REVIEW OF CONSUMER BEHAVIOR TOWARDS ORGANIC FOOD PRODUCTS IN BANGALORE CITY

*Dr.Madhavaiah. C. **Shashikiran.L

Abstract :

This paper intends to research the measurements important to customers in India connected with their pre purchase evaluation of organic food products. Information was gathered in Bangalore City at various Organic food stores located across city. A Total of hundred and sixty paper-based responses were received. The results of this study uncovered that Indian customers' buying behavior towards organic food product is affected by the factors like: Organic product related, Certification & other regulatory factors, and their attitude (variety seeking and self-indulgence). Further, these factors had andirect & indirect effect on the while they search, purchase & consume organic food products.

Introduction

Organic food products are seen as being more nutritious, more advantageous, more secure, and natural. They contain less chemical deposits and taste superior to anything ordinary nourishment consequently; customers are willing to pay a premium cost for organic food (Krystallis et al. 2006). Even in upcoming markets, consumers are ready to pay a premium price for assured quality, taste, and safety (Grannis et al. 2001).

In the previous two decades, developing awareness about environmental concern and being health conscious have driven individuals to choose Organic food (OF) to achieve their objective.

Consumers worldwide are showing serious concern about individual health and the quality of their food intake (Gil et al., 2000).Recent research on the Indian OF market shows positive trends in demand through consumers' shifts in the food consumption. However, in India, the OF industry and the farming industry are yet to understand the decision making process of organic food consumers.

India has emerged as one of the largest markets in the world for organic food. The organic foods products are healthy, without chemicals or preservatives, are completely natural and are much better than conventional foods in terms of the various benefits that they provide to one and all. India is one of the countries with the largest area under organic management along with Argentina, Brazil, India and Uruguay (Willer and Kilcher, 2009). Local markets have taken off in many of the big cities of south and eastern part of Asia. Delhi and Bangalore are some of the Indian cities which are witnessing enhanced internal consumption of organic products (Willer and Kilcher, 2009).

I Author
Dr.Madhavaiah. C.
MBA., M.Phil., Ph.D.,
Assistant Professor,
Department of Management
Pondicherry University, Karaikal
Ph : 08903765947
drcmadhavaiah@gmail.com

II Author
Shashikiran.L
MBA, UGC NET. (Ph.D),
Doctoral Research Scholar,
Department of Management,
Pondicherry University, Karaikal
Ph : 09742822000
shashikiranl@gmail.com

In the report of "India Organic Food Market Forecast & Opportunities, 2019", it is stated that the Organic food market income in India are estimated to develop at a CAGR of around 25% between 2014-19. The western region is the most astounding income contributor for the nation's organic food sector followed by the southern region. Organic food players are progressively offering their items through online sites and retail locations. Different significant players, for example, Sresta Natural and Morarka Organic Foods are growing their retail dispersion system in Tier I and II urban areas through tie-ups with driving retail chains and in addition through foundation of selective stores and outlets.

Among developing nations, India is amongst the most potential markets for Organic food. Numerous individuals since hundreds of years are very much aware that the Organic food is much prevalent from the perspective of well being than that of the inorganic nourishment. India had been one of the primary adherents of Organic food indeed it had been completely indigent upon the natural manures. In this way, India can be the best potential business sector to market Organic food, however to fit themselves in, they will need to have the purchasers' confidence, who are the loyal clients of Organic food, with their quality items with their quality products (Chakrabarti, 2010).

2. Literature review

More of the research was done in European countries related to organic food consumers. A review on Organic food consumption demonstrates that efforts have been made to inspect customers' view of Organic food, calculates factors that have encouraged or kept the Organic food consumption decision, buyers' states of mind, and additionally explanations behind buy/non-buy. Shoppers buy Organic food for the most part for the following

reasons: Organic food is seen as more advantageous, more nutritious and more secure, no chemicals are utilized, natural cultivating is kinder to the studies.

