

CUSTOMER AWARENESS AND PREFERENCES IN ORGANIC FOOD CONSUMPTION

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Abstract

Organic food products are becoming popular among consumers due to their benefits for health. An increased customer inclination towards switching to organic food items can be observed due to the awareness generated by television commercials and social media. The current research utilised primary data and descriptive analysis to examine customers' awareness, perceived benefits, and satisfaction levels about organic food products. Customers show a preference for organic food products due to the absence of pesticides and chemicals, as well as their higher nutritional value. While people are well-informed about the advantages of organic food products, only a small number have a deep understanding of organic farming processes. Most buyers believe that organic food products are expensive. Many customers plan to persist in using organic food items and endorse their usage, indicating a promising market for these products in the future.

Keywords:

Organic Food Awareness, Health Benefits, Customer Satisfaction, Price Perception

1. INTRODUCTION

Green or organic foods, in general, are foods that are safe to consume, of high quality, are concerned with humane animal care, are nutritious, and are produced in accordance with the philosophy of sustainable development [8]. They refer to items that are produced using organic farming practices. They are grown or produced without the use of synthetic chemicals, including synthetic pesticides and herbicides as they rely on natural and sustainable processes to enhance soil fertility, control pests and diseases, and promote the overall health of the ecosystem. Organic farming practices are often associated with environmental benefits, such as reduced water pollution, improved soil health, and increased biodiversity. Many countries have established organic certification programs to ensure that products labelled as "organic" meet specific standards. These standards vary from one region to another but generally involve inspections, documentation, and adherence to strict guidelines.

Consumers often choose organic products for reasons like health concerns, environmental sustainability, and support for local and small-scale farming. However, it's important to note that organic products may be more expensive than conventionally produced counterparts due to the additional labour and management required in organic farming practices.

Though consumers prefer organic products for different reasons, they can vary widely, and individual motivations may be influenced by a combination of these factors. Additionally, the availability and affordability of organic products can also play a significant role in consumers' choices. The present study aims to understand the awareness level of consumers on organic food products and the factors that motivate them to use organic products.

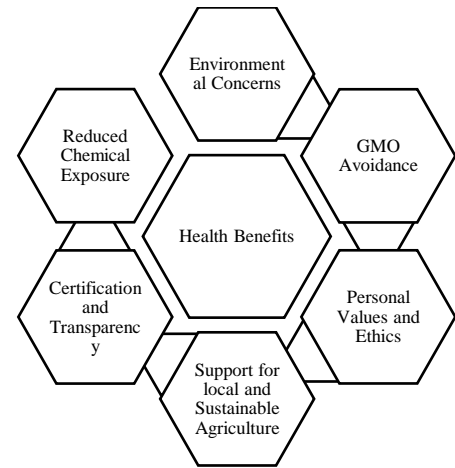


Fig.1. Reasons for Choosing Organic Products

2. LITERATURE REVIEW

Magnusson et al. [10] performed a study in Sweden to understand the perception of Swedish customers on organic products and identified a positive attitude towards the purchase of organic food, but a smaller number of regular buyers. The most common customer beliefs highlighted by the authors are the health benefits of such products and their expensive nature. Hence, price acted as a major obstacle in purchasing such products, although the habit of consuming conventional food products was another reason for the low purchasing of organic food products, according to the study findings.

A study by Makatouni [5] explored the attitudes and beliefs of organic food buyers and its effect on their purchasing behaviour. The study has identified that organic products are often perceived as a means of achieving individual and social values, which are mostly human, animal and environment-centred. The study also found that the responsibility for the health and well-being of self and family was the major motivation for the purchase of such products.

Fotopoulos and Krystallis [4] analysed the reasons for the non-purchase of organic food products by those who are already aware of such products. The major rejection reasons found in the study were low availability, fewer options of fresh organic products, expensive nature, satisfaction with conventional food varieties, lack of confidence in advertisements, food safety concerns and some personality traits such as traditional tendencies.

Another study that explored the core underlying motivation of organic food buyers was conducted by Padel and Foster [12] which identified that health consciousness, concern for environment and animal welfare, quality of life and wellbeing and the concept of 'enjoying food' acted as the major motivational factors for buying organic food. Their study also explored the major barriers to buying organic food products. Price; lack of

information/knowledge; lack of confidence; visual product quality and presentation; lack of availability; mistrust in organic food in supermarkets; eating habits and convenience needs are all barriers identified in the study.

