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## A study on the organic food industry: Consumer perception

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### ABSTRACT

*The Organic food market is ever increasing. The awareness about the benefits of organic food consumption is already high and after looking at the current incidences of harm to human life because of consumption of unhealthy food products, it is only expected to increase. The demand for organic consumables market has a CAGR of 9% (Wood, 2019). The global organic food and beverages market expected to reach \$327,600 million by 2022 from \$115,984 million in 2015 (Dwivedi, 2016). The research problem is to study the consumer perception towards organic food products in Western Mumbai. The study was undertaken with the objective to study the motivations, barriers, awareness levels and demographic characteristics of our study population w.r.t. organic food products. 318 respondents were a part of this study whose answers were asked for through a structured questionnaire. It was majorly found out that there is tremendous demand for organic food products but there are gaps in terms of awareness (about organic food products amongst the consumers) and faith (in the claims which are made by organic food marketers). Organic food consumers are motivated to consume it because they want to make sure that their food plate is nutritious and safe. Price has little effect on the existing organic food consumers where as others are aware about its benefits but are not willing to shell out extra money for consuming organic. This also justifies why the biggest barrier amongst non-organic food consumers is high cost. Thus our recommendation to organic food marketers would be to identify two segments of the market: One being the existing one and other being the potential one, and devise strategies to suit their needs individually.*

**Keywords**— Organic food, Western Mumbai, Conscious Consumers, Organic Market and Organic Products.

### 1. INTRODUCTION

Organic fruits and vegetables are the largest and the fastest growing segment of the global organic food market projected to grow at a CAGR of 9% over the forecast period 2019-2024. Due to constantly increasing demand for organic food and the limited supply in relation to demand organic foods, the area under organic farming has increased worldwide, ever since 2011. The worldwide production areas were reported to be 57.8 million hectares in the year 2016, which is an increase from 37.2 million hectares in 2011. Owing to the above-mentioned reasons, the increasing demand for organic food that overtakes the demand for synthetic foods is driving the organic fruit and vegetable market.

Moreover, with the increased occurrence of diseases caused by infected food products (Corona Virus) has made people conscious consumers. Further, according to the Organic Consumers Association, the demand for organic products is much greater than the supply of the same. This is the reason why this study was conducted to find the reasons for such high demand. For the purpose of this study, 318 individuals were asked for responses through a structured questionnaire with the objective to study their consumer perception towards organic food products.

### 2. LITERATURE REVIEW

Literature review done on the basis of objectives is as follows:

#### 2.1 To study the motivating factors that lead to purchase of organic food.

Consumers' perceptions regarding organic food consumption are influenced by five factors, namely food safety, price, environmentally friendly, nutrition and sensory attributes (Chiciudean, et al., 2019). If the consumers are guaranteed to receive high quality products, then they are willing to pay a higher price. Health consciousness of the consumers is one of the most influencing factors for purchasing organic food. Majority also claimed that the benefits offered by organic products were

exaggerated and hence they weren't ready to pay a premium for purchasing them. Hence high price and lack of awareness regarding the benefits of these products becomes one of the least influential factors. Lack of familiarity with respect to organic products due to poor exposure to media has led to dissatisfaction among the respondents because they don't get enough information. Hence lack of promotion is considered one of the hindering factors for their purchase decisions (Krishna & Balasubramanian, 2018).

In a few countries, organic food is consumed as a cornerstone of the tradition and culture and consumers purchase certain categories of organic food to maintain their heritage values. Consumers have returned to ancient agricultural practices of food production and have started associating organic food with authenticity of their ancestors' time. The need for self-esteem affects the attitude towards organic food to a great extent. Media's extensive coverage, increases the desire of consumers to give a better quality of life has given rise to "green" consumers.

Therefore, organic food is a status symbol for the elite society and symbolizes the high purchasing power and luxurious lifestyle of consumers with high income (Rana & Paul, 2017). The reason consumers buy organic products are: The low rate of pesticides insures safer food; Organic sustenance is frequently fresher since it doesn't contain additives that make it last more; Organic developing practices decline contamination, preserve water, reduce soil disintegration, increase soil ripeness, and use less vitality; Organically raised creatures are not anti- microbial, improvement hormones, or sustained animal side-effects and Good for health (Renuga & Ramaya, 2018).

### ***2.2 To study the barriers that exist in purchasing organic food for non-organic buyers.***

Jatinder Kumar conducted a study to understand consumer behaviour towards organic food in Chandigarh. He found that there was uneven accessibility of organic product in shop. Since foods grown from the ground it is provided week by week once in shop. Products are not packed properly. Many farmers do not prefer growing organic products hence there is restricted availability of the commodities. It is extremely tedious to preserve and store these products as they are perishable due to the lack of pesticides. Organic products are more expensive than your regular fruits and vegetables and hence they aren't that affordable therefore consumers prefer the cheaper alternative (Kumar, 2017).

High price, poor performance, poor quality, lack of availability, is not up to the mark, lack of trust, lack of ability to distinguish between organic products and the normal products available are some of the factors which make the consumers discontinue the purchase of organic products (Krishna & Balasubramanian, 2018).

### ***2.3 To study the awareness levels of consumers w. r. t. organic food products.***

It found out that majority consumers had very little knowledge and did not know the main differences between organic & traditional foods. Even though positive attitude towards Organic foods are increasing in developing countries, premium prices and lack of price control regulations dampens it's influence on the price sensitive section of the society. It also touches upon the area that organic agricultural techniques might not be able to cater to the food security needs of agricultural & rural areas (Iqbal, 2015). One of the main reasons' consumers buy organic food is this high level of nutrients and micronutrients. The evolution of organic food has fostered the development of "eco-friendly products," also known as "green products," which has paved the way for organic food in developed markets such as USA and Germany (Rana & Paul, 2017).

