

# LEGALFOXES LAW TIMES

## A STUDY ON THE FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR TOWARDS ORGANIC FOOD PRODUCTS

**AUTHOR: Ms.KASHISH DHAWAN**

### **ABSTRACT:**

Organic products are an alternative to the other substantive products which are much healthier, have better quality but are also more expensive. The organic foods are grown with a more environmental friendly approach which means the nutrients of the product are not lost, with proper soil management and no or lesser use of hazardous chemicals. There is something known as the “organic movement” wherein a group of people promote organic food products collectively. This started way back in the 20th century. No company can just put the label of ‘organic’ on it they have to get a government approved certificate they will first inspect the land on which these products were grown. They had to be sure if the farmers were responsible for doing their work or not, whether they followed the rules or not. This research paper focuses on the factors that affect the consumer behavior towards organic products. We will study about the factors that influence people to shift from the local products to organic products. Some factors were identified like health concerns, knowledge, subjective norms, and price. We will also focus on how not just the higher income groups but even the lower income groups can invest in organic products. The research is based on the response of 537 respondents. Convenient sampling method is used to collect the samples. Independent variables are gender, income and educational qualifications. Independent samples are chi square and correlation which are the research tools used in this research. Through the results it could be found that according to the psychological difference in the thinking of people of different genders in this study it is shown that the health factor plays an important role in buying behavior of consumers for organic products. Also determination of price is an important implementation in order to be positioned in customer mind as a first point of view. Thus it could be found out that price is an important factor that people consider according to the income levels.

**KEY WORDS:** Organic food products, local products, Consumer Behavior, environment friendly and perception.

**INTRODUCTION:**

The consciousness and information people have developed over the years about healthy eating has resulted in the change of people's tastes and preferences towards organic products. The

Organic culture is a fusion of innovation, tradition, modern technology and science which provides ease to the society, environment as well as to the people by providing them better and a good quality life. Also organic food is something which has started recently in India, it has been going on since the 19th century. (Veleva2018) It has played a vital role for Indian farmers in two ways. Firstly by reducing the cost of production and secondly by increasing the income of the farmers by providing them accessibility to the organic markets. Organic products offer more social, economic, cultural, political and environmental benefits in the long run than the other products. (Bhardwaj 2017) As we know, India contributes nearly 20% of the world's population yet contributes not more than a percent towards organic production. This is occurring because of a few barriers or notions that exist in our country. They are as follows:

1. *Lack of awareness and benefits about organic products:* The most basic step for any person to buy a product is to have knowledge about its benefits and awareness about the availability of such products in the market. If people aren't aware of such products then there won't be any demand and hence no production which would mean that there will never be any growth in the organic sector. (Hall2008)
2. *Cost of the product:* In India, the customers before purchasing any type of product pay a lot of focus on the price of the product. They want a product which provides them maximum satisfaction at a very reasonable cost and talking about organic products the Indian consumers think it is not worth the money as it is too expensive and also they do not satisfy their needs.
3. *Expensive storage:* The storage method is difficult and expensive not just for retailers but also for the farmers who cultivate these organic crops as there is no usage of any kind of pesticides or fertilizers. Hence such crops need special storage methods.
4. *Government-aid:* The purchase of organic supplies is way more expensive than what the government provides at subsidies. The government can also provide help by educating the farmers about the various methods that they can use for cultivation and storage of crops.
5. *Availability of the product:* Even Though organic products are not something new to the market, they are not easily accessible in the market.

The **aim** of the paper is to find the factors affecting the consumer buying behavior towards Organic products.

## **OBJECTIVES:**

1. To study the factors that affect consumer buying behavior of organic products.
2. To find the relationship between income and availability and attitude towards organic food as a healthy and safe option.
3. To find the relationship between gender and advertisement and source of information about organic products.

## **REVIEW OF LITERATURE:**

On comparing the consumer behavior of people in India towards organic products with that to the one in the UK, we get to know that in the UK people are much more aware about the health benefits and there is more demand for such products. People are shifting from other unhealthy or lower quality products to organic products irrespective of the price. People there think it helps them build an ecological balance. Organic products are not different in taste they are just cultivated and grown using different methods which are safer. (*“UKROFS Standards for Organic Livestock and Livestock Products”, 2000*)

(*Paoletti, 2014*) Has discussed the advantages of these products are that they're fresh, contain fewer pesticides and artificial chemicals and also that they are better for the environment. The most important thing to be seen here is that the animals that are used for organic farming are not given antibiotics or any kind of growth hormones. This reduces the risk of causing any health problems. Such animals are given healthy food to eat at proper and equal intervals and are also given the freedom to move around freely.

