



CONSUMER ATTITUDE AND BEHAVIOUR TOWARDS ORGANIC FOOD PRODUCTS IN CALICUT CITY

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Abstract

Organic food market in Kerala has grown remarkably in the past few years. Consumers are becoming increasingly conscious about the perils of conventional products more than before and the trend towards buying organic food is growing among people. Development of an efficient market system is the need of the hour for promoting organic food production and consumption. A clear understanding of the type of consumers and their buying behaviour and attitude towards the product is inevitable for developing a good marketing system. In this paper an effort is made to identify the socio economic characteristics of the consumers of organic products and to analyse the factors that affect the behaviour and attitude of consumers towards organic products.

Keywords: Organic Farming, Organic Food, Price Premium.

1. Introduction

Organic food market in the state of Kerala is developing rapidly. Due to increasing dissatisfaction with conventional and contaminated food products and increasing environmental concern about intensive chemical farming more number of consumers now prefers to buy and use organic food products. By considering the strong consumer's demand, good price premium many innovative farmers are turning to organic farming and there has been a considerable increase in the number of exclusive retail shops selling organic products. In this context, it is highly important to examine the underlying factors that might influence the tendency of consumer to buy organic food products. The rapid growth in demand for organic food products necessitates continuous research in order to understand and document the structure and working of these markets.

2. Organic Food

Organic food is the product of a farming system which avoids the use of man-made fertilisers, pesticides, growth regulators and livestock additives. They are grown without the use of conventional pesticides, artificial fertilizers or sewage sludge and that they are processed without food additives. The Food and Agriculture Organization of the United Nations (FAO) defines organic products as those which are 'certified as having been produced through clearly defined organic production methods'. According to Segen's medical dictionary "Organic food – A broadly defined category of food which, in the purest form, is grown without chemical fertilizers or pesticides and sold to the consumer without adding preservatives and synthetic food enhancers"

3. Organic Food Industry

Organic Food Industry is concerned with the production, processing and marketing of organic products to the ultimate consumers as per the standards and regulations stipulated by the government. Organic Food Industry in the country is regulated by the National Programme for Organic Production (NPOP) launched by the Ministry of Commerce and Industry in the year 2000. This programme document provides information on standards of organic production, processing, certification of organic farmers, procedures for certification, inspection, the national organic logo and the regulations governing its use.

4. Statement of the Problem

The demand for organic products in the state has been growing significantly over the past few years. In order to promote organic food market, a well integrated market strategy is needed; which requires a better understanding of the consumers of organic products and their buying behaviour and attitude. In this paper an attempt has been made to examine the factors that affect consumers buying decision of organic products and to identify the association between the socio economic characteristics of the consumers and their buying behaviour.

5. Objectives of the Paper

1. To identify the socio economic profile of the consumers of organic products in the study area.
2. To examine the factors influencing the buying decision of organic products

6. Hypotheses

H01: There is no significant association between educational qualification, occupation, income level and frequency of purchase of organic products.

H02: There is no significant association between educational qualification, occupation, income level and willingness to pay price premium for organic products.



7. Methodology and Data base

This is an empirical study based on primary data collected using a questionnaire designed for the purpose. Calicut city in the state of Kerala has been selected for the study. A sample of 125 consumers of organic products was selected from five leading organic shops in the city. The respondents have been selected on systematic random sampling basis. A structured questionnaire has used for collecting data from the consumers and collected data are analysed with the help of different statistical tools like averages, percentages, χ^2 test etc.

8. Results and Discussion

The results of the analysis are presented below.

Socio economic Profile of the Consumers

Table 1: Distribution of sample by socio economic characteristics

Characteristics	Variable	Frequency	Percentage
Gender	Male	77	62
	Female	48	38
Age	Up to 30	18	14
	31 – 45	49	40
	46 – 60	47	38
	Above 60	11	8
Educational Qualification	School Level	19	15
	Graduate	28	22
	Post Graduate	64	52
	Professional	14	11
Occupation	Pvt. Employee	14	11
	Govt. Employee	54	43
	Business	17	14
	Professional	10	8
	House wife	13	10
	Retired Person	17	14
Family Income	Up to Rs.20000	27	22
	Rs.20001 – 40000	49	39
	Rs.40001 – 60000	36	29
	Above Rs.60000	13	10
	Total	125	100

(Source: Field Survey)

The socio economic profile of the sample respondents is shown Table No.1. It can be seen from the table that 68 percent of the consumers are male and 32 percent are females. While analyzing the age of the consumers, it can be seen that 40 percent of the consumers belongs to the age group of 31- 45 followed by this 38 percent of the consumers are from the age group of 41-60. Consumers below the age of 30 are only 14 percent of the sample and the remaining 8 percent are aged senior citizen above 60 years. Hence it is inferred that a good number of organic consumers belong to the age group of 31- 45. An analysis of the educational qualification shows that, out of the 125 respondents 52 percent of the consumers are postgraduates, 22 percent of them are graduates and 11 percent have been professionally educated and the remaining 15 percent respondents are having school level education only. Occupation wise analysis shows that a significant group of the respondents are government employees they constitute 43 percent of the sample. Another major group is retired employees with 14 percent. Other categories are more or less same, private employees are 11 percent, business class 12 percent, professionals are 8 percent and house wife 10 percent. An analysis of the family income shows that 39 percent of the consumers earn income between Rs.20001- 40000 another 29 percent belong to the income group of Rs.40001 – 60000 incomes of the 10 percent of the consumers are above Rs.60000 and 22 percent of the consumers earn below Rs.20000.



