

# **Major Research Project**

**On**

**A Study on Consumer Buying Behavior**

**Towards Organic Food Product**

**Submitted by:**

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## Certificate

This is to certify that the work titled "A study on consumer buying behaviour towards organic food products" submitted by Bipul Kumar as part of his final year Major Research Project in the 4th Semester of MBA, Delhi School of Management, Delhi Technological University between January and May 2022 is his original work and has not been submitted anywhere else for the award of any credits/degrees.

The project is being presented to the Delhi School of Management at Delhi Technological University as part of the Master of Business Administration degree requirements.

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## **Declaration**

I, Bipul Kumar, a fourth-semester MBA student at Delhi School of Management (Delhi Technological University), hereby certify that the Major Research Project Report on "A research on customer buying behavior towards organic food product" is my original work and that it was not submitted by anybody else.

## **Acknowledgement**

First and foremost, I am grateful to God for providing me with the ability to begin and complete the Project successfully.

Apart from God, I'd want to express my sincere thanks to Dr. Vikas Gupta, Assistant Professor, for his assistance in picking the topic for this Major Research Project and for spending so much time explaining the entire procedure in the best possible way.

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## **Executive Summary**

This research was carried out in order to better understand customer purchasing habits when it comes to organic foods. It tackles the subject as well as organic farming in India. It provides a comprehensive overview of the history of organic food items and the organic food business. The goals of this study are to look at the elements that influence organic food purchasing behavior, the impact of income and price on consumer purchasing intent, and the primary restraints that function as a barrier to organic product sales. The report also shed light on the government's initiatives to encourage organic farming in India and its prospects in the next years. The information was gathered via a structured questionnaire that included demographic information such as the respondent's age, income, and employment. Customers' purchasing decisions are impacted by price feasibility, availability, nutrition level, awareness, marketing methods used by corporations to create product awareness, quality of product/food product, chemical contamination, taste, and other factors, according to this study. The vast majority of respondents stated that price feasibility is a crucial consideration when purchasing organic products. Overall, the research has led to the conclusion that an individual's income has little impact on their purchasing behavior when it comes to organic food goods.

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# **CHAPTER 1**

## **INTRODUCTION**

## **Introduction**

### **Consumer Buying Behavior**

Consumer buying behaviour refers to the behaviour's customers take before, during, and after purchasing products and services for personal and family consumption. Simply put, it is the purchasing behaviour of ultimate individual and family customers who purchase products and services for their own use. A consumer buying choice is another term for consumer buying behaviour. A thorough examination of consumers' purchasing behaviour aids in the greatest possible understanding of their actions and reactions, hence increasing the efficiency of the firm's marketing strategies and implementation. Some things, such as food, clothing, and shelter, are routinely purchased for daily usage and need a minimal cost. Some items are only purchased on rare occasions, such as high-end clothing from an unknown company, which necessitates gathering information before to purchase and is more expensive than ordinary products. Consumer attitudes regarding a company's products and services now have a considerable impact on its success. A deeper understanding of target consumer buying decisions and processes aids various firms in tailoring marketing tactics that boost customer happiness, increase earnings, and ensure long-term viability.

#### **What are the most important aspects that impact consumer buying decisions?**

- **Cultural Factors** - The culture of a person is not determined by their nationality. It might be defined by their political affiliations, religious beliefs, or even geographical location.
- **Social Factors** - Aspects of a person's surroundings that influence how they see items.
- **Personal Factors** - Age, marital status, financial circumstances, personal ideas, values, and morals are all possible influences.
- **Psychological Factors** - When a person is confronted with a product, their mental state often impacts how they feel about the product and the organisation as a whole.

Consumer Buying Behaviour Process



- **Problem recognition** :- The customer becomes aware of an unmet need or want at this point. For example, his old laptop may be broken, necessitating the purchase of a new laptop.
- **Information search**: - During this step, the customer acquires information that will help him solve his problem. For instance, a collection of data about numerous laptop models.
- **Evaluation** :- The numerous options are compared to the customer's demands, needs, preferences, financial resources, and so on.
- **Purchase** :- The consumer will commit to a certain choice and make the ultimate selection at this point. Price and availability may impact your decision.
- **Post purchase evaluation** :- During this step, the customer assesses whether the purchase met her needs or not.

### Types of Consumer Buying Behaviour



- **Complex** :-Consumer participation is high, and there are considerable brand variances.
- **Dissonance Reducing** :- There is a high level of engagement with minimal brand differentiation.
- **Variety seeking** :- Low participation, yet a substantial brand difference is observed.
- **Habitual** :- Little brand differentiation and low participation.



This research was carried out in order to better understand customer purchasing habits when it comes to organic foods. It tackles the subject as well as organic farming in India. It provides a comprehensive overview of the history of organic food items and the organic food business. The goals of this study are to look at the elements that influence organic food purchasing behavior, the impact of income and price on consumer purchasing intent, and the primary restraints that function as a barrier to organic product sales. The report also shed light on the government's initiatives to encourage organic farming in India and its prospects in the next years. The information was gathered via a structured questionnaire that included demographic information such as the respondent's age, income, and employment. Customers' purchasing decisions are impacted by price feasibility, availability, nutrition level, awareness, marketing methods used by corporations to create product awareness, quality of product/food product, chemical contamination, taste, and other factors, according to this study. The vast majority of respondents stated that price feasibility is a crucial consideration when purchasing organic products. Overall, the research has led to the conclusion that an individual's income has little impact on their purchasing behavior when it comes to organic food goods.

The word organic comes from the Greek word bios, which means life or method of life. Food cultivated, grown, stored, and/or processed without the use of synthetically manufactured chemicals or fertilizers, herbicides, pesticides, fungicides, growth hormones and regulators, or generic alteration was originally defined in the 1940s.

Organic food items, according to Roddy, Cowan, and Hutchinson (1994), are a result of organic farming.

According to Lampkin et al. (1999), the word "organic" refers to the notion of the farm as an organism, in which all of the components, including soil, minerals, organic matter, microbes, insects, plants, animals, and people, interact to produce a cohesive, self-regulating, and stable whole. A huge range of organic and non-organic food customers were contacted and questioned about their opinions and perceptions of organic food. Not all organic food consumers handle organic food in the same way. Following that, the statistical approach aids us in understanding the relationship and model of organic food consumer behavior patterns in India. An ecological management production system that fosters and develops biodiversity, biological cycles, and soil biological activity is defined as "Organic."

### **Benefits of using organic food product**

- ❖ **Health Safety** :- Biochemical insecticides and chemical fertilisers are not used in the production or preparation of organic food. It does not contain any harmful substances and is unlikely to have a negative impact on human health. Natural processes such as green compost for soil germination and crop revolution for pest and temperature control help to create safer, healthier, and odorize end food items. Furthermore, nutritious foodstuff translates to healthier individuals and improved nutrition for better animal and human health.
- ❖ **Better taste** :- The crystal and sugar structures in organic foods are delightful, in addition to being nutritious, because the items have had more time to develop and flourish. The comprehension of the more wonderful flavour in organic food commodities is exposed as a benefit of basic and ecologically friendly agricultural production procedures. Natural herbs and fruits are often seen to be of superior quality when compared to those cultivated in a traditional manner.

- ❖ **Stronger immune system** :-The goal of conventional or industrial agricultural systems is to increase output and disseminate the product by whatever means necessary. The value of growth hormones and the idea of developing more seeds, meat, and key fruits through genetic changes appear to explain some of the world's food vulnerability enterprises. The long-term effects are allergen sensitivity and a significant loss in protective system health, however the ramifications are not yet clear. The risks of a fall in secure system health are greatly lowered when you eat organic foods. Furthermore, organic foods have higher vitamin and mineral content, which helps to boost the human immune system.
- ❖ **Organic products are poison-free** :- To keep insects and illnesses at bay, organic farming does not use any dangerous chemicals. All of the approaches are straightforward and, as a result, do not endanger the consumer. Chemical pesticides, manure, herbicides, and artificial growth hormones are all forbidden on an organic farm, therefore biomagnifications are decreased. As a result, physical food items are susceptible to contamination by health-harming chemical substances.
- ❖ **Environmental safety** :- Organic foods are grown locally and have a low level of resilience to environmental factors that support healthy living. Because harmful chemicals are prohibited in organic farming, there is less pollution of water, air, and soil, resulting in a more resilient and safe ecosystem. Organic farming reduces the long-term effects of air, water, and soil pollution on human health.
- ❖ **Lessened chances of food-borne illness**: - There have been a number of documented cases of food-borne illness. Eggs, spinach, peanut butter, meals, and fast-food items have been removed from the list since their production is primarily centered on agribusiness profits. Even the animals are unwell, since a significant number of them are medicated, vaccinated, and given animal byproducts to boost their fertility in order to meet agribusiness's ever-increasing demands. This technique is known as secure animal feeding operations (CAFOs), and it results in the spread of dangerous drug-resistant viruses to end consumers who consume the food products. Choosing organic food is the greatest way to avoid food-borne disease outbreaks.
- ❖ **Lower levels of toxic metals** :- By now, it should be obvious that anything one eats is derived indirectly from the soil in conjunction with other natural environmental communications. As a result, the fact that organic farming does not employ

agrichemicals for crop production means that harmful metal intake is lower. Organic veggies had 48 percent higher amounts of the hazardous element cadmium than standard crops, according to new research.

### **Consumer Behaviour towards Organic Food Product**

Behaviour is an emotional disposition that exhibits varying degrees of assistance or disdain for a certain item. Organic foods have been shown to be healthier than regular foods, which has a positive impact on customer perceptions of organic foods. To achieve green consumerism, each individual's user behaviour must be examined as a collection of purchasing arrangements. Yuridia and colleagues (2005). It was mentioned that customers' attitudes about organic goods are certainly impacted by their degree of awareness and willingness to pay a premium for them. In addition, some of the research have shown that the characters are more interested with eating. They eat because of food scarcity in recent years, health hazards compared to traditional diets, rising consumer health awareness, and changing lifestyles.

### **Consumer Behavior Studies**

Any industry, organisation, or product's evolution, growth, development, and maturity are inextricably linked to customer behaviour. Consumer behaviour is the study of people's psychological, social, and physical activities when they purchase, use, and discard a product, service, concept, or habit. The major goal is to comprehend the purchasing motivations and elements that impact his purchasing selections. Companies have been successful in the world's fastest expanding retail sector because of their clarity and ability to hang on to client impulse. The study of how individuals make decisions about what they purchase, desire, need, or do in relation to a product, service, or corporation is known as consumer behaviour. The research aids us in determining how a client will respond to a new product, which determines the product's future existence. It also aids businesses in identifying untapped prospects. The research includes gathering information on how customers think, make decisions, and compare options. When we split customers based on numerous demographic criteria, this psychology might be significantly different from one client to the next, and on top of that, this constantly changing due to external and internal causes.

## **Technology Empowering Consumer Behavior Studies**

Consumer behaviour analysis was a qualitative activity that firms were very concerned about. The degree of accuracy has improved as a result of internet technologies and the expansion of IT sectors, and studies have become more dependable and viable for businesses. Communication with customers was crucial in analysing their behaviour, which has grown more economical and convenient thanks to the telephone and the internet. Consumer relationship management software has improved procedures and increased consumer reach; personalisation and customer connection have also improved.

- A. **Consumers are More Connected** :- Being more linked is the core of knowing the consumer well. For businesses to be more engaged with their customers, technology has made it easier and cheaper. Companies are now engaged with their customers through individualised text messages, emails, letters, websites and telephones, blogs and articles, regardless of the number of customers. Information is sent at a near-instantaneous rate. With advances in smart telephony and a tele-density of around 76 percent in India, this reach is extended to practically all present and potential clients.
- B. **Personalization in Services** :- Companies can use technology to examine the history of products a consumer has purchased in the past and when he last visited. They may have access to personal information such as your address, age, gender, preferences, purchasing habits, product searches and comparisons, and the price range you desire, among other things.
- C. **Consumer Expectation** :- Customers' expectations are rising as they get more aware about alternatives, company procedures, and new technologies as a result of technological advancements. Customers may now access items at any time thanks to the emergence of e-commerce and mobile phones. They've upped the bar for what constitutes acceptable and unacceptable customer care. Companies must keep up with changing consumer behaviour or risk going out of business. Companies may learn more about client expectations, comments, and areas for development by using two-way interactions. The same information may be gathered, evaluated, and applied in a way that meets consumer expectations and outperforms the competition.
- D. **Rising Popularity** :- Many movies demonstrating artificially manufactured veggies, fruits, and eggs have recently gone popular. These videos aided the organic segment's appeal in moving ahead. Furthermore, it has been proven that unnaturally developed chicken and chemically formed eggs have spread several illnesses across the country.

Others have seen the positive effects of organic food on celebrities' and athletes' health, and they not only advocate but also advise people to be healthy and fit.

### **Implications of the Study**

The research provides a thorough examination of customer purchasing habits when it comes to organic foods. This is done with the real intent of assisting various stakeholders by evaluating consumer purchasing behaviour toward organic foods and determining the present degree of customer awareness about organic foods. Find and identify the key reasons why people buy the product, as well as the reasons why they don't buy it. The study is crucial for marketers since it identifies the characteristics that impact customer behaviour toward organic food items.

The notion of organic farming has always been advantageous to all of society's stakeholders. The majority of farmers use organic farming since the input costs are lower. This keeps their costs cheap, which is often their survival strategy. Organic food, on the other hand, is a new expanding sector and industry for businesses, with enormous future potential and a wonderful commercial opportunity. The government, as the third stakeholder, benefits from the issue since it encourages the use of less chemical-based fertilisers and pesticides, which alleviates various health concerns. The export of organic food produces foreign money for the government and helps to strengthen the Indian rupee. The last and most important stakeholder is the consumer, who benefits from high-quality, safe products, which prevents them from consuming items that have undergone chemical treatment and can result in a variety of major health problems and complications. Organic farming has always been a win-win situation for everyone.



**Fig. Stake holders in organic food industry in India**

### **Implication for Marketers**

The study's initial goal was to determine the level of consumer knowledge and perception of the organic food business. This can also assist marketers in determining whether there is a future need to raise awareness by using various promotional methods in the industry. The information gathered and displayed in relation to various demographic characteristics can assist marketers in better targeting and positioning their products. The second portion of the study focuses on determining the characteristics that drive customers to purchase organic products. This information may be used to promote the product in unexplored markets by using the influencing elements as the foundation for marketing strategies. Because consumer behaviour analysis is always a useful part of research, the conclusions drawn from the study can help improve every aspect of marketing, including need identification, product development, product launch, promotion, pricing, sales and distribution of products, as well as customer retention through after-sales service.

### **Implications at Society Level**

Because the study aims to identify the characteristics that lead consumers to pick organic foods over conventional meals, marketers will be better able to promote the product in society and fuel industry growth.

This expansion increased the need for agricultural labour, resulting in more rural jobs. This also gives small farms and farmers with a profitable business option. This also creates significant potential on a variety of levels, boosting rural economies through long-term development.

### **Current Trends and Drivers for Growth of Organic Food Market in India**

With the changing dynamics of the market, industry continually grows. Certain variables drive change, such as the need and desire for a product or service. By anticipating these needs and demands, marketers may design goods and use marketing techniques to segment, target, position, and sell them, meeting the market's needs. When macro and micro environmental conditions assist the sector, it can always thrive and grow. India has been producing organic food since ancient times. This was the only way to farm at the time, but with rising health concerns and other market pressures, the business began to develop at a rapid rate. The analysis covers the major factors and trends driving organic farming and organic food production in India in this portion of the research.

- ❖ **Growing Health Consciousness** :-In India, customer perceptions of food quality are steadily altering. Customers are interested not just with the end product's quality, but also with how it was manufactured, processed, and transported. Because of the increased use of chemical fertilisers and the growth of various diseases, customers have become more health concerned and have begun purchasing high-quality food products.
- ❖ **Rising Disposable Income** :- With the expansion of numerous sectors and industries in India, overall income has grown. The customer's lifestyle is also enhanced. Customers are spending money at the market, and for most Indian families, quality food is also a big factor. Despite the fact that accessibility is a barrier in the area, a large number of customers are choosing organic food since they can afford it and want to spend money on excellent food rather than medical bills afterwards.
- ❖ **Increasing Middle Class Population** :-In India, customers are divided into distinct groups, with the urban upper class favouring organic food since they can afford it and are more concerned and aware about health problems. In a parallel node, the growing middle class has begun to gravitate toward organic foods. As of now, this is the most significant and potentially targeted demographic for marketers.
- ❖ **Increasing Number of Farmland** :- Indian is becoming a promising location for organic farming due to its large geographically scattered area. Farmers and businesspeople are increasingly investing in the development of agriculture. As a businessperson, you're probably thinking about the future potential and reach of organic food products in the Indian market. Various soil climatic conditions exist in various zones around the country. The increased usage of synthetically generated chemical fertilisers is deteriorating soil fertility and having an impact on natural resources in the ecosystem. For the same reasons, the government must support a sustainable and environmentally friendly farming system, which has resulted in India's increased cropland.
- ❖ **Exponential Export** :- Due to its different agro-climatic locations, India has a lot of potential for developing a wide range of organic food items. There is a generational tradition of organic farming in several parts of the country, which gives them an edge. This has the potential to allow organic food manufacturers to tap into a hitherto untapped sector in the domestic market, which is continually growing.



*“Total volume of export during 2015-16 was 263687MT. The organic food export realization was around 298 million USD”*

- ❖ **Consumer Trends :-** In Asia Pacific, lowering fat consumption is the most significant and widely used dietary strategy. Low-cholesterol oil products are growing in popularity among Indian customers, who are the world's most vulnerable to heart disease due to their lifestyle and eating habits.
- ❖ Sugar consumption is being reduced or modified by a growing number of Indian consumers. Low-fat and sugar-free meals are becoming increasingly common in stores, but they remain niche niches. These items are increasing in popularity in metropolitan regions year after year.
- ❖ People in cities frequently choose to purchase bottled drinking water at restaurants and while travelling.
- ❖ Fresh items, as well as traditional spices and seasonings, are quite popular among Indians.
- ❖ Processed foods and fruits are popular in urban households. The banana is the most popular fruit in India, followed by guavas, mangoes and mangosteens, and tomatoes.
- ❖ Rice and pulses such as lentils are the staple foods in India's diet.

## **Marketing Aspects for Organic Food Products**

### **Products**

In marketing, a product is a need-satisfying proposal for the consumer. When there is no product on the market, the launch of a product begins as a solution to a problem or fulfilment for a market need and demand. Marketers are astute enough to see an opportunity before it arises.

In India, there are several categories in the organic food market. Farm owners are building buildings to produce various food items based on the exterior environmental conditions. There are various items accessible and marketed that are produced using organic farming methods, ranging from vegetables, fruits, oils, colours, sugarcane, oil seeds, cereals & millets, pulses, tea, fruits, spices, dried fruits, vegetables, coffee, cotton, and medicinal plants. Along with organic food, there are several categories and segments in which products are produced using organic methods. Because the market is appealing and has a lot of potential, a lot of companies are starting their businesses in a variety of methods, such as expanding their product range and depth, maintaining diversity, and making the product different and unique through various product differentiation tactics. Various merchants are now trading in over 200 product categories. The most significant "P" here is product, which is the most important draw. The entire notion of organic food is predicated on how these items are made for consumption. The following are some of the product's features:

- a. **Product Quality:-**In terms of nutritional value and flavour, organic products are seen to be superior to their conventional counterparts. These are safer and chemical-free, and hence outperform traditional foods in terms of safety.
- b. **Product Lines and Depths:-**Because the idea is relatively new in the Indian market, it is not accessible in all categories. However, as more firms join the organic farming and manufacturing of organic food, the market is becoming more competitive, and more product categories are being added to the league. Organic food is currently offered in around 200 categories.

Category	Products
Plantation Crops	Tea, Coffee, Cardamom
Spices	Ginger, Turmeric, Chillies, Cumin
Cereals	Wheat, Jowar, Rice, Bajra
Pulses	Chickpea, Pigeon-pea, Green Gram, Red Gram, Black Gram
Oil-Seeds	Groundnut, Castor, Mustard, Sesame
Fruits	Banana, Custard Apple, Papaya
Vegetables	Tomato, Brinjal
Other Products	Honey, Cotton, Sugarcane

Increased food scandals involving the use of chemicals to speed up the ripening of fruits, the use of harmful chemicals and pesticides in vegetable production, the use of sewerage and polluted industrial water, the use of wax and other materials to shine cereals, and various other unethical methods and tactics have led marketers to recognise the demand for high-quality foods.

## **Channel of Distributions**

A distribution channel (also known as a marketing channel) is a network of people or organisations that manage the movement of goods from manufacturers to consumers. The marketing channel is made up of several marketing middlemen. Retailers, supermarkets, retail chain stores, and network marketing businesses such as Amway are the most common distribution channels in India.

The number of enterprises providing organic products is growing, and the number of distribution channels is expanding. The well-organized structure of Indian retail is assisting in the construction of a better distribution channel for organic products. There are several additional company-owned organic stores that sell just organic food, in addition to huge retail chains like release fresh, easy day, and D Mart. Organic food is available in a limited selection in local grocery stores and mom & pop shops. The distribution route has been established in the urban arena, but it has yet to take shape in other places.

The cost of putting organic items on store shelves and processing them is high. Modern commerce predicts 30-40% margins for organic staples, compared to nearly half for non-organic commodities. Many market players now have centralised processing plants, which increases logistical costs and effort. Because organic products are not coated with preservatives, they require stable and colder storage conditions. As a result, organic food is 50-70 percent more expensive for consumers than non-organic food, with some categories such as ghee (clarified butter) and honey costing up to three times more.



**Fig. Channel of Distribution**

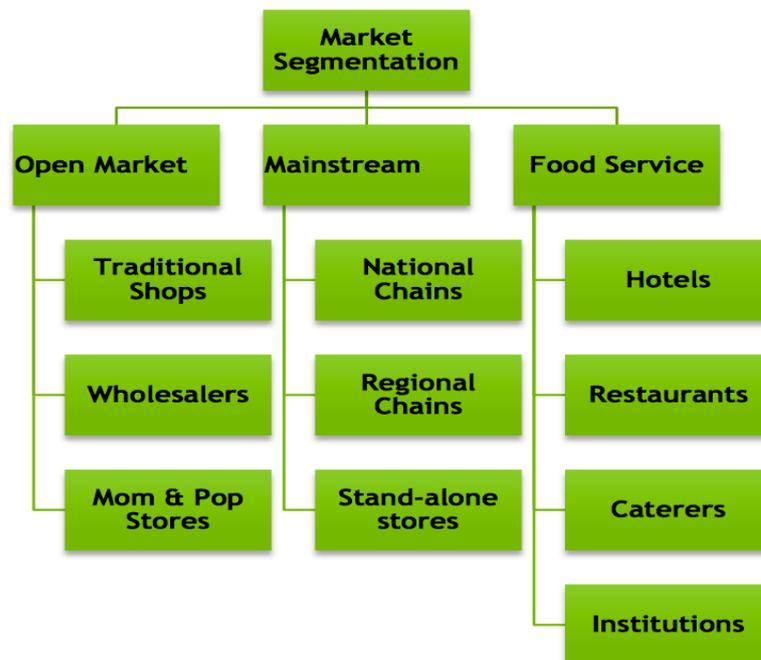
E-commerce is proven to be a cost-effective choice for businesses to offset these increased expenditures that are squeezing profits. E-grocers' channel margins are smaller, and the savings that arise might be efficiently used to maintain long-term growth. E-commerce is a valuable technique for increasing product availability, especially in Tier 2 and Tier 3 cities. It also provides a way to improve consumer involvement. While supermarkets remain the most common and vital distribution method, many businesses are now turning to the internet, or e-commerce.

## Market Segmentation

The market structure for organic products in India can be divided into two parts:

1. The Organized Sector is made up of branded market participants who operate through established distribution channels. This industry is more prevalent in India's cities.
2. The unorganised sector, which includes both certified and non-certified non-branded market actors, is based on confidence and trust. This industry is significantly more prevalent in India's rural areas.

Based on the needs and demands of the market, we can classify the domestic market into three segments:



**Fig. Market Segmentation**

- Traditional retailers, wholesalers, and tiny mom-and-pop shops make up the open market category.
- Mainstream: This category comprises national and regional retail chains and shops, as well as standalone retailers.
- Buyers from the food service and institutional sectors include hotels, restaurants, caterers, and other businesses.

## SWOT Analysis

Organic food is a big market in India, and it has a lot of potential in the future. This is a new and expanding need that is being fueled by a variety of catalysts. The rate of expansion is modest, and there are numerous hurdles and setbacks on the horizon. The study's goal is to comprehend the market's existing situation in order to identify potential solutions and uncover market opportunities.

### Strengths

- ❖ **Suitable Climate:**-India has a large geographical region and a variety of climates. The environment is conducive to a wide range of organic food types and categories.
- ❖ **Large Farmlands:**-India's wide geographical region provides an additional benefit in that there are numerous locations where chemical usage is quite low. These locations might be used for organic farming. Organic farming benefits both the environment and the farmers.
- ❖ **Established Area:**-Through the use of current technology, these sectors may be further explored, and mass manufacturing can be made feasible once and for all.
- ❖ **Differentiation:**-We can readily differentiate product types and categories since farming is versatile and agricultural output varies from location to place.
- ❖ **Rising Interest:**-Organic farming is becoming more popular, and individuals who are more health concerned are becoming aware of the advantages of organic food. If the items are organic and healthy, the customer is willing to pay a higher premium.

### Weaknesses

- ❖ **Lack of Awareness:**-There are several guidelines and regulations, as well as industry standards, that make them even more apprehensive about the methods they utilise to manufacture food for human consumption.

- ❖ **Pricewar:-**In terms of pricing and quality, India is a very sensitive market. Conventional products have such a strong market presence that competing with them only on the basis of quality and safety is difficult. Furthermore, in compared to conventional items, the price of organic products is quite expensive.
- ❖ **Lack of market information:-**In this industry, there is a scarcity of market research, statistics, and surveys. This resulted in a scarcity of data for future reference and development, investment, startup, and other relevant decisions.
- ❖ **Lack of facilities:-**In terms of post-harvest technology, India lacks the necessary infrastructure. Supply chain management and post-harvest product storage are two significant components of facilities.
- ❖ **Lack of Research and development Facilities:-**India's organic food research and development facilities are in poor condition. There are no specific development and research bodies or institutions for new inventive techniques and solutions.

## **Opportunities**

- ❖ The government's position on organic farming is clear and positive. Organic farming is being subsidised by state and federal governments, and money is being invested to expand organic farms. Farmers are also encouraged and motivated to create organic products.
- ❖ The World Trade Organization also provides a plethora of global chances for producers to sell their goods to offshore markets and earn financially.
- ❖ Because the product is safe and provides several advantages to the buyer. The items' cost might be high, but they can be sold at a low cost in the home market.
- ❖ According to the Ministry of Agriculture, Food and Rural Development, the new variety of goods can also be sold off-shore.
- ❖ There are many established markets, such as the United States, Europe, and Japan, that import this product, and organic food merchants may make export money from these countries.

## **Threats**

- ❖ One of the most significant threats to organic food markets is the strong market for conventional fruit goods, which are both cost-effective and well-positioned in the customer's mind.

- ❖ The second danger is imported goods, which are available on the domestic market. There are a plethora of crucial items available that are far less expensive than those manufactured domestically.
- ❖ Everybody wants to safeguard their home industry and manufacturers. Developing countries might erect several non-tariff obstacles for exporters from India to other countries.

### **Statement of the Problem**

In India, the organic category goods market has grown at a CAGR of 25%, with a current market value of 4,000 crores. According to the Assocham-EY joint research, the market for Indian organic packaged food is expected to reach Rs.87.1 crores by 2021, up from Rs.53.3 crores in 2016. This is a 17 percent increase. The organic product market has already begun to blossom, and the organic food business is predicted to rise rapidly in 2019-20.

India sold organic goods worth Rs. 30 billion in 2017-18, up from Rs. 24.77 billion in 2016-17, according to the Agricultural and Processed Food Products Export Development Authority. India has recently risen to prominence as one of the most promising markets for organic goods. Because of the rise in health concerns, it is logical that organic foods are healthier than their inorganic equivalents. India has embraced organic food since it is completely reliant on natural fertilisers. As a result, India may be the best prospective market for organic food. Marketers, on the other hand, will have to acquire the trust and allegiance of customers. Consumers are becoming increasingly concerned about their health and the environment, which has resulted in an increase in the popularity of environmentally friendly products. Families that consider organic foods to be healthful, safe, and high in nutritional content are more likely to choose them over inorganic ones. Despite the somewhat higher pricing, people are eager to purchase. There are significant market potentials in the organic food category to capitalise on consumers' desire for organic food items. Organic food marketers have put a significant amount of money into establishing an organic food category. With the growing demand from customers for environmentally friendly product categories and concerns such as eco-friendliness, naturopathy, and becoming green (Bhatia, V., & Panwar, S.), organic food marketers have committed themselves to putting organic items on the market .

Marketers that offer organic products must segment the market and discover the most promising niches in order to advertise their products and expand their market share.

People who are health-conscious and live a healthy lifestyle have emerged as prospective organic product buyers. Organic products have the advantage of being "green" and "healthy," and as a result, people are willing to pay a premium for them. As a result, the current research focuses on Indian consumers' purchasing habits when it comes to organic foods. The study also looks at the influence of various demographic parameters on organic food purchases, consumer usage patterns, and the link between expenditure on organic food purchases and income level. In addition, the study looks at how consumers in India view organic food items in terms of reasons, attitudes, and satisfaction.

### **Objectives of the study**

The following study objectives are defined based on the identified research gap: -

- ❖ To assess consumers' knowledge of organic food items and their purchasing habits.
- ❖ To determine the major criteria that consumers evaluate when purchasing organic food goods.
- ❖ To assess consumers' perceptions and satisfaction with the nature of organic products on the market.
- ❖ To identify the current gap between consumers' expectations, perceptions, and satisfaction with organic food products, as well as to suggest appropriate measures for increasing organic food product sales in the study region.
- ❖ To figure out what influences people's purchase habits when it comes to organic food.
- ❖ To see how income and pricing affect purchasing intent.

### **Scope for the Study**

Due to its agro-climatic areas, India has a lot of potential for producing a range of organic goods. The hereditary heritage of organic farming is an extra benefit in some sections of the country. This has the potential to allow organic producers to tap into a market that is continuously developing in the domestic market. The growing organic market in India opens up a lot of possibilities for this research. As a result, it is expected that this study will be extremely useful to organic farmers, marketers, marketing specialists, and research academics in gaining a better knowledge of consumers' awareness of organic goods and their purchasing habits. This research might aid them in developing their future marketing tactics as well as defining their future marketing goals.

# **CHAPTER 2**

# **LITERATURE REVIEW**

# Literature Review

## Introduction

A review of the literature may assist a researcher in becoming more familiar with his or her chosen research issue, as well as providing some guidance in selecting an appropriate research approach. It's also useful for identifying research gaps in current material. The researcher will be able to fine-tune his or her study challenge and methods as a result of this. Another advantage of reading the current literature is that the conclusions and findings can be easily compared in situations when the research challenges are comparable. This will assist the researcher in determining whether or not his or her results are feasible. The literature under examination may be divided into two categories: (i) conceptual and theoretical framework literature, and (ii) empirical literature dealing with previous studies that are comparable to the one that the researcher intends to conduct. The primary upshot of such a review will be knowledge of what data is accessible for analytical purposes, which will aid the researcher in more clearly defining the research topic. This chapter examines organic farming and customer acceptability, as well as customer preferences and satisfaction with organic food items.

## Definition of Organic Food Products

According to Chinnici et al. (2002), there is no universal definition of "organic" because different nations have varied standards for certifying items as "organic." To put it another way, organic foods are minimally processed to preserve the food's purity by avoiding the use of artificial substances, preservatives, or irradiation. Organic products are produced using environmentally friendly procedures and growth techniques that take into account both the finished product's characteristics and the methods of production.

The term "organic" refers to a technique of manufacturing that is environmentally friendly and does not harm the environment. Synthetic fertilisers, pesticides, artificial additives, preservatives, and irradiation are not used in the production of organic foods. A food product must include at least 95% organically produced components by weight to be labelled as organic; the remaining 5% may only be foods or processed with additives on an approved list.

Organic agriculture is described as "a production system that supports the health of soils, ecosystems, and people," according to the major global authority on organic farming, the International Federation of Organic Agriculture Movements (IFOAM). Rather than using harmful inputs, it depends on biological processes, biodiversity, and cycles that are tailored to local conditions. Organic agriculture brings together tradition, creativity, and science to improve the environment while also promoting equitable relationships and a high quality of life for all parties involved."

### **Growth of Organic Food market Across the World and Consumers Attitude and Preferences towards it**

Organic farming is quickly gaining popularity in the West as a healthy and economical alternative to conventional farming. Organic food products have a distinct market niche. Organic food is preferred by those who are concerned about their health and the environment. The popularity and expansion of the organic food culture is aided by supportive literature. Organic farming gained enormous popularity and scientific recognition in the western world, particularly in the United States, Germany, and the Scandinavian nations, during the latter two decades of the twentieth century. The various features, phases, and hues of organic agriculture have all been well researched. Many institutions, such as Bonn University's Institute of Ecological Agriculture, provide ecological agriculture and long-term research courses. The Fib, the Organic Agriculture Research Institute in Switzerland, international federations such as the IFOAM, which has its headquarters in Germany, and a slew of other European organisations conduct specific organic farming research and provide help to organic farmers. On the other side of the Atlantic, in the United States, government agencies have substantial programmes and policies promoting organic farming, and a slew of non-governmental organisations are working to popularise it. Organic farming has unquestionably been entrenched in the West<sup>20</sup>. In this portion of the study, a few evaluations relevant to the notion of organic farming in western nations, as well as customers' attitudes and preferences for organic products, are explored.

One of the key causes for the spread of organically cultivated food around the globe has been consumer attitudes. By limiting the use of chemically derived fertilisers, insecticides, and medicinal preparations, organic farming greatly minimises the input of external variables (resources).

Organic farming uses a variety of agro-technical procedures as well as natural variables to boost productivity and safeguard crops. Organic agriculture follows the principles established by the unique local, social, economic, historical, and cultural characteristics. Experts in India ranked the consumer's mindset as one of the most crucial aspects in organic customers' purchasing decisions.

The majority of customers believe that organic products are difficult to come by, that they cannot readily identify them from conventional items, and that they are not well informed on product labelling. Yiridoet al. (2005) proposed two types of information that influence purchasing decisions. In the case of organic products, there is a dearth of understanding and information. Werner and Alvensleben (2011) conducted a study to determine consumer attitudes regarding organic products. They discovered a strong link between customer concern for the environment and their desire to purchase organic products. Organic foods are thought to be healthier and of higher quality than their regular counterparts.

### **Growth of Organic Farming in India**

Organic gardening has thrived in India from ancient times, providing for household necessities. However, during the decades after independence, the growing population demanded food imports. To reduce reliance on food imports, Indian scientists are developing high-yielding varieties that are less reliant on chemical fertilisers and pesticides. Over the last six decades, the negative impacts of contemporary chemical-intensive farming have revealed themselves in decreasing output, dwindling water tables, and insect resistance. Many farming communities are returning to organic farming and promoting organic and health foods. Recognizing this, India's government established organic agriculture and agricultural standards known as the National Programme for Organic Production (NPOP), which are now widely recognised globally.

This component of the study presents a few literature evaluations on the adoption and promotion of organic framing in various nations throughout the world, as well as in India. According to Garibay and Jyoti (2003), the expansion of organic farming is reliant on both worldwide and domestic market changes. Currently, the majority of India's organic produce is exported. Only roughly 7.5 percent of organic output is consumed in the local market.

However, the domestic organic market is expected to grow by 49%, reaching 1568 tonnes in 2006-07, up from 1050 tonnes in 2002. In their study, Maity.TK and Tripathy.P (2004) found that the market for organic farming in India is growing at a pace of 20%, compared to 5% for conventional farming. According to the report, India has greater potential for organic vegetable exports.

Because of its great nutritional value (high amounts of minerals, fibre, vitamins, carbohydrate, and calcium), organic vegetables are in high demand in both the local and worldwide markets. India produces 11.4 percent of the world's veggies and is the world's second largest producer. UP (Uttar Pradesh) and MP are expected to account for more than 85% of total organic output, excluding wild plants (Madhya Pradesh). In India, organised retail accounts for less than 5% of the entire retail sector, but it is increasing at a rate of above 20%. Food retailing, which accounts for 14% of all organised retail, is predicted to profit from the expansion of organised retail. Some customers are unable to distinguish between natural and organic items. Because certification is not required for domestic selling in India, there are many bogus organic items on the market. The organic food business is developing at a pace of 20-22 percent compounded annual growth rate (CAGR). Organic food exports brought in USD 157 million in 2011, and sales of organic items in the domestic market are predicted to increase by USD 330 million, with export sales exceeding USD 550 million. Organic product exports from India have grown at a 36 percent annual pace. With a market value of US\$27.8 billion in 2010, Europe has the highest proportion of the organic foods industry.

India has 4.43 million hectares of organic farming, with a total organic certified production of 171,100 tonnes, however there are more organic agricultural areas than the FAO estimates. Organic food that has been cultivated on organic farms may not be recognised since the farmers have not registered their names or paid the registration fees for formal certification. Organic product buyers in India come from all socioeconomic categories and areas, but they are all people who are acutely aware of the dangers of chemicals. According to a survey by Assocham and TechSci Research, the organic food industry in India is worth US\$ 0.36 billion and is increasing at a rate of 25-30%. Despite the government of India's efforts to promote organic food, the research argues that few people are aware of organic farming.

## **Consumers' Awareness towards Organic Food Products**

Consumers' attitudes and behaviours regarding organic foods are changing as a result of increased awareness and understanding, which is predicted to promote organic food industry growth. This component of the study examines consumer knowledge of organic food items in a concise manner. Kumar and Ali's goal was to look into the elements that influence consumer awareness of organic foods in India. The study discovered that males are more aware of organic food than females, which they interpreted as male literacy being better than female literacy when it comes to organic food goods in India.

Ibitoye et al. undertook research to better understand customers' apprehensions about organic rice in Malaysia's Klang Valley. The data indicated that the vast majority of respondents (85.6%) are aware of organic rice, however only 64.7 percent intend to consume organic rice in the future. The survey revealed that the majority of respondents were familiar with the green idea, which is a strong sign of consumers' desire to purchase green foods. According to a survey, there has been a paradigm change in consumers' knowledge of and accessibility to organic products. Consumers, on the other hand, are hesitant to purchase organic food owing to its high cost, limited availability, and limited product choice. The study also concluded that a number of other factors influence customer purchases of organic foods.

## **Consumers Preferences towards Organic Foods**

Consumers' attitudes and preferences for organic food items are mostly influenced by their health concerns. The modern consumer is becoming increasingly health-conscious, and the global and Indian markets are both giving growing opportunities for health-conscious food categories such as organic food. Organic food is a viable alternative for people who are concerned about the effects of excessive levels of chemical infusions in food—both in terms of self-consumption and negative environmental impact. The willingness of a person to consume organic foods is mostly determined by his or her degree of understanding, financial resources, and accessibility. This portion of the research summarises a few reviews relevant to this conceptual issue.

In Australia, Lea and Worsley (2005) investigated consumers' attitudes toward organic foods, as well as their association with social-demographics and self-transcendence (universal, kindness) personal values. The majority of participants said organic food was

healthier, tastier, and better for the environment than conventional food, according to the survey.

Green purchasing behavior refers to the buying of things that are environmentally friendly or helpful, recyclable or conservable, and sensitive to or responsive to environmental problems.

According to Rizaimy et al., (2010), pricing is not the most important issue. In India, Balaji and Bhama (2012) critically examined customer perceptions of organic food items. Voon et al. (2011) wanted to find out what factors influence people's desire to buy organic food in a Malaysian metropolis. According to the study's findings, the majority of consumers are under-informed on the benefit of eating organic foods. The anticipation of a healthy and ecologically friendly method of production is one of the key motivations for choosing organic food items. Buyers are often older and more educated than non-purchasers. In the twin cities of Hyderabad and Secunderabad, organic food consumers are largely from the upper crust. The impact of organic knowledge, quality, price consciousness, subjective standards, and familiarity on consumer organic purchase behavior was investigated.

Consumer views of organic food products had the highest association with the buyer's propensity to buy organic food, according to the study. The majority of customers see their health as a vital aspect of their lives, and they believe that organic food is healthier than conventional food. The survey also discovered that there was a lack of diversity, accurate information on the pack, and. To raise demand for organic foods, convenient supply points must be addressed. What role do socioeconomic factors play in consumer decision-making when it comes to organic food purchases. Some people are still unaware of the benefits of eating organic foods, therefore they have yet to reap the rewards of doing so. According to the report, the government and non-governmental organisations (NGOs) must take important initiatives to raise public knowledge of the benefits of consuming organic products. Consumer education is the most significant impediment to increasing the market share of organic food items. Organic shoppers are often older and more educated than non-organic shoppers. When purchasing organic groceries, the majority of customers pay with cash. Food goods other than food products are preferred above vegetables and fruits. The study revealed that customer knowledge is a critical aspect in improving consumer attitudes toward organic goods.

Consumers are becoming more mindful and choosier about edible items, according to a study by Uvaneswaran.SM and Girimurugan.B (2015). Consumer taste and preference might be altered as a result of increased awareness, owing to a surge in demand for organic products both domestically and globally.

The majority of respondents wanted to buy organic food, but lack of availability remains a key concern, according to the report. There is no link between flavour, visual appearance, packaging and advertising, organic certification, and consumers' willingness to spend a higher price for organic products in the National Capital Region, according to the research (NCR).

### **Research Gap**

According to extensive literature evaluations, India ranks 33rd in total land under organic cultivation and 88th in the proportion of agriculture land under organic crops to total farming area. The organic product industry in India is still in its infancy, but it has a lot of room to develop. The domestic markets for organic products are now projected to be 1,200 tonnes, with roughly 2-3 million potential clients for organic agricultural produce, and this market is likely to expand in the near future. Food safety is a major concern for today's consumers. Organic food is seen to be healthier, tastier, and better for the environment than conventional food by customers.

According to one research, consumer awareness and knowledge play a critical role in influencing customers' attitudes and behaviours toward organic food, resulting in the expansion of organic products on the market. According to another survey, organic customers are typically older and more educated. According to the findings of the literature research, while customers throughout the world are aware of organic products, the notion is still in its infancy in India, since Indians have forgotten their age-old farming techniques and eating patterns. Due to the modernization, privatisation, liberalisation, and globalisation processes, they have fallen behind in the race. Based on the findings of the preceding studies, it is clear that little study has been done in the past on organic farming or consumer knowledge and attitudes regarding organic food items. The identified research gap has given our study with a broad scope and opportunity. The purpose of this study is to examine consumer knowledge and purchasing behavior about organic food items in India

# **CHAPTER 3**

## **RESEARCH METHODOLOGY**

# Research Methodology

## Overview of Methodology

The research begins with a question that has to be answered. These might be an individual observation or a respondent's viewpoint. From the first observation, study produced an explanation and, as a result, a prediction, which is referred to as a hypothesis. Data gathering is necessary to test the prediction, which is followed by data analysis. The purpose of this study, named "A study on consumer perception of organic food items in Rajasthan," is to comprehend and analyse the customer perspective of organic food. In order to address the major issue, three objectives are scientifically stated, and a literature study is conducted. The dependent and independent variables are specified, as well as their relative relevance and location in the topic. The study was discovered to be dependent on primary data in order to achieve the research goal, and a questionnaire was created. Because data collection is such an important aspect of any research study, and collecting relevant, adequate, and sufficient data is critical for proper analysis, the questionnaire is designed in such a way that the maximum amount of data can be gathered with the fewest possible questions and efforts.

A range of questions are included in the questionnaire to ensure that all essential data is collected. For demographic characteristics, dichotomous closed ended questions are used first, followed by a 5-point likert scale and rating scale. The questionnaire is submitted, and the questionnaire is delivered to potential respondents and data is collected using internet technologies and survey websites. Excel is used to sort, validate, filter, tabulate, and reorganise the data, which is then loaded into SPSS version 23.0 for analysis and hypothesis testing. SPSS is a sophisticated tool for performing all parametric and non-parametric tests, as well as descriptive data analysis and graphical depiction. With data review and analysis, a number of appropriate statistical tests are used to evaluate the hypothesis.

## **Research Design**

The structural structure of a research study is referred to as research design. The organic food sector, as a subject of this exploration study, necessitates the use of a flexible research approach.

A research design is a set of decisions on what, where, when, how much, and how an inquiry or research project will be conducted.

The main focus was on gaining fresh insights into consumer perceptions of organic food, and design flexibility was required to allow for the exploration of alternative options aspects of problems.

## **Research Objective**

In India, the organic food business is still in its infancy, but it has enormous potential to grow. This increased the importance and value of the study to marketers, advertisers, manufacturers, and other stakeholders. The study was primarily done to achieve our goal of learning about customer perceptions of organic food in India.

## **Scope of Study**

India is one of the largest retail markets in the world, with a sizable consumer base for various sectors and products. Companies and marketers may undoubtedly benefit from the success of the product and industry in such a large market. The organic food product business in India is still in its infancy and has a lot of room to expand and thrive. The purpose of the first phase of the study is to determine the level of consumer knowledge and perception of organic food items. Data and analysis are critical for marketers and governments to understand the current descriptive and analytic analysis of organic food items from the perspective of customers. Every outcome may assist marketers make decisions about future marketing plans and tactics in various regions and areas. Various demographic elements are also included in the study;

hence, an analytical study of the same on each demographic aspect assists the marketer in segregating and understanding data with regard to the categories and strata's considered. This information may also be utilised to help the organisation make future decisions about various initiatives. For the growth of the organic food business in India, the report recommends a variety of government efforts and promotional measures. The final section of the study delves into the influence of several factors on customer perceptions of organic food.

## **Research Gap**

The majority of the research offered in the subject is statistical in nature, covering facts and numbers concerning India's organic food business. Along with the same, numerous scientific issues such as seed quality, organic food production methods, and agricultural techniques are being studied. There are extremely few studies that examine the marketing component of organic food, resulting in a gap and GAP at this time. In India, the items are still attempting to establish a brand and position. Only a small percentage of the population is aware of and knowledgeable about organic food. From information dissemination to product creation, pricing, and location, promotions are now unstructured and undervalued. The goal of this study is to highlight important aspects such as market potential, consumer awareness and attitude toward organic food in India, the relationship between demographic factors and consumer perception, and the most important factors that entice and motivate customers to buy and consume organic food products.

## **Need of Study**

In India, organic farming is revitalising. Despite the fact that India has the most producers, few research studies are conducted to better understand the home market. Organic food is not meant to nourish humans, but the demand for these items is growing in the market. There is a pressing need to examine the topic's primary aspects. Knowing customer behaviour and other marketing methods is the most crucial part. To identify the issues and possible solutions, as well as the techniques and practises that should be used for the development and expansion of the domestic market, environmental protection, health care, and the development of healthy and strong future generations. The study attempted to get relevant and valuable information with three key objectives identified, as the majority of them had not been examined earlier.

**CHAPTER 4**  
**DATA ANALYSIS &**  
**FINDINGS**

## **Analysis and Interpretation**

### **Introduction**

Marketers are keen to sell organic products as awareness of environmental issues, naturopathy, and the green world grows. Environmentally friendly things are growing more popular as consumers become more concerned of their health and the environment. Organic food marketers must correctly split their markets in order to enhance market share. People who desire to improve their lifestyle and believe in the health benefits, flavour, and environmental preservation of organic food may be potential organic food buyers. Customers are also willing to "pay a premium for the luxury of buying green." The goal of this research is to look at Indian consumers' awareness and purchase habits when it comes to organic foods.

### **Demographic and Socio-Economic Profile**

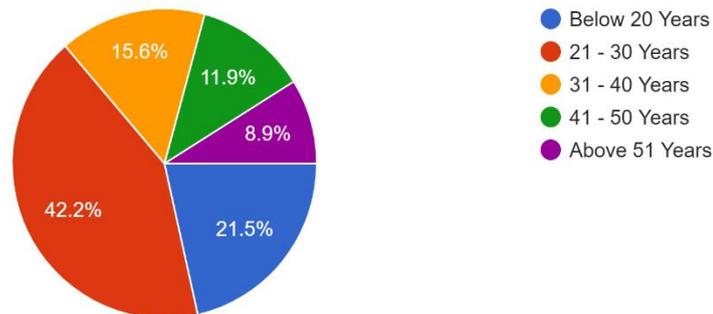
The demographic variables are linked to a person's basic characteristics, such as age, gender, income, and other influences on consumer purchasing behaviour. Customer views regarding green products are influenced by age, gender, household income, education, social class, and other demographic traits such as age, gender, household income, education, and social class. This section of the research looks at the demographic and socioeconomic characteristics of the sample clients in each Indian state.

The gender-based distribution, i.e., the proportionate distribution of male and female organic food consumers, is shown in the table below.

**Table :- 4.1 Age**

<b>Age</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Below 20 Years	29	21.5
21 - 30 Years	57	42.2
31 - 40 Years	21	15.6
41 - 50 Years	16	11.9
Above 51 Years	12	8.9
<b>Total</b>	<b>135</b>	<b>100</b>

Age  
135 responses

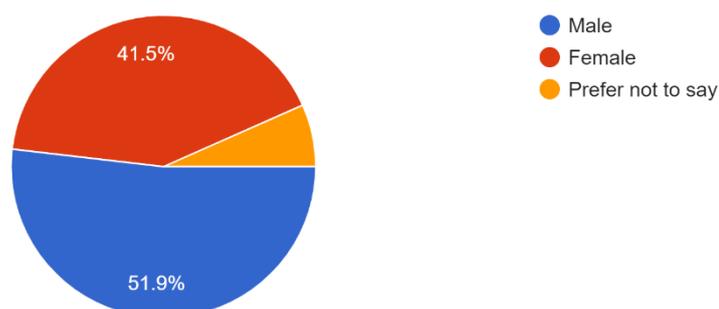


It may be deduced from the given data analysis that 8.9% of the respondents are beyond the age of 51. 11.9 percent of respondents are between the ages of 41 and 50, 15.6 percent are between the ages of 31 and 40, 42.2 percent are between the ages of 21 and 30, and the remaining 21.5 percent are under the age of 20. As a result, it is obvious that 42.2 percent of the respondents are between the ages of 21 and 30. The study revealed that middle-aged people had a high positive belief in the effects of organic foods, which they see as a viable alternative to conventional foods.

**Table :- 4.2 Gender**

<b>Gender</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Male	70	51.9
Female	56	41.5
Prefer not to say	09	6.7
<b>Total</b>	<b>135</b>	<b>100</b>

Gender  
135 responses

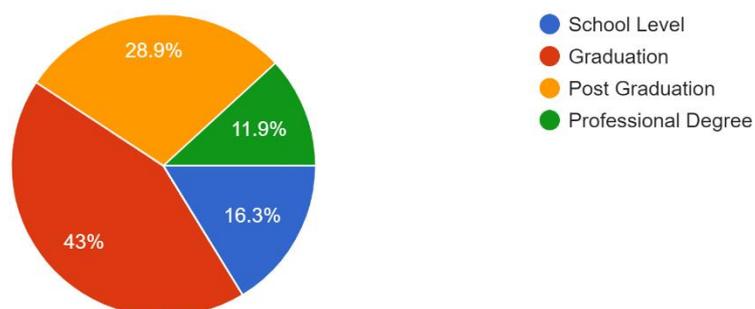


The data in the above table plainly shows that the majority of the 135 respondents surveyed, around 51.9 percent, are male. It has been deduced that 41.5 percent of the sample population is female, with the remaining 6.7 percent preferring not to say, implying that they all do not wish to declare their gender. As a result, it is evident that the majority of the respondents, 51.9 percent, are male. Men are more proactive for organic food goods than women, according to the survey, and prefer not to say counterparts.

**Table :- 4.3 Education**

<b>Education</b>	<b>No. of Responses</b>	<b>% of Responses</b>
School Level	22	16.3
Graduation	58	43
Post Graduation	39	28.9
Professional Degree	16	11.9
Other	00	00
<b>Total</b>	<b>135</b>	<b>100</b>

Education  
135 responses



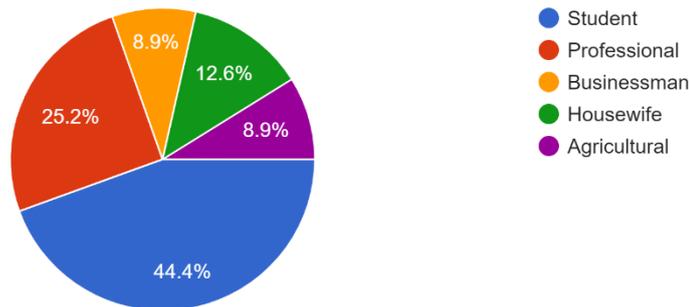
The above table shows that 43 percent of the sample customers had finished a graduation course. 28.9 percent of respondents have finished post-secondary education, 16.3% have completed high school, and the remaining 11.9 percent have obtained a professional degree.

As a result, it was determined that 43 percent of the sample customers had finished a graduation course. Consumers' intentions toward organic food items are substantially influenced by higher educational qualifications.

**Table :- 4.4 Occupation**

<b>Occupation</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Student	60	44.4
Professional	34	25.2
Businessman	12	8.9
Housewife	17	12.6
Agricultural	12	8.9
Other	00	00
<b>Total</b>	<b>135</b>	<b>100</b>

Occupation  
135 responses



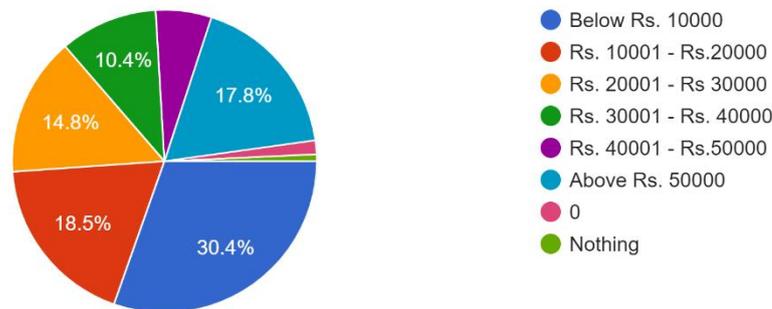
The data in the table above clearly shows that the majority of the sample populations. About 44.4 percent, are students. Professionals make up 25.2 percent of the sample population, while housewives make up 12.6 percent. Furthermore, it has been deduced that 8.9 percent of the respondents are businessmen, with the remaining 8.9 percent of respondents being agriculturists.

As a result, it has been determined that the majority of the sample population, or 44.4 percent, are students.

**Table :- 4.5 Income Level**

<b>Income Level</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Below Rs. 10000	41	30.4
Rs. 10001 - Rs.20000	25	18.5
Rs. 20001 - Rs 30000	20	14.8
Rs. 30001 - Rs. 40000	14	10.4
Rs. 40001 - Rs.50000	08	5.9
Above Rs. 50000	24	17.8
Other	03	2.2
<b>Total</b>	<b>135</b>	<b>100</b>

Income Level  
135 responses



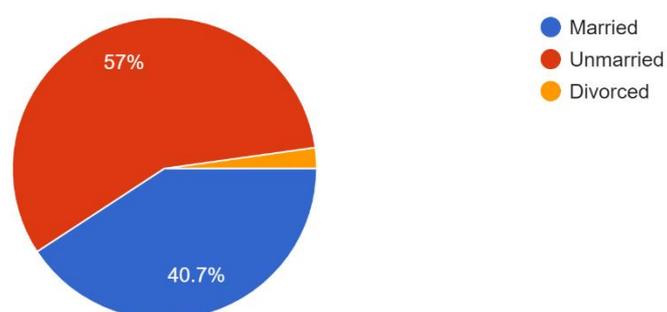
According to the above data analysis, 30.4 percent of respondents had a monthly income of less than Rs.10000. Following that, 18.5 percent of respondents earn between Rs.10001 and Rs.20000 per month, 14.8 percent make between Rs.20001 and Rs.30000 per month, and 17.8 percent earn over Rs.50000 per month. Similarly, 10.4% of respondents earn between Rs.30001 and Rs.40000, while 5.9 percent earn between Rs.40001 and Rs.50000. It has also been deduced that the remaining 2.2 percent of respondents earn 00 every month.

As a result, it has been determined that 30.4 percent of respondents had a monthly income of less than Rs. 10000.

**Table :- 4.6 Marital Status**

<b>Marital Status</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Married	55	40.7
Unmarried	77	57
Divorced	03	2.2
<b>Total</b>	<b>135</b>	<b>100</b>

Marital Status  
135 responses



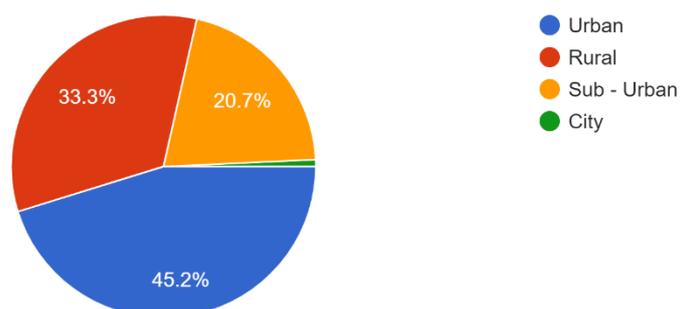
The above table illustrates the marital status of the sample respondents, 57 percent of the consumers surveyed are Unmarried people. On the other side, the 40.7 percent of respondents are married and rest 2.2 percent of respondents are divorced.

Hence it has been concluded that 57 percent of the consumers' surveyed are Unmarried people.

**Table :- 4.7 Area of Residence**

<b>Area Of Residence</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Urban	61	45.2
Rural	45	33.3
Sub - Urban	28	20.7
Other	01	0.7
<b>Total</b>	<b>135</b>	<b>100</b>

Area Of Residence  
135 responses



According to the data in the table above, 45.2 percent of respondents live in urban regions. 33.3 percent of respondents live in rural areas, 20.7 percent in suburban areas, and the remaining 0.7 percent live somewhere else.

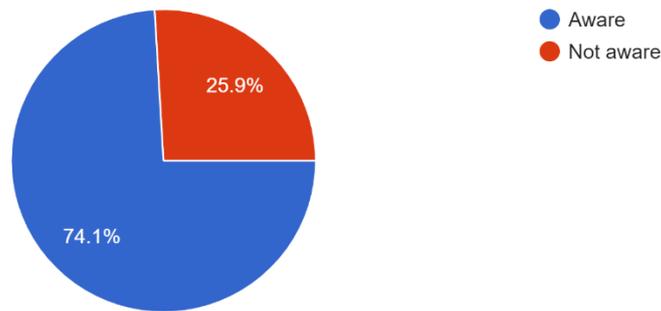
As a result, it has been determined that 45.2 percent of respondents live in urban regions.

**Table :- 4.8**

**Consumers awareness towards organic food product available in the market**

<b>Opinion</b>	<b>No. of Responses</b>	<b>% Of Responses</b>
Aware	100	74.1
Not aware	35	25.9
<b>Total</b>	<b>135</b>	<b>100</b>

Consumers awareness towards organic food product available in the market  
135 responses



According to the above table, 74.1 percent of the 135 respondents polled are aware of organic food items available on the market. The remaining 25.9 percent of respondents stated that they are unaware of the various organic food options available on the market. As a result, it has been determined that 74.1 percent of the sample customers are aware of the organic food items available on the market.

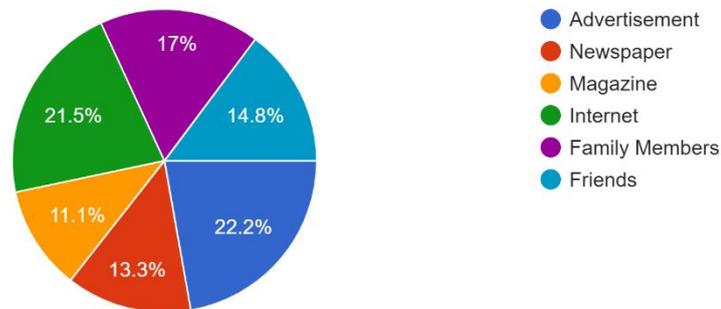
**Table :- 4.9**

**How do you come to know about organic food product ?**

Sources	No. of Responses	% of Responses
Advertisement	30	22.2
Newspaper	18	13.3
Magazine	15	11.1
Internet	29	21.5
Family Members	23	17
Friends	20	14.8
<b>Total</b>	<b>135</b>	<b>100</b>

How do you come to know about organic food product ?

135 responses



According to the data above, 22.2 percent of respondents learned about the product from advertisements. 21.5 percent of respondents got their information via the internet, while 17 percent got their knowledge through family members. Similarly, 14.8% of respondents learned about organic foods via friends, and 13.3% of the sample group is informed by their local newspaper. Furthermore, it has been estimated that the remaining 11.1 percent of consumers learned about the product through magazines.

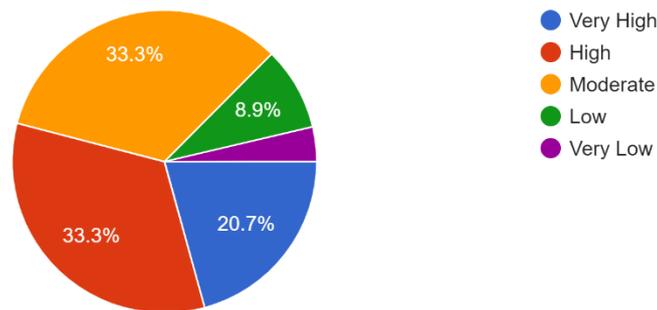
As a result, it has been determined that 22.2 percent of respondents were aware as a result of commercial advertisements.

**Table :- 4.10**

**Consumers Level of interest towards organic food product**

<b>Level of Interest</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Very High	28	20.7
High	45	33.3
Moderate	45	33.3
Low	12	8.9
Very Low	05	3.7
<b>Total</b>	<b>135</b>	<b>100</b>

Consumers Level of interest towards organic food product  
135 responses



The data in the above table clearly shows that 33.3 percent of respondents are interested to buy organic food products, indicating that their health consciousness is high and moderate. 20.7 percent of respondents are extremely interested in purchasing organic food over chemical-laden foods. Similarly, 8.9 percent of the sample population had little interest in purchasing organic food products. However, due to a scarcity of organic food, the remaining 3.7 percent of respondents have little interest in purchasing it.

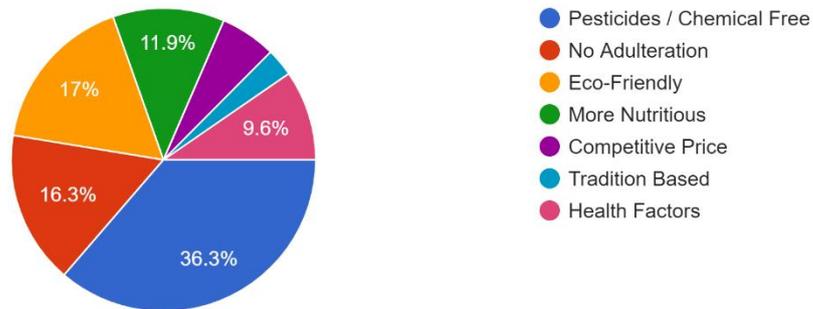
As a result, it has been determined that 33.3 percent of respondents are interested in purchasing organic food items because they are concerned about their health. The majority of today's educated urban customers are worried about their health, which may be the fundamental reason for their choice for organic foods.

**Table :- 4.11**

**Reasons stated by the consumers preferring organic food products**

<b>Variables</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Pesticides / Chemical Free	49	36.3
No Adulteration	22	16.3
Eco-Friendly	23	17
More Nutritious	16	11.9
Competitive Price	08	5.9
Tradition Based	04	3
Health Factors	13	9.6
<b>Total</b>	<b>135</b>	<b>100</b>

Reasons stated by the consumers preferring organic food products  
135 responses



According to the graph above, 36.3 percent of consumers prefer organic food products because they are chemical-free, while 16.3 percent prefer organic food products because they are free of adulteration, 17 percent prefer organic food products because they are eco-friendly, 11.9 percent prefer organic food products because they are more nutritious, and 5.9 percent prefer organic food products because they are more environmentally friendly.

As can be shown, organic foods are preferred by 36.3 percent of consumers since they are chemical-free

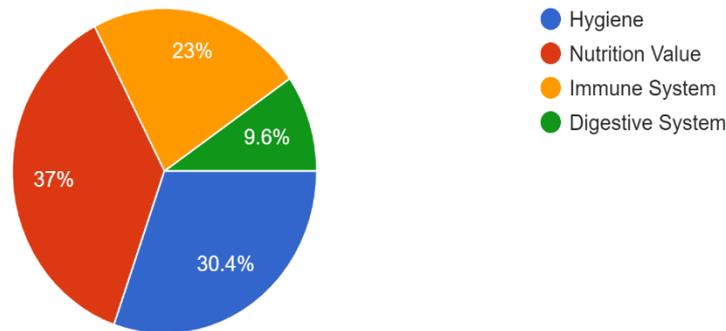
**Table :- 4.12**

**Consumers opinion on benefits of consuming organic food products**

<b>Benefits</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Hygiene	41	30.4
Nutrition Value	50	37
Immune System	31	23
Digestive System	13	9.6
<b>Total</b>	<b>135</b>	<b>100</b>

Consumers opinion on benefits of consuming organic food products

135 responses



According to the results of the above data study, 37% of respondents believe that organic food items have greater nutrients and that they profit from this feature. Organic meals are hygienically produced and excellent for the family, according to 30.4 percent of respondents, and organic foods enhance the immune system, according to 23 percent. Furthermore, it has been deduced that the remaining 9.6 percent of sample populations have indicated that eating organic foods has improved their digestive systems and made them feel more free.

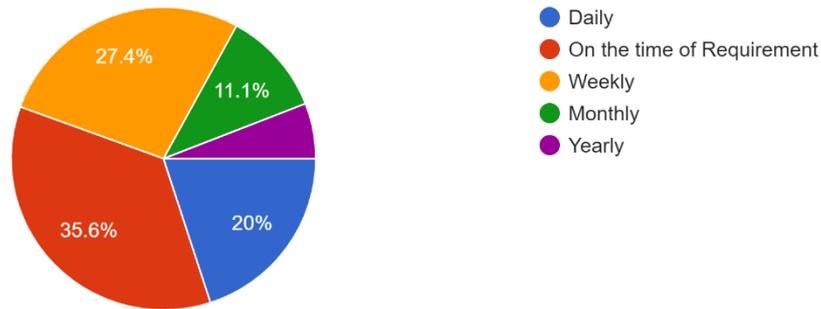
As a result, 37 percent of sample customers believe that organic food items have greater nutrients and that this feature benefits them.

