

A STUDY ON CONSUMER'S PREFERENCE AND PERCEPTION TOWARDS ORGANIC FOOD PRODUCTS

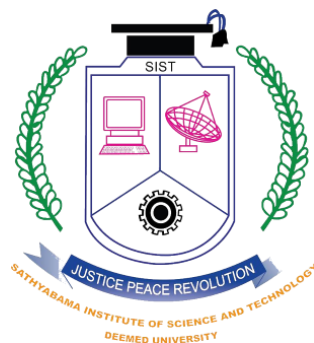
Submitted for partial fulfillment of the requirement for the reward of

Bachelor of commerce

By

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Bachelor of commerce

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE

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MAY 2022



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BONAFIDE CERTIFICATE

This is to certify that this project report is the bonafide work of **PRIYANKA.V(39740181)** who has done the project work entitled **A STUDY ON CONSUMER'S PREFERENCE AND PERCEPTIONS TOWARDS ORGANIC FOOD PRODUCTS** under my supervision from December 2021 to may 2022.

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I **PRIYANKA.V (39740181)** , Hereby declare that the project report entitled “**A STUDY ON CONSUMER’S PREFERENCE AND PERCEPTION TOWARDS ORGANIC FOOD PRODUCTS**” done by me under the guidance of Dr.S. UMAMAHESHWARI professor , school of management studies is submitted in partial fulfillment of the requirements for the award of Bachelor Of Commerce degree.

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ABSTRACT

Organic food production is a quickly growing sector with an increase of approximately 250% in 10 years. There is no use of synthetic fertilizers and pesticides in organic farming; instead, only natural fertilizers and biological pest control are used. According to the recent big meta-analysis, organic food contains significantly lower levels of contaminants and higher levels of antioxidants than conventional food. Preliminary studies indicate that organically eating consumers better evaluate their health status than the conventional ones.

Background: The high growth of population and life expectancies during the recent years increased demand for food supplies in India. To meet this, the green revolution became the corner stone of agricultural achievement. Overexploitation of natural and non-renewable resources has impaired ecological balance and has put the health of the consumers in jeopardy. Therefore it is inevitable to resort to organic food products. The aim of the study was to assess the awareness of organic food products among the consumers in Tamil Nadu.

Methods: A cross sectional questionnaire based study was conducted among rural, semi-urban, urban residents

Keywords: Organic food, Consumer awareness, Consumer behavior.

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CHAPTER- 1

1.1 INTRODUCTION

1.2 .Agriculture is practiced since ancient times. Intervention of machinery, scientific methods, weather predictions have revolutionized the field of agriculture, while variety of chemical fertilizers and pesticides have increased yield without any concern of environmental measures for economic reasons. Modern man has contaminated soil and the atmosphere, leads to pollution that is destroying our planet. The current fad for organic food is more than just hype. Today it is a common practice for farmers to liberally make use of pesticide spray or fertilizers in order to improve the crop yields

. A group of people, who felt strongly about the long term effects of these tampered food, started to grow and lead to what is called organic food. The term organic farming was coined by Lord Northbourne He described a holistic, ecologically balanced approach to farming. When crops are grown without the use of conventional pesticides, sewage sludge or unnatural fertilizers and processed without the use of Bionizing radiation or the addition of food additives, they However the practice of organic farming has been prevalent from time agriculture was first conceived. It natural way of growing crops started becoming unpopular and economically less feasible. More crop yield meant higher profits to the farmer and better utilization of the land.

Organic food farming continued in small family run. Large scale organic farming was begun by farmers and scientist, as a mark of protest to the agricultural industrialization. Now organic food is widely available and has become very popular with soaring sales. Organic food promotes no artificial preservatives and best maintain the originality of food. This prevents excess use of harmful ingredients and thereby ensures health. This study attempted to gain knowledge about consumer attitude towards organic food product consumption and to see whether there is any potential this might have for changing their behaviour..

1.3 INDUSTRY PROFILE

. The India organic food market stood at a value of USD 849.5 million in 2020. The market is further expected to grow at a CAGR of about 20.5% in the forecast period of 2021 and 2026 to reach a value of about USD 2601 million by 2026

The organic food industry started to boom a decade ago and there has been no looking back ever since then. Rising consciousness amongst people about the side effects of artificial chemicals in food production has further boosted the growth of organic food in recent years. Given the kind of innovation coupled with this rising demand, organic food industry is yet to witness a full-fledged evolution. But one can safely assume that the organic food sector is here to stay.

Growth in e-commerce has acted like a catalyst for the industry to reach out to consumers, and the numbers are only showing an upward trend since 2013. Here are some probable reason why the organic food industry is expected to see an accelerated demand in years to come.

- 1. Digital Literacy and E-commerce facilitation**
- 2. Insignificant price difference**
- 3. Indian government supporting organic food industry**
- 4. Increase in export**

1.4 Origin and Evolution of Organic Food

Transformation of human life from a hunter-gatherer to a farmer the food system is continuously evolving. With the time new inventions are taking place in different fields that leads to tremendous development in agriculture. The increase in population and advent of industrialization motivate researchers to introduce chemicals as fertilizers in agriculture for mass production (Alvares, 2009). Hence, to understand the philosophy of organic food, it needs to understand the origin of organic agriculture at first.

1.4.1 World Perspective

After second world war, armament companies started producing synthetic fertilizer and looking for new market in agricultural field. A rampant use of chemicals in agriculture as manure took place during industrial revolution (Ikerd, 2008). At the dawn of 20th century the concept of green revolution came into existence. On one side inception of green revolution provided mass production for increasing population and on other side it had great benefits for western firms in agribusiness. This era of agriculture called as third world agriculture market with continuously use of chemicals and commercialization of farming (Grigg, 1989). Slowly farmers were shifted from traditional farm practice to chemical based farm practices. Farmers were more depended on external farm inputs which increased the cost of production but there was no increase in farmers' income and it lead to increase the financial burden on farmers, and therefore, reducing this burden several farmers shifted from food to cash crop farming (Ikerd, 2008; Gliessman, Engles & Krieger, 1998). This situation created scarcity and insecurity of food among farmers which forced them to use synthetic fertilizers in farms to increase the food production. The continuous use of chemical in fields lead to many pertinent problems like soil erosion, soil degradation, low quality food, decline of crop variety, and decline in livestock feeds (Conford & Dimbleby, 2001). Chemical farming not only creates problem in soil fertility but also create health issue regarding famers' family and livestock (Lockeretz & Madden, 1987). An idea of alternative farming came into existence and known as organic

farming. Shi-ming and Sauerborn (2006) divided organic food journey into three phases namely origin, growth, and development stage of organic agriculture practices. First is origin stage from 1920 to 1960. The new idea and concept has been developed by researchers for improving the condition of agriculture during 1920s by reviewing the problems created by chemical based farming in Europe and United States. Concept of organic farming was critical response to chemical agriculture on other hand its principles believed that nation depend on the health of their people and health of people depend on agriculture and agriculture development rely on soil fertility (Kuepper, 2010). Researchers and scientists use biological components of soil to improve the fertility that is called "humus". Humus farming practices came into existence and contributed to origin of organic farming (Conford & Dimbleby, 2001; Heckman, 2006). It was a scientific tactics for soil management and used traditional agricultural practices taken from the European and Asian farming models such as applying animal manures, composting, planting perennial forages in rotation with other crops, and adding lime and other natural rock dusts to conserve and rejuvenate the soil. Humus farming is simply worked on "feed the soil" mantra (Kuepper, 2010). In 1942, on the basis of humus farming practices, Rudolf Steiner started biodynamic farming in Austria (Organicnet, 2016; Howard, 1947). In 1939, Walter Ernest Christopher James known by the name of "Lord Northbournem", first time explored the term organic farming in his book "Look to the Land" (1940), out of his idea of "the farm as organism," to describe a holistic, ecologically balanced approach to farming in contrast to what he called chemical farming, which relied on "imported fertility" and "cannot be self-sufficient nor an organic whole" (Scofield, 1986; United States Department of Agriculture National Organic Programme (USDA), 2000). One more pioneer researcher Sir Albert Howard known as "Father of Organic Farming" had close connection with Indian farming when he was in Bengal (India) and took traditional organic agriculture practices from India to western world. He also explored about Indore method of composting in his book "An Agriculture Testament (1943) which was taken from Indian traditional agricultural practices (Wire, 2012; Organicnet, 2016). Later on Balfour and Albert Howard established the British soil association in UK which is working for organic movement now a days (Heaton, 2001) and many more associations was founded like Rodale institute in USA, soil and health

in New Zealand, Humus farming was replaced with organic farming in 1930s (Organic Farming Definition and History, 2012). Second stage is growth stage (1960-1980). Slowly the concept of organic farming move towards western to other part of the world and growth period introduced polarization of farming into non organic and organic farm practices (Heckman, 2006). With the emergence of environmental concern among people, two biggest movements had substantial impact on growth of organic farming worldwide. First was in USA counterculture movement (1960-70) which provided strong visibility and support to organic farming at local and national front through politically and socially support (Haedicke, 2012). Second biggest event was Silent Spring (1994) started by Rachel Carson. This movement highlighted the harmful impact of synthetic fertilizers, pesticides (DDT- Dichloro-diphenyl-trichloroethane) on environment. Destructive impact on eco system raised questions before the chemical or industrial farming. Silent spring was the biggest environmental revolution to protect eco-system for present and future generation (Beyl, 1992). The impact of this movement forced counties to ban DDT (Dichloro-diphenyl-trichloroethane). In search of new market agribusiness firms started exporting DDT to developing countries (Lallanilla, 2016; Narayanan & Narayanan, 2005). Ideologies like organic farming, zero negligence, protecting eco system & resources and ensuring food safety was a little step towards sustainable agriculture practices like biodynamic, organic and ecological methods of farming (Kilcher, 2007; Niggli et al., 2009). Many social movements and social activists raised concerns and spread awareness regarding environmental protection later on, thus organic farming practices attained political and social acceptance. Socio-ecological revolution transformed the attitude of farmers towards eco-friendly farming that contributed to changing and shaping the era of organic farming (Willer & Zerger, 1999). In 1972, International Federation of Organic Agriculture Movements (IFOAM) was founded by a farmers' group in Versailles (France) to support and promote organic farming across the world (Niggli & Lockeretz, 1996; Niggli, 1999). It is non-governmental international organic farming standards setting body accredited by International Organization for Standardization (ISO). In industrial chemical market, a concept of certification was introduced to maintain the status of organic products in the eyes of consumers.

