

A STUDY ON CONSUMER DECISION TOWARDS PURCHASE OF ORGANIC FOOD PRODUCTS: A CASE STUDY OF DELHI

Vishal Kumar Laheri,

Doctoral Student
Faculty of Management Studies
University of Delhi, India.

Purushottam Kumar Arya,

Doctoral Student
Faculty of Management Studies
University of Delhi, India.

ABSTRACT

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 minimise environmental degradation through their consumption habits. Our study has selected Organic food products for studying the decision of consumers towards their consuming habits. At the first stage, we conducted an in-depth interview of the manufacturer of Organic food products in Delhi, and later on we conducted a survey for 45 respondents across different Organic food products stores in Delhi. The results revealed various facilitators and barriers affecting the purchase of Organic food products. In addition, the level of awareness of consumers was analysed through this survey.

Keywords: *Traditional Marketing, consumer decision, organic foods.*

Introduction:

The environmental concern is termed as one of the most crucial problems the world is facing today, and two out of three consumers (64 percent around the world) consider protection of environment as the most important issue that lies ahead for encouraging economic growth (Ottman, 1998). It is because of our unsustainable lifestyles in the past that the environmental problems have become severe. Some studies indicate that around 30 to 40 percent of environmental problems have been due to our consumption habits in the past (Grunert, 1995). Because of these reasons, public begun to feel sustainable consumption by protecting the environment and the green marketers responded by identifying their needs. According to Jain and Kaur (2004), it is good to see that people in India have started realizing the need of conserving the environment. The protection of environment through sustainable consumption is possible only through 'Green products'. The products, which are non-toxic, made from recycled materials, minimally packaged and has less environmental impacts, are known as green products (Ottman, 1998). The present study

selected 'Organic food products' and studied the decisions of consumers towards its purchase.

The paper begins by covering the literature review on various studies in relation to the purchase of green products in India and abroad. The attitude, behaviour, and purchase intentions of consumers towards Organic food products were analysed in the literature review section. The conceptual gaps from the review of literatures were identified, and then the objectives of the study were decided. The research methodology with sample profile is then described, and finally, the paper ends with the key findings and conclusion.

Review of Literature:

Author	Place	Variable of Study	Major findings
Jain and Kaur (2004)	India	Environmental concern and behaviour	The study made an assessment of the awareness attitude and behaviour prevalent among Indian consumers towards environment, and lists the implication of the study findings for the government and NGOs engaged in the marketing of green ideas and products.

Mahon (2005)	Great Britain	Attitudes, Subjective norm, Perceived control and Habit	The author focused on the consumption effects of ready meals and takeaways in Great Britain. The result suggested that attitudes food products were best predictor of behavioural intentions. Subjective norms were vital for the ready meals but not for the takeaways, whereas perceived control was not a predictor for either food.
Thogersen (2009)	Europe	Consumer attitude	The study analysed consumer decision making regarding organic food products in eight different countries, i.e., Denmark, Sweden, Germany, the UK, Italy, Spain, and Greece, and the results revealed that if people feel uncertain about organic food products they are less likely to make a decision about buying it, in spite of the favourable attitudes and norms, and the same is true if they believe that the organic food products are difficult to obtain
Shafie and Rennie (2009)	Malaysia	Consumer perception and willingness towards organic foods.	The results of the study reveal that the premium price continues to hold back organic consumption. It is complicated to justify the premium price because health benefits asserted by organic food are often difficult to quantify.
Stolz et. al. (2010)	Germany	Consumer attitude towards organic, conventional plus and conventional products	The results of the study indicated that the organic consumers are heterogeneous in their preferences. Some of them are less price sensitive and prefer organic products, whereas others are more price sensitive and prefer conventional plus or conventional products.
Pieniak (2010)	Belgium	Subjective and Objective knowledge about organic food products, attitude	The study focused on subjective and objective knowledge of the determinants of organic vegetable consumption. The results of the study suggested that consumers were very well informed about organic vegetable practices though their subjective knowledge was on moderate rather than low level. Objective knowledge is only indirectly associated with organic vegetable consumption. Attitudes towards Organic vegetables have a direct positive relationship with organic vegetable consumption.
Ishaswini and Dutta (2011)	India	Pro-environmental Concern, Environmental Knowledge, Environmental Knowledge	The results indicated that consumer's pro-environmental concern significantly affect their green buying behaviour. In addition, consumers are willing to buy eco-friendly products but not many are willing to pay higher price for such products. The

			survey findings disclosed consumer's awareness towards eco-friendly products and the impact of their environmental concern on their green buying behaviour.
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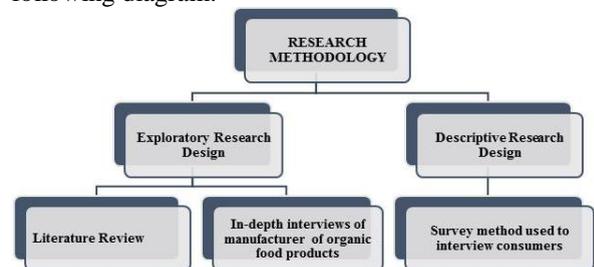
Objective of the study:

The main purpose of the study is to understand consumer motivations and preferences for buying organic products for providing the marketers with guidelines for designing the marketing strategies of organic products. However, the specific objectives of the study are as follows:

1. To study the level of awareness of consumers towards Organic food products
2. To identify the facilitators and barriers of purchasing Organic food product

Research Methodology:

