectations against perceived value. Customers prefer to buy from they perceive to get the highest customer delivered value, as the difference between total customer benefits and total customer cost.

Regarding the country of origin, a classical review by Holbrook and Hirschman (1982) examined different facets of the subject are and suggested that persistent behavior and consumer personality characteristics are extremely important to the consumer in a decision. Research

on consumer behavior has extensively revealed that the impact of consumer's knowledge about a product's country of origin on product evaluations is a dominant phenomenon (Papadopoulos, N., & Heslop, 2002). Country of origin is an emotional factor and is not only dominant evaluation against the local products but relevant in international marketing as well. For instance, recent research in the UK has indicated that being British is not the key to marketing success overseas. Jaguar, the typical British car brand, had to adopt a high-tech image and tone down the links with its country of origin (COO) by labeling 'made in Europe'. Consumers exhibit a strong correlation of their perception about the country of origin and country of production. A study conducted by Akdeniz Ar, A. and Kara (2014) on 3373 Turkish consumers in 17 cities revealed that country of the product has a significantly negative effect on brand image. The same study concluded that perception, trust, and image have a strong correlation with purchase intention.

The literature in marketing has seen the relationship of product evaluation and effect of country of origin under three approaches; single-cue studies, multi-cue studies, and conjoint (trade-off) analysis. Environmental analysis as a fourth approach links consumer's product perception and/or evaluation to the impact and/or influence of a select number of environmental factors (Vukasovi, 2010).

Huang, Phau & Lin (2010) proposed a consumer's ethnocentrism norm logical model based on (Shimp & Sharma, 1987) and suggested that COO is the key factor in explaining consumers' preferences for domestic products over foreign products. The country of origin remains a significant factor in the conjoint analysis as well. Consumer perceptions differ significantly based on product/service and country of origin third most important factor after price and warranty. The COO effects are only generalized across nations and cultures. Burt, S., Sparks, L., & Teller (2010) has suggested that local food purchases are expected to increase because socio-economic consumers prefer to purchase local food and has a keen interest towards it. Behaviourally consumer attitude is characterized as "ethical oriented" and emotional (Carrington *et al.*, 2010).

### Local Food Purchase-Key Drivers

Willingness to buy local, actual purchasing decisions are largely driven by price, freshness, quality and availability (Onyangob, 2013). Some of the key attributes of the product such as improved taste, freshness, and quality of produce are key drivers for consumers when purchasing local food (Brown & Miller, 2008; Hjelmar, 2011). Edwards *et al.* (2008) reported 60 percent of consumers stating "freshness" as their top motivational factor when they make the purchase decision. Similarly, Tippin *et al.* (2002) stated that due to shorter distribution channels consumers believe that local produce will be "fresher". Other factors such as quality of produce and taste are functional drivers for the purchase of local food. Willingness to buy local, actual purchasing decisions are largely driven by price, freshness, quality and availability (Onyangob, 2013). There are some emotional factors such as supporting the local economy, employment, and small-scale producers. The emotional factor, perceived economy situation, and support local industry as one of the top two reasons for purchasing local food (Penney, 2014). The similar findings were reported by the Khan & Prior (2010) reported that 44 percent of respondents cited support for local products as their reason for buying.

### Methodology of the Study

The current study developed measures from prior literature pertaining to the marketing, retailing and psychological domains and adapted to the context of local food purchasing in Oman. The study is descriptive in nature as different measurements were constructed to measure theoretical dimensions of consumers' attitude. A five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) was used to measure variables of consumers' purchase intention. The research adapted questions by theoretical definitions by Ursula Penney, Caroline Prior, (2014) to measure the dimensions of consumer attitudes towards purchase intention of local food products.

The data collection used mall-intercept survey method in four retail locations in Oman through convenience sampling using a self-administered structured questionnaire. The study determined sample size by formula (Charan & Biswas, 2013) and found to be 384 as an appropriate number. However, the study determined an increased sample size of 452 in order to reduce the sampling error. Kruskal-Wallis H Test was found suitable for data analysis (Ruxton & Beauchamp, 2008).

The following research hypotheses related to the factors influencing the consumers' purchase intention for local food products were examined.

1. The attitude of consumers with respect to emotional factor is similar.
2. The attitude of consumers with respect to support the local economy is similar.
3. The attitude of consumers with respect to motivation is similar.
4. The attitude of consumers with respect to perceived price is similar.
5. The attitude of consumers with respect to perceived value is similar.

