Psychological Impact of Cross-Cultural Consumer Behaviour on FMCG Sector in Oman

Dr. Prashant Rastogi

Assistant Professor
Faculty of Business and Management Studies
Gulf College Muscat Oman
Oman
prastogi70@gmail.com

Abstract

The present research has been carried out to assess and illustrate the impact of cross-cultural consumer behaviour on the FMCG industry. In this regard, a primary quantitative data collection approach has been followed. A survey questionnaire containing 10 close-ended questions has been developed and a total of 51 research participants have been selected from involving the FMCG industry of Oman and its consumer base. The SPSS software has been used and the collected data has been statistically analysed and the results have revealed both negative and positive implications of cross-cultural consumer behaviour for the FMCG industry of Oman.

A total of three hypotheses have been developed and the outcomes of the data collection procedure have disclosed that the third hypothesis is valid and the most suitable regarding the research subject. It has been identified that in recent years, work environment of the FMCG sector has changed crucially, while the emergence of cross-cultural consumer behaviour through social media has played a major role. Apart from this, consumers and business organisations use social media sites to gain relevant insights into their preferences and demands regarding business services. Thus, social media platforms provide advantages for both FMCGs and customers and help to manage the consequences of "cross-cultural consumer behaviour" and the FMCG sector of Oman is emerging.

Keywords: Consumer behaviour, FMCG (Fast Moving Consumer Goods), Oman, Culture, Social Media.

1. Introduction

In recent years, the globalisation of business firms has introduced cross-culture communication and has also changed customer preferences. It has been identified that cultural influences play a vital role in shaping consumer behaviour and preferences. Apart from this, visual familiarity has been identified to be among the main factors influencing cross-cultural interaction and the behaviour of consumers [1]. FMCG refers to the "fast-moving consumer goods" industry. The food and beverages sector of Oman has been estimated to reach 1.8 billion Dollars by 2025 [2]. Regarding this, consumers have been crucially influenced by the changes and have started to focus on the perceptions and preferences of different cultures.
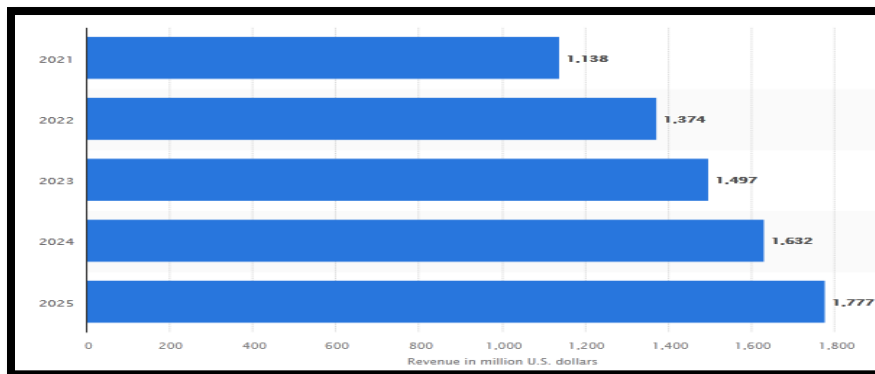

Figure 1: The growth of food and beverages sector in Oman(Source: 2)

The emergence of social media and e-commerce has introduced cross-cultural business and improved mediums of collaboration and interaction for consumers belonging to different cultures. Every consumer tends to have an attitude when it comes to a particular product which is popular in digital media and this attitude can be positive, negative or neutral. Thus cross-cultural consumer analysis is defined as the effort to determine to what extent the consumers of two or more nations are similar or different. In Oman, the FMCG sector is emerging and the sales of the retail and wholesale sectors has increased by 16.1% in 2022 [3]. On the other hand, it is difficult to understand the similarities and differences in employee behaviour and practices and the emerging FMCG sector of Oman is attracting multination FMCG companies. Hence, the need of understanding "cross-cultural consumer behaviour" has increased more in the contemporary era.

Cross-cultural variations include values, norms and lifestyles, while demographic differences include age, gender and income of the consumers. The emergence of social media platforms have provided effective opportunities for the FMCG sector of Oman and online sales of this sector is rising [4]. There are different reasons behind the indulgence of consumer purchasing behaviours of the consumers regarding one particular product which is similarly popular in different countries due to online sales. These variations in having different values and aspirations among consumers from all around the world are called cross-cultural variations [5]. Culture is a comprehensive concept and it includes everything that an individual human being value and also influences an individual's thought process and behaviour. Thus, in this study, all the important aspects of cross-cultural consumer that have impacted the FMCG sector of Oman have been investigated and evaluated for developing relevant insights.