On the other hand, the principle reasons for not purchasing Organic food are: excessively costly, constrained accessibility, inadmissible quality, satisfaction with current purchases, absence of trust, constrained decision, absence of seen esteem and absence of misconception of natural Organic food production (Fotopoulos and Krystallis, 2002; Wier and Calverly, 2002; Larue et al., 2004; Verdurme et al., 2002; Worner and Meier-Ploeger, 1999). Generally, the most vital explanation behind acquiring and expending Organic food gives off an impression of well being concerns (Hutchins and Greenhalgh, 1997; Squires et al., 2001), while research directed on customers' ecological worries as a reason for expending natural nourishment are blended (Kristensen and Grunert, 1991).

Coddington (1993) specified the adjustment in the point of view of the customers. Purchasers were concerned over the effect of environmental degradation on their well being and safety. Their nervousness constrained the marketers to join environment issue in their decision making. Many saw additional regarding advantages quality issues related to OF consumption, it is of critical enthusiasm to reveal customers' inspirations and trust introductions concerning OF.

2.1 Hypothesis:

Based on the literature review following hypothesis were framed to test its significance.

H_1 Product related dimension is positively correlated to the pre-purchase evaluation

H_2 Regulatory dimension is positively correlated to the pre-purchase evaluation

H_3 Lifestyle is positively correlated to the pre-

purchase evaluation

H$_4$ Ethnocentrism is negatively correlated to the pre-purchase evaluation

H$_5$ Consumer's attitudes towards organic food is directly and positively correlated to Pre-purchase evaluation

H$_6$ Pre-purchase evaluation is directly and positively related to actual purchase behavior

3.   METHODOLODY

The data was gathered utilizing self-administered surveys at different Organic food retail locations in Bangalore city. Past study demonstrates that information gathered in retail outlets is an effective technique (Drichoutis et al. 2007). Consumers were approached randomly and asked to respond. A small gift of organic food (eg: vegetables, Fruits) was offered in return for their favour to answer the enquiries. Forty questionnaires were conveyed in every retail locations, a sum of two hundred surveys were administrated from 5 distinctive organic food stores in Bangalore. At last, one hundred and sixty legitimate responses were collected. The information was gathered over a time of one month. Response rates were as high as 80 percent. This is consistent with extant literature which suggests that the response rates of consumers of specialized goods like organic food products can be as high as 40%-50% (Honkanen et al. 2006). The collected data was analyzed using a version of t'test, critical ratios from the SEM.

Figure 1 - Conceptual Framework
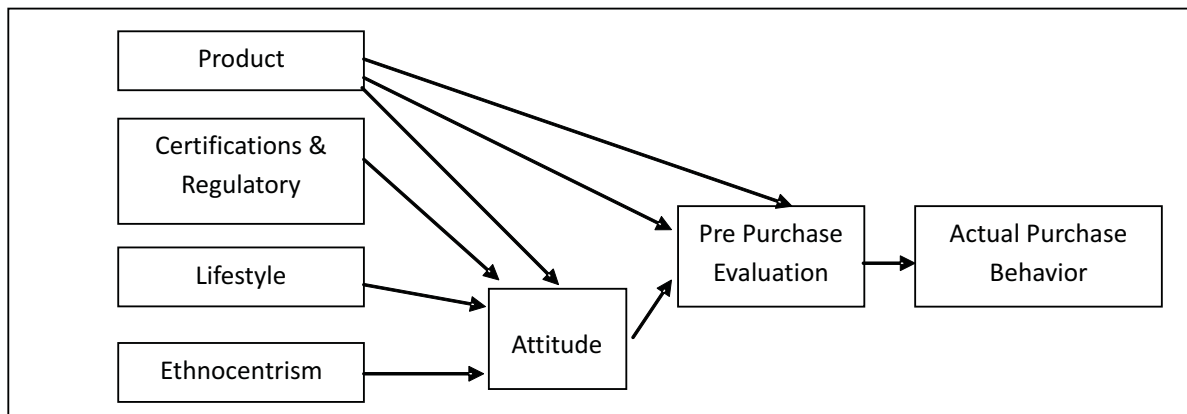
4.   Results & Discussions:

SPSS version 20 was used to examine the accuracy, missing values, fit between their distributions and the assumption of multivariate analysis. A series of exploratory factor analyses (EFA) was performed.

