

## Consumer's preference towards organic food products

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**ABSTRACT:** The market of organic products is growing as the number of people willing to consume organic food and consumer preference towards organic food products is ever increasing. The promotion of organic food products constitutes an important option not only for producers, government and consumers but also to respond to societies' desire for higher food quality and food production that is less damaging to environment systems and improve the quality of life; this makes the study of consumer preferences highly important. The main purpose of this study is to identify the factors influencing consumer preferences toward organic products. The target population in this research includes consumers of Kozhikode district of Kerala state of India. By making use of convenience sampling method 750 respondents have been selected. Data required for the study have been collected with the help of questionnaire. The finding of the research work revealed that gender, age, occupation, monthly income, family status, level of awareness, state of health and environmental engagement are associated with consumer preference towards organic foods. The research work shows increasing monthly income and environment engagement activities influences consumer preference towards organic food products. There is an inverse relationship between consumer awareness and consumer preferences towards organic food. Organic food considered as healthy product and it is more preferred by the green consumers. The research result suggest that Government and social organizations have to promote organic farming at the households among general public and to take necessary steps for creating a regulatory system for authenticated organic certification and labeling in order to build-up the trust and confidence in consuming organic food products.

Keywords: Organic Foods; Consumer Preference; Health Conscious

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### 1. INTRODUCTION

Today foods are not intended to only satisfy hunger and to provide necessary nutrients for humans but also to prevent nutrition-related diseases and improve physical and mental well-being of the consumers (Menrad, K, 2003; Roberfroid, M. B, 2002). Krissoff (1998) reported that consumers purchase organic products believing that organic products are safer, healthier and more environmentally friendly than conventionally produced alternatives. Human health, food safety, environment concern, animal welfare, ethical values, trust in origin and prestige along with several other product characteristics such as nutritive value, taste, quality, appearance, and other sensory characteristics influence consumer preferences (Alvensleben, 1997; Backer, 2004; Davies et al., 1995; Radman 2005; Padel and Foster, 2005; Wier and Calverley, 2002; Zanolli et al., 2004; Tregear et al., 1994; Hutchins and Greenhalgh, 1997; Wandel and Bugge, 1997; Magnusson et al., 2001; Squires et al., 2001; Lechowich, 1992; Miles & Frewer, 2001; Wilkins & Hillers, 1994; Williams & Hammit, 2001; Mc Eachern and Willock, 2004; Dickson, 2001; Engel, Blackwell and Miniard, 1995; Guardian, 2007).

The organic food industry has grown considerably over recent years on a worldwide basis and has been the subject of much media attention over the past decade. Global demand for organic products remains robust, with sales increasing by over five billion US dollars a year (Willer and Yussefi Menzler, 2002). The demand of organic product in India has been growing substantially both

domestic and international markets. Over the past several years, the organic food industry in India has been experiencing an annual growth between 20-22 per cent. (Menon, 2009). There is no common definition of –organic due to the fact that different countries have different standard for products to be certified –organic. Indian consumers give their personal definition of the Organic food products as Organic produce or products are those produced and processed through environment friendly techniques, non chemically treated, fresh or minimally processed, non pesticide, free from genetically modified organism, having organic certificates, traditional/indigenous products, herbal product, and naturally grown.

Demographics is especially an interest of marketers as it is important to see how population is changing in numbers, and distribution of genders, age, economic situation, birth rate etc., Consequently, many researchers discovered that women consume more organic foods compared to men (Radman, 2005; Hofmann 2006, Fotopoulos et al., 2002, Zanoli et al., 2004, Davies et al., 1995 as in Becker 2007). Female consumers believe that family health is important and motivate them to purchase more organic foods. Jolly, 1991 has found that organic food buyers tend to be younger than non-buyers. Age seems also to affect consumer preference towards organic food. Young people are more environmentally conscious but prefer less organic food products, whereas elder people are more health conscious. Hence, elder people prefer more organic foods (Wandel and Bugge, 1997; Thompson and Kidwell, 1998; Von Alvensleben, 1998; Fotopoulos and Krystallis, 2002). Moreover, demand for organic food seems to be positively correlated to income (Von Alvensleben, 1998). Family structure, family status, area of residence and diet life style of the countries have also effects on consumer preferences towards organic food products.

The market of organic products is growing as the number of people willing to eat organic food and pay premium price is increasing. The future of organic food will, to a large extent, also depend on consumer demand and consumer preferences towards organic food products. Product development and marketing strategies are also affected by socio-cultural factors, attitudes and their preference. Thus, a clear understanding of organic food consumer segment and analysis the demographic characteristics of the consumer by looking at their buying pattern towards organic food products, period of consumption, level of awareness on organic food products, state of health, environmental engagement as well as other characteristics that may provide better picture about the organic consumers in India.