1.4.2 Indian Perspective

Organic agriculture is not a new phenomenon for India. Organic farming has been practiced since ancient times by the great Indian civilization. India was thriving until the British invaded and ruled it. Entire traditional Indian agriculture system used organic farming techniques. Agriculture system was the backbone of Indian economy and using domestic animal such as cows and buffalos in agriculture for bullocks and their dung and plant waste as a manure or fertilizer to improve the fertility of soil ("Organic farming in India", n.d). After independence, a drastic increase in population along with many natural calamities moved nation to the situation of food scarcity. So, the government needed to import food from other countries. As a result, central government forced to introduce the concept of green revolution in 1960s under the supervision of Dr. M. S. Swaminathan. This was the historical decision taken by government to introduced hybrid seeds in agriculture system to increase the food production for millions of poor people (Chakravarti, 1973; Fujita, 2009). Chemical fertilizers replaced organic and natural manure and government established Rashtriya Chemical Fertilizers in 1978. Rampant used of synthetic fertilizers increased the production of food and reduced import every passing year (Singh, 1972). On one side green revolution made surplus the food grains and became India exporter of food grains but on other side it shown harmful effects on atmosphere such as soil losing it fertility, contaminated ground water, increasing in nitrous oxide emission. Farmers required large quantity, stronger and costlier fertilizers for their field which badly effect environment and human health (Naithani, 2010; Lee, 2017). During 1970-80 chemical farming changes the agricultural system, and rural farmers depend on money lenders for costlier fertilizers. The regular exploitation of farmers to use chemical fertilizers forced farmers to commit suicide then practitioners and farmer looked for alternatives and take decision to shift back to organic farming (Rao, Venkateswarlu, Surender, Eddleston & Buckley, 2005; Sebby, 2010). In Indian history, three main revolutionary movements have changed the face and shape the Indian organic agriculture system after green revolution. First was Chipko Movement in 1973 which was first non violence movements to protect and conserve the tree and forest from industrialists. This event strongly affects the people and forced to think about environment issues (Shiva & Bandyopadhyay, 1986). The fire of movements reached to

other part of the country and later on one of the activist of Chipko Movement vijay Jardhari from Uttarakhand started new movement with main focus to boycott the use of hybrid seeds and synthetic fertilizers and use traditional seeds and organic manure in farmland this movement is called “Beej Bachavo Andolan”. The group of farmers and activists used to collect traditional seeds from different villages and gave to other farmers (Singh & Jardhari, 2001). This event created awareness among farmers to save environment and adopt organic farming with a slogan “Apni mitti apni khad, Apne beej apna swad Khet hamare beej tumhare; nahin chalega! Nahin chalega” (Our earth, our own manure; our seeds and own taste, ours are the fields, and the seeds are yours; no, this will not work, this will not do). This distinct event worked on protecting, conserving and collecting and distributing traditional seeds support small farmers and a hope of sustainable agriculture system (Singh & Jardhari, 2001; Das, 2011). In 1991, the third movement “Beej Satyagraha Movements” started by Navdhanya was similar as above event aim to save seeds (Virmani & Lepineux, 2015). In the dawn of 20th century commercialization of organic farming has been seen quantum change across the world. Supermarkets and specialized organic store took place instead of local vendors. Many social groups and organic farmers collectively established a formal organization named as Organic Farming Association of India (OFAI) in 2003. Government introduced many promotional schemes and programs to support organic farming. In 2003, National Institute of Organic farming (NIOF) was established in Ghaziabad (Uttar Pradesh) by the government of India. Institutionalization of organic food started along with government and private players funded projects in different parts of the country such as Kerala, Gujarat, Madhya Pradesh, Himachal and Karnataka (Yadav, 2011). Now organic products need certification and standards required to sell in the international market and this was adopted by many western nation. National programme for organic production was put into practice by the Indian government to encourage organic farming. Furthermore, it also engaged with standards and practices of organic production and provides certificates through certification bodies for organic farming. This programme provides support and education to organic farmers and producers on regular intervals (Chakrabarti, 2010; Yadav, 2011). The standards of NPOP are officially recognised by European Union, Switzerland, and United State of Agriculture department

(USDA Organic) for production standards, unprocessed plant products, and for evaluation procedure of certification respectively. Recognition from these accredited bodies facilitates Indian certified organic food products to be easily accepted in the foreign market (APEDA, 2016).

1.5. Definition of Organic food

Nowadays food consumption pattern is changing rapidly because of environmental influence, health issues and people concern about nutritional value of food. Issues such as safety and quality of food attract customers' interest in organic food which is perceived as free from pesticides and chemical residues (Fotopoulos & Krystallis, 2002; Zotos, Ziamou & Tsakiridou, 1999). 'Organic' is a labeling term that denotes products produced under the authority of the Organic Foods Production Act. The principal guidelines for organic production are to use materials and practices that enhance the ecological balance of natural systems and that integrate the parts of the farming system into an ecological whole (Goldman & Clancy, 1991). Various organisation define organic food according to their understanding such as: The Department for Agriculture and Rural Affairs (DEFRA) states that "organic food is the product of a farming system which avoids the use of man-made fertilizers, pesticides, growth regulators and livestock feed additives". The use of genetically modified organisms (GMOs) or products are generally prohibited by organic legislation. Organic food is percive as food without chemicals, pesticided and growth hormones. According to international organic principles, the use of antibiotics and genetically modified organisms are restricted in animal husbandry and only 30 additives/ preservative are acceptable with specific circumstances and also banned artificial colourings, synthetic sweeteners, flavourings, and hydrogenated fats (Soil Association, 2001). Furthermore, In April, 1995 USDA National Organic Standards Board (NOSB) has quoted that "organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain and enhance ecological harmony". When it is discussed about nonvegetarian, organic poultry, eggs, meat and dairy products come from animals that are given no growth hormones or antibiotics. Organic food is grown without the use

of synthetic fertilizers, pesticides and also restricted the use of bioengineering on farms (USDA, 2000).

1.6. Organic Food - A Healthy Aspect

What Pesticides do to one's body is revealed in various studies which link pesticides exposure to cancer, birth defects, stillbirth, infertility, and damage to the brain and nervous system (including Parkinson's disease). Cancer seen in children include: brain cancer, leukemia, non-Hodgkin lymphoma, and soft tissue sarcoma. Similar types of cancer are found in adults, and some more including multiple myeloma, cancer of the pancreas, breast, prostate, kidney/bladder, eye, and colon-rectal cancer. Pesticides can aggravate asthma and allergies (Ali, 2010). Green revolution played significant role in Indian agricultural system but it also shown darken side that rampant use of harmful chemical in field which not only effect the fertility of soil but also badly effect the human health (Prabu, 2009). However, organic farming is using eco friendly techniques and leading towards sustainable agriculture (Kotschi & Muller-Samann, 2004). Organic farming is best alternative idea than conventional (chemical) farming in terms of productivity and sustainability. The use of synthetic fertilizers is restricted in organic farms which improve soil fertility, water cycle (water content and water holding capacity) and biodiversity (Singh, 2004). Moreover, comparative analysis of previous researches explored that organic farming consist 30 percent more variety of species and 50 percent more favourable for insects like bees (Mader, Fliebbach, Dubois, Gunst, Fried & Niggli, 2002). Organic farming also helps to decrease the greenhouse gas emission by improving sequestration of carbon and reducing nitrogen loss in soil through tight nutrient and energy cycle, crop rotation, agro forestry, inclusion of organic manure into soil (Kotschi & Muller-Samann, 2004). Except environmental advantages organic farming suppresses the use of chemical fertilizers. Country like India considered as land of farmer but majority of farmers are small and poor. For more production many of these rely on expensive hybrid seeds and chemical inputs which make them in debt and cause thousand of death and illnesses among Indian farmers every year (Rao et al., 2005; Prabu, 2010). In India, around 2.5 lakh farmers committed suicide in last ten years. Conversely, no use of external inputs and more use of natural manure in organic

farming reduce operational costs. So that organic farming practices is more economical and efficient alternative to conventional farming (Kilcher, 2007; Lukas & Cahn, 2008; Adhavani, 2009).

1.7. International Organic Standards & Certifications

Earlier, the consumers interested in Organic food would look for non-chemically treated, fresh or minimally processed food. They mostly had to buy directly from growers: "Know your farmer, know your food" was the Motto. To be certified, organic products must be grown and manufactured in a manner that adheres to standards set by the country they are sold in: Australia ; Australian Organic Standard and NASAA Organic Standard, Canada ; Canada Gazette, Government of Canada., European Union; EU-Eco-regulation, United Kingdom; Department for Environment, Food and Rural Affairs (DEFRA).,Norway; Debio Organic Certification., Japan; JAS Standards., United States ; National Organic Program (NOP) Standards., India; NPOP,(National Programme for Organic Production) (Eischen, Prasertsri & Sirikeratikul, 2006; Mervin & Karpagam, 2012).