(*Veleva and Foley, 2018*) As we know that organic products are expensive compared to the local products, we have to prioritize the purchasing of organic products. There are certain products which need to be purchased from organic stores such as Avocado, Mushrooms, Cabbage, Sweet Corn, Eggplant, Kiwi, Mango. It is known that such products require a lower amount of pesticides for its growth. But for certain products which require a higher amount of pesticides it would be better if they are purchased from organic stores. Such products include products like Apples, Sweet Bell Peppers, Cucumbers, Celery, Potatoes, Grapes, Cherry Tomatoes, Peaches, Spinach, Strawberries, Hot Peppers etc.

*(Rousseau and Vranken, 2013)* Have studied the various ways through which you can consume organic products within the set budget. The first one is by shopping at the farmer's markets. At the farmer's market, farmers themselves sell these products either directly to the consumers or at a discount to the grocery stores. The second way can be by joining a community that supports agriculture farms. Here a group of people come together and buy the shares of the products produced in larger quantum and that too from the local markets. The third way can be by buying them during the season that would cost cheaper than purchasing them during the off season.

*(Spices Board of India, 2012)* For every product to be termed as a quality product they have to obtain certain certificates. Similarly for the food products to be termed as organic they have to acquire a certificate from the India Organic which is a certification mark enduring that the products are organic. It means that they have followed the procedures established by the National Standards for Organic Products established in 2000.

#### **RESEARCH METHODOLOGY:**

The current study is based on empirical research. It consists of the scientific frame of research. It began with the finding of research problems based on the review of literature. The major contribution of the study was to collect the information pertaining to the particular area and test hypothesis of a cause-effect relationship between variables. The research design is descriptive in nature. It involved exploring the problem, testing the hypothesis and providing the solution from the analysis. Convenience sampling method is used ( Non probability sampling ). The sample size was 537. Data was collected through primary and secondary sources. Questionnaire is used as the primary data collection and journals, reports and newsletters were the secondary sources of data. Data was analysed using SPSS 17 version. The analysis was carried out for demographic statistics (Gender, Educational qualification and income) hypothesis testing was carried out using correlation. Cross tabulation was used for performing the analysis.

#### **INDEPENDENT VARIABLE:**

1. Gender
2. Monthly income

**DEPENDANT VARIABLE:**

1. Availability and preference of organic food products.
2. Advertisement and source of information about organic products

**RESULTS AND ANALYSIS:**

**FREQUENCY:**

**Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	287	53.4	53.4	53.4
female	250	46.6	46.6	100.0
Total	537	100.0	100.0	

From the above frequency table 287 respondents are males i.e. 53.4% and 250 respondents are females i.e. 46.6%. Hence it can be said that majority of the respondents are males.

**Monthly income**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 25000	232	43.2	43.2	43.2
26000-50000	213	39.7	39.7	82.9
above 50000	92	17.1	17.1	100.0
Total	537	100.0	100.0	

From the above frequency table it can be seen that 232 respondents i.e. 43.2% of respondents belong to the income level less than 25000, 213 respondents i.e. 39.7% belong to the income level between 26000 to 50000 and 92 respondents i.e. 17.1% belong to the income level above 50000. So, the majority of people belong to the income level which is less than 25000.

**HYPOTHESIS:**

**NULL HYPOTHESIS:**

There is no significant association between gender, availability and attitude towards organic food as a healthy and safe option.

**ALTERNATIVE HYPOTHESIS:**

There is a significant association between gender, availability and attitude towards organic food as a healthy and safe option.

**GENDER \* I prefer to buy organic food as they are more healthy and safe for consumption. Indicate your level of agreement.**

**Crosstab**

Count

		"I prefer to buy organic foods as they are more healthy and safe for consumption." Indicate your level of 4ment.					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
Gender	Male	53	102	71	48	13	287
	Female	79	80	19	71	1	250
Total		132	182	90	119	14	537

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.245 <sup>a</sup>	4	.000
Likelihood Ratio	53.936	4	.000
Linear-by-Linear Association	3.717	1	.054

N of Valid Cases	537
------------------	-----

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.52.

The value of the test statistic is 50.245. Because the test statistic is based on a 2x5 cross tabulation table, the degrees of freedom (df) for the test statistic is  $df=(R-1) * (C-1) = (2-1) * (5-1) = 1*4=4$ . The corresponding p-value of the test statistic is  $p < 0.05$ .

