

## A Study on Urban Consumer Perception towards Organic Food Products

M. Shireesha\* Prof. V. Chandra Sekhar Rao\*\*

\*Research Scholar Acharya Nagarjuna University Guntur, Andhra Pradesh.

\*\*Department of Commerce and Business Administration Acharya Nagarjuna University Guntur, Andhra Pradesh.

Corresponding Author: M. Shireesha

---

**Abstract:** Agriculture, worldwide has been in its natural and organic form from times immemorial but the industrial revolution and the ever increasing population paved way to green revolution which led to abnormal increase in the yield of crop, at the same time lifting gates to the unrestricted use of synthetic fertilizers and chemical pesticides leading to hazardous effects on the health of the consumers, fertility of soil, overall environmental well-being and ecological balance. The stake holders to agriculture soon realized the negativities of inorganic methods of farming and started understanding and encouraging organic farming and organic food products. This paper focuses on the urban consumer perception towards organic food products with special reference to the city of Vijayawada, of the state of Andhra Pradesh, India and the study is carried out with two objectives i.e. to study the urban consumer perception towards the differences between organic and conventional food products and to study the influential attributes of organic food products on the purchase decision of urban consumers. The study revealed that both male and female urban consumers have perceived noticeable differences between organic and conventional food products in terms of taste, appearance, freshness, shelf life and cooking time. It is also observed that health, nutrition, taste and chemical/fertilizer free nature are the attributes that have an influence on the purchase decision of organic food products by urban consumers.

**Key words:** organic farming, organic food products and urban consumer perception.

---

Date of Submission: 30-05-2018

Date of acceptance: 13-06-2018

---

### I. Introduction

Traditional farming was the original type of agriculture, and has been practiced for thousands of years. All traditional farming is now considered to be “organic farming” although at that time there were no known inorganic methods. For example, forest gardening, a fully organic food production system which dates from prehistoric times, is thought to be the world’s oldest and most resilient agro ecosystem. Consciously organic agriculture as opposed to traditional agricultural methods from before the inorganic options existed, which always employed only organic means began more or less simultaneously in Central Europe and India. In fact, agriculture from times immemorial has been in its pure and organic form worldwide, especially in India. However, the increase of population by leaps and bounds, the advent of industrial revolution, the progress in technological developments and scientific breakthroughs in the field of agriculture resulted in green revolution where the use of chemical fertilizers and synthetic pesticides and genetically modified varieties of crops, were on a continuous rise. That trend of inorganic agricultural practices resulted in the increase of the yield of the crops that led not only to self-sufficiency but also gave India the much needed food security and the status of food exporter. However green revolution and the introduction of inorganic methods of farming soon started showing their negative impact on the health of consumers, fertility of the soil, environmental well-being and on the overall ecological balance. Very soon all the major stakeholders to agriculture i.e. the farmers, the consumers, the governments, and the NGOs identified the hazardous effects of green revolution which led to the beginning of an organic movement in the 1940s as a reaction to agriculture’s growing reliance on synthetic fertilizers and pesticides. In 1970s, global movements concerned with pollution and the environment were primarily focused on organic farming. As the distinction between organic and conventional food became clearer, one goal of the organic movement was to encourage consumption of locally grown food, which was promoted through slogans like “Know Your Farmer, Know Your Food”. In 1972, the International Federation of Organic Agriculture Movements (IFOAM) was founded in Versailles, France and dedicated to the diffusion and exchange of information on the principles and practices of organic agriculture of all schools and across national and linguistic boundaries. The awareness on and the consumption of organic food has been on a continuous rise and the ever increasing organic market worldwide, is a proof of it. Since the early 1990s, the retail market for organic farming in developed economies has been growing by about 20% annually due to increasing consumer

demand. Concern for the quality and safety of food, and the potential for environmental damage from conventional agriculture, are apparently responsible for this trend. In this context, the researcher in the current study attempted to study the urban consumer perception towards organic food products with special reference to Vijayawada city of India.