The demand and consumption of organic food has grown significantly in developed and developing countries. Because this is so; Consumers are becoming more and more aware of their health (Uvaneswaran, 2017). Despite major growth of the organic food market the awareness is still low. Consumers state that they need more scientific evidence to prove that organic food is healthier. There is a need for more advertisements, availability and wider range of organic products for consumers to be inclined towards it. It found out that majority consumers had very little knowledge and did not know the main differences between organic & traditional foods (Pércsi & Fogarassy, 2019). The more is the people's awareness towards organic products, the higher is their intention to purchase them. Being unsure of where to purchase organic food products from, and the lack of awareness of the various certifications and labelling provided by government deters them from purchasing organic food (Krishna & Balasubramanian, 2018).

In Czech Republic 50%-60% of examinees buy organic products in supermarkets. In Croatia around 83% of respondents and in Serbia 87% were aware of the existence of organic products. The marketplace for organic products has increased considerably over the last decade thanks to consumer's increasing awareness of both health and environmental issues. On the market front, organic products are marked with a legally defined sign. Maximum number of respondents wish to purchase fruits on weekly basis and most favoured location for organic products purchase in some countries is supermarket. The paper gives the newest insight into buying behaviour and attitudes of organic fruits and vegetables consumers. Further, the availability of organic food products is very seasonal; and their availability, assortment and price can vary dramatically from season to season. Consistent with research, in Croatia most of the respondents (46.3%) buy organic products at the local city markets and only 9.9% purchase them in supermarkets. All of those factors influence marketing activities, and make it difficult to determine appropriate shops for organic products (Vukasović, 2015).

### ***2.4 To analyze the behaviours that are exhibited with respect to various demographic variables.***

Most of the researchers have studied respondents of different age ranges, occupations, gender, location, various retail stores, etc. Women are also inclined by price and by the trendy fact of being organic (Chiciudean, et al., 2019).

The study collected data from 30 supermarkets and departmental stores in Kochi who sell organic food products that are locally produced in and outside India to find out the influential aspects affecting consumer's purchase intention towards organic food products. The social demographic results of the consumers show that women are majority buyers of organic products. Presence of children in the family has a positive influence on the purchase of organic food products as the parents believe that the children would derive maximum health benefits from consuming organic products (Krishna & Balasubramanian, 2018).

### **3. RESEARCH PROBLEM**

Research problem states why the research is being undertaken and what is it that the researcher is trying to find out about the same. Our research problem is *to study the consumer perception towards organic food products in Western Mumbai*. Here, our study population is 'Western Mumbai residents' and subject area is 'Program' which studies consumer's perception, attitudes about organic food products.

### **4. RESEARCH OBJECTIVE**

Research objectives are statements explaining what kind of information the researcher wants to study about the research problem. The topics selected from the literature review that are studied in this report include:

1. To study the motivating factors that lead to purchase of organic food.
2. To study the barriers that exist in purchasing organic food for non-organic buyers.
3. To study the awareness levels of consumers with respect to organic food.
4. To analyse the behaviours that are exhibited with respect to various demographic variables.

### **5. RESEARCH METHODOLOGY**

#### **5.1 Research Design**

Research designs are created on the basis of research objectives that include descriptive research, exploratory and causal. Exploratory research is unstructured and is undertaken when a situation is vague, new and very little is known about the same and makes use techniques like secondary resource analysis, case study method, expert opinion method, observation in depth interviews and focus groups. Causal research establishes relationships between two variables and in order to make this relationship, experiments need to be carried out. This paper makes use of descriptive research, which helps in describing the characteristics of a situation, problem or phenomena. Descriptive research was undertaken to give a detailed profile of the population under study, to measure the simultaneous existence of certain phenomena and hence to describe whatever is prevalent with respect to the formation of consumer's attitude towards organic food. Different techniques involve cross sectional studies and longitudinal studies. Single cross-sectional study was conducted which collects data from a section or sample of the population only once at a particular period of time. This was undertaken to find out the current attitude of people with respect to organic food at present because past studies would showcase different attitude.

#### **5.2 Sampling Design**

The population from whom the data was collected comprised of residents from western Mumbai. There are broadly two ways of Sampling: Probability and Non-Probability Sampling. Probability sampling is a technique of sampling in which every element of the population has an equal chance of being selected. Non-probability sampling is a technique of sampling in which every element of the population does not have an equal chance of being selected. There are several types under the each of the two. For the purpose of this study, non-probability Convenience method of sampling has been done. In this sub-type of sampling, the researchers collect data from respondents based on their (researcher's) convenience. In this study 318 respondents were selected by the convenience method of Non-Probability Sampling.

