

A STUDY ON ORGANIC PRODUCTS: THE ROLE OF CONSUMER PREFERENCE AND BUYING BEHAVIOUR IN VELLORE CITY

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ABSTRACT

An organic product is a product which is produced using environmentally and animal friendly farming methods on organic farms. These methods are legally defined and any product sold as 'organic' must be strictly regulated. Definition of Organic product provided by the Green Earth Organics. It is stated that the organic product is made without artificial preservatives or ingredients and is marginally processed. Here is the few organic products such as Food, Clothing, Beauty and Medicine. Most people buy organically-grown products because they are concerned about pesticides, additives, antibiotics or other chemical residues. Although pesticide residues in fruit and vegetables are monitored in India, many people believe organic product is healthier. This paper is an attempt to find out the preference and behaviour of consumers towards organic products.

Keywords: Organic Product, Organic friendly, Pesticides, Preference.

1. INTRODUCTION

An individual purchases the products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements. Any time someone goes to a store and purchases a toy, shirt, beverage, or anything else, they are making that decision as a consumer. The term organic refers to an ecological method of agricultural production that respects the natural environment. Organics focuses on enhancing the health and vitality of the soil, preserving biodiversity, promoting animal welfare and preserving the ecological integrity of our environment. No synthetic fertilizers, synthetic pesticides or genetically modified organisms are permitted in organics. Hence this study titled to analyze the role organic consumer preference and buying behaviour in Vellore City.

1.1 Benefits Of Organic Agriculture

Better for the environment

Organic farming reduces pollution and greenhouse gases released from food production by restricting the use of artificial chemical fertilizers and pesticides.

Wildlife protection

Organic farms are havens for wildlife and provide homes for bees, birds and butterflies. In fact, plant, insect and bird life is up to 50% greater on organic farms.

Higher animal welfare

Organic standards insist that animals are given plenty of space and fresh air to thrive and grow- guaranteeing a truly free- range life.

A GM free diet

GM crops and ingredients are banned under organic standards. Choosing organic is an effective way to avoid GM in your diet.

Genetically Modified (GM) Food

Meat and edible plants modified through genetic engineering. Although humans have genetically modified animal and plants since the beginning of civilization, they did it through a selective breeding possible only within the same species through natural reproduction over decades or

centuries. Modern techniques, however, can transfer genetic material from one organism to another to instantly create utterly different variants.

1.2 Objectives of the Study

1. To find out the preference of different organic products by consumers in Vellore.
2. To analyze the reasons preferred for purchasing the organic products.
3. To determine the problems pertaining to implement the organic products in the market.

1.3 Statement of the Problem

The study aims at finding the reasons behind why consumers in the society are willing to consume organic products and study about the factors which are obstacles for implementation of organic products.

2. REVIEW OF LITERATURE

- **Justin Paul and Jyoti Rana (2012)** views that the health, availability and education from demographic factors positively influence the consumer's attitude towards buying organic food. Overall satisfaction of consumers of organic food is more than inorganic food, but the satisfaction level varies due to various factors and attitudes.
- **Parichard Sangkumchalianga and Wen-Chi Huang (2012)** in his research draws on a survey of 390 respondents. The Results indicated that the main reasons for purchasing organic food products are an expectation of a healthy and environmentally friendly means of production. Organic buyers tend to be older and higher educated than those who do not buy them. In addition, consumers' trust in the authenticity of the goods and price is also issued. However, the main barrier to increase the market share of organic food products is consumer information.
- **Ali et. al., (2010)** stated that the preferences of the consumers clearly indicate their priority for cleanliness/freshness of food products, followed by price, quality, variety, packaging, and non seasonal availability. The consumers' preference of marketplace largely depends on the convenience in purchasing at the marketplace along with the availability of additional services, attraction for children, basic amenities and affordability. Results suggest that most of the food and grocery items are purchased in loose form from the nearby outlets. Fruits and vegetables are mostly purchased daily or twice a week due to their perishable nature, whereas grocery items are

less frequently purchased.

3. RESEARCH METHODOLOGY

3.1 Source of Data Collection:

Data refers to information or facts. Data could be broadly classified as (i) primary data and (ii) secondary data where both are used for the study. Primary data were collected by the primary survey method through a structured questionnaire. This is directed towards the aim of finding the research, which includes an opinion of the respondents. Secondary data are those, which have already been passed through statistical process. The secondary data was collected from company records from company records, textbook, journal, newspapers and reports.

