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Impact of consumer behaviour on the consumption of organic food products: A case study

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Abstract

The health of citizens is a core concern for every nation. A healthy citizen is the backbone of every nation. In order to secure the health of the citizens the government has to give attention to food items what they intake. To be healthy one wise decision is to ensure the intake of organic food products. This study deals with consumer consumption of organic food products and focuses on the impact of their behaviour on the consumption of organic food products. This study is intended to find out the various reasons behind the buying decisions of consumers towards organic food products. The results and suggestions of this research can help farmers, shop owners, retailers, intermediaries and the government to check out demand for organic food products in the market place. By exploring the expectations of consumers and demand for organic food products the sellers can satisfy their consumers. Therefore the factors influencing the consumers to prefer organic food products, the opinion they hold about organic food products after purchase, the willingness to pay for organic food products and the intention to purchase organic food are going to be the key schema of this research.

Keywords: Healthy citizen, backbone, farmers, demand

Introduction

Food is the necessary need of our day-to-day lives and therefore eating the best nutritious and the most excellent quality of foods will be our topmost concern to protect our healthy living. The body needs food for growth, functioning, renovate, and replace its old and damaged tissues. For this reason, food supplies the necessary raw material, energy and other managing substances, like vitamins for the smooth functioning of the body, in addition to meeting the calorific needs like carbohydrates, proteins, fats, etc., moreover, it gives information to our bodies and materials to function properly. There goes an old proverb, "health is our wealth" and as a result, eating should not be about putting everything inside the stomach which we think as tasty and attractive. But the very important thing about eating is taking only the proper and best nutritious foods. If we wish to enhance our diet, we get to know about the habit of consuming healthy foods. Eating well of good food is the source for good health. Good and healthy food can help us to think and feel healthy. It provides us the adequate energy we need; meanwhile we are able to cope with regular disorders, right from the normal colds to deficiency of sleep. By taking and following the healthy diet for a long time, we can minimize the risk and also we can hold up the start of the chronic age-related illnesses. Thus, our mankind has started to be aware of health consciousness and passionate on finding out the healthy way to live the life that is where the term organic food starts to rebirth.

Today, the market is extremely more complex. Henceforth, to withstand in the market, the marketer not only needs to enlarge his profit but also requires satisfying his customers and should try to start upon from there. Customers' satisfaction is the eventual aim of any business concern. There are a number of products offered to consumers in the market where they have to pick from. Customers are the ruling king of marketing activities so the manufacturers have to accomplish them.

Awareness of organic food products

The improved awareness of healthy lifestyle has seen organic food production and its trade as a main sector in India such as in other parts of the developing world. Organic food products are grown with zero or minimal use of chemical fertilizers and pesticides. During the processing stage also no chemical is added as additives. These food products are grown and cultivated using natural manures, bio-fertilizers and bio-pesticides.

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Organic products are seen as a healthy and natural food choice by consumers and producers. Growing awareness regarding nutritious, dietary, tasty and healthy food and change in lifestyle of consumers is mounting the demand for organic food products. Particularly across the metro cities like Chennai, Bangalore, Delhi, Mumbai and so on the size of organic foods has doubled in India in the last few years. Consumers are intentionally opting for germ-free and healthy eating habits which are driving entrepreneurship in organic foods. As the technology grows, the information regarding healthy products is available in many sources like radio, television, and internet etc. The government is also insisting people to go for healthy and natural foods.

Review of literature

Joris *et al.*, (2009),^[6] in their article they reveal that organic market can be considered as an upcoming market segment. From the year 1990s it has experienced quick growth and supermarket chains have turned into the sales channel with the largest market share and are the main factor for the further growth. However, different supermarket retail groups have very dissimilar strategies relating to the marketing of organic products. The strategies followed by Belgian retailers, marketing organic beef were analyzed. Data were collected through interviews with the retailers, staff members in organic outlets and through direct observations in retail stores. 3,000 household panel data and postal survey with 529 respondents were used as data sources. The different strategies used by various retailers to market organic foods were “first mover” advantages some were associated with the adaptive strategies. They become aware of that different retailer groups at their first sight have comparable characteristics and follow a different strategy. For some retailers, organic products are of strategic significance, as part of a discriminating strategy. This is due to their perceived values, such as environmental friendliness, social responsibility and high quality.

