A STUDY ON CUSTOMER PREFERENCE TOWARDS ORGANIC FOOD PRODUCTS IN CHENNAI

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ABSTRACT

Changing food consumptions patterns of consumers seems to be one of the big threats for leading healthy life. Usage of chemicals and fertilizers ruins the environment and human being 's health. As a result of organic agriculture started booming up in many countries in the world. Now consumers started using organic food as their daily intake. Hence, this research focuses on Consumer Preference towards organic food products in Chennai. The main objective of the study is to analyze the factors influencing consumer behaviour towards organic food products and to identify the problems while using the organic food products. The study mainly based on primary and secondary data. This research is descriptive in nature. Stratified simple random sampling technique has been used and 150 respondents were surveyed by using a well-structured questionnaire. The important finding of the study is the factors influencing consumer preference on organic food products, "Contain good Nutrition" with the average mean score of 95.78 contributed 1st rank, "Products are Healthy" with the average mean score of 92.42 contributed 2nd rank.

***Key Words:** Consumer Preference, Organic Food Products and Consumer Attitude*

1. INTRODUCTION:

There is a rapid change in the pattern of food consumption among people across the global due to an increase in health issues, environmental protection and high awareness about the pesticides used in the food production. Consumers' preferences have probably changed over time. Now-a-days consumers are more concerned about the food they take and wish to have more nutritious food which is produced without any chemicals. It cause severe health damages to human being starting from a small head ache to the brutal diseases like cancer and it also exploits the agricultural land and the natural environment. 'Health benefits' was the first and primary reason for purchasing organic food. As a result of this consumers started looking for organic foods in the recent past. Since it holds nutrition and contains high levels of minerals, vitamins, antioxidants, and less saturated fat. This led the consumers to buy organic food and later the demand started increasing.

2. ORGANIC FOOD

Organic foods are minimally processed to maintain the integrity of the food without artificial ingredients, preservatives, or irradiation. Organic products are obtained by processes friendly to the environment, by cultivation techniques that consider both the attributes of the final product and the production methods.

3. STATEMENT OF THE PROBLEM

Today's scenario many of the peoples are consuming organic food products. Due to increasing health issues, increasing diseases among people due to consumption of food products which were grown with the help of harmful synthetic pesticides and fertilizers. Consumers are well known about that organic food products bring benefit in terms of refreshing the human health and provide energy to the user. So this aroused a awareness and importance of naturally produced products among consumer. There is shift from the consumption of food products grown with the help of pesticides and synthetic fertilizers to the organic products which were grown naturally without use of synthetic fertilizers and pesticides so on. So, this gave rise to new emerging sector worldwide and in India as well. Thus, this research is conducted in Chennai to analyse the consumers' preference towards organic food products.

4. OBJECTIVES

The important objectives of the study are,

1. To analyze the factors influencing consumer purchase towards organic food products.

2. To understand the consumer 's perception and attitude towards organic food products.

3. To identify the problems faced by the consumers in buying organic food products.

5. METHODOLOGY

This research is descriptive and survey method is used for this study to analyze the consumer preference towards organic food products. Both primary and secondary data used for this study. Primary data was collected through a structured questionnaire. Secondary data has been obtained from journals, websites, and books. 150 sample respondents were approached for the study and collected through stratified simple random sampling technique.

6. DATA ANALYSIS

6.1 Factors Influencing Consumer Preference on Organic Food Products

Garrett ranking technique is used to rank the factors influencing a consumer preference on organic food products. For this study the researcher identified 11 factors and asked the consumers to rank the factors in the order of influence to buying the organic food products. It is presented in the table.1

Table.1

Factors Influencing Consumer Preference on Organic Food Products (Garrett Ranking)

SL. No	Factors	Mean score	Average	Rank
1	Contain good Nutrition	9578	95.78	I
2	Products are Healthy	9242	92.42	II
3	Products Quality	8761	87.61	III
4	Environmentally Friendly	8577	85.77	IV
5	Worthiness	8438	84.38	V
6	Taste of the Goods	8251	82.51	VI
7	Freshness	8022	80.22	VII
8	Product Availability	7942	79.42	VIII
9	Varieties of Products	7761	77.61	IX
10	Premium Price	7543	75.43	X
11	Better Service	6938	69.38	XI

Source: Computed data

The table.1 reveals that the factors influencing consumer preference on organic food products, "Contain good Nutrition" with the average mean score of 95.78 contributed 1st rank, "Products are Healthy" with the average mean score of 92.42 contributed 2nd rank, "Products Quality" with the average mean score of 87.61 contributed 3rd rank, "Environmental Friendly" with the average mean score of 85.77 contributed 4th rank, "Worthiness" with the average mean score of 84.38 contributed 5th rank, "Taste of the Goods" with the average mean score of 82.51 contributed 6th rank, "Freshness" with the average mean score of 80.22 contributed 7th rank, "Product Availability" with the average

mean score of 79.42 contributed 8th rank, "Varieties of Products" with the average mean score of 77.61 contributed 9th rank, "Premium Price" with the average mean score of 75.43 contributed 10th rank and "Better Service" with the average mean score of 69.38 contributed 11th rank.

