

A Study on Consumer Buying Behavior towards Organic Food Products

¹Dr. V Padmaja

Assistant Professor, Ramaiah Institute of Management, Bangalore-560054

²Nikhil Parashar

Post Graduate, Ramaiah Institute of Management, Bangalore-560054

Abstract

This study has been conducted to understand the consumer buying behavior towards organic food products. It discusses about the topic and organic farming in India. It gives a detail briefing about the history of organic food products as well as organic food industry. The objectives of this study are to analyze factors affecting buying behavior for organic food products, the impact of income and price on buying intent of consumers and major constraints, which act as barrier in sale of organic product. The study also put a light towards imitative taken by government to promote organic farming in India and its future in coming years. The data was collected with the help of structured questionnaire, which contains demographic information about the respondent's ages, income and occupation. In this study, it is found that customer buying decision get influenced by price feasibility, availability, nutrition level, awareness, marketing practices adopted by companies for creating product awareness, quality of product/food product, chemical contamination, taste etc. A big majority of respondents said price feasibility act as a major factor while buying organic product. Overall, the study has helped in reaching to a conclusion that income in an individual does not much influence over the buying behavior of consumer towards organic food products.

Keywords: Organic food; Purchase intention; Consumer Attitude; Consumer Perception

INTRODUCTION

There is no common definition of "organic" because different countries have different standard for products to be certified "organic". In simplest words, organic foods are minimally processed to maintain the integrity of the food without artificial ingredients, preservatives or irradiation. Organic products are obtained by processes friendly to the environment, by cultivation techniques that consider both the attributes of the final product and the production methods.

The meaning and origin of organic

The term organic is rooted in bio from Greek bios meaning life or way of living. Organic food products was first coined in the 1940s and refers to food raised, grown and stored and/or processed without the use of synthetically produced chemicals or fertilizers, herbicides, pesticides, fungicides, growth hormones and regulators or genetic modification. (Essoussi & Zahaf, 2008). Roddy, Cowan and Hutchinson

(1994) view organic food products as a product of organic farming. Lampkin *et al.* (1999) thinks the term organic is best thought of as referring not to the type of inputs used, but to the concept of the farm as an organism, in which all the components the soil, minerals, organic matter, microorganisms, insects, plants, animals and humans interact to create a coherent, self-regulating and stable whole. Reliance on external inputs, whether chemical or organic, is reduced as far as possible.

A wide range of consumers of organic food and non-organic food were addressed and scrutinized to obtain their observations and visions towards organic food. Not all organic food consumers are having the same method of approach towards organic food. Subsequently the statistical process guides us to comprehend the relation and the model of the consumer behavior trends in organic food in India. The Definition of the word "Organic", an ecological management production system that promotes and enhances biodiversity, biological cycles and soil biological activity.

Statement of the problem

There is wide range of consumer goods that comes under umbrella of Organic Products. It can be vegetables, fruits, wheat, rice, pulses, sugar/gud, tea/coffee, jam/pickle/chutney, edible Oil/Ghee etc. which are provided by different organic products producers available in market. Though there were many researches has already taken place on this topic but no research has been done for the factors affecting buying behavior of consumers.

So, this study emphasize on factors affecting buying behavior of consumer towards organic food products.

REVIEW OF LITERATURE

Vishal Kumar Laheri, Doctoral Student Faculty of Management Studies University of Delhi, India in journal Indian Journal of Commerce & Management Studies EISSN: 2229-5674 ISSN: 2249-0310 said traditional marketing concept imparts that the products were made to be sold to the customers, whereas the modern marketing practices emphasize on identifying the needs of the customers and then starts the manufacturing process. However, the current marketing concepts extend towards satisfying the needs of the customers without causing any environmental degradation. Now-a-days customers are expected to minimize environmental degradation through their consumption habits.

Baisakhi Mukherjee Department of Management Banasthali Vidyapeeth of Jaipur, Rajasthan, India on 1, Jan 2017, her study aimed to explore the acceptance of the consumers and their insights towards organic products which in turn will reveal the market potential and rising trend of organic consumerism in the proposed area of study. Md Tareq Bin Hossain and Pei Xian Lim of Faculty of Management Sciences, Prince of Songkla University, 15 Kamjanavanich Rd, Hat Yai, Songkhla, THAILAND on December 2016 vol. 51 in his journal said his research aimed to evaluate the current status of consumers' buying behavior towards organic foods in the emerging market. Based on extensive literature review, the authors identified several factors that influence consumer's buying behavior towards organic food which included (i) knowledge, (ii) health consciousness, (iii) environmental concern, (iv) price, (v) perceived beliefs and attitudes, (vi) government support and policy as well as (vii) availability.