Smith & Paladino, (2010)^[8], in their article they reveal that, people’s decision to buy a product, basically depends upon their knowledge and experience about that specific product and services. Many studies carried out previously shows that many consumers are unaware about organic food products and knowledge about the organic food products is also at a low level. This is the most important reason why consumers grumble about the dissimilarity of organic products and conventional foods. Rise of consumer knowledge regarding organic food products and their benefits can increase the positive opinion regarding organic food products among consumers. There should also be given awareness towards organic food farming methods in order to distinct organic food products from conventional products.

Soundariya Preetha (2011)^[9], in her study he explains Organic agriculture and sales go up with demand in spite of high price and lack of supply of the product, the impression of organic food products appear to be catchy in the city. Many consumers started to walk into organic stores and in progress asking for organic rice for their children or organic veggies for special celebrations at home. There are also many households that choose their entire monthly grocery list from the organic range. The range of product has expanded to processed organic food products during the recent years like Dairy product, Easy to cook product, Masala powders, soaps and detergent products and many more products are available in the market. High price is the

major cause for low consumption of organic food products. If consumers are enthusiastic to pay little more and the demand increases it gives boost to the farmers to go into organic cultivation further. Many super markets and malls are brand ambitious and filled with many branded organic products and consumers have a confidence on it. In the forthcoming years farmers may jointly open counters in super markets and hypermarkets to increase the sale.

Shashikiran L. C. Mahad (2015)^[7] in their research paper “Impact of Socio Economic Factors on Purchase Behaviour of Organic Food Products” has concluded that consumer behaviour plays a major role in organic food segment. The marketers of organic foods need to be innovative and active in order to compete with the changing behaviour of consumer. The importance for organic food products was ignored for quite a long period. And as a result of environmental sustainability, importance is shifted towards organic food products rather than conventional products. They also concluded that the people were well conscious about images and availability of the product, but not loyal entirely to organic food products. Day by day the respondents attracted towards organic food products are growing so the marketers must create promotion which are both realistic and applicable, maintaining product availability in terms of volume and variety are required to become successful in marketing organic food products.

Changing behaviour of consumers

Now, people are asking for pure and natural products like safe-to-eat items, fruits, and vegetables grown from organic farming. The number of people looking for vegetarian food is increasing gradually. Growing use of bio-fertilizers (fertilizers which are made from agricultural-wastes and wormy-compost), instead of using chemical and artificial fertilizers induce the consumer to go for organic farming. Many consumers are willing to buy more amount of organic food if it is not so expensive. The values of organic farming are quickly changing. 10-15 years ago, organic farmer’s pressured for national standards to make clear about the organic label. Organic foods are not produced in large amount, and as a result organic farms cannot get a high yield. However, organic farming by small farmers has been still a successful one; they may pave a concrete path to big business.

Organic food consumption in India is on mount

India is branded for love, care, fondness and family bonding; great attention and care have been given to children, spouse and the other family members. Traditional farming method foods are considered as healthy food choice in this hectic world. Now people are demanding for more organic products, even though the prices of organic food products are 25 percentages higher than conventional food. Even then many consumers are ready to pay the extra premium for the organic food products because of the perceived health benefits they have. Organic foods are a wise choice, despite diet. Choosing the organic food products is a successful choice for human being and environmental health. Organically grown-up food have more nutrients, they are more tasty and free from hurtful chemicals. The only way to run off from chemically grown food is eating organically grown food products. Organic food conserves our ecosystem, diminish pollution of water and soil fertility, and safeguard agricultural diversity.

Organic foods not only safeguard personal and social health they also boost our economy. Enormous amount of money comes from organic food industry and also they support our economic development. With ever-increasing concern towards health issues and food safety, many consumers have turned their option to organic food products. The increased consumer interest towards health paved the way for growth of organic food products.

Need for the study

The prime and core need of the study is to get insights into the area of organic food concepts, and to know about consumer behaviour and their preferences towards organic foods and their motives for purchasing organic food products. At present, the demand for organic food products is rising quickly and increasing the rates throughout the world. Consumption of organic food in India is on increase. Few years ago, people of India thought that organic food concept was very much fashionable and popular only in developed countries. They also thought that India was well known for its export of organic products. Our country uses only a very little percentage of organic food for internal and domestic use. In fact, India exports more than 50% of its production to many countries.