#### **5.3 Data Collection Method**

Data collection is a process of preparing and collecting data in a systematic way from different sources, which are observed, recorded and organized. Both primary and secondary data was collected to undertake the research. For primary data collection, quantitative data that gives insights about demographics, preferences were collected since it is well structured and well planned, requires comparatively less resources in terms of time and money and to apply statistical tools for analysis of responses. Survey method was chosen for the collection of this quantitative data for the descriptive research design adopted as it gives comprehensive information collected from the sample about the topic under study. There are different types of questionnaires used to collect data like formalized and concealed, non-formalized and unconcealed, formalized and concealed and non-formalized and concealed. The research makes use of formalized and unconcealed questionnaire to collect data via survey method that involves a fixed set of questions and answer categories and disclosing the purpose of the questionnaire to the respondents. This predefined composition helps in administering a large number of people at the same time, producing stable and reliable results and makes work a little easier and hence it was chosen. There are various mediums to collect feedback and opinions using survey method with the questionnaire like personally administered surveys, telephone surveys, physical copies of questionnaires sent as mails, emails using internet and webpages. Webpage method was used since it is cheap, helpful for data processing and does not need further formatting of questionnaire. Questionnaire was prepared using Google Forms that include various survey fields like text, MCQ's, linear scales, rating scales, etc. Google Forms were selected to make the questionnaire and collect data as they offer great convenience in creating the form and inviting people to fill it out requiring absolutely no sign in by the respondent. It also offers aid in post analysis by creating a spreadsheet of the responses for further descriptive and inferential statistics.

#### **5.4 Data Analysis**

Data analysis is done in two ways, one is by using descriptive statistics that describes the characteristics of the population or the data and the other is inferential statistics that helps the researcher to make conclusions regarding the data. Descriptive statistics

has been used in the report to derive easier interpretations of the data and develop a summary of the data. Measures of central tendency, which include mean, median and mode, were used as they show strength in the data. Mean was applied to interval and ratio scaled questions to get a single value that represents the population under study on an average like the average score given for the importance of certain factors. In case of extreme values and open class intervals, median was applied to get the middlemost value, in cases of ordinal, interval and ratio scale questions. Mode was applied to get the value of maximum frequency so as to know the most important factor for particular situations, to know the most preferred medium or factor, e. t. c. in nominal, ordinal, interval and ratio scaled questions. Measures of central tendency show consistency in the data and were also used in the report to know the degree to which the actual values disperse from the central value. Standard deviation was used to know how far the values are from the average of the factors considered to evaluate the dispersion for interval and ratio scale questions.

**6. FINDINGS**

**6.1 Motivating factors that lead to purchase of organic food**

*Table 6.1.1: Average scores of motivating factors to purchase organic food.*

Motivators	Average Score	Standard Deviation
It is nutritious	4.9	1.71
It is safe	4.8	1.76
It is tasty	4.1	1.64
It is trendy	3.9	1.70
It is traditional	3.8	1.78
It is elite	3.7	1.69
It is easily available	3.6	1.65
It is affordable	3.3	1.56

Source: Primary Data

Sample size: 264 (Total-318)

Human Theory of Motivation by Abraham Maslow has the famous Maslow’s need hierarchy which speaks about the motivations of individuals and says that they can be categorised into 5 stages: Psychological, Safety, Love and Belonging, Self-esteem and self-actualisation. When spoken about organic food consumers, those people are being referred who have fulfilled the need satisfactions of psychology, safety and love. These individuals are striving to have a better quality of life and this is clearly seen in the above data in which least average score is earned by affordability. These consumers try to get value and not a product. Thus it can be deduced from the above data that organic food consumers are very self-motivated and that they choose to make conscious rational choices over convenient procurement.

**6.1.1 Nutrition Consciousness:** From the table 6.1.1, it is evident that nutrition is the most chosen motivator. With the rise in awareness about health consciousness, many people who can afford the luxury of spending a bit extra for the purpose of ensuring that their body receives the correct nutrition are willing to do so and find that to be their lead motivator. Health consciousness makes nutrition a necessity as a result of which organic food is preferred.

**6.1.2 Quality and Safety:** Conscious consumers feel very threatened by the fact that they are not aware of what they are consuming. These threats are posed by conventional food articles which are mostly genetically modified, grown under the influence of artificial fertilizers or sprayed with pesticides. Conscious consumers are aware about what the consequences of the above-mentioned negative externalities and thus feel secure when they consume organic food products. Moreover, the increase in the occurrences of food related diseases such as the Corona Virus, Avian Influenza (Bird Flu), e. t. c. has forced every conscious consumer towards organic consumption.

**6.1.3 Taste:** Since organic food products do not have any artificial element in their production, they have a natural taste which is distinguishable and desirable as compared to conventional food products. Further consumers naturally expect better food quality and taste because they are paying a premium for the same and sellers are using this opportunity to make it an ever-expanding market.

**6.1.4 Trend of sustainable consumption:** The current trend about sustainable consumption is on the rise now. Companies and individuals are increasingly becoming aware that consuming today without preserving for tomorrow will cause an existential crisis. Further, social norms and environmental concerns have managed to develop feelings of moral obligation and have created a positive attitude towards the environment.

**6.1.5 Traditional:** In the primitive stages of the evolution of mankind, organic way of production was the only way of production. Later with the onset of industrial revolution artificial methods of production started catching up and almost replaced the traditional method. Green revolution came in India 1969 and ever since then there has been an ever-increasing dependence on it to feed the teaming million. In the primitive stages of the evolution of mankind, organic way of production was the only way of production. Later with the onset of industrial revolution artificial methods of production started catching up and almost replaced the traditional method. Green revolution came in India 1969 and ever since then there has been an ever increasing dependence on it to feed the teaming millions.

**6.1.6 Elite nature:** As mentioned earlier, organic food products are considered to be the food of those who have reached the self-esteem stage of Maslow’s motivation hierarchy.