A two way research design is followed in this study in which primarily an exploratory study is conducted, and the information is collected through literature review and through in-depth interviews of the manufacturers of Organic food products in Delhi. In the second stage of the study, a descriptive research by means of the survey method is conducted on 45 respondents across different organic food product stores in Delhi. The same is interpreted by the following diagram:



Findings and Conclusion:

Respondents Profile

Table 1: Profile of the respondents

Gender	
Male	32
Female	13
Age group	
Below 25 years	18
25-40 years	21
41-55 years	06
Above 55 years	00
Educational status	
High school	00
Graduate	28
Post-graduate	14
Any other	03
Monthly family income	
Below 25,000	13
25,001-45,000	19
45,001-65,000	09
65,001 and above	04

From the respondent profile in above table, it can be seen that majority of the responses were collected from male (i.e., 32 of 45, which is 71 per cent), and maximum number of respondent (i.e., 21 of 45, which is 46 per cent) were from 25-40 years age group. Nearly 62 per cent (i.e., 28 of 45) of respondents were graduate and the maximum number of respondents (i.e., 19 of 45, 42 per cent) were having a monthly family income of 25,001-45,000.

Summary of In-depth interview from Manufactures of Organic food products :

The summary of the interviews conducted on the three manufacturers regarding organic food products is explained below:

- The manufacturers of organic food products claim that their food products are free from chemicals and pesticides and it makes their food products different from non-organic food manufacturers.
- The different types of organic food products manufacturers produce fruits, vegetables, pulses, pickles, jam, honey, cooking oil, chawanprash, eggs, etc.
- Organic fruits, vegetables, and pulses are highly in demand among consumers.
- The manufacturers, who are exporting their food products, are required to get certified from United States Department of Agriculture (USDA) or Society General of Surveillance (SGS). In India, organic food products are certified from Agricultural and Processed Food Products Export Development Authority (APEDA). We met both type of manufacturers, whose products are certified by multiple monitoring bodies and those whose products are not certified from any monitoring body. For example, Bhandora organic’s food products were certified by ADEDA, India Organic (IO), and SGS, whereas the food products of Ehas organic were not certified by any monitoring body.
- It was found that the ‘price’ and ‘low awareness’ about organic food products are the main hurdles faced by producers while communicating the organic features of products to the customers.
- With regard to high price of organic food products, manufacturers suggested many reasons behind it. The manufacturer of Ehas organic, who is dealing in organic fruits and vegetables, said that the annual cost of organic certification adds up the price of organic food products. Additionally, the yield per hectare of organic food products is low as compared to the food products manufactured with the help of chemicals. The manufacturer of Bhandora organic food products, who deals in vegetables, fruits, spices, pickles, jam, honey, jam, pulses,

etc., said that the machinery used for manufacturing the organic food products are costly. Furthermore, their farm lands are also certified which add to the cost of final organic food products.

- The manufacturer said that the low promotion is the prime reason for the lack of awareness of organic food products among consumers. Mr. Amar Kumar of Bhandora organic said, “It is very difficult to identify green consumers as well as it is also very difficult for consumers to identify us”. He added that the company has a low budget for promotional activities as it adds more cost to the final products.
- On the basis of the nutritional contents of organic food products, the manufacturer suggested that their food products have high nutritional contents as compared to non-organic food products, and the reason behind it is that the food products are grown without using any pesticides and chemicals.
- The manufacturer said their organic food products are eco-friendly as there is no use of chemicals resulting in less erosion of soil over a long period of time. So, organic farming helps in protecting the environment.
- The manufacturer said that the taste of organic food products is favoured by the consumers.

Awareness towards Organic food products;

Green Products Category	List the name of organic food products you seen/ bought
Organic Food Products	Organic foods and vegetables, pulses, juices, Chawanprash, green tea, organic biscuits

The consumers were asked to give the list of Organic food products and their responses were collected. The above table shows the most common Organic food products that are demanded by the consumers. The consumers were also asked about other green product categories they prefer. The majority of respondents, that is, 20 out of 45 (44 per cent) said organic cosmetic products as green products, whereas 9 out of 45 (20 per cent) denoted energy efficient electronic products as green products and the rest were unaware of other green products. The results revealed that the majority of the respondents are unaware of organic products, and only few of the respondents were aware that the certifications of food products is necessary for claiming those products as organic food products.

Enablers and Barriers of Organic Product Purchase

Product Category	Facilitators of purchase	Barriers of purchase
Organic Food Products	<ul style="list-style-type: none"> • Nutritional contents • No pesticides • Eco-friendly • Good taste • Healthier 	<ul style="list-style-type: none"> • High price • Less knowledge about the product • Difficulty in identifying • Low availability • Lack of promotion

The above table indicates that the factor acts as facilitators and barriers while purchasing organic products. With respect to the purchase of organic foods, majority of the respondents (i.e., 21 of 45, 47 per cent) said that they will prefer organic food products because of their nutritional contents. However, high price and low availability were reported as barriers of organic food purchase by majority of consumers.

Conclusion:

The market of green products in India is at nascent stage, and many consumers are unaware about the benefits associated with the products and the environment we inhabit. The results of the survey suggested that there is a need for organizing many awareness programs by the government, marketers, and environmental agencies to educate consumers for using eco-friendly products, which are good for their health and at the same time safe for the environment. According to the results of the survey, the price and availability of the organic products are the prime barriers towards its purchase, so the marketers need to focus on such barriers for penetrating the market of organic products in India. The identified ‘Enablers’ and ‘Barriers’ of purchasing organic food products provided by the present study will offer guidelines to the marketers for understanding the attitude and preferences of consumers towards organic food products.

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