1.8.Global Scenario of Organic Agriculture

At the backdrop of increasing level of awareness and consumption among consumers about organic food and products, the overall production of organic products is also booming up. It is confirmed by several reports that the organic farming and land used for it is increasing year on year at a significant growth rate. Table 1.1 demonstrates that globally 179 countries are engaged with organic activities and have certified organic agricultural farms and whereas 172 countries in previous year. New countries those introduced organic farming are Brunei Darussalam, Cape Verde, Hong Kong, Kuwait, Monaco, Sierra Leone and Somalia. Globally, total organic agriculture area has been increased by almost 15 million hectares to 50.9 million hectares, compared to the data from 2010. Organic agriculture land in 2015 is 6.5 million hectares more than 2014 (Table 1.1). The countries with largest organic agricultural area is Australia (22.7 million hectares) followed by Argentina (3.1 million hectares) and United States (2million hectares). In total, about 1% land of world's total agricultural land is used for the organic

agriculture as compared to 0.9 percent in 2010. Oceania tops the list of highest organic agriculture land with 5.4% of total agriculture land, followed by Europe with 2.5%. Countries having highest share of percentage in world's organic agricultural land are Liechtenstein (30.2%) Austria (21.3 %) Sweden (16.9%)

1.9 Top ten Asian countries with largest Organic Area

Table 1.1 shows that in Asia region, China has the largest organic agricultural area with 1.6 million hectares. It alone covers 59% of organic agricultural land in Asia region. India took second position with (1.1 million hectare) followed by Kazakhstan (0.3 million hectares), Indonesia (0.13 million hectares) and Philippines (0.23 million hectare). China share 0.3 percent of total agriculture land in china, Second, India share 0.3 percent then Kazakhstan (0.1 percent), Indonesia (0.2 percent) and Philippines (0.7 percent). As presented in table 1.4 that the major crop of china is Basmati red rice, organic tea, cereals. These crops are promoted and sale by the major leading organic products brands in china (Heinzy organic, Goodao Organic Farm and many more). Cotton, Cereals, oilseed, sugarcane and basmati rice are the major organic crops growing in India and there are many organic brand working in India but Organic India, 24 Letter Mantra, Morarka Organic and Navdanya are the major players in India. India losing its some organic agricultural land in previous despite of that India has largest number of producers (5,85,200) in the world and producing and exporting large amount of organic food to the rest of the world.

1.10 Top five countries of Asia with largest Organic agricultural land

countries	Organic area	Share of total agriculture land	producers	Major crops	Major brands
China	16, 09,928	0.3%	9,990	Basmati rice, red Tea, cereals	Heinzy Organic, Goodao organic farm
India	11, 80,000	0.7%	5,85,200	Cotton, cereals Oilseed, Sugarcane, Basmati rice	Organic India, Navdanya, 24letter Mantra, Morarka Organic
Kazakhstan	3, 03,381	0.1%	29	Cereals, oilseed, Meat, watermelons.	Tasty Organic, simply organic
Philippines	2, 34,642	1.9%	1,65,958	Fruits (Banana), coffee, sugarcane, Coconut Oil.	Native organic , Earth's best organic
Indonesia	1,30,384	0.2 %	5,789	Cocoa beans, coffee, Tea, vegetable	Organic Sumatra, Vermont organic , horizon organic

Table 1.1

1.11. NEED FOR THE STUDY

From the literature reviewed it is found that most of the studies focused on the impact of demographic and social factors on the consumption behaviour and only few studies answers the question that why they are not willing to pay more even though they had knowledge regarding the benefits organic food. Hence, the current study on —A study on Consumer Behaviour towards Organic Food products was undertaken to gain knowledge about organic consumers' perceptions, attitudes, and behavior.

1.12 OBJECTIVES OF THE STUDY

Primary objectives

- To study the preference of consumers on organic food products.

Secondary objectives

- To understand the consumer's knowledge , perception and attitude towards organic food products.

- To analyze the factors influencing consumer behavior towards organic food products.

- To examine the consumer's willingness to pay for organic food products.

- To know about what factors affect consumer's to buy organic food products.

1.13 LIMITATIONS OF THE STUDY

- The study uses the data collected from respondents through survey. The data collected are then analyzed to get results. The results can change according to the size of the sample i.e., the number of people allotted to answer the questions. The size of the sample here is 109 respondents. when the sample size increases the results probably might also vary. The study identifies and analyses only few factors which affect the Preferences of the Investors in Chennai city whereas there might be many other factors that will also have an effect on the Preferences of Investors. This leaves a research gap as there are factors that need to be taken into consideration on a later period.

- The study is limited to organic food products and it is not gone through conventional food products.

1.14 CHAPTER FRAMEWORK

CHAPTER 1 : INTRODUCTION

This chapter consists of the introduction to the study , the various industry profiles, the need , the objectives of the study along with its limitations and also includes the chapter framework of the study.

CHAPTER 2 : REVIEW OF LITERATURE

This chapter consists of research paper of authors who have conducted detailed research study on organic food products.

CHAPTER 3 : RESEARCH METHODOLOGY

This chapter consists of research design , methods of data collection , sample size period of study statistical tools used and the hypothesis of the study.

CHAPTER 4 : DATA ANALYSIS AND INTERPRETATION

This chapter consists of analysis of the data which was collected through the questionnaire and chi-square analysis and t -test analysis.

CHAPTER 5 : FINDINGS,SUGGESTIONS AND CONCLUSIONS

This chapter consists of the findings, suggestions and the conclusions of the study.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Introduction

In modern world, consumers are concerned about food safety and prior knowledge of food handling practices. Organic food fitted in this frame accurately because organic farming restricts the use of synthetic pesticides and chemical in certified croplands. Attitude of consumers can be studied by taking into account various factors like health consciousness, environmental effectiveness, safety parameters and accessibility of organic food. These variables put an important role in driving behaviour of customers. To better acquaint with the consumer perception about food safety and purchase intention of customers, these factors need to be developed and identified. Identification of these variables leads towards the formation of effective strategies for the organic food manufactures. This chapter discusses the evolution of organic food term, its journey and how it came into existence of consumers. It also discusses the current status and relationship between organic food and consumers. A wide literature has been available regarding consumer perception and intention. On the basis of literature studied, hypothesis are also framed with respect to each factors concerning with the attitude of the customers for different variables.

2.1.Organic Farming and Consumer Perception

In 1965, the use of pesticide in farm was started and consumer attitude towards pesticide used in farm were explored (Bearler & Willits, 1968). Sach et al. (1987) found that the number of people concerned about consuming pesticide, increased the use of conventional produce. Consumers typically understand the broad issues about organic foods but not understood the complexities of organic farming practices and organic food quality attributes. Davies (1995) explores one more additional positive attribute that improved taste also associate consumers with organic food products. Number of reasons as well as some barrier grouped according to general and commodity-specific concerns. General concerns including food safety, human health, environmental impact and the commodity-specific concerns like taste, freshness and packaging. Organic mislabeling, product misrepresentation and non uniform organic standards and certification procedures are some barrier which holds some consumer back from purchasing organic food (Yiridoe et al., 2005). More information should be provided to consumer about organic food benefits which enhance consumer knowledge and influence consumers' attitude towards organic food (Magistris & Gracia, 2008).

Several researches have been carried out in organic food products area in order to analyse the consumer perception and purchasing intention towards organic food products. Organic food contains more nutritional value and also perceived as healthier and more favourable alternative to conventional food (Baker et al., 2004, Lea & Worsley, 2005; Lockie et al., 2004; Magnusson et al., 2001; Padel & Foster, 2005; Tregear et al., 1994). Consumers' belief that organic food is safer, good in taste, more pleasant and reliable than conventional food (Schifferstein & Ophuis, 1998; Baker et al., 2004; Fotopoulos et al., 2003). Consumers who are involved in green consumption practices are highly inclined to consume organic food products (Lockie et al., 2004). The study of Fillion and Arazi, 2002 found that organic orange juice was good in taste than conventional but there was no distinction in the taste of organic and conventional milk (Crinnion, 2010).

The profile of organic consumers identifies through their environmental concern attitude, lifestyle and demographics variables. The loyal consumer of organic food perceived to

be wealthy, possess high-class status and well educated (Padel & Foster, 2005; Stobelaar et al., 2006). Highly educated female who belongs to higher income group were more aware and having enough knowledge regarding food risk (McIntosh et al., 1994; Torjusen et al., 2001; Stobelaar et al., 2006). There was a strong correlation between the level of formal education and increasing consumption of organic food (Lockie et al., 2002). Women are highly concerned to pay a premium price for natural processed food and environment-friendly goods (Soil Association, 2000)

A Study was conducted in Spain by Urena et al. in 2008 found that consumers are not ready to pay but willing to pay a premium price for organic food products. This study classifies organic food consumers into different categories specifically in the context of their consumption pattern. Further, on the basis of consumption pattern consumers are divided into three categories namely regular, occasional and non-buyer. In this study, consumers who buy twice a week are considered as regular consumers (12 percent) and more conscious about health and food safety. Occasional consumers represent 42 percent and remaining 46 percent represent non-buyer. But in a nonbuyer category almost 25 percent buyers were prospective consumers with a high intention to purchase organic food in near future. The main barricades which suppress the demand for organic food are a premium price, non-availability, lack of accurate knowledge and awareness. Thus, these barriers develop negative perception in the mind of consumers, especially higher price shift potential consumers towards conventional food (Jolly, 1991; Tregear et al., 1994; Roddy et al., 1996) and consumers satisfied and happy to buy conventional food. Contrary to this, some studies revealed that consumers are ready to buy organic food but non-availability of organic food restricts them from purchasing (Roddy et al., 1996; Wandel & Bugge, 1997). All these kinds of obstacles continue to push back the demand for organic food in the market (Magnusson et al., 2001). The quality of food incorporates many attributes in its womb like nutritional value, sensory attributes (appearance, aroma, taste, and texture), free from pesticides and safety factors (Shafie & Rennie, 2012).