## **II. Review of Literature**

**Joanna Henryks, Ray Cooksey & Vic Wright (2014)**, emphasized on several key determinants that either facilitate or restrain the consumers from making the actual purchase of organic food at the final hurdle, i.e. the point of purchase. The key determinants that influence the final buyer behavior at the point of purchase are identified as consumer intention to purchase organic food while entering the retail outlet, habit, availability, false assumptions, visibility and access of organic food and price.

**Weng Marc Lim, Juliette Li Shuang Yong & Kherina Suryadi (2014)**, insisted that organic market still remains a niche market and that further investigations are required to better understand the consumer perceptions and circumstances in which they are willing to purchase organic food. However the research article concluded that consumers who perceive a positive value with regard to organic food are more willing to purchase it, with health being the primary perceived benefit. Price premium and the inability to notice a striking difference between organic and conventional food products are identified as limiting factors to purchase organic food.

**David Pearson & Joanna Henryks (2008)** primarily concentrated in their work on the marketing of organic products within the frame work of marketing mix and identified the issues that pervade the national, organizational and individual differences within the global organic industry. The paper concluded that most of the organic users are only occasional organic consumers and that the most important influencing attributes are the health, quality and environment. The article suggested that aggressive promotion of these benefits can increase the organic consumer base and also helps in increasing their willingness to pay the organic price premium.

**Emmanuel K Yiridoe, Samuel Bonti-Ankomah and Raiph C.Martin(2005)**, focused primarily on consumer perceptions and influencing factors that make them prefer organic food products compared to conventionally grown food products. The points of consideration included economic definition of organic food from the point of consumers, the attributes that the consumers consider while comparing and purchasing organic food, level of consumer awareness and knowledge about organic food, the willingness of consumers to pay the price premium and the overall profile of the organic consumers. This study concluded that though consumers have abroad understanding of the concept of organic food and its benefits on health and environment, still there is a great need to build consumer trust and confidence on what exactly is organic food, its labeling, certification and marketing.

**Katrin Woese ,Dirk Lange ,Christian Boess ,Klaus Werner Bogl(1997)**, in their extensive review compared the quality of organically and conventionally grown food products with the help of different fertilization systems, physic-chemical investigations of concentrations and proportions of desirable and undesirable ingredients, pesticide residues, contaminants, feed experiments with animals and nutritional studies on humans. This research study identified a certain difference between organic and conventional food produce in terms of quality.

## **III. Statement of the Problem**

Consumers in the current scenario have become greatly health conscious and particular about what they eat, with an awareness that food is the major contributing factor that determines one's health. Consumers quickly identified the ill effects of artificial fertilizers and chemical pesticides on their health and started encouraging the consumption of organically grown food products. In this backdrop, the organic food market is on a continuous rise especially in the urban market with the set-up of exclusive organic outlets, special organic counters in super markets, special stalls in 'raitu bazaars' (exclusive farmer markets) and farm side selling. The researcher attempted to study the understanding and perception of urban consumers towards organic food products to know if they notice any real time differences between organic and conventional food products. For this purpose the sample of urban consumers from Vijayawada city are divided into two groups based on gender and their perception towards differences between organic and conventional food products is studied by choosing five attributes that may be considered as the major criteria of differentiation i.e. taste, appearance, freshness, shelf life and cooking time. The researcher further attempted to study the major contributing attributes that may exert a positive influence on the urban consumer decision to purchase organic food products and those

defining attributes are considered as health, nutrition, and taste and pesticide/chemical free nature of organic food products.

#### IV. Objectives of the Study

1. To study the urban consumer perception towards differences between organic and conventional food products.
2. To study the influence of defining attributes of organic food on purchase decision of urban consumer.

#### HYPOTHESES OF THE STUDY:

**H<sub>01</sub>:** There is no significant difference between organic and conventional food products among male and female urban consumers.