Marija Radman [11] learnt about consumer attitudes towards organic products. Consumers exhibited limited awareness regarding the availability of ecologically-grown products within the market. The author highlighted the need to prioritise promotional endeavours about organic products, with a particular emphasis on accessible distribution channels, for Croatian consumers. Enhancing the visibility of such products through prominent displays within retail establishments, coupled with increased utilisation of media-based promotional strategies was recommended in the study.

Efthimia Tsakiridou et al. [3] found that Greek consumers were knowledgeable about environmental and health issues. The interest of consumers in knowing the nutritional value of food and their preference for products that are free from chemical residues was observed by the authors. According to the study findings, production and price considerations, as well as health and environmental concerns, had a significant impact on customers' opinions and purchasing decisions.

Lea and Worsley [9] examined the role of organic food products as a part of Australians' environmental beliefs and behaviours. The study found that the use of organic products was the least common food-related behaviour on the part of customers, irrespective of the health benefits perceived by them. Price premiums and lack of availability acted as strong barriers, according to the study findings. However, the findings suggested that reduced use of packaging by food manufacturers was the most important measure to help environmental protection.

Kuhar et al. [7] developed an ordered probit consumer choice model to quantify purchase frequency determinants for organic fruits and vegetables.

Atulkar et al. [1] emphasised the importance of consumer shopping experience research since it has an impact on customer feelings and measures customer perceptions of product purchase in a retail setting. The authors emphasised the importance of retailers providing a pleasant shopping experience for customers by offering both tangible and intangible benefits to encourage the purchase and consumption of organic food products.

Roshny Munshi et al. [13] performed a study to know the customer's motivations, barriers, awareness levels and the barriers that existed in purchasing organic food for non-organic buyers. According to the findings of this study, organic food customers have a variety of motivations. The most obvious was that organic food customers sense the need to consume healthful food, which gravitate to organic food products. They discovered that organic food products are currently regarded as luxury goods, thus they should primarily target the upper middle classes.

3. OBJECTIVES

- To study the awareness level of consumers on organic food products and its features.
- To analyse the perceived benefits of organic food products.
- To assess consumer awareness of organic farming practices and their environmental impact.

- To understand the perception of customers on the pricing of organic food products.

4. METHODOLOGY

The descriptive survey using a structured questionnaire was used in this study to examine the awareness level of consumers on organic food products, organic farming and the benefits perceived by respondents. The survey was conducted via a mall-intercept personal survey. The respondents were chosen at random from supermarkets in different regions of the Chennai district of Tamil Nadu. The availability of organic food products in these marketplaces had already been verified prior to data collection.

4.1 DATA ANALYSIS AND FINDINGS

Descriptive analysis was used to understand the socio-economic background of the respondents. Almost half of the respondents constituting 51.8% come under the age category of 18-30. The age categories of 31-40 and 41-50 hold 28.8% and 18% of the sample respectively, whereas only 1.4% of the respondents fall under the age category of 51 and above. This indicates the awareness and willingness of the young generation to switch to organic food products owing to their health benefits. A major part of the sample (73.4%) is employed, while a small part of the sample are students which comes to 21.6%. Only a very small part of the sample are entrepreneurs. Considering the annual family income, a major part of the population constituting 42.4% falls under the income category of 100001-500000, while an almost equal percentage of respondents fall under the income categories of less than 100000 and 500001-1000000 which comes to around 21.6% and 25.9% respectively. Only 10.1% of the respondents come under the income category of above 1000000. Male respondents consist of 63.3% of the total sample and only 36.7% of the respondents are females. This is consistent with the study findings of Stobbelaar et al. [2] who observed that adolescent girls were more receptive of organic items than boys. Considering the marital status of the respondents 58.3% are married, 38.8% are single or unmarried and 2.9% of the respondents are divorced. Considering the area of residence, 87.1% of the respondents are living in urban areas and only 12.9% belong to rural areas.