Since the p-value is smaller than our chosen significance level ( $\alpha < 0.05$ ), the null hypothesis is rejected. Rather, it can be concluded that there is enough evidence to suggest an association between gender and availability and attitude towards organic food as a healthy and safe option.

It can be inferred from the results that there is an association between gender and availability and attitude towards organic food as a healthy and safe option. ( $\chi^2(4) = 50.245, p < 0.05$ ). Amongst the two genders it can be observed that more males agree with the statement.

## MONTHLY INCOME

### HYPOTHESIS:

**NULL HYPOTHESIS:** There is no significant association between the monthly income, advertisement and source of information about organic products.

**ALTERNATIVE HYPOTHESIS:** There is a significant association between the monthly income, Advertisement and source of information about organic products.

### Crosstab

Count

		I feel motivated to buy organic foods after watching advertisements in newspapers and television. Indicate your level of agreement.					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
Monthly income	less than 25000	25	89	43	75	0	232

25000-50000	46	80	81	5	1	213
above 50000	37	9	3	19	24	92
Total	108	178	127	99	25	537

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	248.462 <sup>a</sup>	8	.000
Likelihood Ratio	240.847	8	.000
Linear-by-Linear Association	.674	1	.412
N of Valid Cases	537		

a. 1 cells (6.7%) have expected count less than 5. The minimum expected count is 4.28.

The value of the test statistic is 248.462. Because the test statistic is based on a 3x5 cross tabulation table, the degrees of freedom (df) for the test statistic is  $df=(R-1) * (C-1) = (3-1) * (5-1) = 2*4=8$ . The corresponding p-value of the test statistic is  $p < 0.05$ .

Since the p-value is smaller than our chosen significance level ( $\alpha < 0.05$ ), the null hypothesis is rejected. Rather, it can be concluded that there is enough evidence to suggest an association between monthly income and preference to buy organic products.

It can be inferred from the results that there is an association between monthly income and preference to buy organic products. ( $X^2(8) = 248.462, p < 0.05$ ). Amongst the people with different income level it can be observed that respondents earning an income between 25000-50000 agree more with the statement.

### FINDINGS AND DISCUSSION:

From the chi square test it's shown that there's a significant association between gender, availability and preference of organic food products. From the above frequency table it could be

found out that 287 respondents are males i.e. 53.4% and 250 respondents are females i.e.46.6%. Hence it can be said that majority of the respondents are males and majority of them agree to the statement. (*Eagly and Chaiken,1993*) According to the psychological difference in the thinking of people of different genders in this study it is shown that the health factor plays an important role in the buying behavior of consumers for organic products. This is called as ATTITUDE i.e. the attitude they hold while purchasing the product.

From the other chi square test done it shows that there's a significant association between the monthly income and price consideration. Since most people look out for the maximum satisfaction at the minimal price, it plays a major role in buying organic products. The income levels of the consumers mostly determine their buying decisions due to the various prices available. From the above frequency table it can be seen that 232 respondents i.e. 43.2% of respondents belong to the income level less than 25000, 213 respondents i.e. 39.7% belong to the income level between 26000-50000 and 92 respondents i.e. 17.1% belong to the income level above 50000. So the majority of people belong to the income level which is less than 25000. Since price is one of the major features which falls under the purview of marketing mix. Therefore determination of price is an important implementation in order to be positioned in customer mind as a first point of view (*Albers, 1997*). Thus it could be found that price is an important factor that people consider according to the income levels.

## **CONCLUSION:**

Thus to conclude it can be stated that organic products have become a trend in recent years. Investing and committing to choose healthy options when it comes to eating is the best choice. It's not just about safety and quality of the food it's also about the nutrition value that we get from it. According to Dr. Bruengel Organic products are the best from nature, and the best for nature. Consciousness of the impact that food and drink can have on a person's health has increased in the past few years and this has brought organic food to the forefront of healthy choices for people.