A series of confirmatory factor analyses (CFA) was then conducted on the data from the surveys to validate the findings from the EFA. Out of 45 statements ten statements were removed due to model fit requirements. Hence 35 statements forming seven measurement models were retained for the final model. All the re-specified measurement models were framed to satisfy most indices (Kline 2010). The reliability of scores of the measurement model ranged from .827 to .770. It is assumed that the internal consistency was acceptable and adequate to be part of the structural equation model.

The structural model was tested and presented as the final stage. Post hoc model modifications were performed in an attempt to develop a better fitting and possibly more parsimonious model.

The 35 statements of the measurement model is shown in Figure 2. This model explained that 39.3 % of the variance was in individual attitude's, and that 42.5% of the variance was in pre-purchase evaluation, while 58.4% of the variance was in the Actual Purchase behaviour.
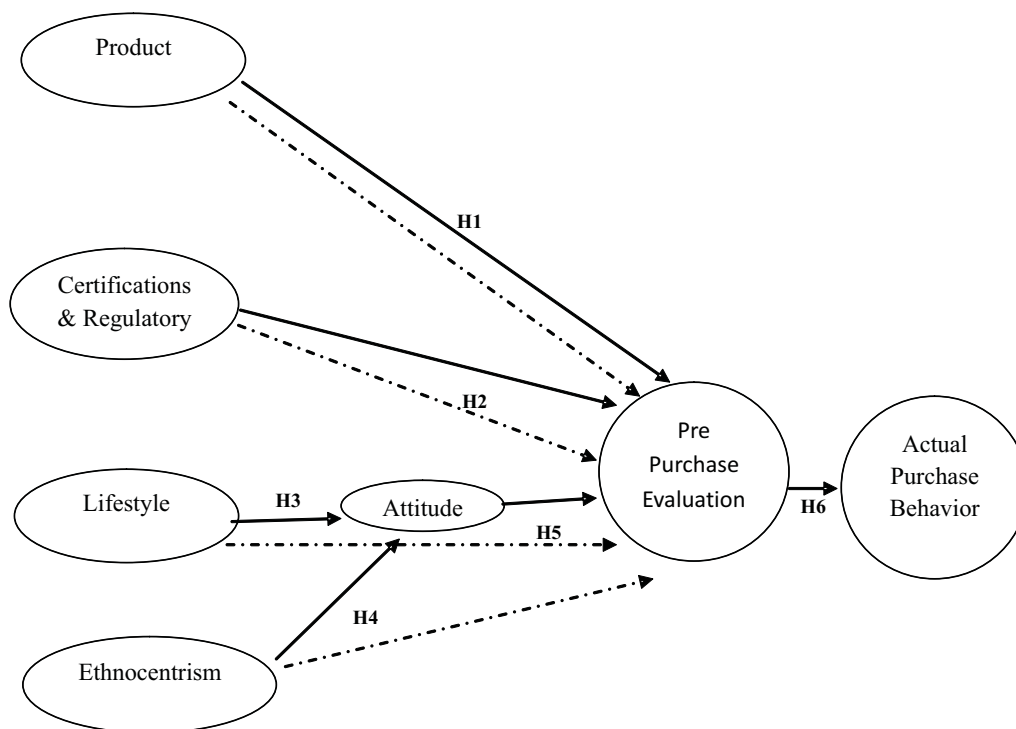
Figure 2 - Hypothesis Test

Note: Chi-square =945.176, df=334, pa (Bollen-Stine bootstrap p value) = .001, CMIN/DF=2.113, GFI=.831, AGFI=.815, TLI=895, CFI=.946, RMSEA=.047, 90% CI= (.041,.048), SRMR=.0467

Reliability tests were conducted on all the dimensions. The Cronbach's alpha scores ranged between .795 to .827 for all the dimensions. Therefore, the internal consistency of dimensions in the final model was acceptable and adequate. In order to confirm how well the results obtained from the use of measures fitted relevant theories, discriminant validity testing was conducted based on the final model.