3.2 Sampling Design

It consists of 50 respondents in Vellore city. The research was carried on with the respondents who are using organic products. The techniques adopted for the collection of data are **simple random and convenient sampling technique**.

3.3 Analysis of Data

Statistical tools applied in this study were Percentage Analysis and Analysis of Variance.

4. RESULTS AND DISCUSSION

TABLE NO: 4.1- GENDER

GENDER	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Male	22	44.0	44.0
Female	28	56.0	100.0
TOTAL	50	100.0	

From the above table it is inferred that 44% of respondents are male and 66% Respondents are female.

TABLE NO: 4.2

AGE OF THE RESPONDENTS

AGE (IN YEARS)	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Below 20	6	12.0	12.0
21 to 30	20	40.0	52.0
31 to 40	7	14.0	66.0
41 to 50	7	14.0	80.0
Above 50	10	20.0	100.0
TOTAL	50	100.0	

From the above table, it is inferred that 12% of the respondent are below 20 years of age, 40% of the respondent are between the age group of 21 to 30 years, 14% of the respondent are 31 to 40 years. Further, 14% respondent is in between 41 to 50 years and 20% of the respondent are above the age of 50 years.

TABLE NO: 4.3

EDUCATION QUALIFICATION OF THE RESPONDENTS

QUALIFICATION	FREQUENCY	PERCENT	CUMULATIVE PERCENT
School Level	14	28.0	28.0
Under Graduate	8	16.0	44.0
Post Graduate	17	34.0	78.0
Professional	9	18.0	96.0
Others	2	4.0	100.0
TOTAL	50	100.0	

From the above table, it is inferred that 28% of the respondent had completed their schooling and 16% of the respondent has completed their undergraduates. Further, 34% and 18% of the respondent has completed their PG and professional degrees. 4% of the respondents had completed their diploma, ITI etc.

TABLE NO: 4.4

OCCUPATION OF THE RESPONDENTS

OCCUPATION	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Private Employee	17	34.0	34.0
Government Employee	8	16.0	50.0
Business	11	22.0	72.0
Student	7	14.0	86.0
Others	7	14.0	100.0
TOTAL	50	100.0	

From the above table it is inferred that 34% of the respondent are private employee, 16% of the respondent are government employee, 22% of the respondent are business men's, 14% of the respondent are students and 14% of the respondent are belong to other categories such as, retired, housewife and the like.

TABLE NO: 4.5

FAMILY SIZE OF THE RESPONDENTS

FAMILY SIZE	FREQUENCY	PERCENT	CUMULATIVE PERCENT
2 to 4	14	28.0	28.0
4 to 6	17	34.0	62.0
6 to 8	14	28.0	90.0
8 to 10	2	4.0	94.0
Above 10	3	6.0	100.0
TOTAL	50	100.0	

From the above table, it is inferred that 28% of the respondents are having 2 to 4 members in a family and 34% of the respondents are having 4 to 6 members in a family. Followed by 28% of the respondents is having 6 to 8 members in a family and 4% of the

respondents are having 8 to 10 members in a family. Finally, 6% of the respondent are having above 10 members in a family.

TABLE NO: 4.6

MONTHLY INCOME OF THE RESPONDENTS

INCOME(IN RS)	FREQUENCY	PERCENT	CUMULATIVE PERCENT
BELOW 5000	9	18.0	18.0
5000 to 10000	2	4.0	22.0
10000 to 15000	10	20.0	42.0
15000 to 20000	9	18.0	60.0
Above 20000	20	40.0	100.0
TOTAL	50	100.0	

From the above table it is inferred that 18% of the respondents income are below Rs.5000 and 4% of the respondents income is in between Rs.5000 –Rs.10000. Further, 20% of the respondent's income are in between Rs.10000 – Rs.15000, 18% of the respondents income is in between Rs15000 – Rs.20000 and 40% of the respondents income is above Rs. 20000.

CONSUMER PREFERENCE

TABLE NO: 4.7

OFTEN CONSUMPTION OF ORGANIC FOODS

CONSUMPTION	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Once In A Week	14	28.0	28.0
Once In 15 Days	7	14.0	42.0
Once In A Month	8	16.0	58.0
Two Month's Once	5	10.0	68.0
Occasionally	16	32.0	100.0
TOTAL	50	100.0	

From the above table, it is inferred that 28% of the respondent consumes organic food once in a week, 14% of the respondent consumes organic food once in 15 days and 16% of the respondents consumes organic food once in a month. Further, 10% of the respondent consumes organic food two month's once and 32% of the respondent consumes organic food occasionally.

