



An Exploratory Study on Consumers' Purchase Intentions toward Organic Food Products

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Abstract: The concept of Organic food is not new, it has been in the existence for a very long time, even for that matter many researchers have rightly claimed that the organic food has been the integral part of our life. In the last eight to ten years the importance of organic food and its utility is gaining the momentum, as awareness towards organic food has increased immensely especially in tier-01 city, and slowly in tier -02 cities. The notion behind this study to identify various factors that serves as a influencer for igniting purchase intention towards organic food (products). The focal point of the study is to evaluate nexus between purchase intention and purchase attributes such as Availability, Price Premium, Trust Factors, Relative Utility Factor & Social media influence. A close ended questionnaire was created and subsequently distributed among consumers among 320, out of which 284 responses were positively collected. The data were tested with the help of Exploratory factor analysis using SPSS 25. The result reveal that all the considered attributes such as Availability, Price Premium, Trust Factors, Relative Utility Factor & Social media influence had a significant impacts in igniting purchase intention for organic food.

Keywords: Purchase Intention, Availability, Price Premium, Trust Factors, Relative Utility Factor & Social media influence.

Organic Food Market in India

The Indian food market for organic food pegged at whopping value of US\$ 815 Million in 2020, IMARC, IFAD has predicted around 42% growth during the 2022 -2026. The organic food is basically a agricultural produce or altered products which are neither grown with the help of any pesticides, herbicides, any antibiotics, growth hormones nor it is genetically modified. Organic food are basically a products which are free from any chemical usage, pesticides etc. The organic food is categorised into many types such as agricultural produce, organic altered/ processed products, organic dairy products, organic beverages, organic bread and bakery, organic meat and poultry or even organic fish etc. Rising health concern has triggered the increased inclination of Indian consumers towards organic food. as the consumers become more and more focusing on nutrients value and the quality of food, hence there is swift rise in organic food demand. moreover there are some other factors such as increased income, spending power, urbanization, so spending on health as well as wellness have increased tremendously in recent years especially after the strike of deadly corona pandemic that acknowledged the significance of good quality food with nutrients content. The government has also an important role to play to boost the organic food concept in Indian consumers mind. Local , state as well as central government are enthusiastically promoting and endorsing organic food by providing needed subsidiary and other such benefits to encourage the organic food market to grow in double digit pace. some of the schemes that government has undertaken such as Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM), National Mission for Sustainable Agriculture (NMSA), Rashtriya Krishi Vikas Yojana (RKVY) etc.

Literature Review

According to Gupta (2009) main factors that affects the food purchase decision in Indian consumers is health concern. during his survey with 326 respondents from Uttar Pradesh he found that health is considered to be a main concern behind Indian consumers buying organic food. while **Ali, Kapoor and Moorthy (2010)** undertaken study to understand the preferences of consumers and buying behaviour towards food products. As per **Gracia and Magistris (2002)** consumers intention to purchase depends on income, attitude, and awareness of organic food. **Makatouni (2002)**, claimed that purchasing intention behind organic food is attributed o health. As per **Nayana sharma and Dr. Ritu Singhavi**, the availability in the market has a great impacts on buying behaviour for organic food. According to **Sharma** price is one of the integral aspects that influence



buying intention when it comes to organic food as price premium is integral part of organic food. **Vishal kumar Laheri and Purushottam Kumar Arya** has claimed in their survey that governments awareness programme play a very vital role in increasing awareness and igniting buying intention for organic food products. They also of opinion that Premium price and availability acts as positive and negative factors for buying behaviour of organic food so it is necessary to address this factors so that these should turn out to be positive aspects to boosts more acceptability towards organic food. As per **S. Suganya and Dr. Saravinth**, awareness towards organic food has significantly increased and consumers are willing to buy organic food as it is affordable and easily available. **Brijesh kumar (2018)** claimed that social media has a great role to influence the purchase intention for organic food in recent years. **According to Sivathanu** along with various demographic factors, Trust factor is also one of the important for that influence buying intention for organic food. **Dr. Shiny Chib,(2019)**, the organic food can be considered as a immunity boosting agents as it is a rich source of minerals, vitamins and is free from hazardous chemicals, herbicides, pesticides.

Objective

The study aimed at evaluating the Purchase intention. The research tries to evaluate the nexus between purchase intention and identified purchase attributes for engaging potential customers in organic food segments.

Research Methodolgy

The present study intends to evaluate the relationship between purchase attributes and purchase intention. The study uses Primary data by using close ended questionnaire that includes questions pertaining to study. The study was carried out from Feb 2022 to March

2022. Respondents include consumers who opt organic food products, selected using simple random sampling technique. An online questionnaire having 32 questions was prepared and distributed to 320 respondents of various age group through online and out of 320 only 284 respondents were analysed. Five-point Likert scale was employed to collect the perception of consumers with respect to purchase intention where one indicates strongly disagree and five indicates strongly agree. The data was collected and coded in a systematic way after which was analysed using SPSS 25. Questionnaire consisted of total 32 questions.

