



## A Study on Consumer's Perception Towards Organic Food Products with Reference to Erode District

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### ABSTRACT

*Food is essential for every living being. On the other hand the food we eat is completely adulterated and contaminated because of chemical is used for the fruits to make it as fresh and for the growth adulterated and contaminated. By using chemical fertilizer environment face harmful effects that made more worries when the environmentalists begin. The consumers are getting conscious and selective about edible products. By increasing awareness consumer taste and preference can be changed based on domestic as well as global rise in demand for organic products. Awareness and knowledge play the important role for changing the attitude and behaviour of consumers towards organic foods that led to growth of organic products in the market. This study help to information about consumer awareness, perception towards organic food product consumption and how socio-economic variables relate to consumer decision-making concerning the purchase of organic foods.*

**KEYWORDS : Buying Behaviour, Organic food, Agriculture, Awareness and Knowledge**

### INTRODUCTION

When compare to past organic product consumption is raised for now-a-days and media attention is turn towards organic product. The organic food industry is also increased. Over the past several years, the organic food industry in India has been experiencing an annual growth between 20-22 per cent. There are 15,000 certified organic farms in India and also organic farms are increasing in number. Small farmers also growing organic food by using the organic practices. According to the Indian Competence Centre for Organic Agriculture, the global market for organically produced foods is \$26 billion and is estimated to increase to \$102 billion by 2020. In future the organic formation will increase to large extent based on consumer needs. Thus, a consumer-oriented approach to understanding holistic and green marketing is important not only in its own right, but also in terms of response to shifting market dynamics. The Purchase of organic product is increase and also the number of people is willing to eat organic food. Thus help to growth of organic products in market. In future organic agriculture will increase to large extension, approach and motivation factor towards the organic product also increase. With increase in the environmental awareness that effect on the consumer behaviour and green product expanding at a remarkable rate. Therefore, in the past decades there have been an increased of production and consumption of organically-produced products which is seen as having less impact to the environment. Although the demand for organic food is still floating, but markets growth rates is slow down to below 10 percent for last few years. In order to increase the trade in Indian agriculture products and capture significant share in global market, this indicate that India focuses on organic products which give it competitive edge in global market, namely organic cotton, spices, essential oils, medicinal and aromatic plants and fresh fruits and vegetables. Consumers believe that the it is a good thing to buy organic products by the people who are important to them, people who are close to them.

### LITERATURE REVIEW

In 2009 global organic food market was increased by 9.7% to reach \$6 billion peoples. From 2009 to 2014 global organic food market has increased 60.7%, thus the global organic food market is forecast to have a value of \$96.5 billion. The fruit and vegetables segment generated 31.5% of the global organic food market' overall revenues. Around 70% of organic agriculture products are produced in India and export to other countries. When compare to inorganic product the price of organic product would be 20-30 per cent higher in the world market. According to the Indian Competence Centre for Organic Agriculture, the global market for organically produced foods is \$26 billion and is estimated to increase to \$102 billion by 2020. In 10<sup>th</sup> Five Year Plan (2002-07), the government contributed Rs. 100 crores for the development of sustainable agriculture in the country, but the main source

for this plan have benefited exports, from the establishing of national organic standards under NPOP (National Programme for Organic Production), putting in place a system of certification for products, and establishing APEDA (Agricultural and Processed Food Export Development Authority) as the nodal agency to promote exports opportunities. Gender and size also the factor to awareness and purchase of organic food product. Budi Suprpto and Tony Wijaya (2012) has found that that healthy consumption life style are a good predictor for attitude toward organic food, meanwhile attitude toward organic food directly influence to purchase intention toward organic food. Victoria Kulikovski and Manjola Agolli (2010) found that organic food is often related to specific lifestyles that include healthy eating, vegetarianism, alternative medicine, religious or societal considerations etc. Gracia and Magistris, 2007; Santucci, 1999 found consumers with high income often buy organic food to reflect on their awareness and status. Education is described by various researches as an important factor of awareness and purchase motive of organic food (Idda et al., 2008; Gracia and Magistris, 2007; Santucci, 1999). Consumers with higher education are more likely to buy organic food products (Gracia and Magistris, 2007). Gender and size of family are also critical to awareness and purchase of organic food. It is women who buy organic food in larger quantity and more frequently than men (Arvanitoyannis and Krystallis, 2004). Households with smaller family size are found to more aware of organic food and showing attitude of willingness to pay for organic purchase (Idda et al., 2008). Presence of children in family positively influences the organic food purchase (Solar and Sanchez, 2002; Thompson and Kidwell, 1998).