2.1.Consumer Perception about Health

Applications of biotechnology have been gaining success in commercial business and generating health and socio economic issues. Health is considered as commodity which deteriorates over time and further motivates a person to look after oneself by buying healthy food (Grossman, 1972). Perception of consumer regarding organic food depends upon the health factor. A positive relationship has been found between food quality and demand of consumer about healthy food practices. Distinctiveness of organic food arouses interest of consumers regarding good health and consumers tries to pay attention towards balanced diet. Health benefits from organic food create major differences from conventionally grown foods. Every individual wants to eat fresh and healthy food. Innovation of organic food has led them towards the fulfillment of this objective (Rimal, Moon & Balasuramanian, 2005; Hsu, Chang & Lin, 2016; Vieira, Bacellos, Hoppe & Da Silva, 2013). Consumers do not want to compromise with health benefits of eatables in any manner (Rimal, Moon & Balasuramanian, 2005). Organic food seems to be well fitted in the frame of safe food due to stringent compliance of regulation & standards which restrict use of synthetic pesticides & chemicals in certified pasture and cropland (Roitner-Schobesberger, Dornhofer, Somosook & Vogl, 2008). Previous studies identify a relationship between food habits and health concerns. Consumers are worried about production of food by chemical fertilizers and prefer to buy food items which consist of less chemicals and pesticides (Baker et al., 2004; Lea & Worsley, 2005; Lockie et al., 2004; Tregear et al., 1994). Organic food is produced without use of pesticides and fertilizers, prepared with synthetic ingredients or sewage sludge or ionizing radiations. Frewer et al. (1995) concluded that the most important determinant of consumer acceptance of GM (Genetically modified) food was the perceptions of benefit resulting from application of the technology. Additives and preservatives affect the nutritional value of the food. Nowadays consumers are health conscious and try to exclude non healthy items from their meal. Moreover, consumer perceives organic products healthier having high vitamins and mineral contents than conventional products (Barnes, Vergunst & Topp, 2009; Gam, 2011; Lea & Worsley, 2005; Verdurme, Gellynck & Viaene, 2002). Potential consumer' attitude and behaviour towards organic food effects the perception of consumers about healthy habits and

organic food consumption (Hill & Lynchehaun, 2002; Hutchins & Greenhalgh, 1997; Radman, 2005). Organic food products are free from genetically modified attributes and artificial additives. Hence, due to absence of non natural products, selection of organic food is considered as a best choice for health and safety concerns. Although a long journey is still left to travel to change perception of consumers for buying organic food items because conventionally grown food products are not easy to replace from the market (Gam, 2011; Hill & Lynchehaun, 2002). Conventional agriculture system has long term implication on the health of the users. Long term affect of conventionally grown food products on health of individuals creates health problems and serious disease (Hutchins & Greenhalgh, 1997; Sondhi, 2014; Verdurme, Gellynck & Viaene, 2002). Furthermore, organic food offers positive effects on human health. Production of organic food prevents the use of hazardous chemical and products. Food scares has extended to a long period in many 2 countries which results in production of healthy and safe food for consumers.

2.2.Price Consciousness

Price is the most important determinant which influences the buying behaviour of organic food consumers but it depends for whom price is considered as significant. Price premium, the excess price paid by consumer against fair price of the product that is justified the real worth of the product (Vlosky et al., 1999). Fair price or true value predicts the demand of the organic products in the future market (Tse, 2001). There was a negative value perception towards organic food products and a major hurdle in buying organic food was the higher price as compared to conventional food products. Consumption of organic product is depended on few variables such as the type of food, the relative cost of comparable conventionally produced products and fair price of the items (Jolly, 1991). While demand of organic food products is increasing, but a big obstacle has came in front of growth of organic food products. Added cost of sustainable practices is a major barrier in the intensification of organic food items (Fotopoulos & Krystallis, 2002; Onyango, Hallman & Bellows, 2007; Lehner, 2015; Tikkanen, 2012; Magistris & Gracia, 2008; Wiedmann, Hennigs, Behrens & Klarmann,

2014). Labour cost of organic production is comparatively high which further added its value in retail price of products. Intensive management of organic production enlarges the cost of products (Hoefkens, Verbeke, Aertsens, Mondelaers & Camp, 2009; Janssen & Hamm, 2012; Klockner & Ohms, 2009; Olsen, Thach & Hemphill, 2012; Via & Nucifora, 2002; Zhou, Thogersen, Ruan & Huang, 2013). Organic farming research foundation (OFRF) has proposed that the cost of organic food is higher than conventional food because the organic price tag more closely reflects the true cost of growing the food. Moreover, studies revealed that conventional food products incur indirect costs which affect the public health by releasing chemicals into air and water. Ultimately, this indirect cost is same as organic food cost at point of purchase (AlSwidi, Huque, Hafeez & Shariff, 2014; Bernard, Hustvedt & Carroll, 2013; Buder, Feldmann & Hamm, 2014; Crescimanno, Ficani & Guccione, 2002; Cochrane, 1995; Gerrard, Janssen, Smith, Hamm & Padel, 2013; Schrock, 2014).

2.3 Availability of Product

Consumers are thinking about green marketing and using eco friendly products. As organic products have been grown using organic farming practices by not including pesticides and antibiotics, these should be available to consumers at nearest grocery stores. Organic products should be in the reach of every customer (Klockner & Ohms, 2009; Janssen & Hamm, 2012). Numerous food stores are offering variety of organic products. Different sections of food are maintained in stores. Dairy section contains organic milk and cheese products. Non vegetarian food mainly poultry is also available at lots of selling locations. It is assumed that animals are fed by organic grass and not raised by using hormonal antibiotics vaccination (Nedra, Sharma & Dakhli, 2015; Truong, Yap & Ineson, 2012).

Availability refers to the less difficulty faced by consumer while finding a specific products. Attitude might be positive towards organic products but low perceived availability of sustainable products results to low intention to buy (Lehner, 2015; Tikkanen, 2012). Another factor that can also influence a person intention towards

purchasing sustainable food products is the situational factor. A person who came in to a store with an intention of buying organic food products may be disturbed with the promotion of conventional products or the non-availability of the organic food products. Interaction between consumers with positive belief and attitude and high market “mavenship” and high product availability might create a favourable attitude towards purchase behaviour, which would result in a stronger intention to purchase leading to buy organic food products (Vermeir & Verbeke, 2004).

2.4. Trust

Organic food products are purchased and consumed by a small number of customers only. In order to target new customer segments, it is necessary to build trust among consumers. It is believed that from the taste and appearance, it is not easy to make differentiation of organic products with conventional food products (Bourn & Prescott, 2002; Williams & Hammitt, 2000). Moreover, advantages of organic food products in term of environmental safety and health are well thought-out only when consumers bought same. Therefore, consumers have to trust certification authorities, retailers and farmers and organic labels while buying.

Competence, integrity and benevolence are considered as three main aspects of trustworthiness. Organic food products are getting attention due to their ability of keeping promise as according to stated values as well as organic food products enhance the interest of the consumer by caring the needs of them (First & Brozina, 2009; Klockner, Langen & Hartmann, 2013). Trust is based on two factors namely personal and institutional factors. Personal trust is depicted from the behaviour of consumers towards retail stores’ preferences (Janssen & Hamm, 2012). Sometimes consumers prefer small retail shops and ignore big retail outlets due to low quality standards. Even some consumers prefer to purchase directly from farmers because consumer locate competence, benevolence and integrity with them. Personal trust of consumers is also affected by suggestions from doctors, neighbours and friends. Branding of organic food also helps to create trust among consumers. More advertised

brands create high trustworthiness. It is also noticed that consumers who bought organic food products are believe in maintain status among society and at some places it become fashion to buy.

2.6 Consumer knowledge

Organic food products are healthier and safer but consumers have limited knowledge regarding usage of products. Lack of substantive information about organic food among consumers considered as core barricade that holdback the consumers to purchase organic food. Moreover, majority of consumers do not describe exactly what organic mean (Klockner & Ohms, 2009; Janssen & Hamm, 2012). The lack of information might explain through two aspects; firstly, a negligible amount of information about the organic farming system and their cultivation methods. Secondly, consumers reflect the baffling state of mind regarding safe food 'labels and these labels also appear to assure to provide alike health benefits as organic food labels.

Even, consumers do not have primary information regarding organic farming like what kind of seeds, type and intensity of pesticides used and whether farmers take care of quality control methods during and after cultivation. But there is need to understand the requirement of the organic food production. As compared to rural consumers, urban consumers have less basic understanding of agricultural practices (Eischen et al., 2006; Kramol et al., 2005; posri et al., 2007; Yiridoe et al., 2005). For the recognition of organic products to urban consumers, accreditations and affiliations are required. Organic production must be get accredited from recognized organisations in different countries. Getting safe food is the foremost necessity of the consumer. It is the duty of the retailers to differentiate between safe food and organic food. Many conventional food items depict higher safety level but organic food is over and above to all of this. Organic food is the safest food which requires no such labels. Products which are labeled as organic are positioned more clearly in market and attract a large number of customers. Consumers should be better informed about the hygiene factor of organic products.

