Consumer’s Perception towards Organic Food Products

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ABSTRACT
Food is the means to our survival. Conversely, we are alert of the fact that the food we eat is adulterated and contaminated, the reason behind this being the use of chemicals, etc. to ripen the fruits and retain the freshness of vegetables. This can prove deadly to our health in the long run, rather than benefiting us. Ever since the environmentalists raised their apprehension regarding harmful effect of increasing use of chemicals in farming, the consumers are getting conscious and selective about edible products. This increasing awareness has caused shifts in consumers’ tastes and preferences which have led to the domestic as well as global rise in demand for organic products. Awareness and knowledge has become a crucial factor in changing the attitude and behaviour of consumers towards organic foods, which in turn drives the growth in the organic food markets. This study attempted to gain knowledge about consumer awareness, perception towards organic food product consumption and how socio-economic variables relate to consumer decision-making concerning the purchase of organic foods.

Keywords: Organic Food, Environment, Organic farming

I. INTRODUCTION

The organic food industry is growing at fast rate on a world wide basis and is now has been the matter of much media attention over the past decade. Over the past several years, the organic food industry in India has been experiencing an annual growth between 20-22 per cent. India has the potential to be largest organic food producer. In India, there are over 15,000 certified organic farms and the number is growing fast over the year. Apart from this, there are many small farmers growing organic food by using the organic practices (Menon, 2009). According to the Indian Competence Centre for Organic Agriculture, the global market for organically produced foods is $26 billion and is estimated to increase to $102 billion by 2020. The future of organic agriculture will, to a large extent, depend on consumer demand. Thus, a consumer-oriented approach to understanding holistic and green marketing is important not only in its own right, but also in terms of response to shifting market dynamics. From a marketing perspective, it is important to understand the attitude of consumers regarding organically produced foods, and how consumption can be promoted. Product development and marketing strategies are also affected by consumer beliefs, attitudes and responses. This could vary depending on the region of the world. Thus, a clear understanding of consumer attitudes and the motivations underlying actions in responding to organically grown products in India is important. Organic produce or products are those produced and processed through environment friendly techniques, non chemically treated, fresh or minimally processed, non pesticide, free from genetically modified organism, having organic certificates, traditional/indigenous products, herbal product and naturally grown. The market of organic products is growing as the number of people willing to eat organic food and attitude towards organic food products is increasing. The future of organic agriculture will, to a large extent, also depend on favorable attitude and motivational factors towards organic food products. The increase of the environmental awareness had a considerate effect on consumer behaviour, with the green product market expanding at a remarkable rate .Therefore, in the past decades there have been an increased of production and consumption of organically -produced products which is seen as having less impact to the environment. The growth of organic agriculture is seen as part of the emerging marketing trends where consumers demand to know what benefits a food could deliver before making a purchasing decision. Although the demand for organic food is still buoyant, there are signs that markets are maturing and growth rates over he last few years slowed to below 10 percent. In order to boost trade in Indian agricultural products and capture significant share in global market, it is an imperative that India focuses on organic products which give it competitive edge in global market, namely organic cotton, spices, essential oils, medicinal and aromatic plants and fresh fruits and vegetables. Organic consumer is that person who is responsible for buying food for the household and who buys organic food at least once or twice per month. So, if there are people who buy randomly or less than once a month then they are not considered regular organic consumers. An organic consumer has more positive beliefs concerning organic
products. For example, this product tastes better, is more natural, is healthier— they believe that more than non-organic consumers. They believe that the people who are important to them, people who are close to them, also by organic products— they believe that it is a good thing that they buy organic products. In relation to growth potential of consumer demand and its limits many researchers have identified and ranked motivations for buying organic products and have generally showed a positive picture of strong demand.