**6.1.7 Availability:** The updation of technology and the advent of online platforms has made all our lives easier. Everything that is required is easily available and can be shipped at your door step in a few working days. This gives consumers the privilege to take the ease of availability for granted and thus the average score allotted to it was the second least.

**6.1.8 Affordability**

**Table 6.1.2: Organic food preference based on income levels**

Income levels	No. of respondents	Yes	No	% of Yes	% of No
Less than 12 Lakhs	187	160	27	86	14
12 Lakhs to 36 lakhs	75	64	11	85	15
36 lakhs to 60 lakhs	26	19	7	73	27
More than 60 lakhs	30	21	9	70	30
<b>Total</b>	<b>318</b>	<b>264</b>	<b>54</b>		

Source: Primary Data  
Sample size:318

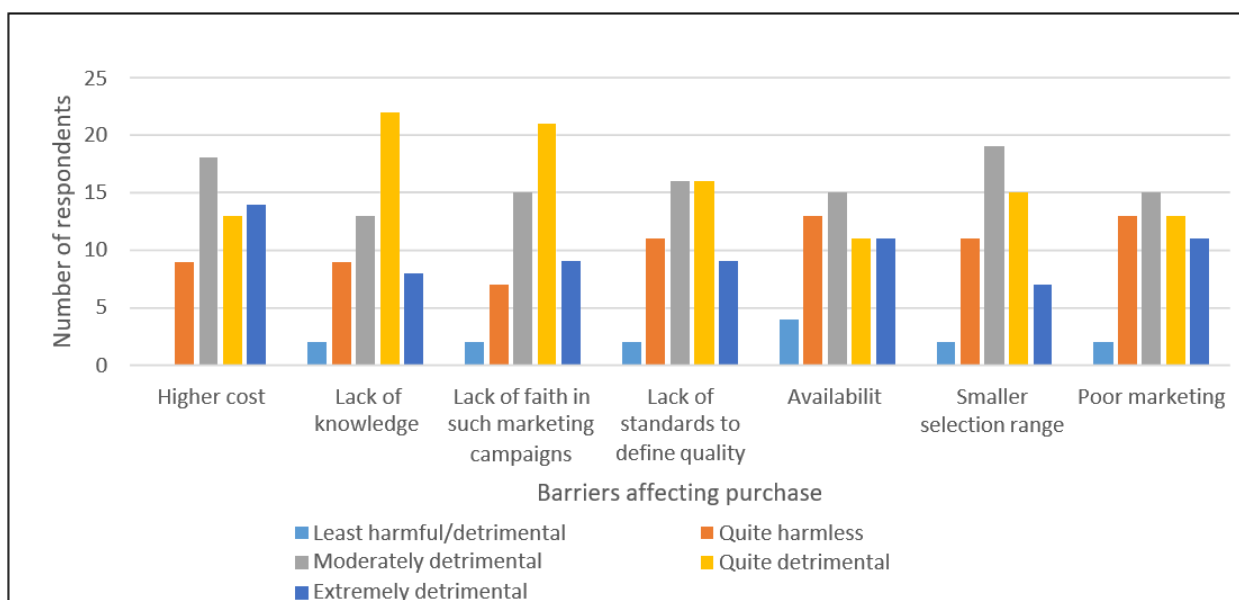
From the table 6.1.2, it can be inferred that there is a strong similarity between the opinions of the first two income classes and the last two income classes. This means that even those who are relatively less financially equipped to buy organic food products also feel the need to do so as much as others who know are more financially equipped. Further the upper classes are not directly involved in making consumption decision because they have other people who do the same for them. This data thus shows us that there is an increase in the spread of motivation for consuming organic food products across all classes.

**6.2 Barriers that exist in purchasing organic food products**

**Table 6.2.1: Average score of barriers in purchasing organic food.**

Factors	Average Score	Standard Deviation	Mode
Higher cost	3.5925	1.0554	3
Lack of knowledge	3.4629	1.0588	4
Lack of faith in marketing campaigns	3.5185	1.1015	4
Lack of standards to define quality	3.3518	1.1015	3
Availability	3.2222	1.2387	3
Smaller selection range	3.2592	1.0494	3
Poor marketing	3.3333	1.1655	3

Source: Primary Data  
Sample Size: 54 (Total-318)



**Graph 6.2.1: Kinds of detrimental barriers relating to Organic Product purchases**

Source: Primary Data  
Sample Size: 54 (Total-318)

**6.2.1 Higher cost:** From the table 6.2.1, it is evident that higher cost is the biggest barrier. With the market slow down and lack of liquidity in the market, consumers are willing to spend a lot less on food. They would prefer to save that money and buy more of their conventional products. Families with children prefer lower cost products so that they can keep their grocery bill low.

**6.2.2 Lack of knowledge:** Most of the consumers aren't aware about organic products, they assume natural products and organic products are the same. Most retail stores showcase their organic products along with their conventional/natural products hence consumers can't differentiate, our study shows that 71% of consumers do not know the difference between organic and natural products. Lack of knowledge is interrelated to demographic factors like age, income group, education, occupation. The illiterate population is not aware about the benefits that organic products have and hence are unwilling to spend more.

**6.2.3 Lack of faith in marketing campaigns:** When an advertisement says 100% organic consumers often consider it just a promotion strategy. Advertisements can often be misleading and portray wrong information. 21 out of 54 respondents say that due to lack of faith in marketing campaigns they do not purchase/consume organic product.