### Analysis

Data were analyzed using the IBM SPSS statistical package 21. The value of Cronbach's Alpha (0.767) indicated a good level of reliability for the scale. Skewness and kurtosis indices are also below the absolute threshold of 3.0 for skewness and 10.0 for kurtosis (Kline, 2005).

Descriptive Statistics			
	N	Mean	Std. Deviation
F1	452	2.6327	1.33105
F2	452	2.3031	1.20740
F3	452	2.1659	1.15587
F4	452	2.2920	1.16437
F5	452	2.2633	1.19651
Origin	452	1.4889	.50043

Findings				
Items	Test Statistics	Rank		Decision
Emotional Factor	$(\chi^2 = 41.116, p = 0.000)$	Local	263.90	<b>H<sub>0</sub>: Rejected</b>
		Residents	187.40	Attitude is not similar
Intention to support local economy	$(\chi^2 = 13.167, p = 0.026)$	Local	247.51	<b>H<sub>0</sub>: Rejected</b>
		Residents	204.54	Attitude is not similar
Motivation	$(\chi^2 = 0.956, p = 0.328)$	Local	220.91	<b>H<sub>0</sub>: Accepted</b>
		Residents	232.34	Attitude is similar
Perceived Price	$(\chi^2 = 0.665, p = 0.415)$	Local	231.15	<b>H<sub>0</sub>: Accepted</b>
		Residents	221.64	Attitude is similar
Perceived Value	$(\chi^2 = 21.644, p = 0.002)$	Local	253.37	<b>H<sub>0</sub>: Rejected</b>
		Residents	198.41	Attitude is not similar

Significance level is 0.05, N=452 (Local =231, Residents =221)

### Discussion

The results of the first hypothesis referred to an un-identical attitude of the consumer regarding emotional factors. This is obvious and consistent with the previous research evidence. Similarly, the results second hypothesis exhibited an un-identical attitude between two groups of the consumers. Consumers have an emotional involvement especially when it comes to perceived support to the economy (Renkoet *al.*, 2012; Asshid in, 2016).The attitude of the consumers was found identical towards motivation and perceived price of local food products. Freshness and healthy have been reported as key drivers of purchase intention towards local food products (Murphy, 2011).The results are also consistent with the research by Hingley & Haley (2010) in the UK, who posited that a premium price is justifiable by improved quality and freshness. The results indicated a different attitude of groups of consumers related to perceived value. Value perception might be different based on many factors but mainly consumer view value of money as a key benefit of locally produced foods but perceived price becomes the main concern sometimes (Penney& Prior, 2014).

The retail food market in Oman is fragmented and there is a place for local products in co-existence with imported products. In contrast to the traditional promotion methods, the use of social media may help in a great deal. This phenomenon merits an improved marketing strategy and a variety of promotional tools to communicate with the consumers. Effective marketing strategy and promotion will highlight the commitment of sellers and more information about local food products. Both identification and promotion is an important factor of marketing of the local product as identified by Ursula Penney and Caroline Prior (2014).

The focus of marketing communication on "freshness" and "health" with an emphasis on the quality and perceived value of local food products is very important to for marketers to become the champion of local. Marketing and distribution channels should propose more value rather than merely promote the tag "local". Packaging and merchandising of local product at compatible standards with imported food products are important to increase perceived value of the consumers to build their trust. Trust moderates the behavioral outcomes of consumers' as a willingness to pay a premium price in the food industry (Campbell & Fairhurst, 2016).Marketers may create a competitive advantage of being locally grown by making local food products more identifiable through effectual merchandising and signposting.

### Limitations of the Study and Future Research

This paper explores the purchase intention of the diverse consumers in Oman through their perception and attitude towards locally grown food products. The findings are limited with respect to the lack of other factors as identified in the literature but the results pinpoint the need for effective marketing mix for local products in a highly diverse consumer market.

The current study as a first of its kind in Oman outlined main drivers of consumers related to purchase intention of local food. Future research conditioned with other moderating factors such as age gender and ethnicity of consumers will be helpful to explain this complex behavior. Particularly, there is a need to explore the origin-specific behavior of expatriate consumers towards the purchase of products. Additionally, it is necessary to explore the attitudes of consumers related to the trust of consumers on retail location and local food products.

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