## **2. REVIEW OF LITERATURE**

The literature review emphasizes important variables to examine the consumers' preference towards Organic food products like health concern, environmental concern, animal welfare, food safety, sensory variables, prestige, organic food knowledge, ethical concerns, price premium and socio-demographical factors (Gillian Turnbull (2000); Sushil Kumar and Jabir Ali (2011); Parichard Sangkumchaliang and Wen-Chi Huang (2012); Barbara Lampic, Irena Mrak, Irma Potocnik Slavic, Pavel Bednar, Petr Zufan (2010); Hanna Stolz (2011); Samantha Smith and Angela Paladino (2009); Rachael L. Dettmann (2008); Suprpto and Tony Wijaya (2012); Salvador V Garibay and Katke Jyoti (2003); Samuel Bonti-Ankomah and Emmanuel K Yiridoe (2006); Lau Kwan Yi (2009); Theodoropoulou H, C. Barda, And C. D. Apostolopoulos (2010); Patrick J. Byrne, Ulrich C. Toensmeyer, Carl L. German and H. Reed Muller (1990); Aryal et al (2009); Chinnici et al.,(2002); Chen, (2007); Jolly, (1991). Gillian Turnbull (2000) has found that culture; social and personalised factors have a strong influence in their buying decisions. Of these psychographic factors, motivation, beliefs and attitude, and perception were considered important while emotion and learning were weaker factors of influence. Sushil Kumar and Jabir Ali (2011) has identified five categories of potential consumers of organic food such as Humanists, Food Phobic, Healthy Eaters, Environmentalists and Hedonists. Parichard Sangkumchaliang and Wen-Chi Huang (2012) have reported that the main reasons for purchasing organic food products are an expectation of a healthier and environmentally friendly means of production. They also found that the groups of buyers and non-buyers have significant differences in demographic characteristics. Barbara Lampic, Irena Mrak, Irma Potocnik Slavic, Pavel Bednar, Petr Zufan (2010) have reported that ‘care for health’ was a most important reason of purchasing organic food followed by ‘higher quality’ and ‘environmental care’ respectively. Hanna Stolz (2011) in his research work reported that positive assessments of organic production referred to ‘better taste’, ‘healthier’, ‘no artificial additives’, and ‘no chemical synthetic pesticides’, ‘limited use of antibiotics’ etc., Consumer perception of organic food was found to be highly selective and primarily focused on the final stage of the particular production process. Samantha Smith and Angela Paladino (2009) research result

showed that health consciousness, quality, subjective norms and familiarity has influenced purchase intentions. Health conscious also play as a vital role to shape consumer attitudes and behaviour (Magnusson et al, 2003). Rachael L. Dettmann (2008) in his article has reported that Education and income were the significant factors for purchasing organic produce. Increases in education led to higher likelihoods of purchasing organic produce, and spending a greater share of household income on Organic fruits and Organic vegetables. Budi Suprpto and Tony Wijaya (2012) have found that that attitude toward organic food directly influence to purchase intention toward organic food. Victoria Kulikovski and Manjola Agolli (2010) spot out that organic food is often related to specific lifestyles that include healthy eating, vegetarianism, alternative medicine, religious or societal considerations etc. She has founded that organic food product consumer behaviour was mainly influenced by quality, food safety and overall perceived value. Salvador V Garibay and Katke Jyoti (2003) have found that in India, organic consumers are generally found in the urban upper-middle class or upper class, though some sellers do state that lower-middle class families in smaller towns, especially families with children, also number among their clients. Samuel Bonti-Ankomah and Emmanuel K Yiridoe (2006) in their research have revealed that consumer preferences are based on attitudes toward alternative products. They have concluded that human health, food safety and environmental stewardship, along with several other product characteristics such as nutritive value, taste, freshness, appearance, and other sensory characteristics influence consumer preferences. Lau Kwan Yi (2009) has showed that gender and presence of children in household have significant relationship with the organic food consumption. Positive relationships of attitude, health consciousness, environmental concerns and organic food knowledge with the frequency of organic food consumption are proved. Theodoropoulou H, C. Barda, And C. D. Apostolopoulos (2010) have found that factors that increase the awareness and the consumption of organic foods were the ecological conscience and the educational level of consumers. Patrick J. Byrne, Ulrich C. Toensmeyer, Carl L. German and H. Reed Muller (1990) have reported that advancing age, higher education levels, higher income households, and males have a negative effect on this likelihood. Moreover, demand for organic food seems to be positively correlated to income (Von Alvensleben, 1998).

### 3. OBJECTIVE OF THE STUDY

The study has been carried out to identify the factors that influencing the consumer preference towards organic food products.