**6.2.4 Lack of standards to define quality:** When you pay a higher price for a product you expect to get higher quality products. Health-conscious customers want to be certain about what they are consuming and need to know the calories count as well. Organic products do not mean 0% pesticides it means that these products have low level of pesticides in them. Moreover, the increase in the occurrences of food related diseases such as the Corona Virus, Avian Influenza (Bird Flu), etc. has forced every conscious consumer towards organic consumption.

**6.2.5 Availability:** There is scarce and scattered availability of organic products amongst various locations, making it inconvenient for consumers to consume on everyday basis. Consumers always prioritize convenience over all other factors. For example, a consumer that stays nearby a retail store selling organic products is more likely to buy organic products than a consumer who has to travel a great distance for organic products.

**6.2.6 Smaller selection range:** Conventional products have a wider range of products than organic products. Consumer taste and need is ever changing and organic products often is often not compatible for these varieties. 102 out of 254 have said that a wide selection range is important for them to buy organic products.

**6.2.7 Poor marketing:** Organic product advertisements are limited. Companies producing organic products often don't have marketing campaigns to promote their products and hence consumers are not aware about it. Lack of marketing campaign means low consumer reach.

### **6.3 Awareness Levels of Consumers with Respect to Organic Food Products**

The consumer's decision-making process begins right from problem recognition and ends at post purchase evaluation. Right from the step of the initiator recognising the need to purchase a product to the user undertaking post purchase evaluation, many factors affect this whole process as it leads to various perceptions forming attitudes further. Pre-evaluation of alternatives consists of integration processes, heuristics and affect referral decision rule. Heuristics basically are the simpler rules that people make use of to form evaluate or choose between options and depend on price, promotion and popularity mainly. Purchase decisions with respect to organic food products are taken more heuristically and they have a perceived set of factors to form a positive attitude for purchase and hence right promotion is required to build that sort of awareness. Post evaluation forms an attitude with respect to organic food factors like for example inability to differentiate between taste, appearance, and experience creates dissonance.

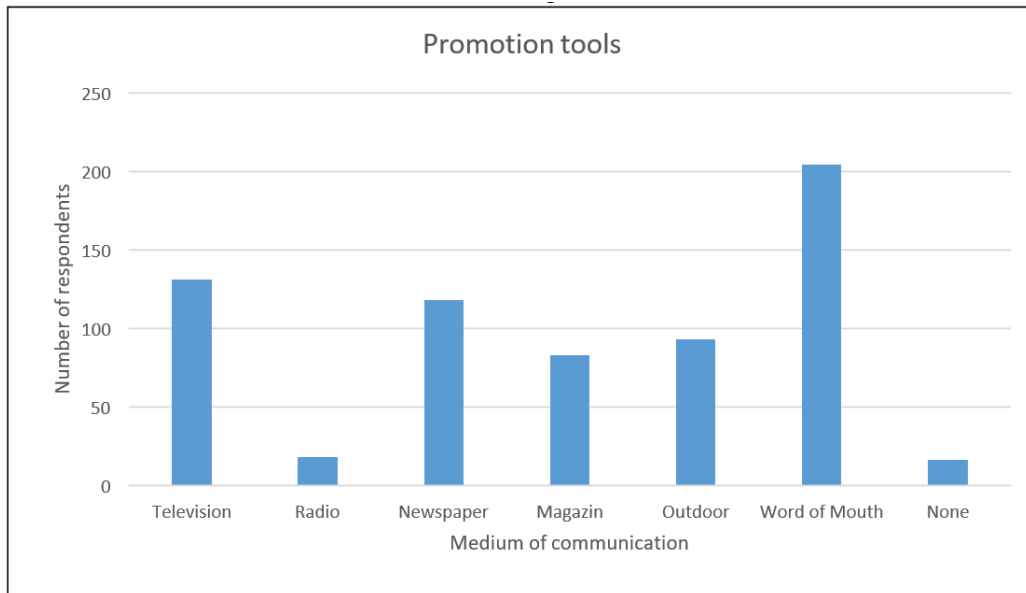
**6.3.1 Reliability and credibility of information available:** Most of the respondents are more or less not very sure of the credibility of the information available about organic food, which in turn affects their purchase decision. The doubt regarding the information that they receive affects their decision considerably which is made after the stage of evaluation of the alternatives in the 5-stage buying decisions model. After the identification of a need and moving to information search, when consumers distrust the information available about a particular part of the choice set, they tend to negatively evaluate it. Products like vegetables, fruits, poultry are purchased frequently and not much thought is put in while deciding to purchase and unreliable information about organic forms of these products doesn't allow these products to fall in the evoked set of brands for the consumers.

**6.3.2 Awareness about quality standards:** Organic labelling is one of the heuristic factors that helps consumers to develop a heuristic choice in favour of organic products (Aigner, Wilken, & Geisendorf, 2019) 60% of the respondents who have purchased or consumed organic food products are aware about the quality standards. However, 40% of them are still unaware of the quality standards associated with organic food products and hence they are the ones who misinterpret or misunderstand the labelling on these products and buy organic food with other motivational factors.

53% of the respondents who have not purchased organic food products are unaware of these standards that are perceived as higher quality than usual by consumers (Janssen & Hamm, 2012). This perception leads to positive attitude formation for organic food items with regards to trust, taste, quality, etc. There is a higher willingness to pay for labelled organic products in comparison to non-labelled organic products (Wang and Tsai, 2014). Bezawada and Pauwels (2013) in their paper talk about how organic labels increase consumer appeal and hence high awareness is desirable.