Table-1 summarises the results of hypotheses testing. A version of t' test was administered which uses critical ratios from the SEM. Standard errors in the S.E. column, C.R. column stands for Critical Ratio (magnitude > 2 indicates statistical significance at the .05 level). P value indicates statistical significance at levels of 0.001, 0.01 and 0.05 respectively. The direction and importance of the relationships is determined by the magnitude of Beta weight.

Table 1 - Summary of hypotheses test (H1 -H6)

Hypoth esis	Factor	Estimate	S. E	C.R	P	Accepted/ Rejected	Beta (β)
H₁	Product Related → pre-purchase evaluation	.449	.061	6.710	***	Accepted	.382
H₂	Regulatory dimension →pre-purchase evaluation	.463	.060	7.010	***	Accepted	.371
H₃	Lifestyle → pre-purchase evaluation	.561	.145	1.245	***	Accepted	.219
H₄	Ethnocentrism → pre-purchase evaluation	.035	.29	.941	.351	Rejected	.035
H₅	Consumers attitudes → Actual Purchase Behavior	.345	.078	3.413	**	Accepted	.192
H₆	Pre-purchase evaluation → Actual Purchase Behavior	.615	.065	9.615	***	Accepted	.619

Hypothesis 1 was supported. Organic food Product related measurement had a significant association with pre purchase evaluation. This means the product related dimension was associated with actual behavior through the mediatory effect of personal attitudes and pre - purchase evaluation. Hypothesis 2 was partially supported. Certification & Regulatory dimension had a significant relationship with pre-purchase evaluation. However, the regulatory dimension was associated with Actual Behavior through the mediatory effect of personal attitudes and pre purchase evaluation. Hypothesis 3 was also partially supported. The lifestyle dimension comprised variety seeking and self-indulgence factors, both of which had significant influences on personal attitudes and purchase intentions. The results also revealed that the lifestyle dimension had indirect effects on behavioral/purchase intentions, which means that it was associated with pre-purchase evaluation through the mediatory effect of personal attitudes. Hypothesis 4 was rejected. The results indicate that the ethnocentrism dimension did not influence personal attitudes, pre-purchase evaluation or purchase intention. Hypothesis 5 and hypothesis 6 were supported. Personal attitudes dimension had a significant influence on pre-purchase evaluation (p value was significant), and the pre-purchase evaluation dimension had a significant influence on purchase behavior (p value was significant).

5. Conclusion

Firstly the findings of this study have revealed that consumer's attitude is positively and

directly influenced by the dimension of the product, regulatory and lifestyle (especially variety seeking and self-indulgence) issues. The results also revealed that both product-related and regulatory dimensions had significant influences on pre-purchase evaluation, and both dimensions were associated with purchase behavior through the mediatory affect of personal attitudes and pre-purchase evaluation. This affirms that the characteristics of organic food have both direct and indirect effects on consumer's intention to buy organic products (Chen 2007). Interestingly noted, items relating to price were deleted due to model fit requirements. This may provide evidence that price is not as important as is the food safety in a comparative measure. Food safety is the one of most important issues influencing consumer's buyer behaviour of organic food in India. Consumers probably give up purchasing food products unless there are signs of the products quality (Ennis 2007). Labelling seems one of the important issues among organic food purchasers. Confusion still exists among consumers as to what defines organic. An organic logo is the consumer's guarantee that product has been produced organically (McDonald 2001).