2.1 Theoretical background

2.1.1 Customer buying behaviour

Consumer buying behaviour refers to the actions taken by an individual customer before buying any product or service according to their preferences. In this digital era, every customer has become more particular about their preferences while buying any product or service. Thus, consumer buying behaviour includes *consulting search engines, engaging with various social media posts before buying the product, consulting with people who have already bought the product or service* and many other actions taken by the consumer before buying any product or service to avoid any further circumstances in future [6]. These processes are valuable for every business organisation as it helps them to understand their marketing initiative in a better way and also improve their marking efforts that have successfully influenced consumers to buy in the past.

There are several factors of consumer buying behaviour which include differences in *cultures, and social, personal and psychological factors* that impact the businesses of a country. These factors influence the purchasing behaviour of the consumers and despite being different factors when these factors are joined together it increases the likelihood of a person which connects them with a brand and influencing their purchasing behaviour. Besides that, the *expressive buyer*, who needs most of the attention while buying products from a store, and the *driver buyer*, who follows someone's style or who does not have their personal preferences and it depends on others and many others [7]. In the present study, consumers of FMCG products have been emphasised and women are the main consumer group of these products. It has been identified that Omani women are greatly influenced and attracted by online advertisements and digital media content.

2.1.2 Cross-cultural consumer behaviour

It has been observed that when an individual customer tends to make a purchasing decision regarding any product, they seem to take into consideration the origins of the brands that they assess. *Cross-cultural consumer behaviour* analysis has become an essential part of global business because it is defined as the efforts that influence customers from re different nations in buying an individual product from an individual brand [8]. The increasing use of social media platforms has allowed people to connect with users belonging to different nations and communicate about their choices or share review and feedback of a product. However, cross-cultural behaviour analysis helps to

understand the different psychological, social and cultural factors that influence a person in buying a product which helps the business to target their customers and improve customer engagement in their organisations [9]. Besides that, through the analysis, markers can know e similarities and differences among every nation around the globe and in Oman, various international FMCG companies are expanding their business which can directly influence the consumer behaviour associated with this sector.

2.1.3 FMCG (Fast Moving Consumer Goods)

FMCG or *Fast Moving Consumer Goods* are rendered to those products that are sold quickly at a low cost and these goods are also called consumer packaged goods. FMCGs have a short shelf life as the demand for these products is high such as soft drinks, confections and many others [10]. Consumer goods are divided into three different categories such as durable goods, nondurable goods and services. Durable goods can be used for up to three years whereas nondurable goods are used only for a year. FMCG are the largest segment of consumer goods and they fall into the nondurable goods category as they are consumers immediately and have a short shelf life [11]. There are different types of FMCG products, such as processed foods, prepared meals, beverages, baked goods, medicines, cleaning products, cosmetics and toiletries and many others. Besides this, FMCG is among the most essential and beneficial sector and after the COVID-19 pandemic, various innovative opportunities has formed in Oman for upgrading this sector.

2. Research method
2.2 Research hypothesis and model

Several previous studies have been explored and it has been observed that there are various attributes and aspects that affect consumers' behaviour in a cross-cultural context. These aspects include the self-concept of the consumer, the image and reputation of the industry or business firm, visual familiarity, identity and personality of the consumer. Based on the insights gained from previous studies, hypotheses have been developed for the present research and these hypotheses will be considered during the data collection procedure.

H1: The globalisation of business firms has affected and transformed consumers' perceptions and preferences.

H2: Cross-cultural consumer behaviour has introduced positive and negative implications for the FMCG sector.