**6.3.3 Promotional tools:** As the chart no 6.3.1 clearly shows awareness of information about organic food products amongst the population under study and hence it shows that wide media coverage has provided great coverage of health-related topics and has used consumer behaviour to showcase ads highlighting concern for well-being of children and environment by showcasing preservatives as harmful, creating a need to nurture the children responsibly, creating a need to "feel good" about oneself by shopping premium and high quality products. This kind of high media coverage has made consumers more health conscious with a drive to live a quality life. The motto "You are what you eat" has created great demand for organic food products (Rana & Paul, 2017). Word of Mouth has been the greatest source of information with respect to organic products and this places great

importance to positive post purchase evaluation by the buyers to increase the demand for these products.



**Chart 6.3.1: Level of exposure of organic food products to consumers by extensive mediacoverage**

Source: Primary data

Sample size: 318

**6.3.4 Increasing consumer awareness**

**Table 6.3.1: Helpful factors of increasing consumer awareness about organic food products**

Factors	Mean	Standard Deviation	Mode
Scientific evidence on packaging	3.46	1.15	3
Sustainable investment by brands	3.22	1.09	3
Informative advertising	3.65	0.96	4
Consumer education movements	3.56	1.07	4

Source: Primary Data

Sample size: 318

From table no 6.3.1, it can be seen that more exposure to informative advertising and consumer education movements could help a buyer in increasing awareness about organic food products and differentiating between organic and conventional products as most respondents have considered them to be extremely helpful factors. These are the respondents who mainly purchase organic food due to its rich nutritional composition and quality and hence are very conscious before purchasing. Inability to differentiate between organic and conventional products is one of the major causes of the low market share for organic food products. Standard deviation which is more or less equal to 1 shows that there is consistency in the data and more or less the respondents believe that factors like scientific packaging, sustainable investment made by brand, informative advertising and consumer education movements will be of considerable help to increase their awareness about the same. Scientific and sustainable packaging has a great influence on consumers' decision to buy when marketing hedonic products whereas giving importance to eco-friendly constituents generates higher willingness to pay a premium for utilitarian products (Orzan, Cruceru, Balaceanu, & Chiyu, 2018). However, the approximate neutral stance for the extent of helpfulness of these factors shows that there still exists lack of trust and poor exposure to in depth, quality information about the organic food products for them to evaluate their purchase decision based on their level of awareness.

**6.3.5 Inability to differentiate:** People who have purchased organic food products have encountered difficulty in differentiating between those and conventional products as a result of their post purchase evaluation. Organic food products have words like 'natural', 'farm fresh', 'not genetically modified' strongly associated with them and buyers confuse conventional products as organic. Hence, strong distinction on the part of producers with adequate labelling is required to siphon off the bogus claims of being 'organic' and 'natural' by conventional food products brands portraying themselves as organic. Similar appearance also leads to inability to differentiate significantly and more informative advertising and sustainable and distinct packaging are required to be used as indicated in 6.3.4 to create the awareness about distinction. People who have not consumed organic food products have also on a majority been unable to point out the differences between organic and conventional. This unawareness of differences leads to the formation of a negative attitude of purchase decisions for organic food and hence there is unwillingness to pay an extra price to derive the greater quality, taste, satisfaction associated with organic food.

**6.3.6 Impact of purchase locations:** Consumers normally purchase food products from corporate stores, locally owned stores and open markets. Supermarket chains have their sales limited only to a certain range of organic products and their promotion is mainly based on price and very little emphasis given about the quality, ethical considerations and health consciousness criteria that people

have with respect to organic food products and hence it attracts more non-organic shoppers. Most of the respondents who normally purchase food products from local departmental stores are unable to differentiate between organic and conventional products, which clearly show that retail stores have still not seized the opportunity to deliver organic food items with distinctiveness and differentiation. This leads to low awareness about the existence and features of organic food products in the store and in turn the buyer chooses a conventional product.

**6.4 Behaviors that are exhibited with respect to various demographic variables.**

**Table 6.4.1 Organic food preference based on gender.**

Gender	Number of people	Purchased	Not Purchased
Male	163	133	30
Female	155	131	24

Source: Primary Data

Sample size: 318

Out of the total 318 responses, there were almost equal number of responses from males and females with a ratio of 51% and 49% respectively. Out of the males, 81.6% of them buy organic food as compared to 84.5% females. Considering demographic factors, the research shows us that females are expected to purchase and use organic food in larger quantities and have more favourable attitudes towards organic food. While females are motivated to eat a healthy diet, men are more influenced by their social circumstances. Females are identified to have higher health consciousness and are seen as innovators for changed diet.

**Table 6.4.2: Organic food preference based on age.**

Age	No. of people	Buyers	Non-buyers
18-24	150	124	26
25-34	42	33	9
35-44	49	40	9
45-54	67	59	8
55-64	8	7	1
65 and above	2	1	1

Source: Primary Data

Sample Size: 318

The table 6.4.2 shows us the different age groups and the number of people who prefer organic foods. It can be inferred from the data that the Gen Z (18-24) and middle age adults (45-65) are the major buyers of organic foods. Around 83% of Gen z and 88% of middle age adults buy such foods. "Generation Z has grown up at a time when Health and Wellness is high profile" (Witham, 2006). These are the people who are fitness freaks and become diet conscious thus booming the sale of organic products. Similarly, with an increase in age, the ability to digest and absorb some nutrients can decrease, hence it is important to ensure that your diet is rich in nutritious foods and that the food is grown without the use of artificial fertilizers and chemicals. Thus, with an increase in age, demand for organic food increases. Hence, even though the younger consumers show more interest and positive attitudes towards organic food but the older consumers are the main buyers.

