



A STUDY ON CUSTOMER ATTITUDE TOWARDS BUYING BEHAVIOUR OF ORGANIC FOOD PRODUCTS IN COIMBATORE CITY

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Abstract

Organic food has become more popular in developed countries over the past ten years mainly due to consumers' food safety awareness and environmental problems. The Indian consumer is becoming more and more conscious about their health. The Indian market is offering increasing potential for health friendly food segments such as that of organic food. Organic food serves as a promising alternative for the population concerned about the consequences of high amounts of chemical infusions in food items both in terms of self consumption as well as the ill impact on the environment. The affinity of an individual towards consumption of organic food items is highly dependent on the awareness levels, spending capacity and accessibility available to the individual.

Introduction of the Study

Organic production systems are based on specific and precise standards of production which aim at achieving optimal agro-ecosystems which are socially, ecologically and economically sustainable. It avoids the use of synthetic pesticides, herbicides, chemical fertilizers, growth hormones, antibiotics or gene manipulation. Instead, organic farmers use a range of techniques that help sustain ecosystems and reduce pollution. It dramatically reduces external inputs by refraining from the use of chemo-synthetic fertilizers, pesticides and pharmaceuticals. Instead, it allows the powerful laws of nature to increase both agricultural yields and disease resistance.

Consumers have become health conscious and are willing to pay for the clean, healthy and natural food. Many developed countries have various support programmes to help organic farming with financial incentives and technical guidance. Increased awareness of the consumers, health consciousness and concern over environmental degradation attract the consumers towards consumption of organic food products.

The general principles of organic production, from the Canadian Organic Standards (2006), include the following:

- Protect the environment, minimize soil degradation and erosion, decrease pollution, optimize biological productivity and promote a sound state of health.
- Maintain long-term soil fertility by optimizing conditions for biological activity within the soil.
- Maintain biological diversity within the system.
- Recycle materials and resources to the greatest extent possible within the enterprise.
- Provide attentive care that promotes the health and meets the behavioural needs of livestock.
- Prepare organic products, emphasizing careful processing, and handling methods in order to maintain the organic integrity and vital qualities of the products at all stages of production.
- Rely on renewable resources in locally organized agricultural systems.

Statement of the Problem

Farmers use highly effective chemicals in genetically modified food. Thus, chemicals made them dangerous to eat, but organic food which is produced in garden has to be faced with difficulties such as insects. As a result, this food can have high resistance on insects. The prices for organic foods are more expensive than non-organic. In brief, if we want to lead healthier lives, we should be aware of the fact that organic food is much more good for our health. In the next few years, the organic food consumption will increase and spread all around the world.

Objectives of the Study

1. To study about willingness of Consumer towards premium of organic food products.
2. To know about purchasing frequency of organic food products.
3. To give Suggestion for the further improvement.

Review of Literature

Francisco Soler et al (2002) explored, using an experimental second-price sealed-bid auction, the value that consumers place on organic food and the effect that information included on ecolabel and physical appearance have on their willingness to pay (WTP). This methodological approach involves the use of real money and real products, which, in fact, may overcome the hypothetical bias detected in previous studies. Also discusses the effect on WTP of consumers' demographic characteristics and lifestyles, as well as attitudes towards food safety and buying behaviour. Results showed that as more accurate information is offered, consumers' acceptability of labeled organic food products increases; and that WTP is highly correlated with consumption habits variables.

Vermeir and Verbeke (2004) observed that consumers did not always buy sustainable products as consequences of environmental concern or to benefit the community or due to personal beliefs but mainly to give priority to health, to be part of the social group, to distinguish from others and to accomplish the need to try out new technologies. Although the motivation or intention was high but it was impossible to transform the intention into practice due to low availability. Another factor that can also influence a person intention towards purchasing sustainable food products was the situational factor. A person who came in to a store with an intention of buying organic food products may be disturbed with the promotion of conventional products or the non-avail- ability of the organic food products.