Table 2: Distribution of consumers on the basis of Frequency of Buying

S. No	Variable	No. of Respondents	Percentage
1	Often	82	66
2	Sometimes	18	14
3	Rarely	25	20

(Source: Field Survey)

Frequency of buying is a significant factor influencing the market of products. While analyzing the frequency of buying, it can be seen that majority of the respondents are frequent buyers of organic products a major group of 66 percent of the consumers make regular buying of. While 20 percent of the consumers rarely prefer to buy organic products and another 14 percent of the consumers are occasional buyers.

Table 3: Distribution of consumers on the basis of Convenience in Shopping

S. No	Variable	No. of Respondents	Percentage
1	Very convenient	6	5
2	Convenient	46	37
3	Neither convenient nor difficult	24	19
4	Difficult	44	35
5	Very difficult	5	4

(Source: Field Survey)

Organic products are available to the consumers in the city through the exclusive organic retails shops and considering the demand for organic products supermarkets and retail chains have started a separate section for selling organic products. An analysis of convenience in shopping of organic products reveals that 42 percent of the consumers have experienced convenience in shopping, out of which 5 percent consumers opined it is very convenient to buy organic products in the city. At the same time 39 percent of the consumers experienced difficulty in getting organic products, out of which a small group of 4 percent of the consumers opined very difficulty in buying of organic products and 19 percent of the consumers experienced neither difficulty nor convenience in shopping.

Table 4: Distribution of consumers on the basis Willingness to pay Price Premium

S. No	Variable	No. of Respondents	Percentage
1	Nothing Extra	18	14
2	1 -20%	27	22
3	21 - 40%	47	38
4	41 – 60%	19	15
5	Above 60%	14	11

(Source: Field Survey)

Organic products are usually sold at a higher price compared to the conventional products. An analysis of the level of premium price in which consumers are willing to pay reveals that 38 percent of the consumers are willing to pay a premium of 21 – 40%, 22 percent of the consumers are ready to pay 1- 20% premium and 15 percent of the consumers are willing to give 41-60 percent premium for organic products. At the same time 14 percent of the consumers are not willing to give any premium price while small group of 7 percent of the consumers are ready to give above 60% premium for organic products.

Table 5: Distribution of consumers on the basis the Motivating Factor

S. No	Variable	No. of Respondents	Percentage
1	Rich in Nutrition	16	12
2	Healthy and safe	90	72
3	Better taste	7	6
4	Protection of Environment	5	4
5	Life Habit	7	6

(Source: Field Survey)



Factors which motivate consumers to buy organic products are analysed in Table No.5. From the table it is very clear that, healthy and safety of organic products are the most significant factor which motivates consumers to buy organic products 72 percent of the respondents prefer this factor behind consuming organic products. Nutritional value of organic products is the second major factor which motivates consumers to buy organic products 12 percent of the consumers consider this. Better taste of organic products (6 percent consumers), protection of environment (4 percent consumers) and habit of life (6 percent consumers) are the other factors which motivate consumers to buy organic products.

Table 6: Testing of Hypothesis

S. No	Ho	d.f	X ² Value	P Value	L.S	Remarks
1	There is no significant association between educational qualification of the consumers and frequency of purchase	6	35.91	0.001	0.01	Ho rejected
2	There is no significant association between occupation of the consumers and frequency of purchase	10	18.43	0.048	0.05	Ho rejected
3	There is no significant association between Income level of the consumers and frequency of Purchase	6	32.56	0.001	0.01	Ho rejected

Statistical result in the above table reveals that, there is a significant association between educational qualification, occupation, income level of the consumers and frequency of purchase as the p values are less than 0.05 and the null hypothesis is rejected.

Table 7: Testing of Hypothesis

S. No	Ho	d.f	X ² Value	P Value	L.S	Remarks
1	There is no significant association between educational qualification of the consumers and their willingness to pay price premium	12	25.09	0.014	0.01	Ho rejected
2	There is no significant association between occupation of the consumers and their willingness to pay price premium	20	43.01	0.002	0.05	Ho rejected
3	There is no significant association between the income level of the consumers and their willingness to pay price premium	12	77.43	0.001	0.01	Ho rejected

It can be seen from the Table No.7 that significance values of association between educational qualification, occupation, income level of the consumers and willingness to pay price premium are less than 0.05. Hence, it is inferred that there is a significant relationship between the educational qualification, occupation, income level of the consumers of organic products and their willingness to pay price premium.

9. Major Findings

1. Most of the organic farmers are in the age group of 31 – 45 and majority of the consumers are well educated and employed. Govt. employees are the major buyers of organic products
2. Major portion of the consumers are regular buyers of organic products , 66% of them are regular buyers of organic products
3. Most of the consumers (42 percent) experienced convenience in shopping of organic products at the same time 39 percent of them experienced difficulty in buying.
4. Most of the consumers (38 percent) are ready to pay around 21 – 40% of price premium price.
5. Healthy and safety of organic food are major factor which motivates consumers to buy organic products.
6. There is a significant association between educational qualification, occupation, income level of the consumers and frequency of purchase.
7. There is a significant association between educational qualification, occupation, income level of the consumers and their willingness to pay price premium



10. Suggestions

1. Organic products are mainly consumed by the affluent and educated employees. Other categories of people very rarely prefer to buy organic products. This may be due to lack of awareness and high price. Hence effort should be taken to create awareness among the general public about the availability and safety of organic products.
2. Most of the consumers of organic products in the Calicut city itself face difficulty in buying organic products. Hence, opening more number of shops at convenient places is required for promoting organic food consumption.
3. Most of the consumers are ready to pay a price premium of 21 – 40%. So, there should be a mechanism to check the price of organic products.
4. Healthy and safety of organic products is the most significant factor which motivates consumers to buy organic products. More effort and action should be initiated by the Govt. and other concerned departments to ensure the purity of organic products sold through the retail shops.

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