**H<sub>02</sub>:** There is no significant influence of the defining attributes of the organic food products on the purchase decisions of the urban consumers.

#### V. Methodology of the Study

##### SAMPLE SIZE AND TECHNIQUE:

For the purpose of the study, a sample of 85 urban consumers (both male and female) was considered based on simple random sampling technique from the geographical area of Vijayawada city.

##### DATA COLLECTION:

In order to study the urban consumer perception data were collected from the sample respondents by using a closed form of questionnaire and these questions were framed with dichotomous and 4 point Likert scale options.

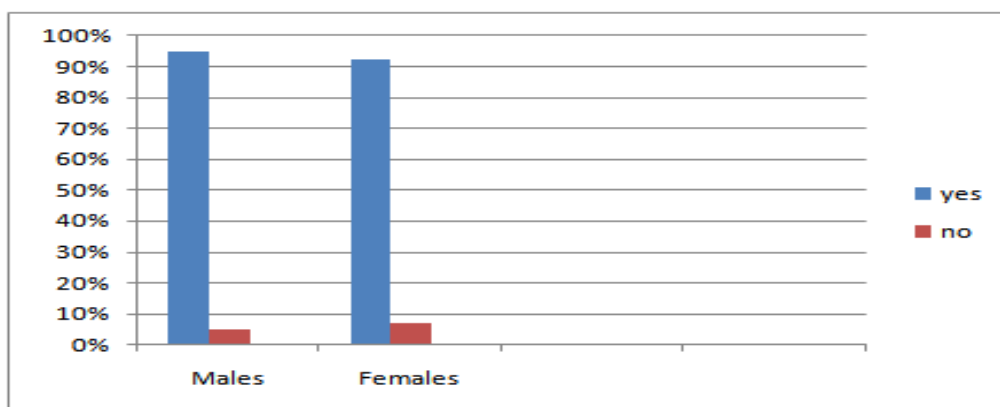
##### STATISTICAL TOOLS:

To analyze and interpret the results of the collected data regarding the urban consumer perception towards the differences between the organic and conventional food products, t-test (independent sample test) is used and to study the influence of defining attributes of organic food on purchase decision of urban consumer, the researcher used the technique of multiple regressions analysis.

#### ANALYSIS AND DISCUSSION:

##### 1. Urban consumer perception towards differences between organic and conventional food products

##### a. Gender wise:



##### b. Attribute wise:

Independent Sample Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
<b>V1</b>	Equal	1.166	.283	-.565	83	.574	-.061	.108	-.275	.154

	variances assumed									
	Equal variances not assumed			-.565	83.000	.574	-.061	.108	-.275	.154
<b>V2</b>	Equal variances assumed	.012	.911	.052	83	.959	.007	.129	-.249	.263
	Equal variances not assumed			.052	82.909	.959	.007	.129	-.249	.263
<b>V3</b>	Equal variances assumed	.106	.745	.549	83	.584	.077	.140	-.202	.356
	Equal variances not assumed			.549	82.980	.584	.077	.140	-.202	.356
<b>V4</b>	Equal variances assumed	1.189	.279	-1.801	83	.075	-.208	.115	-.437	.022
	Equal variances not assumed			-1.799	81.689	.076	-.208	.115	-.437	.022
<b>V5</b>	Equal variances assumed	2.556	.114	-.156	83	.876	-.021	.135	-.289	.247
	Equal variances not assumed			-.156	77.771	.877	-.021	.135	-.290	.248
Total	Equal variances assumed	.904	.345	-.464	83	.644	-.2059801	.4435271	-1.0881376	.6761775
	Equal variances not assumed			-.465	82.718	.643	-.2059801	.4430938	-1.0873202	.6753601