H3: The emergence of social media and e-commerce has helped the FMCG sector to undergo consumer behaviour in a cross-cultural business context.
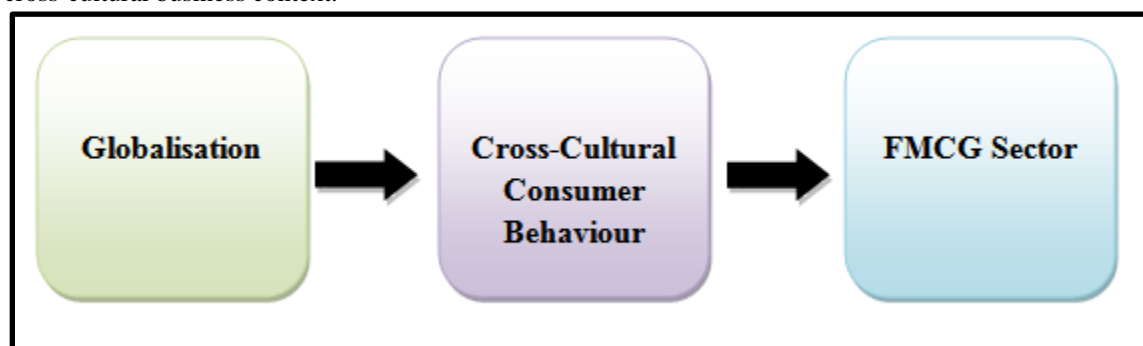

Figure 1: Research model
(Source: self-developed)

2.3 Collecting data

Data collection is among the most vital procedures of a scientific investigation and it involves gathering information relevant to the topic of interest. In the present study, a survey questionnaire has been designed for collecting relevant and reliable primary quantitative data associated with the impact of "cross-cultural consumer behaviour" on the FMCG industry in Oman. It has been observed that using a survey questionnaire helps to collect and evaluate reliable and accurate data [12]. Regarding this, a total of 51 research participants have been chosen

involving the FMCG industry in Oman and these respondents have been selected randomly from both consumers and employees of the FMCG sector. This data collection method will help to gather relevant and reliable data by directly involving the research population and will help to develop accurate insights regarding the impact of "cross-cultural consumer behaviour" on the FMCG industry of Oman.

2.4 Research method

In the present study, a survey questionnaire has been chosen for collecting primary quantitative data and in order to assess and interpret the gathered data, the SPSS software will be used. Statistical analysis will be conducted by using the SPSS software for gaining accurate and reliable insights and interpretations regarding the research context. The SPSS software consists of effective features and tools such as regression and correlation, which are regarded to be the most famous statistical tools [13]. Therefore, an online survey has been conducted by developing a questionnaire containing 10 close-ended questions and relevant and reliable data has been gathered. Afterwards, the data has been analysed using the SPSS software and further interpreted. The hypotheses developed in the study have also been assessed and their suitability and validation have been assessed by illustrating the research outcomes. Suitable and appropriate research methods have been used for investigating the impact of "cross-cultural consumer behaviour" on the FMCG sector of Oman.

3. Research results
3.1 General characteristics

Males, females and other genders have been included in the research population and FMCG employees and consumers have been investigated. Apart from this, people aged between 20 and 40 have been selected and divided into three age groups and it has been identified that the major portion of respondents is aged between 36 to 40. Approximately, 70.59% of respondents are employees of FMCGs, while the rest are consumers. The major portion of the respondents have been identified to be females and these characteristics indicate that people aged over 36 years are more concerned and aware of the implications of cross-cultural communication, interaction and consumer behaviour on FMCGs.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1. Age group	51	0	2	1.10	.831
2. Occupation	51	0	1	.29	.460
3. Gender	51	0	2	.80	.722
4. Globalisation has prevented linguistic and cultural barriers which has provided various opportunities to the FMCG sector	51	0	4	3.16	1.271
5. Cross-cultural collaboration and interaction has influenced consumers' preferences and perception	51	0	4	3.20	1.249
6. The emergence of social media has provided effective opportunity to the FMCG sector	51	0	4	2.86	1.470
7. Consumers use social media platforms for interacting and expressing their preference regarding business services and products	51	0	4	3.14	1.200
8. E-commerce platforms are inevitable for the FMCG industry	51	0	4	3.20	1.281
9. Cross-cultural interaction and collaboration has shaped consumer behaviour and preferences and enhanced complexities for FMCGs	51	0	4	2.78	1.553
10. FMCGs use social media and e-commerce sites for interacting and collaborating with consumers	51	0	4	3.04	1.385
Valid N (listwise)	51				

Figure 2: Descriptive statistics (Source: IBM SPSS)