### RESEARCH OBJECTIVES

1. To analyze about consumers' knowledge towards organic products.
2. To find the relationship between customers purchase decision making about organic food and socio-economic factors

### RESEARCH METHODOLOGY

The study was based on primary survey of 100 respondents belonging to Erode district, using a structured questionnaire. The questionnaire was designed to record the responses on organic food awareness, attitude and behaviours towards organic food and effectiveness of sources for organic information. The socio-economic profiles of the respondents were also recorded on the parameters such as gender, age, education level, occupation and household income. Simple random sampling technique was used.

**Table-1-Type of organic food purchased by the customer**

		Frequency	percentage	Valid percentage	Cumulative percentage

Valid	Gram Varieties	25	25.0	25.0	25.0
	Fruits	11	11.0	11.0	36.0
	Vegetables	42	42.0	42.0	78.0
	Others	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

Table-1 shows the types of organic food purchased by the customers are processed foods Gram Varieties 25%, Fruits 11%, Vegetables 42%, and other of 22%.

**Table-2 Influential Factor that motivate to buy organic food product**

		Frequen- cy	percent- age	Valid percent- age	Cumu- lative percent- age
Valid	Own Decision	20	20.0	20.0	20.0
	Friends & Relatives	22	22.0	22.0	42.0
	Family members	48	48.0	48.0	90.0
	Organic Shop	06	6.0	6.0	96.0
	Other	04	4.0	4.0	100.0
	Total	100	100.00	100.00	

Table-2 shows the different factors that motivate to buy organic food are own decision 20%, Friends & Relative 22%, Family members 48%, organic shop 6% and other 4%.

**Table-3 View about organic food**

		Frequen- cy	percent- age	Valid percent- age	Cumu- lative percent- age
Valid	Pesticide free	30	30.0	30.0	30.00
	Ecofriendly	31	31.0	31.0	61.00
	Energy Efficient	04	4.0	4.0	65.00
	Long Lasting	10	10.0	10.0	75.00
	Reduce diseases	25	25.0	25.0	100.00
	Total	100	100.00	100.00	

30% respondents have given the opinion organic food are pesticide free, Eco friendly 31% , Energy efficient 4%, Long Lasting 10% and Reduce diseases 25%.

**Multiple Regression Analysis**

The regression is a statistical relationship between two or more variables. When there are two or more independent variables, the analysis that describes such relationship is the multiple regressions. This analysis is adopted where there is one dependent variable that is

presumed to be a function of two or more independent variables. The linear multiple regression problem is to estimate coefficients  $\beta_1, \beta_2, \dots, \beta_j$  and  $\beta_0$  such that the expression,  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_j X_j$  provides a good estimate of an individual Y score based on the X scores

Where,

Y = Level of satisfaction perceived by the consumers regarding Organic Food

X1 = Age

X2 = Occupation of Respondents

X3 = Educational Qualification

X4 = Monthly Income

X5 = Family Size

and  $\beta_0 + \beta_1 + \beta_2 + \dots + \beta_j$  are the parameters to be estimated. In order to measure the interdependence of independent factors and their purchase decision making towards organic food, the results were subjected to multiple regression analysis. The multiple linear regression

co-efficient (dependent variable) is found to be statistically a good fit as R2 is 0.809. It shows that independent variables contributes about 80.9 per cent of the variation in the purchase decision making process found by the selected sample respondents and this is statistically significant at 5% level .

It was evident from the multi-regression analysis that out of factors, the factors: age, monthly incomes, Family size, Occupation are significant at 5% level while factor educational qualification is not significant.

**Table-4 Coefficients (a)**

Mod- el	Variables	Unstandardized Coefficient		Standard Coefficient	t	Sig.
		B	Std. error			
1	Constant	.627	.181		3.577	.835
2	Age	.896	.022	.894	43.478	.000
3	Family Size	.074	.024	.140	3.124	.000
4	Educa- tional Qualifica- tion	.093	.049	.095	1.878	.129
5	Occupation	-.406	.106	-.128	-2.882	.000
6	Income	.081	.033	.109	2.436	.002
R-Val- ue	R2- Value	Degree of Free- dom V1	Degree of Free- dom V2	F Value	Signifi- cance	
.896	.809	12	487	165.95	.000	

**V. CONCLUSION**

From the analysis, it is incidental that socioeconomic variables are associated with consumer positive attitude towards organic foods. Family, self-decision and friends play a vital role in the purchase decision making process of organic foods. The factors ecofriendly and pesticides free factor have a great impact on the decision making process. Some of the consumers are not still aware about the organic food which those sections are yet to derive the benefits of organic food consumption. Consumer attitudes towards different organic food products attribute i.e. health, safety, etc. and towards the environments are the most important factors that explain consumers' intention to purchase organic food products.

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