**Table 6.4.3 Organic food preference based on Middle Aged Females.**

Gender	Age Group	Purchased	Not Purchased
Female	45-54	25	1
	55-64	5	0

Source: Primary Data

Sample Size: 31 (Total- 318)

From both these Demographic factors indicated in table 6.4.1 and 6.4.2, it can be inferred that the target market for a retailer selling organic foods would be mainly middle aged females who would be willing to pay more to consume organic foods in order to maintain their health and have a nutritious diet to be suitable for their body needs. This is clearly proved by our survey as 97% of middle aged females do buy organic food showing the accuracy of retailers and their perfect market study leading to targeting the right audience.

**Table 6.4.4: Organic food preference based on Income Levels.**

Income	Number of people	Purchased	Not Purchased
Less than 12 lacs	191	157	34
12 lacs-36 lacs	74	62	12
36 lacs-60 lacs	28	22	06
60 lacs and above	25	23	02

Source: Primary data

Sample size: 318

We can observe in table 6.4.4 that as the income increases, percentage of people buying organic foods increase. It can clearly be



noticed that almost 92% of people with income above 60 lacs buy organic food. The table also shows that irrespective of income, people in today’s scenario do buy organic food irrespective of their level of income. This can be seen by the fact that significant number of people (83%) having income below 12 lacs spend money on organic foods. All of this is because of increasing awareness amongst people of benefits of organic food and the need for maintaining a healthy lifestyle.

**Table 6.4.5 - Organic food preference based on Children.**

Children	Number of responses	Purchased	Not Purchased
Yes	204	176	28
No	114	88	26

Source: Primary data

Sample size: 318

With increasing number of family members’ increases responsibilities. This can be seen in table 6.4.5 as 86% of people having children prefer organic products over 77% people not having kids. The table 6.4.5 shows a positive relation among healthy lifestyle and family. A healthy lifestyle for oneself and their families tends to be the consumer's primary objectives. When asked why do they buy organic products, parents reply reasons such as better health and the desire to avoid toxic and persistent pesticides and fertilizers. Furthermore, some evidences show that kids raised on organic products are more likely to eventually become long-term organic shoppers themselves.

**Table 6.4.6: Organic food preference of people having Children and High Income level.**

Income level	Having Children	Purchased	Not Purchased
60 Lacs and above	Yes	17	1

Source: Primary data

Sample size: 18 (Total- 318)

Target market for retailers selling organic products would be people with high income groups having children in order to maximize its sales and ensure long term profits. As seen in table 6.4.6, 95% of people having income more than 60 lacs and having children bought organic products. This behaviour of people can be studied as people with high income levels are not willing to compromise the health of their kids by giving them foods grown in pesticides and fertilizers instead using organic products to ensure a healthy lifestyle. To conclude, organic products are healthy and also environmental friendly. Either gender or income won’t matter if one knows the value and healthy effects of those products. In this era, everyone is becoming health conscious and environment friendly so the usage of organic products is and will increase in near future.

**7. CONCLUSION AND RECOMMENDATIONS**

**7.1 CONCLUSION**

With the advancement of technology and spread of artificial production techniques, there has been a rise in the awareness about conscious consumption. Further, there has been a rise in the incidence of diseases spread by infected food articles. The harms posed by genetically modified, artificially fertilized and synthetically grown food articles are on the rise. For the purpose of long term food sustainability, it is essential to ensure that the resources which are required for food production are not exhausted and hence the demand for organic food has increased.

This study concluded that organic food consumers have several motivations. The most prominent one being that organic food consumers feel the need to consume nutritious food as a result of which they turn towards organic food products. Further, we found out that organic food products are currently considered to be a premium good as a result of which it should be mostly targeted towards the upper middle classes.

Lack of information and awareness about the differentiation between organic and conventional products has a significant impact on the purchase intentions. The heuristics associated with organic food products play a crucial role in evaluation of alternatives and hence perception of organic food needs to be changed considerably to ensure the right attitude. Hence, word of mouth, TV advertising are effective tools to build awareness and increase demand for organic food which in turn will increase the availability of organic food. There is low alignment between consumer’s perception about labels and their actual meaning as per companies in case of lack of quality standards.

Despite the organic product market growing tremendously it does not have enough market penetration due to certain barriers. One of the main purpose of this study was to identify and analyse these barriers and understand why consumers do not purchase and consume organic products, through this research we identified seven important barriers namely, higher cost, lack of knowledge, lack of faith in marketing campaigns, lack of standards to define quality, availability, smaller selection range and poor marketing. To conclude for the demographic factors, the results achieved by this research is exactly what was predicted as around 97% of middle aged females and 95% of high income groups having children buy organic food products over others. These results give insights as to how effectively a retailer needs to identify and target its population to ensure long term effectiveness of its operations.

**7.2 RECOMMENDATIONS**

- The target market for the organic food sellers or manufacturers should have two segments and strategies must be devised for them individually:
  - Financially abled conscious consumers: -Those who have income levels of more than Rupees 36 lakhs per annum. This target market has self- esteem needs for which they are categorized as the Financially abled conscious consumers.