**V1: Taste V2: Appearance V3: Freshness V4: Shelf life V5: Cooking time.**

The above figure clearly shows that a big majority of respondents have strongly agreed that there is a significant difference between organic and conventional food products in terms of all the chosen attributes i.e. taste(V1), appearance(V2), freshness(V3), shelf life(V4) and cooking time(V5). The respondents were of a strong opinion that organic food products are much better than conventional ones in terms of all the specified attributes and also the above table clearly depicts that both the genders have strongly agreed that there is a huge variation among organic and conventional food products in terms of the specified attributes and the same is reflected in the values of p. As the value of p is greater than 0.05 in case of each of the specified attributes and also of the total, it can hence be concluded that both genders have unanimously accepted that there is huge difference between organic and conventional food products with regard to taste, appearance, freshness, shelf life and cooking time and that organic products are far better than conventional food products. Hence null hypothesis stands accepted.

**2. Attributes influencing urban consumer purchase decision of organic food products:**

**a. Correlation between defining attributes of organic food products on urban consumer purchase decision:**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988 <sup>a</sup>	.977	.976	.341

Independent Variables : V1: Health V2: Nutrition  
V3: Taste V4: Pesticide free

**b. Influence of each defining attribute of organic food products on urban consumer purchase decision:**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.418	.313		-1.336	.185
V1	1.133	.084	.278	13.503	.000
V2	1.160	.112	.266	10.343	.000

V3	1.467	.117	.334	12.527	.000
V4	1.355	.092	.338	14.675	.000

Dependent Variable: Urban consumer purchase decision.

The researcher has considered four attributes to define organic food products which may exert considerable influence on the urban consumers' purchase decision i.e. nutrition(V1), health(V2), taste(V3) and chemical/pesticide free nature(V4) of organic food products. The value of  $r^2$  from the correlation table proves that 97.8% of the respondents have agreed that their purchase decisions are indeed influenced by the above said defining attributes of organic food products. The values of B from the regression table of the four defining attributes are all positive and are very close to one another. This proves that there is a positive influence of all the defining attributes (independent variables: nutrition, health, taste and chemical/pesticide free nature) on the purchase decision (dependent variable) of urban consumers and that each attribute has more or less similar influence. Hence null hypothesis stands rejected.

#### **FINDINGS:**

1. The respondents have noticed a difference among organic and conventional food products in terms of taste, freshness, shelf life and cooking time. However 35.3% of the respondents could not make out the difference in terms of appearance, between the two.
2. It is found that both male and female respondents are of the same opinion that there is considerable difference among organic and conventional food products, with a strong positive perception towards organic food products.
3. It is observed that the urban consumers' decision to purchase organic food is influenced by all the defining attributes considered like nutrition, health, taste and chemical/fertilizer free nature of organic food, in more or less the same manner ( independent variable values: Nutrition(1.133), Health(1.160), Taste(1.467) and Pesticide free nature(1.355)) with taste being slightly more influential attribute.

#### **VI. Suggestions**

1. Since the urban consumers have identified a remarkable difference between organic and conventional food products and have a strong positive perception towards the organic food products, the government, NGOs and private organic food marketers can widely promote this aspect and can contribute to further expansion of organic market which in turn is highly beneficial to farmers, consumers, society and the environment at large.
2. As it is observed from the study that taste is more influential attribute in the purchase decision of urban consumers, organic food can be largely advertised as both 'tasty and healthy' food option among the different segments of consumers like children, youngsters and old age people.

#### **VII. Conclusion**

As the major stake holders to agriculture have soon identified the negativity of green revolution and conventional farming practices, organic farming has once again started gaining its past glory and the ever increasing worldwide organic market is a proof of it. In this context the current research is taken up to study the urban consumer perception towards organic food products in Vijayawada city of India. The study revealed that the urban consumers observed differences between organic and conventional food products in terms of taste, appearance, freshness, shelf life and cooking time. It is also concluded that attributes of organic food products like nutrition, taste, and health and chemical/pesticide free nature are all influential on the urban consumer decision to purchase organic food products.