Descriptive statistics are used for summarising and synthesising the characteristics gained by analysing datasets. These statistics are also used for describing the probabilities and P-values of the datasets [14]. A mean value > 1 indicates reliable outcomes and in the present study, the mean value of all the statements has been identified to be > 1. In this context, it can be stated that the outcomes of the survey are valid and reliable and it has revealed that the emergence of cross-cultural consumer behaviour has posed a major impact on the FMCG industry of Oman. Besides this, it has been identified that the FMCG sector is among the most emerging business sectors in Oman as the government has already prioritised five other sectors including manufacturing, logistics, mining, fisheries and education [15]. This indicates that cross-cultural collaboration has changed the focus of consumers, policymakers and the government regarding businesses, which have pushed the FMCG industry to adopt trends and approaches for enhancing customer satisfaction.
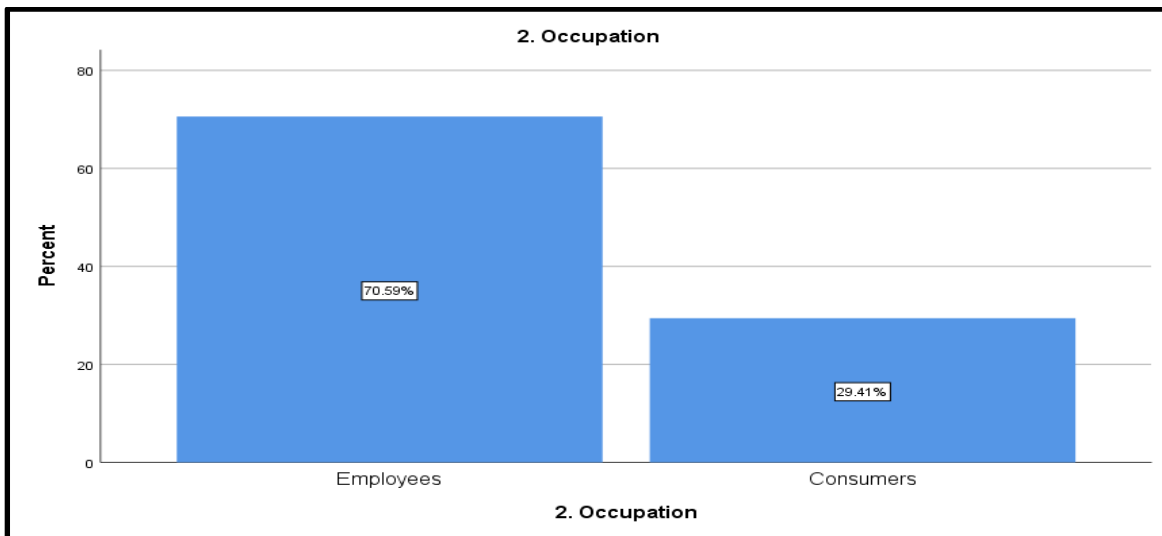

Figure 3: Occupation
(Source: IBM SPSS)

A total of 51 people involved with the FMCG industry of Oman have been investigated and it has been identified that more than 70% of the respondent are employees of FMCGs. Additionally, less than 30% of the total respondents have been identified to be consumers, which indicates that the employees of FMCGs are more aware and concerned regarding the impact of "cross-cultural consumer behaviour" and its impact on the business performance of the industry. Both males and females have been investigated and most of them have been identified as workers closely connected with the FMCG industry of Oman. Therefore, it can be stated that the employees are more concerned and aware of the implications of the globalisation as well as emergence of digital media and its influence on "cross-cultural consumer behaviour" in Oman.

3.2 Reliability

Figure 4: Reliability statistics
(Source: IBM SPSS)

Reliability statistics help to address the reliability and accuracy of the instrument used for data gathering and analysis. Additionally, the SPSS software consists of the most influential and efficient tools for statistical analysis, including reliability [16]. A value greater than 0.70 reveals that the instrument is reliable and valid and in the present study, the value has been identified to be 10, which indicates that it is reliable. This indicates that "cross-cultural consumer behaviour" has impacted the FMCG sector of Oman and has also caused severe changes in the sector which have driven both positive as well as negative effects. In this context, majority of the respondents agreed that globalisation has posed a major impact on the practices, collaboration and communication between consumers and marketers associated with the FMCG sector.

3.3 Hypothesis validation and results
3.3.1 Correlation between cross-cultural customer behaviour and FMCG performance

It has been identified that cross-cultural collaboration and interaction has influenced consumer preferences and perception regarding business firms, which indicates that globalisation has shaped customers' preferences. In this regard, the globalisation of business firms has prevented linguistic and cultural barriers, which helped consumers to communicate and learn about cross-cultural business trends and concerns. The food market of the Gulf Cooperation Council or GCC has been estimated to grow by 53.14 million MT by 2026 [17]. Along with that, the emergence of social media platforms and e-commerce sites has introduced exclusive opportunities and advantages for the FMCG sector. The majority of the respondents supported that social media is providing innovative opportunities to FMCGs, while consumers use these platforms for interacting with other people, gaining relevant knowledge and expressing their personal preferences about business firms. These preferences include customer service, and the standard and quality of products and influence the decision-making of these business organisations. Thus, it can be stated that there are several major factors including globalisation, which have affected the consumer behaviour of the FMCG sector of Oman.