- Moderately financially abled conscious consumers: -The second target market that these sellers should take care of is of those who's income levels are less than 36 lakhs. Products must be developed for them to suit the depth of their pockets. This target segment is categorized as Moderately financially abled conscious consumers.
- Tighter definitions for the words 'natural', 'safe' is required to increase consumer's knowledge about the distinctiveness and differentiation of organic food from conventional products to develop a favourable attitude amongst buyers.
- Certificates ensuring the high quality standards of organic food products outside retail stores can help increase the authenticity and goodwill for the retailer.
- Word of mouth, TV advertising are effective tools to build awareness and increase demand for organic food which in turn will increase the availability of organic food.
- Television is one of the best tool for product marketing. Better television exposure and providing information about quality with concrete data will motivate consumers to switch to organic products.
- If more retailers are willing to sell organic products, then the availability increases and it will be convenient for more customers and therefore there will be an increase in sale.

### 7.3 LIMITATIONS OF THE STUDY

Sampling: In the research, due to certain constraints a census survey was not conducted. The findings of the research are only valid for a definite set of population, i.e. Western Mumbai due to conduction of a sample survey. It is called Sampling Error. There may be an unplanned bias as per our selection.

- **Convenience Sampling:** The sample for the research was drawn from a part of population that was close to hand. It may be highly exposed to selection bias and could lead to sampling error. Due to these reasons the study may lack credibility. The sample may not be a true representation of the population.
- **Cross Sectional Study:** Cross sectional study had been conducted. Such type of study cannot be used to evaluate behavior over a period of time. It is only valid for the time it was conducted, may not be valid at a later point of time.
- **Objective Limitation:** The objective here may be too broad therefore there is a possibility to narrow down the objectives so that the level of focus of the research study could be increased. In the study we have taken limited objectives due to constraints in our resources and lack of experience in conducting a research.
- **Location:** The research was conducted in Western Mumbai and the sample studied only consisted of subjects from Western Mumbai. The study may not be valid for any other location. Due to limited resources at disposal, there may be a chance of error due to limited access to location of the study. It may also affect the sample units for the study.

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### QUESTIONNAIRE

#### 1. What is your gender?

- Male
- Female

**2. What is your age?**

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64

**3. What is your income?**

- Less than 12 lakhs
- 12-36 lakhs
- 36-60 lakhs
- More than 60 lakhs

**4. Where do you usually shop?**

- Specialty Food Stores
- Large/corporate food store
- Small/ locally owned food store
- Local market/ open air market
- Online food stores

**5. Are there any children in your family?**

- Yes
- No

**6. Whether you presently buy organic food or not, please indicate how important each of the following factors are to be able to affect your purchase decisions:**

- i. Lower price for organic food
- ii. More knowledge about organic food
- iii. Greater availability of organic food
- iv. More advertisement for organic food
- v. Wider product selection for organic food
- vi. Strong influence from family and friends
- vii. Scientific evidence
- viii. Credible quality standards
  - Not at all important
  - Slightly important
  - Quite important
  - Very important
  - Extremely important

**7. Till what extent do you think that the information published about organic food products is true?**

- Completely false
- Quite false
- Not sure
- Very true
- Extremely true

**8. Were you aware that there are quality standards for organic food products?**

- Yes
- No

**9. By means of which of the following modes of communication have you come across any communication (or advertisement) regarding organic foods:**

- Television
- Radio
- Newspaper
- Magazines
- Outdoor advertisement
- Word of Mouth
- None

**10. Please score each of the following factors that could help in increasing your existing awareness levels about organic food products? 1 being least helpful to 5 being most helpful.**

- i. Scientific evidence on packaging
- ii. Sustainable investment made by brand
- iii. More informative advertising
- iv. Consumer education movements
  - 1
  - 2
  - 3
  - 4
  - 5

**11. Have you ever encountered difficulty in differentiating between organic and conventional products?**

- Yes
- No

**(When you say 'Yes' in Q11)**

**12. Which of the following do you think are the reasons why you cannot differentiate between genuine and deceiving organic products?**

- Y Similarity in taste
- Y Inadequate information available
- Y Use of green colours
- Y Use of words like 'Natural'; 'Farm Fresh'; 'Not Genetically Modified'; e.t.c.
- Y Biodegradable packaging
- Y Similar appearance

**13. Have you ever purchased or consumed organic foods?**

- Yes
- No

**(When you choose 'Yes' in Q13)**

**14. Score the following statements on the basis of the extent to which they are least to most suited to organic food from 1-7.**

- i. It is tasty
- ii. It is nutritious
- iii. It is trendy
- iv. It is affordable
- v. It is elite
- vi. It is safe
- vii. It is available
- viii. It is traditional
  - Not suited at all
  - Quite unsuited
  - Somewhat unsuited
  - Moderately suited
  - Somewhat suited
  - Quite suited
  - Perfectly suited

**(When you choose 'Yes' in Q13)**

**15. Which of the following statements do you most agree with?**

- I will only buy organic products if they are cheaper than conventional products.
- I will buy organic products if they are more or less of the same price as conventional.
- I will buy organic products even if they are slightly more expensive than conventional.
- I will buy organic products even if they are significantly more expensive.

**(When you choose 'No' in Q13)**

**16. Which of the following barriers are most detrimental in making purchase decisions for organic products? 1 being least detrimental to 5 being most detrimental.**

- i. Higher cost
- ii. lack of knowledge
- iii. lack of faith in such marketing campaigns

- iv. Lack of standards to define quality
- v. Availability
- vi. Smaller selection range
- vii. Poor marketing
  - Least harmful/detrimental
  - Quite harmless
  - Moderately detrimental
  - Quite detrimental
  - Extremely detrimental