Stobbelaar et al. (2007) conducted a study to discover the attitudes of adolescents towards organic food and their knowledge of the subject, on 700 school children aged 15–16 years. Four main groups of questions were used: adolescents’ knowledge of organic food, attitudes, whether they bought organic food and the perceived influences they exerted on the buying patterns of their parents. The study results revealed that the adolescents’ attitudes towards organic food are positive, but their knowledge of and their willingness to buy it are low.

Shashikiran and Madhavaiah (2014) examined the consumers’ WTPP (Willingness to Pay Premium) for organic food products based on a sample of 150 consumers of Bangalore City during the year 2014..About 53% of the consumers were aware that organic produce was available in the market. Data were collected in supermarkets, organic food shop and departmental stores in different areas of Bangalore. The data collected during the survey were analyzed using percentage analysis and ANOVA. Result indicated that almost of the consumers are eager to pay 20-30 per cent more for organic food products and were heavily influenced by the perception on organic product worth of pay for and the belief on the safety and health aspect of the product.

McCarthy et al. (2015)¹⁰¹ conducted an online survey of 250 Chinese consumers which showed that the purchase of organic food is motivated by altruistic concerns (i.e., environment and animal welfare concerns) and self-interest (i.e., personal and familial health concerns, food safety concerns). Individuals who consume ‘green food’ and organic food are likely to distrust the Chinese food system. Age is an influential factor affecting purchase of certified organic food. Consumers aged 36 and over are more likely to buy certified organic food. The presence of children in the household is also an influential factor. The survey revealed gaps in respondents’ knowledge of green food and only half of those surveyed could distinguish between organic and green food. Fruit and vegetables are the most popular type of green food purchased.

Data & Discussion

Willingness Towards Premium For Organic Food Products

Due to the changing perception of the consumers, demand for organic food products is fast increasing. Realizing the advantages of organic foods, the consumers are ready to even pay premium for buying quality organic food products. Based on the feedback from the pilot study, five levels of willingness, viz., not willing to pay more, 20% to 40% more, 40 % to 60% more, 60% to 80 % more and 80% to 100 % more etc. of respondents have been included in the survey. Maximum of 63.8% of the respondents were willing to pay a premium of 20% to 40% more over the prices of similar conventional food products. About 24% of the respondents stated that they are not willing to pay any more as premium. Distribution of Respondents by their willingness towards Premium for Organic Food Products and Domicile is presented in Table:1.1

Table 1.1 Distribution of Respondents by their willingness towards Premium for Organic Food Products and Domicile

Willingness Towards Premium	Domicile of the Respondents		Total	
	Urban	Semi urban		
Not willing to pay more	Count	56	40	96
	% of Total	14.0%	10.0%	24.0%
20% to 40% more	Count	127	128	255
	% of Total	31.8%	32.0%	63.8%
40 % to 60% more	Count	11	20	31
	% of Total	2.8%	5.0%	7.8%
60% to 80 % more	Count	2	9	11
	% of Total	.5%	2.3%	2.8%
80% to 100 % more	Count	4	3	7
	% of Total	1.0%	.8%	1.8%
Total	Count	200	200	400
	% of Total	50.0%	50.0%	100.0%