3.3.2 Hypothesis suitability

A total of three hypotheses have been developed in this study that is relevant to the research subject. Consequently, an online survey has been conducted by using a questionnaire containing 10 close-ended questions. These questions have been developed considering the hypotheses of the study and the research outcomes have provided effective outcomes. It has been identified that globalisation has affected the business performance of FMCGs, while the introduction of "cross-cultural consumer behaviour" has come with both positive and negative implications for the industry. On the other hand, a crucial impact of social media and e-commerce platforms has been identified on the FMCG sector as well as on consumers. Consumers use social media sites for interacting with others, while these sites have provided various effective opportunities for FMCGs. Therefore, it can be stated that the third hypothesis is the most suitable and appropriate hypothesis for the present study.

3.3.3 Hypothesis validation

The most suitable hypothesis of this study has been tested and assessed by reliability and descriptive statistics. Consequently, a positive and reliable correlation has been identified among the variables of this hypothesis. The mean values for the statements associated with this hypothesis have been identified to be 1.59, 1.80, 1.76 and 1.71 which is greater than 1 and indicates a reliable and valid correlation. Apart from this, the reliability test has also provided valid and reliable insights regarding the hypothesis. Approximately 47.06% research participants strongly agreed that the emergence of social media sites have provided exclusive opportunities for the FMCG sector, while 15.69% respondents strongly disagreed, which is comparatively insufficient. Considering these aspects, it can be stated that the H3 hypothesis has been proven and is valid and social media and e-commerce platforms have been proven to be effective and influential for preventing the negative impacts of globalisation in the FMCG sector of Oman.

4. Conclusion

In the present study, the impact of "cross-cultural consumer behaviour" on FMCGs of Oman has been assessed and observed. A primary quantitative data collection approach has been followed and an online survey has been conducted in this regard. A total of 10 close-ended questions have been designed and the findings of this study indicate that globalisation has caused development of new and innovative approaches which have affected consumer behaviour of the FMCG industry of Oman. It has been identified that incorporating the "brand apostle model" can be effective for understanding and ensuring customer satisfaction for FMCG firms in Oman [17]. Globalisation has also introduced several complexities for the particular sector and has enforced the incorporation of practices and approaches for ensuring customer satisfaction. The emergences of social media platforms and e-commerce sites have provided effective opportunities and have attracted the consumers through digital advertisements.

Consumers and FMCGs, both use social media platforms for gaining knowledge and information about business performance and consumer preferences and demands. The popularity of online shopping or e-commerce sites are increasing rapidly in Oman and it holds the potential of attracting interested consumers [18]. A total of three hypotheses have been developed and the questions included in the survey are indulged with these hypotheses. The third hypothesis correlating social media platforms, "cross-cultural consumer behaviour" and FMCGs have been identified to be the most suitable and have been confirmed by assessing the results. Thus, it can be stated that globalisation has brought both negative and positive aspects which can be prevented through social media and e-commerce.

References

[1] Wanick, V., Stallwood, J., Ranchhod, A., & Wills, G. (2018). Can visual familiarity influence attitudes towards brands? An exploratory study of advergame design and cross-cultural consumer behaviour. *Entertainment Computing*, *27*, 194-208. https://eprints.soton.ac.uk/422911/1/preprint_Advergame_familiarity_culture_revised_final.pdf

[2] Statista Research Department. (2022). *Forecasted revenue of food and beverages sector Oman 2021-2025* Retrieved on: 20th February, 2023, From: https://www.statista.com/statistics/1286517/oman-forecasted-food-and-beverages-sector-revenue/

[3] Khan, A, G. (2022). *Retail sales in Oman expected to grow more than 6% annually* Retrieved on: 20th February, 2023, From: https://www.muscatdaily.com/2022/12/25/retail-sales-in-oman-expected-to-grow-more-than-6-annually/