### 4. RESEARCH METHODOLOGY

Opinion survey has been conducted with consumers belonging to Kozhikode district, Kerala. By making use of convenience sampling methodology 750 respondents have been selected. With the help of a structured questionnaire the required data has been collected.

### 5. TOOLS USED FOR ANALYSIS

The collected data have been analyzed by making use of Chi-square test. To identify to nature of association that exists between select personal variable and consumer's preference towards organic food, Chi-square test has been employed. Level of significance chosen is one and five per cent level. The variables chosen for the analysis are Gender, Age, Educational qualification, Occupation, Monthly income, Area of Residence, Family size, Family status, Period of consumption on Organic food, level of awareness on Organic food, state of health, environmental engagement, diet and attitude; with level of consumer's preference.

### 6. FINDINGS

**Table 1. Result of Chi-square test for significant difference between independent variable and Consumer's preference towards organic food products**

Variables	Calculated $\chi^2$ Value
Gender	11.500**
Age	92.399**
Educational Qualification	1.091
Occupation	70.578**
Monthly Income	40.146**

Area of Residence	1.094
Family size	1.145
Family Status	47.524**
Period of Consumption	1.222
Level of Awareness on Organic Foods	66.115**
State of Health	58.728**
Environmental Engagement	31.797**
Diet	1.220
Level of Affective Attitude	1.682

\* Five per cent level

\*\* One per cent level

From the Chi-square test it is inferred that there exists a significant association between gender, age, occupation, monthly income, family status, level of awareness, state of health, environmental engagement and consumer preference towards organic products. Female consume more quantum of organic food products than male consumers. Consumer's whose age ranges between 26 years and 50 years prefer more organic food products. Professional peoples like doctors, lawyer, chartered accountants etc., prefer more organic foods than inorganic foods. Consumers with high monthly income prefer more organic food products. Consumers, whose monthly income above Rs. 20000 prefer more organic food products. Consumer health condition and their preference towards the organic food products are closely related. Consumers whose health conditions are weak prefer more organic food than consumers with good health condition, as they considered it as a healthy food. As far as family status is concerned, family members are more favour towards organic foods. Consumers who have low awareness on organic foods varieties prefer high level of organic products, considering on their benefits to be derived from organic foods. Environmental engagement and organic food consumption have linear relationship. The consumers, with high environmental engagements prefer more organic food products than the consumers with low environmental engagements.

## 7. SUGGESTIONS

To improve consumer's preference towards organic foods following suggestions have been put forth:

- ❖ The current awareness programmes about the organic products will be overruled. Instead of proclaiming the benefits of using organic foods, organic farming at the households shall be promoted. The Government and other social clubs like Rotary, Lions etc., will provide the seeds of Organic products among general public and promoting to organic farming at their households.
- ❖ Organic foods may be offered at cheaper price (i.e.) organic foods may be distributed through fair price shops
- ❖ Government and organic farmers should frame a regulatory system for organic certification and authenticated labeling for ensuring quality organic food and thereby taken an effort to build-up a trust and confidence about the consumption of organic food product in the midst of organic consumers.
- ❖ Subsidies and incentives may be offered by the Government to the farmers who cultivate organic foods. Agriculture universities should offer necessary training programme for farmers in inculcating the method of preparing Organic pesticides
- ❖ Mass awareness programmes for promoting eco-friendly or green activities are to be organized by the Government in association with Social Clubs like Rotary, Lions etc., in the midst of general public.

## 8. CONCLUSION

From the analysis, it is inferred that gender, age, occupation, monthly income, family status, level of awareness, state of health and environmental engagement are associated with consumer preference towards organic foods. Increasing monthly income leads to prefer more organic foods. When consumers perceived poor state of health, prefer more organic food as the conventional foods resulted in piling up of new dreaded diseases, which are incurable. Organic food considered as green product as it more preferred by the green

consumers. Level of awareness about the organic food product and organic food product preference has inversely related. A certain section of consumers are not aware on the demerits of conventional foods and certain sections are not preferring organic foods, even though they are highly aware on demerits of conventional foods, due to high cost and lack of trust. As the level of awareness increases, the consumers are more serious about the authenticated labeling and certification of organic food product. A little regulatory system for organic food products are badly affected the consumer preferences. Hence, the Government and social organizations have to take necessary steps in creating awareness in the midst of consumers on the merits of using organic foods. At the same time, the effort must be taken for creating a regulatory system for authenticated organic certification and labeling in order to build-up the trust and confidence in consuming quality organic food products. There was an old says –good food brings good thought and good thought leads to good actions. Thus, preferring an organic food, a strong foundation may be laid down to bring forth better generation!

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