#### **References**

- [1]. Axel Mie, Helle Ravn Anderson, Stefn Gunnars son, Johannes Kahl, Emmanuelle Kesse – Gujot, Eva Rembialkowska, Gianluca Quaglio & Philippe Grandjean, 'Human Health Implications of organic Food and Organic Agriculture': a comprehensive review, Environmental Health, Oct, Vol.16,2017;
- [2]. Bedanga Bordoloi, The future lies in Organic Farming, The Hindu: Business line, Oct 9, 2016
- [3]. Argade S. Dadabhav, Gopal Sankhal, Wadkar S. Kiran, Farmers' Perception towards Integrated Farming in Maharashtra: A Methodological Approach, International Journal of Agricultural Extension, Vol. 3, No. 1, 2015, ISSN: 2311-8547
- [4]. Joanna Henryks, Ray Cooksey & Vic Wright, Organic Food at the Point of Purchase: Understanding Inconsistency in Consumer Choice Patterns, Journal of Food Products Marketing, Vol.20, pp.452-475, 2014.
- [5]. Weng Marc Lim, Juliette Li Shuang Yong & Kherina Suryadi, Consumers' Perceived Value and Willingness to Purchase Organic Food, Journal of Global Marketing, Vol.27, pp.298-307, 2014.
- [6]. Alena Lappo, Trond Bjørndal, Jose Fernandez – Polanco, Audon Lem, 'Consumer Trends and Preferences in the demand for food', Institute for Research in Economics and Business Administration, Bergen, Norway, Dec. 2013, ISSN 1503-2140
- [7]. Giovanni Pino, Alessandro M. Peluso, Gianluigi Guido, 'Determinants of Regular and Occasional Consumers' Intentions to Buy Organic Food', The Journal of Consumer Affairs, Vol. 46, Issue 1, pp 157-169, 2012.

- [8]. Muriel C.D. Verain, Jos Bartels, Hans Dgeros, Siet J. Sijtsema, Marleen C. Onwezen, Gerrit Antonides, 'Segments of sustainable food consumers – a literature review', *International Journal of Consumer Studies*, Vol. 36, Issue 2, pp.123-132, 2012.
- [9]. Inder Pal Singh and D.F. Grover, 'Economic of Viability of Organic Farming: An Empirical Experience of Wheat Cultivation in Punjab', *Agricultural Economics Research Review*, Vol. 24, pp. 275-281, 2011.
- [10]. Elena Horska, Johan Urgeova, Renata Prokeinova, 'Consumers' food choice and quality perception: Comparative analysis of selected Central European Countries', *Agriculture Economics – Czech*, Vol. 57, pp. 493-499, 2011
- [11]. P.K. Shetty, M. Murugan, M.B. Hiremath & K.G.Sreejal, 'Farmers' Education and Perception on Pesticide use and Crop Economics in Indian Agriculture', *Journal of Experimental Sciences*, Vol. 1, No.1, 2010.
- [12]. David Pearson & Joanna Henryks, *Marketing Organic Products: Exploring Some of the Pervasive Issues*, *Journal of Food Products Marketing*, VOL.14, pp.95-108, 2008.
- [13]. Emmanuel K Yiridoe, Samuel Bonti-Ankomah and Raiph C.Martin, *Comparison of consumer perceptions and preference toward organic versus conventionally produced foods: A review and update of the literature*, 2005.
- [14]. Woese, K, Lange, D, Boess, C. and Bogl, K.W. A comparison of organically and conventionally grown foods—results of a review of the relevant literature. *Journal of Science Food and Agriculture*, Vol.74, pp. 281–293, 1997.

IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with SI. No. 4481, Journal no. 46879.

M. Shireesha "A Study on Urban Consumer Perception towards Organic Food Products." *IOSR Journal of Business and Management (IOSR-JBM)* 20.6 (2018): 18-23.