TABLE NO: 4.8 -PLACE PREFER TO BUY ORGANIC PRODUCTS

PLACE	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Super Market Chain	3	6.0	6.0
Discount Market	5	10.0	16.0
Organic Shop	19	38.0	54.0
Open \ Street Market	12	24.0	78.0
Specialized Shop (Bakery, Butcher...)	5	10.0	88.0
Farm Shop	6	12.0	100.0
TOTAL	50	100.0	

From the above table, it is inferred that 38% of the respondent prefer an organic shop to purchase the organic products and 6% of the respondent prefer supermarket to purchase the organic products.

TABLE NO: 4.9

PREFER TO USE THE ORGANIC PRODUCTS

ORGANIC PRODUCTS	VERY HIGH (%)	HIGH (%)	MEDIUM (%)	LOW (%)	LEAST (%)
Fresh Vegetable And Fruits	28	48	22	0	2
Milk And Milk Products	24	40	24	12	0

Meat And Meat Products	10	12	44	26	8
Bread And Bakery Products	10	28	40	16	6
Cereals And Pulses	10	32	42	14	2
Dried Fruits And Nuts	18	24	38	20	0
Beverages	14	8	34	24	20
Natural Products And Natural Cosmetic Products	22	26	32	14	6
Detergents And Washing Agents	8	8	22	20	42

From the table it is found that, above 20% of the respondents are very highly prefer to use fresh vegetables, fruits, milk and milk products, natural cosmetics and products. Further, 48% and 40% of the respondent highly prefers to use fresh vegetable, fruits, milk, milk products. Around 44%, 42%, and 40% of the respondents moderately prefer to use meat, meat products, bread, bakery products and cereals, pulses. Finally more than 20% of the respondent have a lower preference towards meat, dried fruits and nuts, beverages.

TABLE NO: 4.10

ASSOCIATION BETWEEN FAMILY SIZE AND PREFERENCE TO USE ORGANIC PRODUCTS

PRODUCTS		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
usage of fresh organic vegetable and fruits	Between Groups	3.590	4	.897	1.328	.274
	Within Groups	30.410	45	.676		
	Total	34.000	49			
usage of organic milk and milk products	Between Groups	.974	4	.244	.248	.909
	Within Groups	44.146	45	.981		
	Total	45.120	49			
usage of meat and meat products	Between Groups	3.370	4	.842	.741	.569
	Within Groups	51.130	45	1.136		

	Total	54.500	49			
usage of bread and bakery products	Between Groups	4.022	4	1.006	.943	.448
	Within Groups	47.978	45	1.066		
	Total	52.000	49			
usage of cereals and pulses	Between Groups	2.247	4	.562	0.649	.631
	Within Groups	38.973	45	.866		
	Total	41.220	49			
usage of dried fruits and nuts	Between Groups	5.161	4	1.290	1.295	.286
	Within Groups	44.839	45	.996		
	Total	50.000	49			
usage of beverages	Between Groups	17.867	4	4.467	3.231	.021
	Within Groups	62.213	45	1.383		
	Total	80.080	49			
usage of natural products and natural cosmetic products	Between Groups	5.704	4	1.426	1.059	.388
	Within Groups	60.616	45	1.347		
	Total	66.320	49			
usage of detergents and washing agents	Between Groups	9.077	4	2.269	1.400	.249
	Within Groups	72.923	45	1.621		
	Total	82.000	49			

From the above table it is found that preference to use the organic products, i.e. beverages ($F = 3.231$; $P = 0.21$) is statistically significant at the 5% level of significance. Hence there is an association between family size and usage of beverages of organic products.

TABLE NO: 4.11

REASONS FOR PREFERRING ORGANIC PRODUCTS

FACTORS	STRONGLY AGREE (%)	AGREE (%)	NEUTRAL (%)	DISAGREE (%)	STRONGLY DISAGREE (%)
More Cheap Price	4	14	24	36	22

More Income	6	16	20	44	14
More Accessibility In Market	8	24	38	30	0
More Recognized Label Products	28	30	34	8	0
More Thrust To Origin/Production	38	30	18	14	0
More Seasonal Products	18	52	20	10	0
More Information In The Media	10	16	26	32	16
Better Appearance And Taste	30	40	18	8	4