2.7 Purchase Intention

Purchase intention is the decision making of a customer to buy a product or a brand. Measuring purchase intention of a customer is quite complex process as it depends upon many factors. Various internal and external factors are responsible for making decision about purchasing. Thøgersen (2009) quoted that behaviour perception and attitude of consumers build the intention about buying. Purchase intention might be influenced by price of the product and attitude of consumers in relation to external and internal motivating factors. Ajzen (1991) has propounded the theory of planned behaviour which predicts the intention of individual on the basis of behavioural factors. Normative and control beliefs has measured through attitude, subjective norms and perceived behavioural control determinants. Theory of planned behaviour signified that behaviour intentions can be appraises through these three factors.

2.8 Attitude of consumers

Healthy life style is the desire of every human being. For attaining good health, a balanced diet and consumption of organic food is preferred. While consuming organic food or willing to buy the same, an attitude towards food is framed in mind of consumer. Securing health creates an opinion that a good food means good health. And this mind set leads towards the purchasing of organic food (Posri et al., 2007; Kramol et al., 2006). Purchase intention about organic food is affected by the attitude of customers towards health and safety parameters related with the organic farming. Organic products are grown in harmony with nature. Due to zero input of pesticides and chemicals, it is believed that consumption of organic food cause less diseases as compared to conventional food (Hutchins & Greenhalgh, 1997; Sondhi, 2014; Verdurme, Gellynck & Viaene, 2002). In chemical trials conducted on animals, it was

found that foodstuff feeded to animals is sensitive and creates health hazards. Feeding practices in relation to quantity and food stuff should be tested out and organic characteristics of food must be added in order to maintain a good health. So, intention of consumers has been formed on the basis of growing situations and production patterns of food. Nowadays consumers are concerned about protecting environment. Production of organic food is primarily derived from this concept. Eco-friendly behaviour of consumers and producers encourage the consumers about buying organic products (Seyfang, 2007; Hung, Lin & Chen, 2013). Organic food is free from pesticides and chemicals. Intention of consumers is affected by this approach. Environment friendly behaviour is related with the nature of environment and consumption pattern of the consumers. It has been investigated by many studies that purchasing of organic food is significantly related with environmental behaviour and protecting the sources of 2 environment. Producers of organic food must assure that no preservatives and harmful chemicals are used in order to improve shelf life (Ajzen & Fishbein, 1980)

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CHAPTER 3

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The research is descriptive in nature. This research identifies the factors affecting the preferences of the consumers on organic food products and describes the consumer behavior of the consumers.

3.2 SOURCES OF DATA

The research used both primary and secondary data.

3.2.1 Primary data

Primary data has been collected from 109 respondents using questionnaire (survey method)

3.2.2 Secondary data

Secondary data was collected from reviewing various literature related to organic food products and consumer behavior.

3.3 STRUCTURE OF QUESTIONNAIRE

The questionnaire has been framed and circulated to collect primary data. The questionnaire contains

- Direct questions
- Close end questions
- Multiple choice questions

3.4 SAMPLE SIZE

The population size is indefinite as the number of people preference on organic food products is large in number. It is difficult to access the population. The sample size is 109. The respondents are from various locations spread across Chennai city.

3.5 SAMPLING TECHNIQUE

Sampling technique is the technique used to select sample size. Convenient sampling technique is used for this research. Consumers were taken according to the convenience of the research study. The respondents are from various locations spread across the country.

3.6 PERIOD OF STUDY

The study was conducted for a period of 3 months starting from December 2021 to February 2022.

3.7 HYPOTHESIS

H₀ : There is no association between the monthly income and expense per month of the consumers

H₁ : There is an association between the monthly income and expense per month of the consumers

H₀ : There is no significant relationship between different variables of awareness of consumers towards organic food products.

H₁ : There is a significant relationship between different variables of awareness of consumers towards organic food product

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

4.1.1 Gender profile

Percentage Analysis is used to analyze the gender of respondents and it have been interpreted in Table 4.1 which displays the frequency and percentage of gender of respondents.

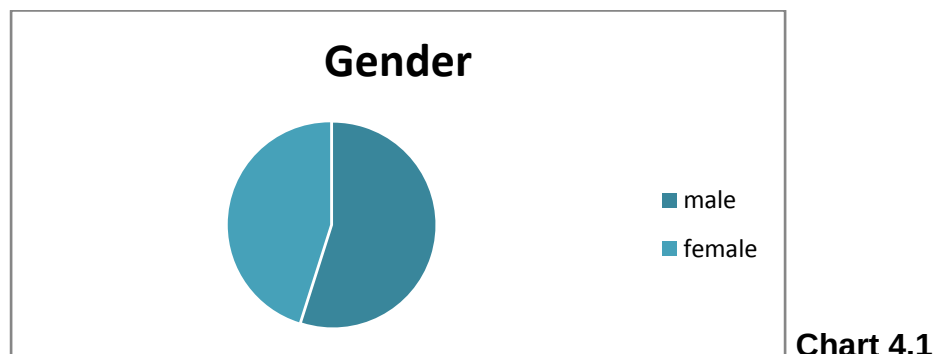
Table 4.1 Frequency analysis of gender

Factors		Frequency	Percentile
Gender	Male	60	54.9
	Female	43	45.1

SOURCE : PRIMARY DATA

Interpretation

54.9 % of the respondents are male , 45.1 % of the respondent are female , Majority of the respondents are male.



4.1.2 Age profile

Percentage analysis is used to analyze the age of respondents and it have been interpreted in table 4.2 which displays the frequency and percentage of age of respondents.

Table 4.2 Frequency analysis of age

Factors		Frequency	Percentile
Age	Below 20 years	43	42.2
	21-30	49	48
	31 -40	4	3.9
	41-50	5	4.9
	Above 50	1	1

SOURCE: PRIMARY DATA

Interpretation:

In this chart we can observe that 48% of respondents are between ages of 21 to 30 years.42.2% of the respondents are below 20 years, 4% of respondents are between 31 to 40 years, 5 % of respondents are between 41 to 50 years, therefore most of the respondents age group are between from 21 to 30 years.

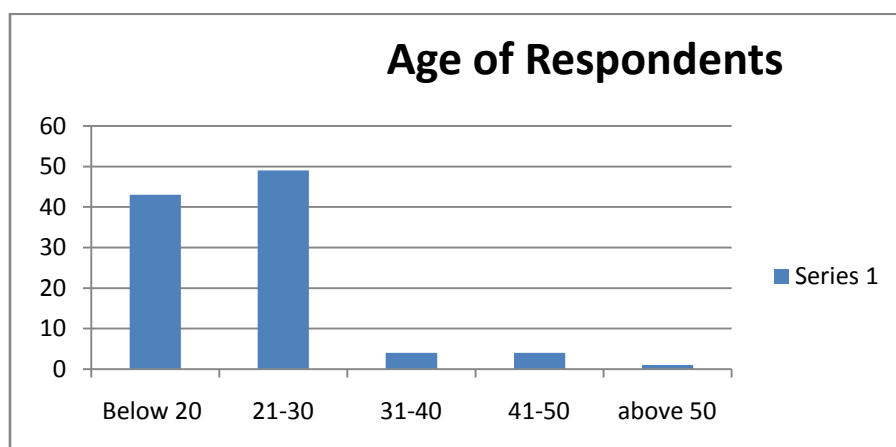


Chart 4.2 Chart depicting Age of Respondent

4.1.3 Educational Qualification Profile

Percentage analysis is used to analyze the educational qualification of respondents and it have been interpreted in table 4.3 which displays the frequency and percentage of educational qualification of respondents.

Table 4.3 Frequency Analysis of Educational Qualification

Factors		Frequency	Percentile
Educational qualification	Illiterate	8	5
	Upto HSC	22	14
	Graduates	61	40
	Post graduates	63	41

SOURCE : PRIMARY DATA

Interpretation:

5% of the respondent were illiterate 14% of the respondents were upto HSC , 40% of thr respondents were graduate , 41% were post graduate.Majority of the respondents were post graduate

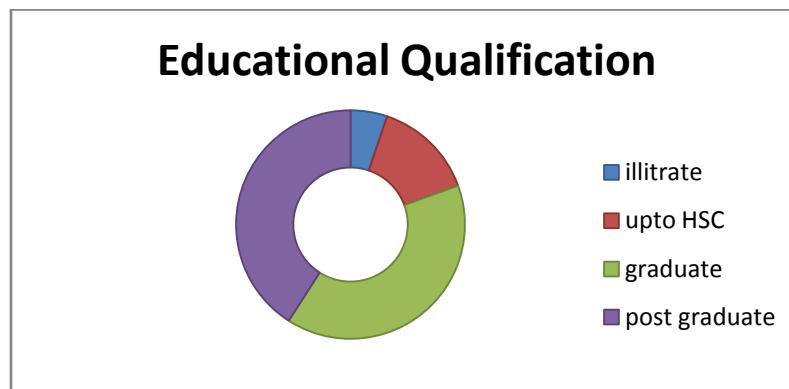


Chart 4.3 educational qualification

4.1.4 Employment Profile

Percentage analyze is used to analyze the employment level of respondents and it have been interpreted in Table 4.4 which displays the frequency and percentage of occupation of respondents.

Table 4.4 Frequency analysis of nature of employment

Factors		Frequency	Percentile
Employment	Govt Employee	21	22.89
	Private Employee	45	49.5
	Business	10	10.9
	Professional	12	13.8
	Others	21	22.89

SOURCE: PRIMARY DATA

Interpretation :

22.89% of the respondents were govt employee , 49.5 % were private employee,10.9% were doing business, 13 % were professionals, 22% were doing other employment. Majority is private employment.