## REFERENCE:

1. (Rahnama, "Effect of Consumers' Attitude on Buying Organic Products inIran")
2. Bhardwaj,Ravindra."AComparativeAnalysisofOrganicFoodProductsvsNonOrganicFood Products in India." *Asian Journal of Management*, vol. 8, no. 3, 2017, p.587, doi:10.5958/2321-5763.2017.00094.4.
3. Biswas,Debabrata,andShirleyA.Micallef.*SafetyandPracticeforOrganicFood*.Academic Press,2019.
4. Buder,Fabian,etal."WhyRegularBuyersofOrganicFoodStillBuyManyConventional Products." *British Food Journal*, vol. 116, no. 3, 2014, pp.390–404, doi:10.1108/bfj-04-2012-0087.
5. Canavari,Maurizio,andKentD.Olson.*OrganicFood:Consumers'ChoicesandFarmers' Opportunities*. Springer Science & Business Media,2007.
6. D'Amato, Pierre Mazzacano, and Joseph Falzon. "Why Do Some Consumers Prefer Organic Food?ADiscourseAnalyticalPerspective." *JournalofFoodProductsMarketing*,vol.21,no.3, 2015, pp. 255–73,doi:10.1080/10454446.2013.843487.
7. Denver,Sigrid,andToveChristensen."Consumers'GroupingofOrganicandConventionalFood Products—Implications for the Marketing of Organics." *Journal of Food Products Marketing*, vol. 20, no. 4, 2014, pp. 408–28,doi:10.1080/10454446.2013.807404.
8. Hall,MarkC."TheMarketingofOrganicProducts:AnInstrumental/SymbolicPerspective." *Journal of Food Products Marketing*, vol. 14, no. 3, 2008, pp. 1–11, doi:10.1080/10454440801985878.
9. Hasselbach,JohannaLena,andJuttaRoosen."ConsumerHeterogeneityintheWillingnesstoPay for Local and Organic Food." *Journal of Food Products Marketing*, vol. 21, no. 6, 2015, pp. 608–25,doi:10.1080/10454446.2014.885866.
10. Obach,BrianK."OrganicAgriculturalProducts,Policieson." *TheSAGEEncyclopediaofFood Issues*,doi:10.4135/9781483346304.n321.
11. Oughton,E.,andC.Ritson."FoodConsumersandOrganicAgriculture." *Understanding Consumers of Food Products*, 2007,doi:10.1201/9781439824504.ch11.
12. Paoletti,Flavio."ChemicalCompositionofOrganicFoodProducts." *HandbookofFood Chemistry*, 2014, pp. 1–25,doi:10.1007/978-3-642-41609-5\_23-1.
13. Pearson,David,andJoannaHenryks."MarketingOrganicProducts:ExploringSomeofthe Pervasive Issues." *Journal of Food Products Marketing*, vol. 14, no. 4, 2008, pp. 95–108, doi:10.1080/10454440801986421.
14. Puska,Petteri."DoesOrganicFoodConsumptionSignalProsociality?:AnApplicationof Schwartz's Value Theory." *Journal of Food Products Marketing*, vol. 25, no. 2, 2019, pp. 207–31,doi:10.1080/10454446.2018.1522286.
15. Rahnama,Hassan."EffectofConsumers'AttitudeonBuyingOrganicProductsinIran." *Journal of Food Products Marketing*, vol. 22, no. 3, 2016, pp. 381–97, doi:10.1080/10454446.2014.949976.

16. ---. "Effect of Consumption Values on Women's Choice Behavior Toward Organic Foods: The Case of Organic Yogurt in Iran." *Journal of Food Products Marketing*, vol. 23, no. 2, 2017, pp. 144–66, doi:10.1080/10454446.2017.1244790.
17. Rousseau, Sandra, and Liesbet Vranken. "Green Market Expansion by Reducing Information Asymmetries: Evidence for Labeled Organic Food Products." *Food Policy*, vol. 40, 2013, pp. 31–43, doi:10.1016/j.foodpol.2013.01.006.
18. Spices Board of India. 'Organic certification mark'. Archived August 2, 2012, at the Wayback Machine
19. Strzok, Jesse Lance. *Willingness-to-Pay for Organic Food Products and Organic Purity: Experimental Evidence*. doi:10.31274/etd-180810-1292.
20. Toni, Deonir De, et al. "Antecedents of Perceived Value and Repurchase Intention of Organic Food." *Journal of Food Products Marketing*, vol. 24, no. 4, 2018, pp. 456–75, doi:10.1080/10454446.2017.1314231.
21. "UKROFS Standards for Organic Livestock and Livestock Products." *British Food Journal*, vol. 102, no. 7, 2000, doi:10.1108/bfj.2000.070102gab.007.
22. Veleva, Vesela, and Shane Foley. *RISE Products Inc.: Transforming Organic Waste Into Healthy Food*. 2018, doi:10.4135/9781526462565.