Table 1

| Reliability Statistics | |
|------------------------|--------------|
| Cronbach's Alpha | No. of Items |
| .879 | 32 |

In order to confirm the internal consistency of questionnaire that was floated, a croanbach's alpha in SPSS -25 was used. As the accepted rule is that an alpha values must range from 0.6 -0.7, that is considered to be acceptable level of reliability, as the alpha value in table no. 1 shows the value of alpha that is greater than 0.6 i.e. **0.879** hence it is acceptable.

Data Analysis

Table 2: Demographic Profile of the Respondents (N=284)

| Profile | No. of Respondents | % |
|-----------------------|--------------------|--------|
| GENDER | | |
| Male | 89 | 31.33% |
| Female | 195 | 68.66% |
| AGE | | |
| 18-30 | 26 | 9.15% |
| 30-40 | 65 | 22.88% |
| 40-60 | 101 | 35.56% |
| 60 and above | 92 | 32.39% |
| EDUCATION | | |
| Master's Degree | 137 | 48.23% |
| Bachelor's Degree | 147 | 51.76% |
| INCOME CLUSTER | | |
| 1.5 to 3.5 Lacks | 69 | 24.29% |
| 3.5 to 5.5 Lacks | 102 | 35.91% |



| | | |
|----------------------------|-----|--------|
| 5.5 to 10 Lacks | 113 | 39.78% |
| CURRENT EMPLOYEMENT | | |
| Private service | 81 | 28.52% |
| Self employed | 46 | 16.19% |
| Retired | 65 | 22.88% |
| Housewife | 92 | 32.39% |
| SOCIAL MEDIA USAGE | | |
| Facebook | 119 | 41.90% |
| Instagram | 68 | 23.94% |
| Linked in | 42 | 14.78% |
| YouTube | 55 | 19.36% |

From table no.2 , the major chunk of respondents are female i.e. (68.66%) while male constitute around (31.33%) having master degree (48.23%) and Bachelor's degree (51.76%). The age group cluster comprises 18-30 has (9.15%), 30-40 has (22.88%), 40-60 has (35.56%) and for age group 60 and above is (32.39%). The income cluster comprise 1.5 -3.5 is (24.29%), for 3.5-5.5 is (35.91%) and for income group falls under 5.5 -10 lacks is (39.78%). As far as the type of employment is concern, the private job holders is (28.52%), self employed is (16.19%), the retired group is (22.88%) and the housewife is (32.39%).The social media usage comprises as For Facbook (41.90%), Instagram (23.94%), LinkedIn (14.78%) and YouTube (19.36%).

Purchase Intention of Organic Food

The current study is undertaken to understand the perception of consumers towards organic foods. The survey that was conducted covered the various factors such as Availability, Price Premium, Trust Factors, Relative Utility Factor & Social media influence and their relationship with buying behaviours of consumers. so to explore this relationship, a exploratory factor analysis (EFA) was done for evaluating the questionnaires with respect to purchase intention for organic foods. After EFA the items that have below 0.50 factor loading are deleted. To check the adequacy and spericity of data, a KMO (Kaiser- Meyer-Olkin) and Bartlett's test obtained that is **0.784**. as it is above 0.5 so it is acceptable. hence the factor analysis was applied.

KMO and Bartlett's Test

| | | |
|---|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .784 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 262.967 |
| | df. | 105 |
| | sig. | 000 |

(Table -3)

Exploratory Factors Analysis

| Factor | Statement | Initial | Communality |
|------------------|--|---------|-------------|
| Availability | Hassle free access to organic food store | 1 | .732 |
| | Readily available in online and in physical store in vicinity. | 1 | .640 |
| | Availability of information regarding organic food impacts on health | 1 | .525 |
| Premium Price | Premium price ensures good quality products | 1 | .730 |
| | For me, paying premium price leads to satisfaction | 1 | .585 |
| Trust Factor | Govt. Exhaustive promotion creates trust factor for purchase | 1 | .793 |
| | Organic food labels creates trust | 1 | .550 |
| | Locally produced goods creates trust in me | 1 | .646 |
| Relative Utility | Health is a prime concern especially after Corona | 1 | .631 |
| | Change in life style, eating habits, anxiety, work pressure leads to become more health conscious. | 1 | .722 |
| | Organic food helps me to manage my health more efficiently | 1 | .690 |
| | Swadeshi Touch is another factor to ignite | 1 | .679 |



| | | | |
|------------------------|--|---|------|
| | buying | | |
| Social media influence | Frequent updates and related information on social media leads to purchase | 1 | .480 |
| | Related Blogs on social media have a major role to play in my purchase decision. | 1 | .688 |
| | Likes and dislikes on social media also influence my purchase intentions | 1 | .767 |

(Table -4)

Table no 04 states the communality value. Researcher asked five questions pertaining to **availability** out of which three are retained, For **Premium Pricing**, total six questions were asked, out of which three have been retained, for **Trust Factor**, four questions were asked of which only two are retained, For **Relative utility** out of six only four have been retained, and for **Social Media Influence**, only three have been retained out of five questions that were asked.