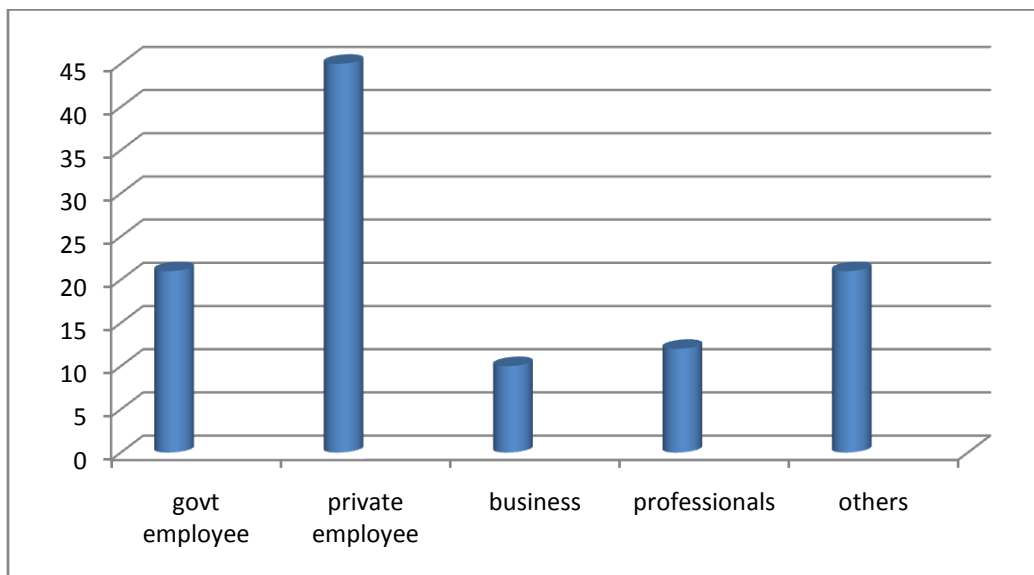


Chart 4.4 nature of employment

4.1.5 Annual Income Profile

Percentage analysis is used to analyze the monthly income and it have been interpreted in Table 4.5 which displays the frequency and percentage of monthly income of the respondents.

Table 4.5 Frequency analysis of Monthly Income

Factors		Frequency	Percentile
Monthly income	Below 10000	20	21.8
	10001-20000	45	49.05
	20001-30000	18	19.62
	30001-40000	12	13.08
	Above 40000	9	9.81

SOURCE : PRIMARY DATA

Interpretation:

21% of the respondents were getting below 10000 as their monthly income, 49% of the respondents were getting 10001-20000 as their monthly income, 19% were getting 20001-30000 as their monthly income, only 9% of the respondents were getting above 40000, Majority of the respondents getting 10001-20000 as their monthly income.

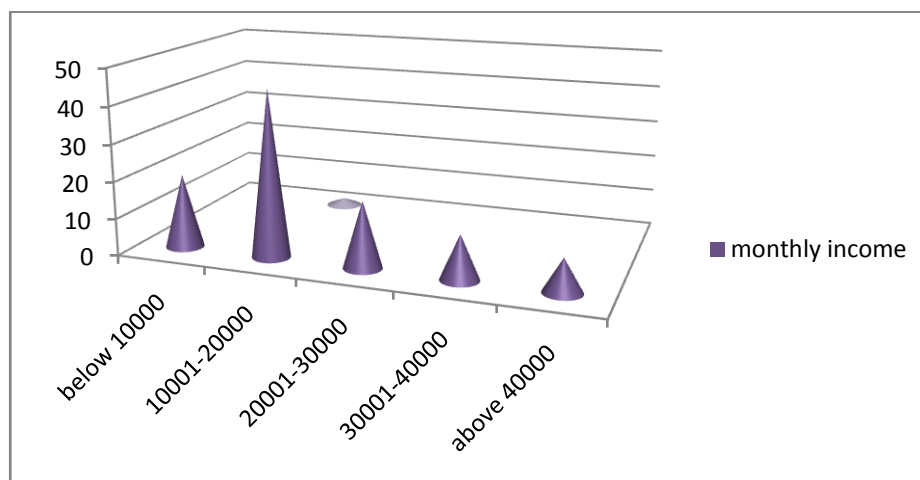


Chart 4.5 monthly income

Chi-square Test

4.2 Association between Monthly income and Expenditure per month

The monthly income of the consumer plays a vital role in various expenditures made by members of the family. It also determines the consumption pattern of the family. The association between two variables is assessed with the help of cross tabulation and chi-square test which is explained below.

Table 4.6

Association between Monthly Income and Expenditure Per Month

Monthly income/ Expenditure per month		Below 1000	1001- 2000	2001- 3000	3001- 4000	4001- 5000	Above 5000	Total
Below 10000	F	34	13	1	1	0	0	49
	P(%)	69.40	26.50	2.00	2.00	0.00	0.00	100.00
100001-20000	F	34	51	22	12	4	0	123
	P(%)	27.60	41.50	17.90	9.80	3.30	0.00	100.00
20001-30000	F	12	36	40	10	1	2	101
	P(%)	11.90	35.60	39.60	9.90	1.00	2.00	100.00
30001-40000	F	0	6	7	20	2	2	37
	P(%)	0	16.2	18.90	54.10	5.40	5.40	100.00
Above 40001	F	0	3	4	2	3	3	15
	P(%)	0	20.00	26.70	13.30	20.00	20.00	100.00
Total	F	80	109	74	45	10	7	109
	P(%)	24.60	33.50	22.80	13.80	3.10	2.20	100.00

The cross tabulation shows that majority of the consumers with the income of below Rs.10000 spend Rs.1000 for the organic food products. The income category of Rs.10001-20000 has given majority of the responses in the expenditure of Rs.1001-2000 categories. The income levels and expense per month is correlated as per the responses of the customers involved in the study. The increased monthly income has also increased the expenditure made for the consumption of organic food products. To strengthen the view it is further tested with the chi-square test with the help of following hypothesis

H₀ : There is no association between the monthly income and expense per month of the consumers

H₁ : There is an association between the monthly income and expense per month of the consumers

Chi-Square Test

	Value	Df	Asymp Sig (2 Sided)
Pearson Chi-Square	186.582	20	<0.001**
Likelihood Ratio	160.249	20	0.000
Linear by Linear association	100.249	1	0.000
No of valid cases	109		

(** -indicates significance @ 1% level and * -indicates significance @ 5% level)

The above chi-square test exhibits that the p-value is statistically significant at one percent level. Therefore the **null hypothesis** of the test is **rejected**. There is a **strong association** between **the monthly income** and **expenses** made for the consumption of organic food products which is identified from the responses of customers involved in the study.

4.3 Knowledge about Organic Food Products

Percentage analysis is used to analyze the knowledge about organic good products among consumers have been interpreted in table 4.7 which displays the frequency and percentage of knowledge about organic food products.

Table 4.7

Knowledge about Organic Food Products

SI .NO	Sources	Frequency	Percent
1.	Self - knowledge	63	19.40
2.	Advertisement in TV/Radio	11	3.40
3.	Friends / Relatives	78	24.00
4.	Farmers	58	17.80
5.	Internet	16	4.90
6.	Specialist(Doctors, Environmentalist)	26	8.00
7.	Sales Personnel	28	8.60
8.	Display at Stores	10	3.10
9.	Magazines and Journals	23	7.10
10.	Notice, Leaflets & Pamphlets	1	.30
11.	Food Exhibition	11	3.40
	Total	109	100

SOURCE: PRIMARY DATA

Interpretation :

The knowledge about organic food product are mostly derived from peer talks from friends and relative is the response of majority of the respondents have revealed. The distribution revealed that 24 percent of the respondents received information from their peer groups, 19.4 percent of the respondents learned by themselves and 17.80 percent of the respondents got the information through farmers. The rest of the respondents'

source of information varies like from internet, magazines, journals etc., It is concluded that none of them got the information of organic food products through any awareness programme. So, marketer of organic food products has to look into the area for better marketing of products through organization of the awareness programme. This will be new opening for dissemination of information to the consumers.