Statement of the problem

Though India holds first position in farming of organic food products, the usage and consumption rate of organic food in India is very little. But in recent times organic food market is one among the fastest and quickest growing business in India. There is a gradual growth in demand for these kinds of product because of the perceived benefit it holds. Still the government of India is supporting organic food products throughout the country through "National Project on Organic Farming (NPOF)" scheme. Approximately 57 crores have been allocated by NPOF during the year 2004 for the uplift of organic agriculture in various parts of India. Our Indian government continues to spend crores and crores of rupees for the development of organic agriculture in our country. According to organic products marketing related companies the estimates of organic products in 2013-2015 reached 72 billion US Dollars approximately. The US is leading with 24.3 billion Euros followed by Germany with 7.6 billion Euros and France with 4.4 billion Euros and China with 2.4 billion Euros.

Table 1: The ten countries with the largest numbers of organic producers 2016

Countries	Number of organic producers
India	835'000
Uganda	210'352
Mexico	210'000
Ethiopia	203'602
The Philippines	165'994
Tanzania	148'610
Pau	91'771
Turkey	67'879
Italy	64'210
Paraguay	58'258

Source: Fiat. Survey 2018

Our nation is flooded with enormous number of farmers. It occupies the first position in the world for having the largest number of producers. Almost 60% of India's cultivable land

is under traditional agriculture, where no or nil synthetic inputs are being used. Although, the food products grown-up under such systems have not yet been spelled out as organic products, actually they are real organic products. Later these original organic products are sold out to the intermediaries and are being marketed along with other chemically grown up food products. Sometimes in order to increase the shelf life of the products many chemicals are applied and preserved. It is the because of poor awareness among the consumers in our country that many of the times they purchase chemically grown products which look healthy and attractive. Those products are having terrifyingly high level of pesticide residue factors with high prices compared with the weakly looking organic products.

Objectives of the study

- To study the demographical profile of the respondents and their opinion towards organic food consumption.
- To explore the effect of marketing mix on behaviour of consumers towards organic food consumption.
- To ascertain the relationship between the consumer behaviour factors and the level of satisfaction in organic food consumption.
- To examine the impact of consumer behaviour on the consumption of organic food products.
- To discover the predominant factors that influences the favourable post purchase behaviour.
- To put forward appropriate ways and means to improve organic food consumption.

Methodology

The validity of any research depends on the systematic method of collecting the data, and analyzing the same in the appropriate order. In the present study, an extensive use of both primary and secondary data was made. In this study, descriptive and analytical research designs were used. A comprehensive view of the methodology adopted for the present investigation undertaken to know the impact of Consumer Behaviour on Organic food consumption, factors influencing consumption of organic food products and the indicators have been included in the interview schedule by framing the questionnaire in English. After analysis, inferences were drawn about the Consumer behaviour towards Organic Food Products and find out relationship between variables. Both primary and secondary data were used for the study. The primary data were collected from the organic food consumers in Study area using a questionnaire. A structured questionnaire was presented to facilitate the process. The secondary data were collected from websites, government publications and reports, various journals, magazines and text books.

Suggestions

Awareness relating to marketing mix elements is highly essential for the consumers to reach for organic food products. Easy availability and regular supply acts as a main barrier in going for organic food products therefore every producer, retailers and shop owners should concentrate on these factors to increase their sales. It is the duty of retailers who can create and develop knowledge and awareness among the consumers therefore every retailer should maintain a separate shelf for organic food products. The government, retailers and producer should concentrate on the selection of a location mainly include accessibility for

customers and the minimization of logistical bottlenecks in the delivery of the produce. Locate organic food shops first in residential areas with a relatively higher level in education and consumption.

Conclusions

It is concluded that health is an important reason for buying organic food. Indian consumers are aware of various organic food and they perceive that it is too expensive comparing with the conventional products. As the study concluded consumers who were at least having a school level educational qualification and the age group of 36 to 50 years with the income of Forty thousand rupees per month to Sixty thousand per month have a positive perception towards going green. Therefore, it is essential to support the local farmers to produce more organic food and it should be sold in the local market where the small farmers can earn reasonable profit instead of exporting them to various countries.

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