From the above table, it is inferred that 38% of the respondents strongly agree that they purchase organic products because of more thrust to origin/ production and 52% of the respondents agree toward the purchase of more seasonal products. Followed by 38% and 34% of the respondent moderately agree that they purchase organic products due to more access to market as well as recognized label products. Finally, 44% and 22% of the respondents disagree and strongly disagree towards the factor of more income and cheaper price of organic products

TABLE NO: 4.12

ASSOCIATION BETWEEN GENDER AND REASONS FOR PREFERRING ORGANIC PRODUCTS

REASONS		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Preferring For More Cheap Price	Between Groups	14.229	1	14.229	14.863	.000
	Within Groups	45.951	48	.957		

	Total	60.180	49			
Preferring For More Income	Between Groups	.437	1	.437	.350	.557
	Within Groups	59.883	48	1.248		
	Total	60.320	49			
Preferring For More Accessibility	Between Groups	1.432	1	1.432	1.673	.202
	Within Groups	41.068	48	.856		
	Total	42.500	49			
Preferring For More Recognized Label And Product	Between Groups	.057	1	.057	.062	.805
	Within Groups	44.523	48	.928		
	Total	44.580	49			
Preferring For More Thrust To Origin Production	Between Groups	1.839	1	1.839	1.640	.207
	Within Groups	53.841	48	1.122		
	Total	55.680	49			
Preferring For More Seasonal Products	Between Groups	2.161	1	2.161	3.014	.089
	Within Groups	34.419	48	.717		
	Total	36.580	49			
Preferring For More Information In The Media	Between Groups	25.833	1	25.833	26.813	.000
	Within Groups	46.247	48	.963		
	Total	72.080	49			
Preferring For Better Appearance And Taste	Between Groups	4.541	1	4.541	4.178	.046
	Within Groups	52.179	48	1.087		
	Total	56.720	49			

From the above table it is evident that factor affecting the purchase of organic products like cheap price ($F = 14.863$; $P = .000$) and more information in the media ($F = 26.813$; $P = .000$) and better appearance and taste ($F = 4.178$; $P = 0.46$) is statistically significant at 5% level. Hence there is an association between gender and reason / factors prefer to purchase organic products specially towards cheap price, more information and better appearance and taste.

TABLE NO: 4.13

PROBLEMS IN IMPLEMENTATION OF ORGANIC PRODUCTS

FACTORS	STRONGLY AGREE (%)	AGREE (%)	NEUTRAL (%)	DISAGREE (%)	STRONGLY DIS AGREE (%)
Required More Finance And Technical Support	40	38	18	2	2
Lack Of Awareness Among The Farmers	28	42	0	20	10
Intensive Labour And Operation	22	40	30	6	2
Inadequate Infrastructure	24	26	34	14	4
Marketing Problems Of Organic Products	30	32	20	14	4
Difficulties In Getting Organic Manures	18	38	34	8	2
Absence Of Appropriate Agriculture Policy	14	44	26	12	4

Low Yield	40	30	22	6	2
Lack Of Technical Knowledge By The Farmer	26	30	30	12	2
Social And Political Factor	12	22	36	14	16

It is inferred that 40% of the respondents strongly agrees that organic products requires more financial and technical support and low yield. More than 40% of the respondents agree towards the problems of implementation such as absence of appropriate agriculture policy, lack of awareness among farmers and intensive labour and operation. 34% of the respondents neither agree nor disagree towards the problem of inadequate infrastructure and difficulties in getting organic manures. Finally, 20% and 16% disagree as well as strongly disagree towards lack of awareness among the farmers and social and political factors.

5. SUGGESTION AND CONCLUSION

This study examined the consumer’s preference of organic products in the Vellore city. Socio-demographic analysis indicate that, organic consumers in Vellore have belonged to younger age groups. Organic consumers have a high education level and belong to middle income group. Furthermore, organic shop and open/street market are the most preferred place for organic buyers. The organic consumers consume the product occasionally.

This study has identified the product preference of organic consumers. Vegetables, fruits and milk are the most preferred products by the organic consumers. Detergent is the least preferred by the consumers. They tend to buy organic produce to support small and local farmers and similarly the high price and less availability are the major barriers for the organic consumers.

Finally the consumer should inform more regarding certification and true labels. Further the study suggests, the marketers should raise awareness of consumers towards regional products to support their area farmers. Convenience market place should make available to the consumers.

Results from this paper are of great importance because they provide valuable information on consumers in Vellore city.

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