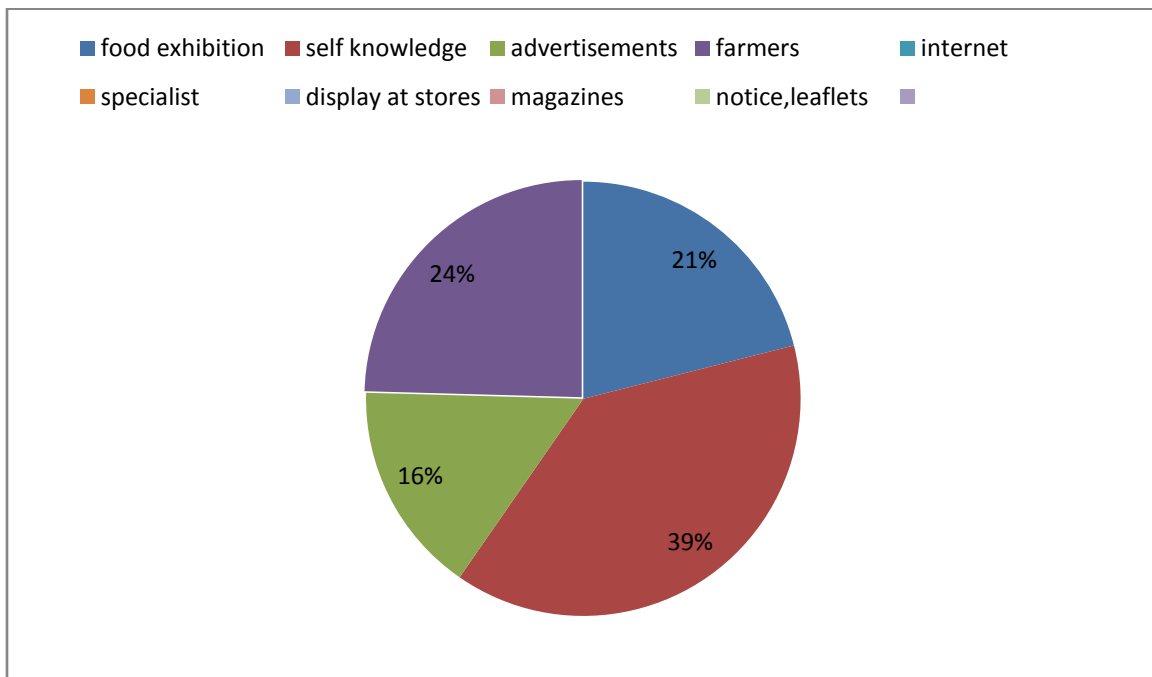


Chart 4.6 Knowledge about organic food products

4.4 Reason For Purchasing Organic Food Products

The organic food products are marketed in such a way to create an impact in the consumption pattern of the households. The organic food products are converted to the name “environmental friendly”. The produce are free from the usage of fertilizers and pesticides that harm the environment. This helps to create a positive impact in the minds of the consumers to switch over to the organic food products. There are ten reasons that are given to respondents of study to rank them based on their perception about the organic food products. The following part explains the details of ranks for different reasons given for the purchase of organic food product,.

Table 4.8.**Reason For Purchasing Organic Food Products**

SI NO	Reasons	Frequencies	Percent	Rank
1.	Maintain Good Health	52	46.30	1
2.	No Chemical	45	13.70	2
3.	Friendliness to the Environment	32	12.80	3
4.	Quality of Food	18	8.50	4
5.	Saving Resources for the Next Generation	11	5.50	5
6.	Better Taste/Feelings	9	4.60	6
7.	Nutritional Value	8	3.40	7
8.	Save to Consume	7	2.10	9
9.	No Preservatives	6	1.80	9
15210.	Hygienic and Protective	4	1.20	10

SOURCE : PRIMARY DATA

Interpretation :

The above table explains the various ranks obtained for the different reasons why organic food products are consumed. The ranking analysis reveals that the users of organic food product consume them for **Maintaining the Good Health** are **46.30 percent** which **First Rank** followed by the **Presence of No chemical** with **13.70 percent** which **Second Rank** and **Friendliness to the environment** has the opinion of **12.80 percent** has the Third rank based on their opinions. These three reasons hold the top three ranks for the usage of the organic food products in the study area based on the multiple responses given by respondents.

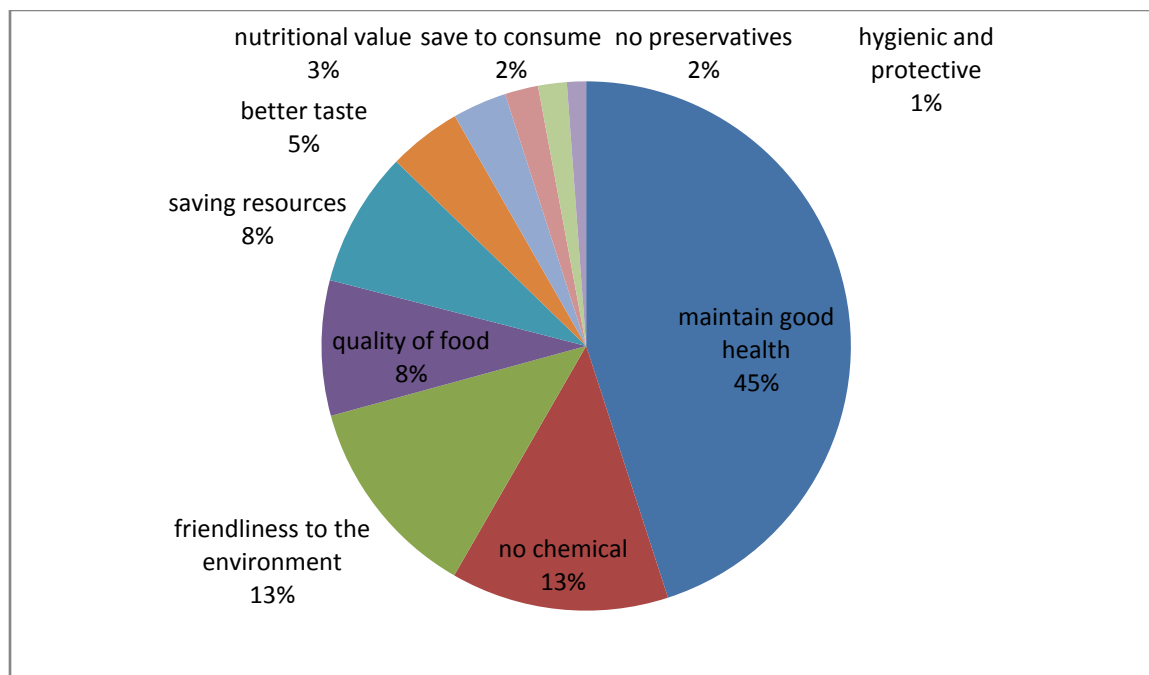


Chart 4.7 Reason for Purchasing Organic Food Products

4.5 Reasons for Switch over from Conventional Food Products to Organic Food Products

The consumers of the conventional food products tend to switch over to organic food products due to various reasons. The reason for this change over has been assessed from the responses of the respondents.

Table 4.9

Reasons for Switch over from Conventional Food Products to Organic Food Products

Si no	Reasons	Frequency	Percent
1.	Environmental Consequences	62	19.10
2.	Personal Reasons	65	20.00
3.	Health Problems	51	46.50
4.	Quality Traits	36	11.10
5.	Taste/ Texture	11	3.40
6.	Others	0	0

SOURCE: PRIMARY DATA

Interpretation:

Health problem is the major reason why majority of the consumers have changed over from conventional food products to organic food products. There are 47 percent of the responses recorded in this option. The second major reason is personal reasons with 20 percent of the responses followed by the environmental consequences with 19.10 percent which are caused by the usage of conventional products. The least response is given by respondents to taste/texture of the product with 3.40 percent.

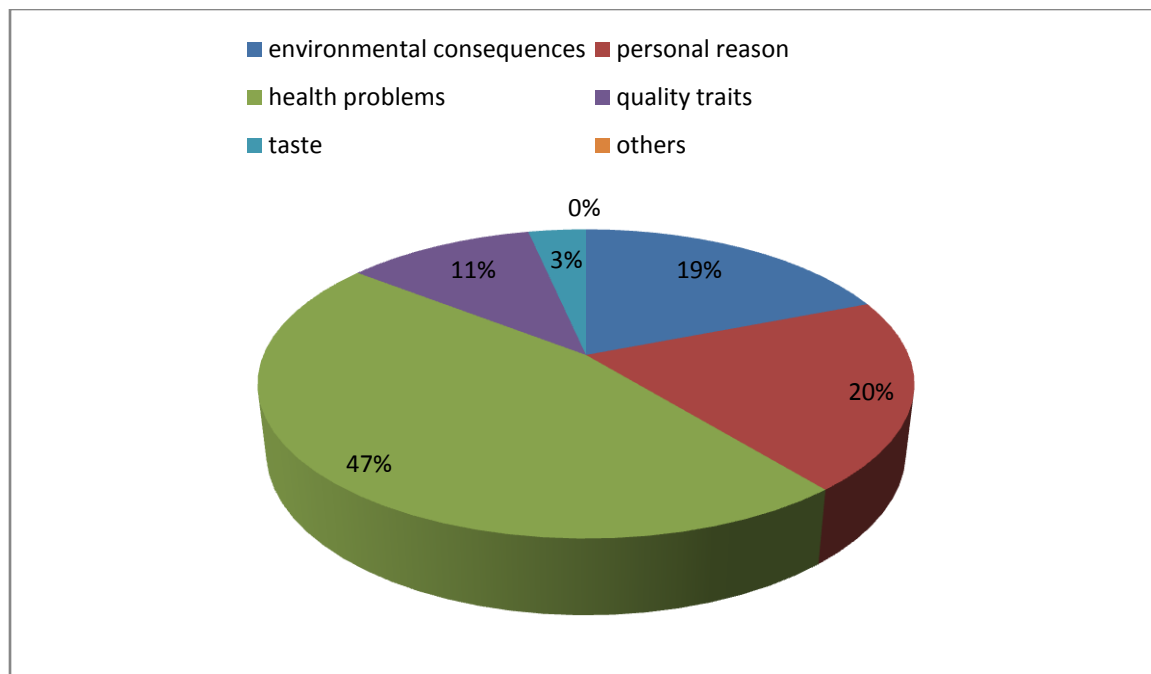


Chart 4.8 Reasons for Switch over from Conventional Food Products to Organic Food Products

Result of t-test

Hypothesis There is no significant relationship between different variables of awareness of consumers towards organic food products

4.6 Relationship between different Variables of Awareness Level of Consumers towards Organic Food Products

The customers can make use of the product only if they have proper knowledge of products. The organic food products are relatively new product that came into the market compared to the conventional food products. The organic food products have various utilities and it is beneficial to the customers. The organic food products are being marketed for the purpose of good health and environmental friendly. The customers thereby being conscious of both make the choice of buying the organic food products. There is a need to assess the consumers' awareness about the different variables of organic food products which is done with the help of ten variables on likert scaling technique. The relationship among the variables of the awareness level of the consumers is tested with the one –sample t-test and it is explained below

H0 : There is no significant relationship between different variables of awareness of consumers towards organic food products.