II. LITERATURE REVIEW

The global organic food market grew by 9.7% in 2009 to reach a value of $60 billion. In 2014, the global organic food market is forecast to have a value of $96.5 billion, an increase of 60.7% since 2009. The fruit and vegetables segment generated 31.5% of the global organic food market overall revenues. Currently, about 70 per cent of organic agriculture items produced in India being exported. Organic products fetch a 20-30 per cent higher price than inorganic products in the world market. According to the Indian Competence Centre for Organic Agriculture, the global market for organically produced foods is $26 billion and is estimated to increase to $102 billion by 2020. As part of 10th Five Year Plan (2002-07), the government earmarked Rs. 100 crore (Rs 1 billion) for the promotion of sustainable agriculture in the country, but the main components of this initiative have benefited exports, from the establishing of national organic standards under NPOP (National Programme for Organic Production), putting in place a system of certification for products, and establishing APEDA (Agricultural and Processed Food Export Development Authority) as the nodal agency to promote exports opportunities. Krissoff (1998) have found that consumers purchase organic products because of a perception that such products are safer, healthier and more environmentally friendly than conventionally produced alternatives. Makatouni (2002) found product characteristics i.e. nutritive value, taste, freshness, appearance and other sensory characteristics influence consumer preferences for organic food products. Vermeir and Verbeke (2004) found consumers buy organic food because they give more priority to health as well as they want to be part of social welfare organization. Aslı Uçar and Ayse Özfer Ozcelik (2009) Pirjo Honkanen, Bas Verplanken and Svein Ottar Olsen (2006) have found that Environmental and animal rights issues had a strong influence on attitudes towards organic food. Surveys have identified additional positive attributes that consumer associate with organic food products which include improved taste (Davies, 1995), they are better for environment (Lea and Worsley, 2005), and they are better for wildlife (Goldman and Clancy, 1991). Households with smaller family size are found to more aware of organic food and showing attitude of willingness to pay for organic purchase (Idda et al., 2008). Gender and size of family are also critical to awareness and purchase of organic food. It is women who buy organic food in larger quantity and more frequently than men (Arvanitoyannis and Krystallis, 2004). Smith and Angela Paladino (2009) found strong support for the relationship between organic knowledge, subjective norms and environmental concern on organic attitudes. Aryal et al (2009) ; Briz and Ward 2009; Gil and Soler 2006; found that more information about the organic food market, which increases consumers' organic food knowledge, is important because it positively influences consumers' attitudes towards organic food products. Budi Suprapto and Tony Wijaya (2012) has found that that healthy consumption life style are a good predictor for attitude toward organic food, meanwhile attitude toward organic food directly influence to purchase intention toward organic food. Victoria Kulikovski and Manjola Agollı (2010) found that organic food is often related to specific lifestyles that include healthy eating, vegetarianism, alternative medicine, religious or societal considerations etc. Gracia and Magistris, 2007; Santucci, 1999 found consumers with high income often buy organic food to reflect on their awareness and status. The age factor does not seem to play an important role however, few studies have resulted that younger are more aware of organic food and seeming slightly more willing to pay for purchase the same (Stevens-Garmen, 2007). Education is described by various researches as an important factor of awareness and purchase motive of organic food (Idda et al., 2008; Gracia and Magistris, 2007; Santucci, 1999). Consumers with higher education are more likely to buy organic food products (Gracia and Magistris, 2007). Gender and size of family are also critical to awareness and purchase of organic food. It is women who buy organic food in larger quantity and more frequently than men (Arvanitoyannis and Krystallis, 2004). Households with smaller family size are found to more aware of organic food and showing attitude of willingness to pay for organic purchase (Idda et al., 2008). Presence of children in family positively influences the organic food purchase (Solar and Sanchez, 2002; Thompson and Kidwell, 1998).

III. RESEARCH OBJECTIVES

1. To study consumers' awareness towards organic products.
2. To examine the relationship between customers purchase decision making about organic food and socio-economic factors.

IV. RESEARCH METHODOLOGY

The study was based on primary survey of 100 respondents belonging to Odisha state, using a structured questionnaire. The questionnaire was designed to record the responses on organic food awareness, attitude and behaviours towards organic food and effectiveness of
sources for organic information. The socio-economic profiles of the respondents were also recorded on the parameters such as gender, age, education level, occupation and household income. Simple random sampling technique was used.