Scope of study

In this study, conclusions were drawn regarding factors effecting sales of organic products. Research on buying intent of consumer with respect to income and price as an independent factor affecting his/her purchase behavior. Responses were taken from the consumer and non-consumer of organic products to find the reason why is it so. Response were taken with the help of questionnaire with the time duration of one month.

Objectives

1. To identify the factors affecting buying behavior for organic food products.
2. To determine the impact of income and price on buying intent.

Research methodology

Research Method - Applied Research explain

Research Design

Stage (i) Exploratory Research
Stage (ii) Descriptive Research

Sampling procedure:

Sampling place: select areas of Bangalore
Sampling Procedure: NON Probability Sampling
Sampling Size: 100 consumers

Data collection

(i) Primary information collected by respondents.
(ii) Secondary information collected by company websites newspapers, print media. Data Collection tool: Questionnaire
Evaluating Data: Editing & coding using Software
(EXCEL & SPSS)

Plan of analysis

Stage (i). Graphical Representation of Collected data.
Stage (ii). Statically Analysis based on Hypothesis testing

Testing of hypothesis:

Testing Tool: SPSS and MS-Excel
Testing Method: Chi Square

Findings:

- Majority of the respondents were between the age group of 25-30 (54.22%) and 30-35 (18.7%) years.
- It was found the study that majority (55%) of respondents consider organic products as healthy and nutritious as their reason for buying it.
- The organic products are too expensive than non-organic products as per (81%) respondents. Hence, the respondents are not purchasing more quantity of products.
- In the research it was found that respondents (45.78%) were agree with the statement that "Organic Food Products" tastes better.
- The varieties of organic products, which are available in the market, are limited as per 56.79% respondents.
- In the research 40% respondents said that there is a lack of awareness about organic products amongst consumers.
- The organic products shops/outlets are limited in the city.
- Majority of the respondents (30.15%) says that television advertisement and other marketing media helps in creating awareness about organic products.

CONCLUSION

Consumer behavior plays a major role in Organic food products segment. The marketers of organic foods need to be innovative and dynamic in order to complete with the changing purchase behavior in the Organic food products market among urban residents. The importance of organic food products was ignored for quite a long period. As results of environmental sustainability, importance is shifted towards Organic food products rather than conventional farming.

The study brought out the fact that the people were well aware of images and availability, but not loyal entirely to organic food products. The respondent without doubt attracted towards Organic food products. So the marketers must create promotions which are both realistic and moral and the product availability in terms of volume and variety are required to become successful in marketing organic food products.

Suggestion

The variety aspect of organic products is low. Therefore, the variety of items should be increased. Also the rate of organic products is high, though it is reasonable. However, the expectation of consumers is that price of organic products can be made competitive with normal terms.

Number of outlets for organic products is very limited. If more number of shops are opened it will be convenient for consumers to buy them. Apart from the above, the Government agency should procures organic food. At present there is no facility in Government agencies to buy organic products.

References

- [1] Mohamed Bilal Basha, Cordelia Mason, Mohd Farid Shamsudin, Hafezali Iqbal Hussain, Milad Abdelnabi Salem, *Procedia Economics and Finance* 31 (2015) 444 – 452.
- [2] Brijesh Sivathanu, *Indian Journal of Science and Technology*, Vol 8(33), DOI: 10.17485/ijst/2015/v8i33/78261, December 2015 ISSN (Print): 0974-6846 ISSN (Online): 0974-5645.
- [3] BAISAKHI MUKHERJEE, IRACST International Journal of Commerce, Busine and Management(IJCBM), e-ISSN:2319-2828 Vol. 6, No. 1, Jan 2017.
- [4] Vishal Kumar Laheri and Purushottam Kumar Arya, *Indian Journal of Commerce & Management Studies* EISSN:2229-5674 ISSN: 2249-0310.
- [5] Dr.H.M.Chandrashekar, *International Journal of Research in Business Studies and Management* Volume 1, Issue 1 November 2014, PP 52-67.
- [6] Sathyendra Kumar AD, Dr. H. M. Chandrashekar, ISSN: 2249-7196 *IJMRR/Nov. 2015/ Volume 5/Issue 11/Article No-5/1082-1091*.
- [7] Sathyendra Kumar AD et.al., *International Journal of Management Research & Review*.
- [8] www.hassiniimpex.com.
- [9] www.swasthagroup.com.
- [10] [https://www.ota.com/resources/market analysis](https://www.ota.com/resources/market%20analysis).
- [11] [http://www.businessstoday.in/magazine/cover-story/bt-anniversary-indian-organic food-market-growth/story/201823.htm](http://www.businessstoday.in/magazine/cover-story/bt-anniversary-indian-organic-food-market-growth/story/201823.htm).
- [12] <https://www.techsciresearch.com/news/447-india-organic-food-market-to-grow-at-over-25-through-2020.html>.