H1 : There is an significant relationship between different variables of awareness of consumers towards organic food products.

Table 4.10

**One Sample T-Test Relationship between different Variables of Awareness Level
of Consumers towards Organic Food Products**

variables	Mean	Std Devi atio n	Std.error Mean	t	Df	Sig (2 tailed)
Organic Product means not contaminated with chemical pesticides, not used preservatives, no additives, artificial color etc.,	4.09	0.90	0.05	21.85	324	<0.001**
Product Knowledge i.e. availability of different types of products in the market	3.55	0.90	0.05	11.10	324	<0.001**
Certification and Green logos on product	2.84	0.94	0.05	-3.14	324	<0.001**
Market Availability of OFP	3.15	0.93	0.05	2.98	324	<0.001**
Labeling information on product	3.88	0.74	0.04	21.38	324	<0.001**
Organic food products' quality is better other than the conventional products	2.59	0.92	0.05	-8.04	324	<0.001**
There are more number of Brands available in the market	2.59	1.00	0.06	-7.35	324	<0.001**
Differentiate the Organic food product from Conventional products	3.22	0.89	0.05	4.49	324	<0.001**
Price of organic products are high, which is equal to its quality	3.90	0.75	0.04	21.64	324	<0.001**
Different Location of the shops	2.71	0.99	0.05	-5.33	324	<0.001**

(**- indicates significance @ 1 % level and *- indicates significance @ 5 % level)

The p-values of the one sample t-test reveals that the ten variables that are used to measure the awareness of the consumers about the organic food products is correlated among themselves and found that there is awareness among the customers about the organic food products. The p-values of the variables Organic Product is not contaminated with chemical pesticides , not used preservatives, no additives, artificial color etc.,(0.001), Product Knowledge i.e. different types of product are available in the market(0.001), Certification and Green logos on product(0.002), Labeling information on product(0.003), Organic food products is quality is better than the other conventional products (0.001), More number of Brands are available in the market (0.001), Market Availability of OFP(0.001), can Differentiate Organic food product from Conventional products to (0.001), Price of organic products are high, which is equal to quality (0.001) and Different Location of shops (0.001) have all been statistically significant at one percent level. Therefore it can be said that the **above variables are related to the awareness levels** and it reveals that the consumers are well aware of all these regarding organic food products. hence reject the null hypothesis and accept the alternate hypothesis.

CHAPTER 5

FINDINGS , SUGGESTIONS & CONCLUSIONS

5.1 FINDINGS

5.1.1 From the questionnaire the following points are to be noticed

- It is found that consumers buying behavior were influenced by their knowledge and education.
- Regarding to the study consumers willingness to pay is based on their perception, trust and health consciousness..
- The major reasons for not buying the organic food products were non availability and the price were felt very expensive by the customers
- 98% of the consumers were ready to buy organic food products(produced with natural fertilizers)
- 59.85%(majority) of people were aware about organic products which were 100% naturally produced.
- 51%(majority) of people were buying organic products.
- 74.5% (majority)of people were ready to pay little more money for organic products over

5.1.2 Major Findings

The purpose of this study is to examine the consumption pattern, major factors affecting perception and purchase intention of consumers with respect to organic food. In order to understand the opinion of the respondents this study documented seven factors which depicts perception of respondents as well as the three determinants of purchase intention such as attitude, perceived behaviour control and subjective norms affect the purchase intention of consumers towards organic food products. This study also provides demographic information about segment of organic food consumers and how they are different from other consumers.

5.1.3 Findings with regards to Perception of the Consumers towards Organic Food Products

First of all, seven factors have been extracted by using factor analysis technique in context of perception of consumers towards organic food products. Seven factors are termed as important factors that depict consumers' perception namely health consciousness, safety concern, consumer knowledge, trust, environmental concern, price consciousness and product availability.

The standardized regression weight of all seven factors of perception are significant and positively related to it i.e. health consciousness, safety concern, consumer knowledge, trust, environmental concern, price consciousness and product availability. Health consciousness, consumer knowledge and environmental concern are the most important factors affecting the consumers' perception regarding organic food products.

5.1.4 Findings related to Purchase Intention of Organic Food Consumers.

Three factors are extracted by exploratory factor analysis to investigate purchase intention of consumers regarding organic food products. Finally three factors were named as attitude, perceived behaviour control and subjective norms.

It has also been found from the study that attitude is the most important dimension followed by Subjective norms and Perceived behaviour control, which has significantly influenced the purchase intention of consumer regarding organic food product. Positive attitude towards health aspects and environment are the major factors that explore the consumer's buying behaviour for organic food products. In particular consumers who strongly believe that organic food have higher quality and are healthier than conventional food, those consumers will have a strong intention to buy organic food products. In addition to that, consumers who have shown more interest on environmental protection issues and practices are more inclined and willing to buy organic food products.

5.2 SUGGESTIONS

The previous literature regarding organic food exhibits that organic food market is niche market for Indian consumers. Current study provides insight to producer and marketers about perception and purchase intention of organic food consumer. The perceptions of consumers regarding organic food are both positive and negative. On positive side Indian consumers strongly believe that organically grown food are healthier than conventional food, safe and free from synthetic fertilizers. On the other hand, negative perception that these products are perceived as rather expensive and difficult to access. The review of pertinent literature shows that these factors namely price, availability, environment conscious, health, role of government, plays a vital role when consumer purchase organic food products, but these factors do not have so much significance in case of experienced organic food buyers.

- Till now majority of people know about the term organic and their health benefits but there is no space of organic food in their kitchen's food basket. It is the responsibility of the marketers to use best source of information suggested by this study such as through internet, print media and through specialized organic stores to influence the perception of customers .
- The quality of the outlet or specialised organic store (brand image) and retailers knowledge also an important aspects which influence consumers perception and purchase intention.
- The producers or marketer should provide good incentives, schemes (lifetime membership), and informational programmes with adequate study materials regarding production procedure, health benefits and how these organic food products are beneficial for environment and sustainable development movements.

- Educated retailers can easily persuade the customers by telling all the aspect of organic food. Marketer should expand their distribution channel using national or local retail chain store and provide more variety in organic products according to demand.
- The consumption pattern show that Herbs, spices, pulses and vegetables and fruits are generally purchased food categories in organic food products, so the availability and supply of these products should be adequate, otherwise consumers and retailers both would suffer.
- Retailers should provide home delivery services to prominent customers to build strong relationship in future and try to make them loyal customer. The reason 15 being majority of organic consumers are highly educated and belong to upper class so they do not have enough time to buy these products.

5.3 CONCLUSIONS

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. As the study concluded consumers who were at least having a bachelors degree and under the age group of 20 to 40 years with the income ten to twenty thousand rupees per month have a positive perception towards going green. Therefore, it is essential to support the local farmers to produce more organic food and it should be sold in the local market where the small farmers can earn reasonable profit instead of exporting them to various countries.

The study pertains to Chennai only. Therefore the results may differ in other parts of the country. This study focused on consumer behavior and their willingness to pay towards organic food in general not for a particular product category. It will give a better understanding if we consider the cultural aspects in the study. Further study could be done through stakeholders like Retailers and Producers with various product categories in detail.

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ANNEXURE

QUESTIONNAIRE:

Demographic profile:

1. Name_____
2. Gender:
 - a. Male
 - b. Female
3. Age
 - a .below 18 years
 - b .20-30 years
 - c .31-40 years
4. Educational qualification
 - a. illiterate
 - b. upto HSC
 - c. Graduate
 - d. Post graduate
5. Occupation
 - a. Government employee
 - b. Private employee
 - c. businessmen
 - d. professionals
6. Monthly income
 - a. below 10000
 - b. 10001-20000
 - c. 20001-30000
 - d. 30001-40000
 - e. above 40000

7. Approximately, when did you buy Organic food products first time?

Before 2010 () 2011-2013 () 2014-2018 () 2018-2021 ()

8. How often do you buy organic food products?

Daily () Twice a week () Once in a week () Once in 2 week () Once in month ()

9. How do you come to know about organic food?

Foreign visit () Outlets/ Specialised organic stores () Internet () Print media ()
Word of mouth () Food festival and campaign () Other sources ()

10. From where do you buy organic food?

Vegetable Market () Grain Market () Specialised Organic store () Kiryana Store
() Supermarket () E-shopping ()

11. Please select the organic food items you usually buy now a day. (Tick more than one option)

Fresh Vegetable () Fresh Fruits () Meat and meat products ()
Milk and milk products () Cereals () Bread and bakery products () Pulses () Dry fruit
and nuts () Beverages () Herbs & spices () Others.....

12. How much money you spend on food monthly? (Approx. in Rs.)

Up to 5000 () 5001-10000 () 10001-15000 () 15001-20000 () Above 20000 ()

13. How much extra money, you are ready to pay to buy organic food products, as compared to conventional food products

10-20 % more () 21-30 % more () 31-40 % more () 41-50 % more () Above 50% ()

14. Please select the organic food items you are willing to purchase in the future? (Tick more than one option)

Fresh Vegetable () Fresh Fruits () Meat and meat products () Milk and milk products () Cereals () Bread and bakery products () Pulses () Dried fruit and nuts () Beverages () Herbs & spices () Others.....

15. How much money do you spend on organic food per month? (Approx. in Rs.)

Up to 5000 () 5001-10000 () 10001-15000 () 15001-20000 () Above 20000 ()

16. When you buy Organic food, how often do you pay attention to information label?

Never () Often () Always ()