Table-1 shows the types of food purchased by the customers are processed foods (Cereals) 25%, Fish/Meat/Sea Food (11%), Vegetables (42%), and other of 22%.

Table-2 Influential Factors that motivate to buy organic foods instead of non-organic foods

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Decision</td>
<td>20</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Friends</td>
<td>22</td>
<td>22.0</td>
<td>22.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Family</td>
<td>48</td>
<td>48.0</td>
<td>48.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Retailer</td>
<td>4</td>
<td>4.0</td>
<td>4.0</td>
<td>94.0</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>5.0</td>
<td>5.0</td>
<td>99.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The different factors that motivate to buy organic food instead of in organic food are self decision (20%), Friends (22%), Family (48%), Retailer (6%) and other (4%).

30% respondents have given the opinion organic food are pesticides/chemicals free, Eco friendly (56%) , More Nutritious (4%) and Costly (10%).

Multiple regression analysis

The regression is a statistical relationship between two or more variables. When there are two or more independent variables, the analysis that describes such relationship is the multiple regressions. This analysis is adopted where there is one dependent variable that is presumed to be a function of two or more independent variables. The linear multiple regression problem is to estimate coefficients $\beta_1, \beta_2, \ldots, \beta_j$ and $\beta_0$ such that the expression,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_j X_K$$

provides a good estimate of an individual $Y$ score based on the $X$ scores

Where,

$Y =$ Level of satisfaction perceived by the consumers regarding Organic Food

$X_1 =$ Age

$X_2 =$ Occupation of Respondents

$X_3 =$ Educational Qualification

$X_4 =$ Monthly Income

$X_5 =$ Marital status

and $\beta_0 + \beta_1 + \beta_2 + \ldots + \beta_j$ are the parameters to be estimated. In order to measure the interdependence of independent factors and their purchase decision making towards organic food, the results were subjected to multiple regression analysis. The multiple linear regression co-efficient (dependent variable) is found to be statistically a good fit as $R^2$ is 0.809. It shows that independent variables contributes about 80.9 per cent of the variation in the purchase decision making process found by the selected sample respondents and this is statistically significant at 5% level.

It was evident from the multi-regression analysis that out of factors, the factors: age, monthly incomes, marital status, Occupation are significant at 5% level while factor educational qualification is not significant.

Table-4 Coefficients (a)

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>.327</td>
<td>.191</td>
<td></td>
<td>2.577</td>
<td>.020</td>
</tr>
<tr>
<td>Age of Respondents</td>
<td>1.584</td>
<td>.022</td>
<td></td>
<td>.3740</td>
<td>.000</td>
</tr>
<tr>
<td>Marital Status of Respondents</td>
<td>0.74</td>
<td>.024</td>
<td></td>
<td>1.40</td>
<td>.124</td>
</tr>
<tr>
<td>Educational qualification of Respondents</td>
<td>.093</td>
<td>.049</td>
<td></td>
<td>.395</td>
<td>.129</td>
</tr>
<tr>
<td>Occupation of Respondents</td>
<td>.038</td>
<td>.126</td>
<td></td>
<td>.129</td>
<td>.260</td>
</tr>
<tr>
<td>Income of Respondents</td>
<td>.001</td>
<td>.003</td>
<td></td>
<td>.106</td>
<td>.243</td>
</tr>
</tbody>
</table>

V. CONCLUSION

From the analysis, it is incidental that socio-economic variables are associated with consumer positive attitude towards organic foods. Family, self decision and friends play a vital role in the purchase decision making process of organic foods. The factors eco friendly and chemical or pesticides free factor have a great impact on the decision making process. Some of the consumers are not still aware about the organic food which those sections are yet to derive the benefits of organic food consumption. Consumer attitudes towards different organic food products attribute i.e. health, safety, etc. and towards the environments are the most important factors that explain
consumers’ intention to purchase organic food products. The Government and NGO have to take essential steps in creating awareness in the minds of consumers on the qualities of using organic foods and lengthen necessary assistance in cultivating high quantum of organic foods by the greater part of the farmers.

REFERENCES