Source: Survey Results computed by the Researcher

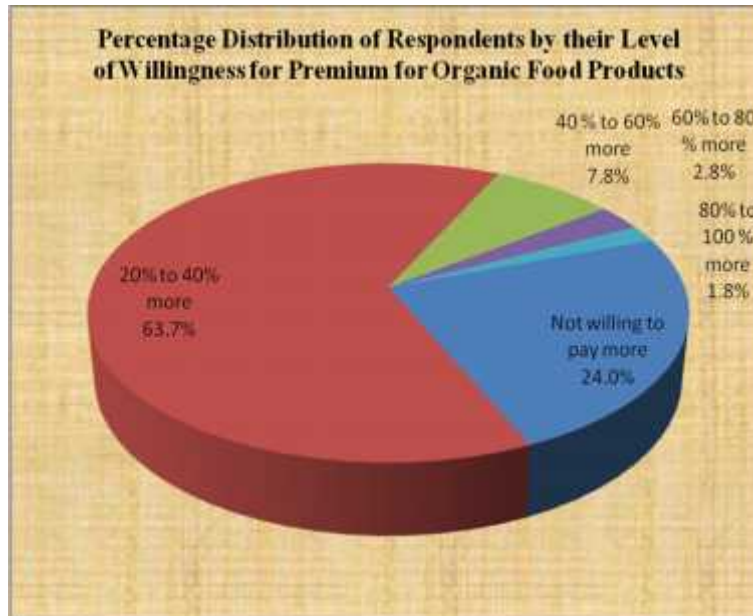


Figure: 1.1 Percentage Distribution of Respondents by their Level of Willingness for Premium for Organic Food Products

Chi Square Test for Relationship between Frequency of Buying Organic Food Products and Socio Economic Factors

Chi Square Test was applied to test the significance of relationship between frequency of buying organic food products and socio economic factors related to the respondents. Null Hypotheses 'H₀: There is no significant relationship between frequency of buying organic food products and socio economic factors' were tested at 5 % level of significance using SPSS software. For the variables of Family Type, Family Size, Number of Earning Members, Annual Family Income, Type of Store, Level of Purchase Intention, and Willingness for Premium for organic foods, Type of Organic Food Selected, resultant p value was less than 0.05. Hence the null hypotheses were rejected and inferred that there is a significant relationship between frequency of buying organic food products and Family Type, Family Size, Number of Earning Members, Annual Family Income, Type of Store, Level of Purchase Intention, Willingness for Premium for organic foods, Type of Organic Food Selected. For other variables, viz., Domicile, Age, Gender, Educational Status and Occupational Status, the value of is greater than 0.05 and therefore the null hypotheses were accepted and inferred that there is no significant relationship between the frequency of buying and these variables. Consolidated Results of Chi Square Test for Relationship Between Frequency of Buying Organic Food Products and Socio Economic Factors are presented in Table: 1.2

Table: 1.2 Consolidated Results of Chi Square Test for Relationship Between Frequency of Buying Organic Food Products and Socio Economic Factors

S. No	Association between	Pearson Chi-Square	Df	p value	Inference at 5% level of Significance
1	Domicile	10.36	6	.110	Relationship is not Significant
2	Age	23.48	30	.795	Relationship is not Significant
3	Gender	5.61	6	.468	Relationship is not Significant
4	Educational Status	25.59	18	.109	Relationship is not Significant
5	Occupational Status	23.61	30	.789	Relationship is not Significant
6	Family Type	39.65	6	.000	Relationship is Significant
7	Family Size	38.98	18	.003	Relationship is Significant
8	Number of Earning Members	201.32	12	.000	Relationship is Significant
9	Annual Family Income	467.62	18	.000	Relationship is Significant
10	Type of Store	74.44	18	.000	Relationship is Significant
11	Level of Purchase Intention				Relationship is Significant
12	Level of Awareness	29.04	24	.219	Relationship is not Significant
13	Premium for organic foods	116.16	24	.000	Relationship is Significant
14	Type of Organic Food Selected	73.65	12	.000	Relationship is Significant



Findings

- Maximum of 76% of the respondents were willing to pay a premium over the prices of similar conventional food products. About 24% of the respondents stated that they were not willing to pay any more as premium.
- There is a significant relationship between frequency of buying organic food products and Family Type, Family Size, Number of Earning Members, Annual Family Income, Type of Store, Level of Purchase Intention, Willingness for Premium for organic foods, Type of Organic Food Selected.

Suggestions

- Presently, supermarkets/shopping malls are the major point of sales of organic food products. There is also a requirement to promote exclusive organic shops and availability of organic products at general departmental stores to augment the sales.
- It may Concentrate on awareness among customers about organic food products by giving advertisement in Print / broad cast media.
- The consumers in rural areas are not aware about the organic food products. Different marketing strategies have to be implemented by Whole sellers and Retailers to aware public people in rural and urban areas.

References

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