This research study is one of the very few associated with consumer buyer behaviour of organic food in urban India. The unique conceptual model used in this study is a combination of three theoretical models, namely, the theory of reasoned action, the theory of planned behaviour and the theory of consumer decision making process. The findings of this research study have important implications for marketers of organic food in India. They should attempt to leverage on these findings by educating their target audience, (both existing and potential customers) and by promoting trials of organic food products.

Beneficiaries of this research study include various stakeholders in India and globally such as consumers, vendors both local and international and government agencies.

A number of hypotheses were tested in this study using extensive data obtained from a large sample size. Further analysis using invariance testing will be performed to investigate whether there are significant differences in the data obtained from the four major cities of India. Finally, it would be beneficial to investigate changes in consumers attitudes and their behavior intentions over time by conducting a longitudinal study.

References

1   Chen, M-F 2007, 'Consumer attitudes and purchase intentions in relation to organic foods in Taiwan: moderating effects of food-related personality traits', Food Quality & Preference, vol. 18, no., pp. 1008-1021.

2   Drichoutis, AC, Lazaridis, P &NaygaJr, RM 2007, 'An assessment of product class involvement in food-purchasing behavior', European Journal of Marketing, vol. 41, no., pp. 888-914.

3   Ennis, S 2007, 'Competition and regulation in agriculture: background note ', OECD Journal of Competition Law and Policy, vol. 9, no. 2, p. 93.

4   Fotopoulos, C. and Krystallis, A. (2002), "Purchasing motives and profile of Greek organic consumer: a countrywide survey", British Food Journal, Vol. 104 No. 9, pp. 730-64.

5   Gil, J. M., Gracia, A. and Sanchez, M. (2000) Market segmentation and willingness to pay for organic products in Spain, International Food and Agribusiness Management Review, 3: pp 207-226.

6   Honkanen, P, Verplanken, B & Olsen, SO 2006, 'Ethical values and motives driving organic food choice', Journal of Consumer Behaviour, vol. 5, no. 5, pp. 420-430.

7   Hutchins, R.K. and Greenhalgh, L.A. (1997), "Organic confusion: sustaining competitive advantage", British Food Journal, Vol. 99 No. 9, pp. 336-8.

8   Kline, RB 2010, Principles and practice of structural equation modeling, 3 edn.,Guilford Press, New York.

9   Krystallis, A. and Chryssohoidis, G. (2005), "Consumers' willingness to pay for organic foodfactors that affect it and variation per organic product type", British Food Journal, Vol. 107 No. 5, pp. 320-43..

10 Larue, B., West, G., Gendron, C. and Lambert, R. (2004), "Consumer response to functional foods produced by conventional, organic, or genetic manipulation", Agribusiness, Vol. 20 No. 2, pp. 155-66. No. 1, pp. 45-62. No. 5, pp. 392-409.

11 McDonald, P 2001, The organic food market in Europe: An overview of Europe's fastest growing niche food market, Queensland Government Trade & Investment Office Europe.

12 SomnathChakrabarti, (2010),"Factors influencing organic food purchase in India – expert survey insights", British Food Journal, Vol. 112 Iss 8 pp. 902 – 915.

13 Squires, L., Juric, B. and Cornwell, T.B. (2001), "Level of market development and intensity of organic food consumption: cross-cultural study of Danish and New Zealand consumers", Journal of Consumer Marketing, Vol. 18

14 Verdurme, A., Gellynck, X. and Viaene, J. (2002), "Are organic food consumers opposed to GM food consumers?", British Food Journal, Vol. 104 No. 8, pp. 610-23.

15 Wier, M. and Calverly, C. (2002), "Market potential for organic foods in Europe", British Food Journal, Vol. 104

16 Worner, F. and Meier-Ploeger, A. (1999), "What the consumer says", Ecology and Farming,Vol. 20, January-April, pp. 14-15.