6.2 Consumer Perception towards Organic Food Products

Factor analysis is used to analyses the consumer perception towards organic food products. The 15 factors identified namely F1, F2…..F15 are given in the table below.

Table.2

Rotated factor loadings on Consumer Perception towards Organic Food Products

Factors	Perception	Factors			
		F1	F2	F3	h2
Beliefs and Attitude	Eco-friendly	.511	.142	-.023	0.712
	Maintain Good Health	.666	.038	.041	0.656
	Germfree Products	.719	.196	-.074	0.658
	Effective	.724	.334	.027	0.666
	Safe and Nutritious	.779	.119	-.059	0.736
	No Side Effects	.805	.003	-.015	0.693
Purchase Intention	Positive approach	-.069	.549	-.237	0.662
	Trust worthy to buy	-.101	.693	.127	0.489
	Confidence	-.056	.729	.044	0.695
	Safe and Convenient	.084	.790	-.081	0.527
	Balance Nutrition	.155	.828	.018	0.659
Important Attributes to purchase	Natural flavours	.014	-.035	.558	0.682
	Monitored by the Government	-.120	.245	.627	0.685
	Attract more New Consumers	-.256	.192	.649	0.673
	Organic label provides Assurance	.120	-.256	.774	0.798
	Eigen value	3.427	3.298	2.342	
	Variance	21.655	20.873	15.429	
	Cumulative Variance	21.655	42.528	57.957	

Source: Computed data

The suitability of the data for factor analysis was analyzed through Kaiser-Mayer-Olkin measure of adequacy and Bartlett's of sphericity tests. The findings of the test are

Table.3

KMO and Bartlett's Test

Kaiser-Mayer-Olkin measure of Sampling adequacy		0.743
Bartlett's of Sphericity		
	Approx. Chi-square	1153.573
	df	138
	Sig	0.000

Source: Computed data

The table.3 shows that Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's test of sphericity have been applied to the resulting correlation matrix to test whether the relationship among the variables has been significant or not as shown in the table. Thus, the result of test shows that the significant value is .000 and there is a significant relationship among the variables chosen. KMO test has yielded a result of .743 which states that factor analysis can be carried out appropriately for these variables that are taken for the study.

Factor Analysis

The table.2 reveals that the principal component analysis and rotated factor loading method is used for perception towards organic food products. From the table, it is observed that out of 15 factors, 3 factors are identified by the rotation method. This means that the fifteen factors can be reduced into three variables namely F_1, F_2 and F_3. The variables fall under each category of factor in a way closely related to one another. The different factors so categorized are F_1 – Beliefs and Attitude, F_2 – Purchase Intention and F_3 – Important attributes to purchase.

The F_1 factor, 'Beliefs and Attitude' includes the variables namely Eco-friendly, Maintain Good Health, Germfree Products, Effective, Safe and Nutritious and No Side Effects. These six variables have a higher factor loading in the rotated test component matrix. Beliefs and Attitude is the first factor which explains a higher variation of 21.655 per cent in the total variable set.

The second factor 'Purchase Intention' factor represents Positive approach, Trustworthy to buy, Confidence, Safe and Convenient and Balance Nutrition. The Purchase Intention factor has the next higher factor loading in the rotated component matrix. The Purchase Intention factor explains a variation of 20.873 per cent in the total variable set.

The third factor 'Important Attributes to purchase' includes the variables namely Natural flavours, monitored by the Government, Attract more New Consumers and Organic label provides Assurance. The Important Attributes to purchase factor also have the next higher factor loading in the rotated component matrix. The Important attribute to purchase explains variation of 15.429 per cent in the total variable set.

The eigen values of the factors indicate the degree of variability of the factor in the total set. The higher eigen value shows the higher intensity of the variable explained in the factor. Analysis of eigen values of different factors reveal the intensity of each factor comprising 15 variables

and consumer perception about organic food products in Chennai. The intensity of influence as evidenced through eigen values of the factors such as Beliefs and Attitude, Purchase Intention and Important attributes to purchase are 3.427, 3.298 and 2.342 respectively. The intensity is higher in respect of Beliefs and Attitude and Purchase Intention factor.