It was observed that 93.5% of the respondents know the concept and benefits of organic products. Only a very small percentage (6.5%) are not aware of this category of products. Being a popular category of products, organic food has managed to gain a prominent place in the food industry. The study results showed that most of the respondents (52.5%) have been aware of organic products for more than 3 years, whereas 30.9% of respondents are aware for 1-3 years and 16.5% of the respondents know about organic products for less than 12 months. Various media platforms have introduced organic product categories, giving details on their benefits over the conventional products. In this study, it was observed that the respondents have come to know about organic food products from different sources. TV advertisements are the major source of information for respondents constituting 31.7%, whereas Internet and friends also act as major sources of awareness on organic products owing to 28.1% and 17.3% respectively. Print media such as magazines and newspapers provide information on such products to only

13.7% and 9.4% of the respondents. It can be noted that newspapers, which are the prime source of information in remote regions do not focus much on the advertising of such products. At the same time, television, which mostly serves as the information provider for middle-class families has proved to be the major source. This presents an irony in the sense that though middle-class families are aware of the benefits of organic food products, it is doubtful that this knowledge will lead to action of buying, with price premium being a major barrier identified [12] [9].

It is interesting to note the benefits perceived by organic food buyers as they are diverse. The respondents of the present study are interested in organic products due to the various benefits perceived by them. Pesticides/chemical-free and more nutritious are the major benefits perceived by respondents which come around 36.7% and 33.1% respectively. According to Williams and Hammitt [14], customers feel organically cultivated produce is safer than conventional products.

Many respondents (16.5%) prefer organic food products since they are eco-friendly. Some respondents (7.9%) are using an organic version of food products since they provide support to local farmers. A few of the respondents constituting 5.8% prefer organic food products since they are certified by proper authorities.

Though customers prefer organic products for various reasons, many of them are unaware of organic farming practices. Only 15.8% of the respondents have strong knowledge of organic farming, and 11.5% of the respondents have good knowledge. About 34.5% have moderate knowledge, while 27.3% have intermediate knowledge and 10.8% of the respondents have poor knowledge of organic farming.

Only half of the respondents constituting 59% are aware of the impact of organic farming on environmental sustainability, while the rest of the respondents (41%) don't have any idea about the impact of organic farming and its contribution towards environmental sustainability.

Most of the respondents constituting 78.4% have consumed some organic food products before while 21.6% of the respondents have not consumed any organic food yet. However, the majority of the respondents (74.1%) intend to consume or continue the consumption of organic food products, while a very small part of the respondents (2.9%) do not have the intention of consuming organic products in the near future. 23% of the respondents have selected the option 'maybe', indicating a slight chance of using organic food products in future.

A majority of the respondents (69.8%) are interested in visiting an organic farm to have a better awareness of organic farming methods, while 25.9% indicated a slight interest by choosing the option 'maybe', whereas 4.3% of the respondents do not show any interest in visiting organic farms.

Many previous studies have highlighted the expensive nature of organic food products as a major barrier for buyers to use them. In this study also, 48.2% of the respondents opined that organic food products are highly priced, 38.1% opined that they are reasonably priced, and 13.7% of the respondents were not aware of the pricing of organic food products. Regarding overall satisfaction with organic food products, 77.7% of the respondents are highly satisfied with organic food products, 12.2% of the respondents are satisfied and 5.8% are neither satisfied nor

dissatisfied. However, a few respondents constituting 2.9% are dissatisfied and 1.4% are highly dissatisfied with organic food products. The majority of the respondents consisting of 74.1% intend to recommend the use of organic products, while 1.4% of the respondents do not intend to recommend these products. 24.5% of the respondents said they may be recommending the use of organic food products.

5. CONCLUSION AND RECOMMENDATIONS

It is evident that the present generation of customers who attach paramount importance to healthy and sustainable options are attracted to organic food products for various reasons. These perceived benefits range from the chemical-free nature of products to the environment and animal welfare. However, organic farming techniques still remain unfamiliar to a large part of the population. The introduction of various schemes to encourage organic farming by agricultural departments of respective States helps in the promotion of this category of natural and wholesome food products.

In spite of the growing popularity, the expensive nature of organic products often makes customers hesitate to be regular buyers. This calls for innovative pricing techniques to be adopted by manufacturers and retail sellers to ensure the reach of such products to the common man. It is also important to foster a habit of using organic versions of products among customers, which are proven to be a healthy alternative, so as to secure a promising future market for these products.

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