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

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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:

<table>
<thead>
<tr>
<th>Author</th>
<th>Place</th>
<th>Variable of Study</th>
<th>Major findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jain and Kaur (2004)</td>
<td>India</td>
<td>Environmental concern and behaviour</td>
<td>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.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age group</th>
<th>Below 25 years</th>
<th>25-40 years</th>
<th>41-55 years</th>
<th>Above 55 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18</td>
<td>21</td>
<td>06</td>
<td>00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational status</th>
<th>High School</th>
<th>Graduate</th>
<th>Post-graduate</th>
<th>Any other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>00</td>
<td>28</td>
<td>14</td>
<td>03</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly family income</th>
<th>Below 25,000</th>
<th>25,001-45,000</th>
<th>45,001-65,000</th>
<th>65,001 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>19</td>
<td>09</td>
<td>04</td>
</tr>
</tbody>
</table>
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 Ehsas 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 Ehsas 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:

<table>
<thead>
<tr>
<th>Green Products Category</th>
<th>List the name of organic food products you seen/bought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Food Products</td>
<td>Organic foods and vegetables, pulses, juices, Chawanprash, green tea, organic biscuits</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Facilitators of purchase</th>
<th>Barriers of purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Food Products</td>
<td>Nutritional contents</td>
<td>High price</td>
</tr>
<tr>
<td></td>
<td>No pesticides</td>
<td>Less knowledge</td>
</tr>
<tr>
<td></td>
<td>Eco-friendly</td>
<td>about the product</td>
</tr>
<tr>
<td></td>
<td>Good taste</td>
<td>Difficulty in</td>
</tr>
<tr>
<td></td>
<td>Healthier</td>
<td>identifying</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low availability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of promotion</td>
</tr>
</tbody>
</table>

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.

References: