

An Empirical Study on Demand and Consumers Perception of Organic Food Products

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ABSTRACT

The term "organic" comes from the Greek word "Organics." Organic foods are created using natural methods. In ancient times, farmers relied on conventional agriculture and natural manure methods. Later on, to boost output, the green revolution was born. Pesticides and insecticides were introduced during the green revolution. However, the usage of insecticides and pesticides has increased over time, resulting in damaged crops and posing several health risks. Then conventional farming was reintroduced under the banner of "organic." Customers are more and more worried about their health than ever before and environmental sustainability nowadays. Consumers of modern times are prepared to pay a premium for organic food since it is unprocessed, healthy, and fresh. There are two categories of buyers: organic and conventional. The barriers to demand organic food for non-organic buyers include increased prices, a lack of information, and unavailability. Governments and marketers must take the lead in promoting organic farming. A consumer education campaign should be created to educate consumers about the advantages of organic food. Farmers must also be recognized for their organic agricultural practices. For example, Mr. Reddy of Hyderabad was just awarded the Padma Shri. He patented his invention for vitamin D-enhanced cereal grains that are more nutritious. He employed a variety of nutrient-enhancing compositions, including carrot extract, maize flour, and sweet potato extract, which, when applied during irrigation, increase the vitamin D content of plants. Positive attitudes towards organic food may increase demand for organic food.

Keywords- Consumer Perception, Demand of Organic Food, Health Consciousness, Price.

I. INTRODUCTION

Consumers perceive that organic food is much healthier than conventional and modern food. They believe in the saying, "Eat healthily and stay fresh." The consumers' positive perception shapes the market and increases or decreases the product's demand. Consumers are becoming more interested in organic foods because of their nutrients, low level of processing, natural taste, no fertilizers, no preservatives. The consumer's perception behind consuming organic food is that it is natural and healthy as organic foods are grown without chemical or synthetic substances. The marketers have also taken the initiative to make it more popular among all age groups and sectors, irrespective of their age and income. In

today's organic scenario, some restaurants are also offering organic food. According to some statistics, the food industry in India was valued at Rs. 2,500 crores in 2015 and is further growing very fast. Data says there is a vast potential for the organic food market in upcoming years.

Consumers preferring to buy organic food can be segregated into different groups. Females prefer to buy organic food compared to males, as females are very much more conscious about the health of their families. High-income earners purchase organic food as they justify the extra cost of the health benefits associated with the product. The young adult and middle-aged groups are the dominant age groups who also prefer organic food, as these groups are always open to new trends and are also

fitness freaks. Educated people know very well the importance of health and environmental sustainability. They understand that continuous use of chemical fertilizers can lead to harmful effects in different ways. It can degrade the fertility of soil and crops grown with the help of toxic fertilizers, pesticides, and chemicals. Many chronic diseases can be caused by this. Consumers are willing to buy organic food products to acquire long-term benefits. Consumers know the benefits of organic products. Sometimes they are willing to pay the extra cost on behalf of the long-term benefits associated with them. However, when they buy the product, they do not justify the quality and advantages of the product's cost. The big question is: how do they know that the product they bought is organic or not? So overall, it is concluded that the customer is in a dilemma. Here comes the role of the government and marketers. The craze for organic food is increasing day by day across the world. The demand for organic food is increasing since people are becoming more health-conscious. However, eating organic food alone will not keep you fit and healthy. It is only one way of keeping yourself fit. They have to concentrate on certain major factors to spur the demand. Increase the production of organic food. Should raise awareness campaigns to make the consumer understand the benefits of organic food, control the price, and the importance of environmental sustainability. The marketers and producers of organic food are promoting organic food so that more and more people demand it. The study concludes that consumers' positive perceptions can create a great buzz in the organic food industry. It all depends on the consumer group. If they increase the demand for organic food, the producers will have to produce more organic food products, and accordingly, the need for organic food products will also increase. However, if there is no demand for organic food products, the producers will not fulfill their sales targets (Sivathanu, 2015).

II. LITERATURE REVIEW

In today's scenario, the feeding behavior of the consumer is changing fast. They are aware of the benefits of organic food. When it comes to someone's health, no one wants to compromise on the health of their family and children. Organic food is grown without using dangerous pesticides or herbicides because those harmful pesticides can lead to many chronic diseases. That is why the market for organic food is growing very fast. This purchasing intention plays a vital role in consumer attitude and perception. However, on the contrary, the increased price of organic food makes the situation more complex and confusing for the consumer. For this, the government should emphasize how to grow more and more organic food to be sold at a lower price, and more and more people will benefit from organic food. People across the world are changing their lifestyles and food patterns. Therefore, their demand for food is also changing gradually. They

are demanding organic food to follow a healthy lifestyle. Consumers are also increasing their demand with this increasing demand for organic food products (Victor & Revathy, 2020).

Demographic variables such as education, income, and age may define organic consumers, but the correlation is insignificant. Premium prices continue to hold back organic food consumption. It is difficult to justify the premium because the health benefits claimed for organic food are frequently challenging to demonstrate. Therefore, more transparency in organic food production and farm-gate prices can be achieved to quantify. It is advantageous to society. Securing the domestic supply of organic food may be the key to reducing the price gap. Understanding the specific determinants of rising levels of organic food consumption is critical.

Motivation, beliefs, behavior, and demographic variables are valuable and vital in understanding the Organic foods are gaining popularity among people from all sectors as they become aware of the term "organic" benefits. People demand organic food products because they know how beneficial they are for their health. Food grown naturally is beneficial for health in many ways. For instance, it is rich in nutrients. Green manures and animal manures are used to help them grow. Organic vegetables and grains are insufficient, so organic food comes on the market high. The customer is very aware of organic terms, but the high price hits his pocket. Therefore, more companies should increase the growth of organic food to bridge the gap. In addition, more awareness campaigns have to be initiated to attract more and more people to purchase organic food. Their personal experiences rather than facts shape consumers' attitudes toward organic food. To bridge this gap, low-budget organic food with quality has to be considered (Rennie & Shafie, 2009).

In today's modern era, consumers understand the preciousness of the ecosystem and the natural resources, and they also want to reserve them for upcoming generations. Organic food adoption is just one step ahead of this concept. Consumers perceive that organic or natural grown food is healthier than conventional food. Furthermore, consumers stated in the survey that the food they believe to be organic is not at all organic. The information provided by the producer is not transparent. The price they pay for the product is not justified based on ingredients, purity, and taste. According to consumer perception, producers are just taking advantage of the term "organic," but they are not providing it in reality. The consumer perception of going green and ecosystems gives space to organic products in the upcoming decades. Labeling, packaging, availability, and price have to be considered to create a buzz in the organic food market. People are willing to adopt the organic term in their lifestyles, but the lack of availability of the products and high prices are hindrances to consumers (Patnaik, 2018).

The adverse effects of conventional farming have become so pervasive that they cannot be ignored. So

gradually, the paradigm started shifting from traditional agriculture to organic farming methods. It is high time to create a buzz in the market. It is perceived that urban consumer perception of organic food depends on some factors like taste, shelf life, and nutrition. All these factors influence the purchase intention of organic food (Shireesha & Rao, 2018).

Nowadays, consumers are fitness freaks, so food quality has become a significant concern. Marketers have to look after all the buyer's concerns to boost the sale of organic products. They must also concentrate on the increased price and the means of advertisement to create a favorable impression of organic products. To influence the buying perception of the consumer, information should be shared widely by all means. Consumers should know that the price they are paying for food is worth it. Since organic food products are suitable for your health, they are expensive. Furthermore, not everyone can afford them (Manohar et al., 2012).

Today is changing lifestyle, and health consciousness encourages organic food products. Organic food is gaining popularity worldwide. Nowadays, more number people are demanding organic food products. Fitness freak intention is the main agenda of the USA and all the European countries. The market has been growing tremendously over the last two decades. Recent data shows that popularity is spreading worldwide in all the regions. Some particular segments, like youngsters, females, metropolitans, highly educated and high profiled individuals, are more likely to purchase organic food products. This study suggests that the producers should adopt the policy of organizational strategy to break down a target audience into manageable groups (Quah & Tan, 2009).

This research has been done on Chinese consumers' attitudes and behaviors towards organic food products. Organic food demand increases because of consumers' perception of organic food products. People perceive that organic food can help people stay fit and healthy. The two significant beliefs associated with organic food are safe and healthy. The attractive segment is either well-educated or well-sourced. The main obstacles for the consumer are the lack of knowledge, proper availability, and unreasonable prices. Producers should focus on three major factors to increase demand (Xie et al., 2015).

The behavior of the consumer is complex and confused. It reveals that every person has tried organic food products once in their life, irrespective of class or segment. They are expensive and, thus, not everyone can afford to have them. Only a particular segment of the consumer population can buy organic food products. Organic food is unprocessed to maintain the nutritional content of the food. Sometimes organic foods do not live up to the expectations of the buyer. It does not contain any preservatives, additional colors, or artificial flavors to make it tasty or increase shelf life. Packaging is also not very attractive. Consumer expectations are different.

They are accustomed to colorful and delicious products. On the contrary, they also want to take advantage of organic food because of their health-conscious attitude. Food producers should raise awareness and understand that organic food is chemical-free. certain clients may have to make some compromises on taste or pricing. (Naspetti & Zanoli, 2009).

Northern Thai consumers' perception of organic food products is positive. The demand for organic food products is rapidly increasing day by day among the consumers because now they are well aware of the health hazards associated with the chemical and pesticides containing food products, so they are switching to organic farming food. Moreover, the intention to promote organic farming is to give employment to small and local farmers. In Chiang Mai, well-educated, older people and families with small children are the most prospective customers of organic food products. The demand for organic food is due to all of these factors in equal measure (Huang & Parichard, 2012).

Consumer behavior and paradigms that influence consumer purchases of organic food items This poll was conducted among affluent customers. This group's majority feels that organic food is much healthier than conventional food. The elite group is prepared to pay a premium for its uniqueness and quality, and they are open to new projects. On the other hand, low-income individuals are more concerned with pricing. All sectors should have access to organic food, regardless of their financial level (Zakowska, 2011).

In Tamilnadu's Tirupur District, it has been determined that there are two divisions for organic food. Buyers who are organic and non-organic. Organic buyers are eager to purchase the items because they are willing to pay the additional cost for the health advantages. To alter non-organic food buyers' perceptions, producers must construct a well-developed infrastructure to meet the demand for organic food items—good organic agricultural cultivation results in a high yield, which lowers the price. The lower price would entice non-organic buyers to purchase the goods. Consumers are also unsure of the product's quality, which means manufacturers must find a way to instill faith in organic items. In today's current day, social media plays a significant part in raising awareness via different forms of advertising. Considerations that must be addressed are the health advantages of organic food items (Krishnakumare & Niranjan, 2016).

The majority of consumers have purchased organic food items at least once in their lives, whereas around 17% have never purchased organic food. The reason people do not buy organic food is because they are unaware of the phrase "organic" and the health advantages connected with it. Additionally, they are unaware of where to get such items. The organic food purchaser has consistently purchased the product for two years. They are aware of the health advantages of organic goods and believe in their long-term benefits. Individuals that eat

organic foods daily. They choose to live a sure way to maintain their fitness and health. Thus, marketers must develop a marketing plan to boost awareness campaigns among all individuals, regardless of their age or financial level. Marketers must be more strategic to compete with the shifting customer attitude toward organic food (Oluwoye et al., 2017).

The barriers contributing to lower demand and the variables contributing to increased demand for organic goods. Organic food purchasers are more concerned with the great danger of chemical-laden crops and their adverse health effects. This is the primary reason people favor organic food products over conventional food products. As a result, they understand and accept the increased price of organic food. Consumers are intelligent and recognize the advantages of organic food. It is stated that consumer knowledge of organic farming and its availability may pave the way for increased demand for organic food (Chang & Zepeda, 2007).

It is undeniable that global food consumption habits are shifting dramatically. Consumers agree to purchase organic products due to their beneficial features. Organic farming must be promoted to boost organic food production. The government must take the initiative to offer the necessary resources to farmers to support traditional farming methods. This will contribute to the rising demand for food goods and also assist farmers in increasing their output. The awareness campaign should target both consumers and farmers concurrently. Ultimately, organic food is the future of the new planet (Sharma & Singhvi, 2018).

Organic food demand is increasing around the globe. Malaysians are concerned about the health benefits. They recognize the critical nature of environmental sustainability but do not equate it with organic food. The customer desires to eat organic food owing to its nutritional value, flavor, and freshness. They are beneficial to one's health. Environmental and public health awareness are two critical aspects that must be addressed simultaneously. Producing organic food has no adverse effect on the environment, making it environmentally and health-wise safe. Eventually, the altered perspective of the environment may result in a rise in demand for organic food, which is also ecologically favorable (Salleh et al., 2010).

Organic farming is best for the soil and environment since it reduces carbon dioxide emissions and mitigates climate change. Organic farming decreases water pollution and requires less water, equipment, and manual labor. Organic and traditional agriculture farming can take various forms based on the different agro-ecological and socio-economic conditions found around the world. (Pallathadka et al., 2020).

Organic agriculture has the ability to not only generate food but also to preserve biodiversity in the environment. The organic agriculture system positively impacts ecosystem variety and contributes to landscape development. It allows the ecosystem to sustain the

impact of climate change while also reducing greenhouse gas emissions. Organic agriculture helps prevent resource depletion, contributes positively to the problem of climate change, and supports and improves the global biodiversity of the environment (Pasupulla et al., 2021).

III. OBJECTIVES OF THE STUDY

1. To find the consumer perception and demand of organic food products
2. To ascertain the consumer perception and need for organic food products

IV. RESEARCH METHODOLOGY

The current research analyses customer perceptions and demand for organic food items. The research included 150 participants. The data was acquired using a structured poll on a five-point scale and analyzed using the mean characteristics and t-test.

Table 1: Demographic profile of the respondents

Variables	Number of respondents	% Age
Gender		
Males	72	48%
Females	78	52%
Total	150	100%
Profession		
Businessman	52	35%
Service	48	32%
Housewife	36	24%
Student	14	9%
Total	150	100%
Age		
20-35	46	31%
35-50	48	32%
50-65	56	37%
Total	150	100%

The demographic profile of the responders is shown in Table 1 on consumer perception and demand for organic food products. There are 55% males and 45% females in the study. Among the respondents, 36% are business, 23% are bankers, 25% are homemakers, and 16% are students. 35% of the respondents are 20-35 years of age, 37% are 35-50 years of age, and 28% are 50-65.

Table 2: Mean Value of the Consumer Perception and demand of organic food products.

Sr. No.	Consumer Perception and demand of organic food products	Mean Score
1.	Organic food is way healthier than non-organic food	4.12
2.	Marketers are making all efforts for promoting organic foods	4.09
3.	Organic food is more beneficial for female consumers	4.11
4.	There are long term benefits of organic foods	4.14
5.	Much awareness is being spread for organic foods	4.08
6.	The producers are only labeling the food as organic, and it is not organic	4.01
7.	Organic food is not good in taste	3.89
8.	It is important to have organic food to stay healthy	4.15
9.	If the price for organic foods is reduced, more people will be encouraged to buy this type of food	4.13
10.	The pattern of food consumption is changing worldwide	4.07

Table 2 shows the opinions of the respondents. It is important to have organic food to stay healthy, with a mean value of 4.15. It is followed by the long-term benefits of organic foods (4.14). If the price for organic foods is reduced, more people will be encouraged to buy this type of food (4.13), and Organic food is way healthier than non-organic food (4.12). Organic food is more beneficial for female consumers (4.11), Marketers are

making all efforts for promoting organic foods (4.09), Much awareness is being spread for organic foods (4.08), The pattern of food consumption is changing worldwide (4.07), and the producers are only labeling the food as organic, it is not organic (4.01) were also considered necessary. Reasons like Organic food is not good in taste (3.89) were also viewed as vital.

Table 3:

Sr. No.	Consumer Perception and demand of organic food products	Mean Score	t-Value	Sig
1.	Organic food is way healthier than non-organic food	4.12	7.675	0.000
2.	Marketers are making all efforts for promoting organic foods	4.09	6.869	0.000
3.	Organic food is more beneficial for female consumers	4.11	6.926	0.000
4.	There are long term benefits of organic foods	4.14	6.207	0.000
5.	Much awareness is being spread for organic foods	4.08	5.903	0.000
6.	The producers are only labeling the food as organic, and it is not organic	4.01	5.854	0.000
7.	Organic food is not good in taste	3.89	4.651	0.000
8.	It is important to have organic food to stay healthy	4.15	8.573	0.000
9.	If the price for organic foods is reduced, more people will be encouraged to buy this type of food	4.13	7.552	0.000
10.	The pattern of food consumption is changing worldwide	4.07	6.877	0.000

Table 3 shows the results of the t-test. It is found from the table that the significance value for all the statements is below 0.05. Hence all the statements regarding consumer perception and demand for organic food products are significant.

V. CONCLUSION

The environment-friendly perceptive of food products grown through organic agriculture and the tag of healthy food certainly change the consumer's overall perception. Positive perception of consumer ultimately creates demand for such products. Hence, organic food products continue to sell at a premium compared to inorganic products.

Health concerns and environmental sustainability worldwide drive organic food demand. The phrase "organic" is a broad one. Organic farming has made tremendous strides during the last two decades. Crops containing chemicals may pose a very significant concern on a worldwide scale. As a consequence, demand for organic food items continues to grow.

On the other hand, a lack of awareness regarding organic farming procedures contributes to confusion. This ultimately influences the demand for the goods and the consumer's impression of them. Consumer needs or perceptions influence a product's market. Demand is growing at a breakneck pace. The emergence of a new attitude toward organic foods In the modern world, the healthiest and safest foods are in high demand. Several

critical concerns must be addressed quickly, including a well-developed system, information openness, and inexpensive pricing. Many consumers are eager to purchase organic items now that they know the advantages. People worldwide are demanding organic food owing to the many health advantages. Nowadays, people are more health-concerned, and they want to eat well and live a healthy lifestyle. As a result, demand for organic food items is expanding daily in every region globally. Organic food is a rapidly rising sector. The conclusion indicates that purchasers' good and negative experiences, trust, and prior experience influence organic food purchasing. It influences their decision to purchase organic food and organic food products and farmers' decision to produce organic or non-organic food items.

DISCLOSURE

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