6.3 Problems Faced by the Consumers in Buying Organic Food

Garrett Ranking Technique is used to rank the problem faced by the consumers in buying organic food products. For this the researcher identified 10 factors and asked the customers to rank the factors in the order of problem. It is presented in the table.4

Table.4

Problems by Consumers in buying Organic Food Products

Sl. No	Problem faced by Consumers	Mean Score	Rank
1	Price is higher than non-organic products	75.19	II
2	Limited information about products	60.60	VI
3	No certification of being organic	50.83	IX
4	Taste is not good as compared to non-organic	46.25	X
5	Non availability of organic products	78.62	I
6	Difficult to find (Organic Food Products)	41.01	XI
7	Organic label bias	55.34	VII
8	Availability of less number of organic stores	52.76	VIII
9	Poor Quality	66.39	V
10	Poor Packing	37.62	XII
11	Duplicate products	71.65	III
12	Lack of Market information	69.11	IV

Source: Primary Data

The table.4 indicated that the problems faced by the consumers in buying organic food products, non availability of organic products with the mean score of 78.62 contributed 1st rank, price is higher than non-organic products with the mean score of 75.19 contributed 2nd rank, duplicate products with the mean score of 71.65 contributed 3rd rank, lack of market information with the mean score of 69.11 contributed 4th rank, poor quality with the mean score of 66.39 contributed 5th rank, limited information about products with the mean score of 60.60 contributed 6th rank, organic label bias with the mean score of 55.34 contributed

7th rank, availability of less number of organic stores with the mean score of 52.76 contributed 8th rank, no certification of being organic with mean score of 50.83 contributed 9th rank, taste is not good as compared to non-organic with the mean score of 46.25 contributed 10th rank, difficult to find (Organic Food Products) with the mean score of 41.01 contributed 11th rank and poor packing with the mean score of 37.62 contributed 12th rank.

7. FINDINGS

The important findings are given below,

❖ The study express that the factors influencing consumer preference on organic food products, "Contain good Nutrition" with the average mean score of 95.78 contributed 1st rank, "Products are Healthy" with the average mean score of 92.42 contributed 2nd rank.

❖ The study reveals that the principal component analysis and rotated factor loading method is used for perception towards organic food products, out of 15 factors, 3 factors are identified by the rotation method. This means that the fifteen factors can be reduced into three variables namely F_1, F_2 and F_3 .The variables fall under each category of factor in a way closely related to one another. The different factors so categorized are F_1 – Beliefs and Attitude, F_2 – Purchase Intention and F_3 – Important attributes to purchase.

❖ The study express that the problems faced by the consumers in buying organic food products, non availability of organic products with the mean score of 78.62 contributed 1st rank, price is higher than non-organic products with the mean score of 75.19 contributed 2nd rank and poor packing with the mean score of 37.62 contributed 12th rank.

SUGGESTIONS

❖ The price of organic food products is very high. So, the expectation of consumers is that price should be reduced to medial and low-class people.

❖ The range of organic food products is very low. Therefore, the range of organic food items should be increased.

❖ Number of retail outlets for organic food products is very low. So, the organic food producers' steps to open number of new retail outlets it will be convenient for consumers to buy them.

❖ The organic food producers and marketers may introduce some special offers to attract the new consumers and introduce comfortable shops and packages to cover all consumers in the study area.

❖ Government can increase the trend for consumption of organic food by increasing public awareness through various programs and advertisements in TV and other channels and further come forward to provide various loans and subsidy for organic producers.

CONCLUSION:

Consumer preference plays a major role in organic food products segment. The marketers of organic foods need to be innovative and dynamic in order to complete with the changing purchase behaviour in the organic food products market among urban residents. The importance of organic food products was ignored for quite a long period. As results of environmental sustainability, importance is shifted towards organic food products rather than conventional farming. It is concluded that health is an important reason for buying organic food. Indian consumers are aware of various organic food, and they perceive that it is too expensive comparing with the conventional products. The study expresses that the factors influencing consumer preference on organic food products, "Contain good Nutrition" with the average mean score of 95.78 contributed 1st rank, "Products are Healthy" with the average mean score of 92.42 contributed 2nd rank. So, the government can increase the trend for consumption of organic food by increasing public awareness through various programs and advertisements in TV and other channels and further come forward to provide various loans and subsidy for organic producers.

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