Table 5: Total Variance Explained

| Component | Initial Eigen values | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|-----------|----------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 2.425 | 16.165 | 16.165 | 2.425 | 16.165 | 16.165 | 2.425 | 16.165 | 16.165 |
| 2 | 1.534 | 10.227 | 26.392 | 1.534 | 10.227 | 26.392 | 1.534 | 10.227 | 26.392 |
| 3 | 1.449 | 9.661 | 36.053 | 1.449 | 9.661 | 36.053 | 1.449 | 9.661 | 36.053 |
| 4 | 1.236 | 8.241 | 44.294 | 1.236 | 8.241 | 44.294 | 1.236 | 8.241 | 44.294 |
| 5 | 1.180 | 7.870 | 52.163 | 1.180 | 7.870 | 52.163 | 1.180 | 7.870 | 52.163 |
| 6 | 1.026 | 6.841 | 59.004 | 1.026 | 6.841 | 59.004 | 1.026 | 6.841 | 59.004 |
| 7 | 1.005 | 6.700 | 65.704 | 1.005 | 6.700 | 65.704 | 1.005 | 6.700 | 65.704 |
| 8 | .901 | 6.010 | 71.714 | | | | | | |
| 9 | .755 | 5.033 | 76.746 | | | | | | |
| 10 | .740 | 4.936 | 81.682 | | | | | | |
| 11 | .725 | 4.835 | 86.517 | | | | | | |
| 12 | .678 | 4.518 | 91.035 | | | | | | |
| 13 | .524 | 3.491 | 94.526 | | | | | | |
| 14 | .484 | 3.229 | 97.755 | | | | | | |
| 15 | .337 | 2.245 | 100.000 | | | | | | |

(Extraction Method: Principal Component Analysis.)

Table 5 shows the percentage of variance of the four extracted factors. Factor I explained 16.16% of total variance, Factor II explained 10.22%, Factor III explained 9.66 % and Factor IV explained 8.24%, Factor V explained 7.87%, Factor VI explained 6.84% and Factor VII explained 6.70 of total variance respectively. Total variance explained by the convergence of 15 statements into 7 factors is 65.70% so other components amounting to 34.3% exist contributes towards consumers purchase intention of organic food.

Component Transformation Matrix

| Component | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------|-------|-------|-------|-------|-------|-------|-------|
| 1 | .604 | .526 | .367 | -.162 | .243 | .222 | .298 |
| 2 | .305 | -.133 | .367 | .773 | -.381 | -.107 | -.026 |
| 3 | -.042 | -.569 | .624 | -.186 | .448 | -.220 | .020 |
| 4 | .419 | -.368 | -.244 | .070 | .244 | .572 | -.488 |
| 5 | -.301 | -.252 | .096 | .069 | -.151 | .668 | .602 |
| 6 | -.522 | .427 | .360 | .266 | .266 | .296 | -.432 |
| 7 | -.031 | .022 | -.378 | .511 | .665 | -.170 | .352 |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.



Conclusion & Recommendation

In order to accommodate potential consumers in organic food segments, the marketers need to bring about the changes or the innovation by taking into consideration various factors that have direct or indirect impacts on buying behaviour of end consumers, as conventional market is more prominent to compete. The marketers have to take into account that the awareness through social media is also one of the factors that can be utilised in such a way so as to tap the potential consumers in organic food segments. The trust factors of being organic, the efforts taken up by local authority would also be a deciding factor for boosting market for organic foods. The consumers have the willingness to pay a premium price associated with organic foods, so it cannot be a cause of concern for marketers. However, the social media has a significant role to play in igniting purchase decision, like many consumers follow the blogs and even the likes and dislikes would also ignite their craving for purchasing organic food because they feel that it is a good quality food product that they relate with their health aspect. Finally, the availability of such organic foods is a challenge in many areas, like if we compare tier 1 city the availability is more rather than tier 2 city, so this gap can be filled with the help of making them available in stores in the vicinity and also through online mode which is most preferred mode of buying in tier 2 cities also.

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