[4] Cabral, R, A. (2022). *Online FMCG sales growth significantly outpaces overall market in UAE and Saudi Arabia* Retrieved on: 20th February, 2023, From: https://www.thenationalnews.com/business/economy/2022/12/19/online-fmcg-sales-growth-significantly-outpaces-overall-market-in-uae-and-saudi-arabia/

[5] Gilboa, S., Seger-Guttmann, T., & Partouche-Sebban, J. (2022). Increasing customer loyalty and WOM in an age of terror: Cross-cultural development and validation of the customers' reactions to terror scale (CRTS). *Journal of Retailing and Consumer Services*, *64*, 102785. https://www.sciencedirect.com/science/article/abs/pii/S0969698921003519

[6] Haralayya, B. (2021). Effect of Branding on Consumer Buying Behaviour at Vijay Bharat Motors Pvt Ltd, Bidar. *Iconic Research And Engineering Journals*, *4*(12), 207-222. https://www.irejournals.com/formatedpaper/1702796.pdf

[7] Javaid, M., Haleem, A., Singh, R. P., Rab, S., & Suman, R. (2021). Internet of Behaviours (IoB) and its role in customer services. *Sensors International*, *2*, 100122. https://www.sciencedirect.com/science/article/pii/S2666351121000437

[8] Kumar, A. (2019). Exploring young adults' e-waste recycling behaviour using an extended theory of planned behaviour model: A cross-cultural study. *Resources, Conservation and Recycling*, *141*, 378-389. https://www.sciencedirect.com/science/article/abs/pii/S0921344918303781

[9] Ahmadi, I., Habel, J., Jia, M., Lee, N., & Wei, S. (2022). Consumer stockpiling across cultures during the COVID-19 pandemic. *Journal of International Marketing*, *30*(2), 28-37. https://journals.sagepub.com/doi/pdf/10.1177/1069031X211037590

[10] Asamoah, D., Agyei-Owusu, B., Andoh-Baidoo, F. K., & Ayaburi, E. (2021). Inter-organizational systems use and supply chain performance: Mediating role of supply chain management capabilities. *International journal of information management*, *58*, 102195. https://www.sciencedirect.com/science/article/abs/pii/S0268401219316974

[11] Campbell, M. C., Inman, J. J., Kirmani, A., & Price, L. L. (2020). In times of trouble: A framework for understanding consumers' responses to threats. *Journal of consumer research*, *47*(3), 311-326. https://academic.oup.com/jcr/article/47/3/311/5869442

[12] Taherdoost, H. (2019). What is the best response scale for survey and questionnaire design; review of different lengths of rating scale/attitude scale/Likert scale. *Hamed Taherdoost*, 1-10. https://hal.science/hal-02557308/document

[13] Kafle, S. C. (2019). Correlation and regression analysis using SPSS. *Management, Technology & Social Sciences*, *126*. https://www.academia.edu/download/63995099/OCEM_Journal20200722-6638-3gpb1x.pdf#page=126

[14] Nasution, A. A., Harahap, B., & Ritonga, Z. (2022). The Influence of Product Quality, Promotion and Design on Purchase Decisions for Yamaha Nmax Motor Vehicles SPSS Application Based. *International Journal of Economics (IJEC)*, *1*(1), 01-13. https://ejournal.ipinternasional.com/index.php/ijec/article/download/67/45

[15] Prabhu, C. (2021). *Six sectors to drive GDP growth in Oman's 10th Plan* Retrieved on: 20th February, 2023, From: https://www.omanobserver.om/article/5688/Business/six-sectors-to-drive-gdp-growth-in-omans-10th-plan

[16] JIN, Y. Y., & QI, X. W. (2018). The SPSS-Based Analysis of an English Mid-term Test—Take Grade Eight Students for Example. *Sino-US English Teaching*, *15*(3), 131-135. https://www.davidpublisher.com/Public/uploads/Contribute/5b051e718525f.pdf

[17] Fernandez, D. (2019). Mapping Of Fmcg Brands Using Brand Apostle Model And The Impact Of Customer Satisfaction On Its Repurchase In Sultanate Of Oman. *British Journal of Marketing Studies (BJMS)*, *7*(7), 1-12. https://www.nct.edu.om/documents/pdf/Mapping-of-FMCG-brands-using-Brand-Apostle-Model.pdf

[18] OMAN, H. F. I. S. O. (2020). Arabian Journal of Business and Management Review (Oman Chapter). *Arabian Journal of Business and Management Review (Oman Chapter)*, *9*(2), 56-63. https://www.nct.edu.om/documents/pdf/27.pdf