**Table :- 4.13**

**Consumers opinion on frequency of buying organic food products**

<b>Frequency</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Daily	27	20
On the time of Requirement	48	35.6
Weekly	37	27.4
Monthly	15	11.1
Yearly	08	5.9
<b>Total</b>	<b>135</b>	<b>100</b>

Consumers opinion on frequency of buying organic food products  
135 responses



According to the results of the above data analysis, 35.6 percent of respondents purchase organic items at the moment of need. Similarly, 27.4 percent of respondents purchase organic food items on a weekly basis, while 20 percent purchase organic goods on a daily basis. Similarly, 11.1 percent of respondents buy organic food items once a month, and 5.9 percent of sample populations buy organic food goods on an annual basis, according to the findings.

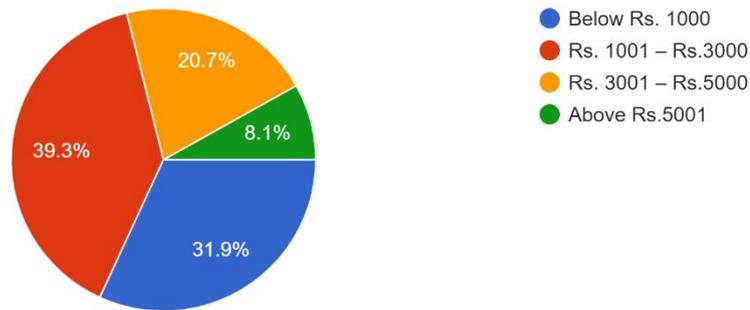
As a result, it was shown that 35.6 percent of respondents purchase organic items at the moment of need.

**Table :- 4.14**

**Spending pattern of the consumers towards organic food product**

<b>Spending Pattern</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Below Rs. 1000	43	31.9
Rs. 1001 – Rs.3000	53	39.3
Rs. 3001 – Rs.5000	28	20.7
Above Rs.5001	11	8.1
<b>Total</b>	<b>135</b>	<b>100</b>

Spending pattern of the consumers' towards organic food product  
135 responses



The following table clearly shows that the most of sample customers, or 39.3 percent, spend between Rs.1001 and Rs.3000 on organic food goods. 31.9 percent of respondents spend less than Rs.1000 on organic food, while 20.7 percent of study subjects spend between Rs.3001 and Rs.5000. On the other side, 8.9% of respondents say they spend more than Rs.5000 on organic food.

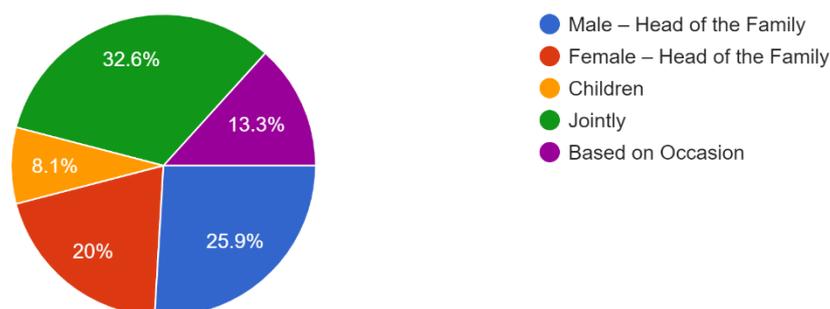
As a result, it has been clearly recognised that the bulk of sample customers, or 39.3 percent, spend between Rs.1001 and Rs.3000 on organic food goods.

**Table :- 4.15**

**Personnel influence in buying organic food products**

<b>Influence</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Male – Head of the Family	35	25.9
Female–Head of the Family	27	20
Children	11	8.1
Jointly	44	32.6
Based on Occasion	18	13.3
<b>Total</b>	<b>135</b>	<b>100</b>

Personnel influence in buying organic food products  
135 responses



According to the results of the above data analysis, 32.6 percent of respondents claimed that eating organic food was a collaborative decision made by their entire family. 25.9 percent of respondents indicated their male family head made the decision to buy organic food for the family's health, while 20 percent said their female family head made the decision. Similarly, 13.3 percent of respondents believe that organic food should be purchased based on the occasion, while the remaining 8.1 percent of respondents are motivated by their children.

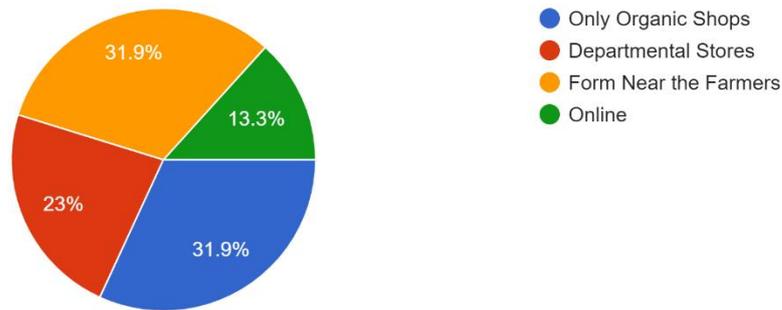
As a result, 32.6 percent of respondents claimed that eating organic food was a collective decision made by their entire family.

**Table :- 4.16**

**Consumers opinion on point of purchase of organic food products**

<b>Place</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Only Organic Shops	43	31.9
Departmental Stores	31	23
Form Near the Farmers	43	31.9
Online	18	13.3
<b>Total</b>	<b>135</b>	<b>100</b>

Consumers opinion on point of purchase of organic food products  
135 responses



According to the results of the above data analysis, 31.9 percent of respondents indicated they buy organic food from organic shops and farms near them. Similarly, 23 percent of customers claimed that organic food items may be purchased in department shops, while the remaining 13.3 percent said that organic food products can be purchased online.

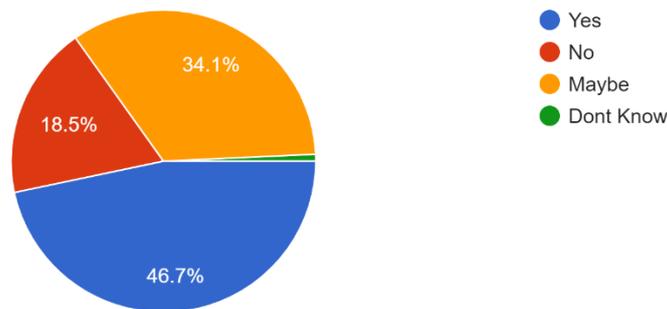
As a result, it has been determined that 31.9 percent of respondents buy organic food products from organic stores and local farmers. Organic food items are now available in both traditional and modern retail locations, according to the report, as customer demand and purchasing power grow by the day.

**Table :- 4.17**

**Will you recommend organic food products to others?**

<b>Recommendation</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Yes	63	46.7
No	25	18.5
Maybe	46	34.1
Dont Know	01	0.7
<b>Total</b>	<b>135</b>	<b>100</b>

Will you recommend organic food products to others?  
135 responses



According to the graph above, 46.7 percent of people will recommend organic food products to others and 18.5 percent will not recommend organic food products to others. Similarly 34.1 percent believe they may recommend organic food products to others, and the remaining 0.7 percent are unsure whether they will recommend it or not.

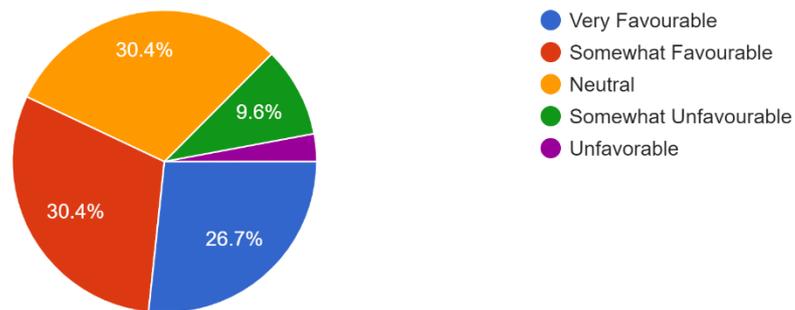
As can be seen, 46.7 percent of respondents are likely to recommend organic food goods to others.

**Table :- 4.18**

**Consumers overall perception towards organic food product**

<b>Opinion</b>	<b>No. of Responses</b>	<b>% of Responses</b>
Very Favourable	36	26.7
Somewhat Favourable	41	30.4
Neutral	41	30.4
Somewhat Unfavourable	13	9.6
Unfavorable	04	3
<b>Total</b>	<b>135</b>	<b>100</b>

Consumers overall perception towards organic food product  
135 responses



According to the above data, 30.4 percent of the 135 respondents polled believe that organic food consumption is somewhat beneficial and neutral to the general population. Similarly, 26.7 percent of respondents feel that organic foods are extremely beneficial to the public. whereas 9.6 percent of respondents believe organic food items are no longer beneficial in today's world. Furthermore, the remaining 3 percent of respondents stated that organic food items do not produce the desired effects and that non-organic food products are more frequent.

As a result, 30.4 percent of respondents believe that organic food consumption is somewhat beneficial and neutral to the general population.

## Findings

- ❖ The majority of the responders (42.22 percent) were between the ages of 21 and 30, and less than 20 years old (21.5 percent).
- ❖ The majority of respondents (45.2%) live in urban regions, while 33.3 percent live in rural areas, according to the research.
- ❖ It was shown that (74.1 percent) of people are aware of organic food products, while the remaining (25.9 percent) are unaware.
- ❖ According to the findings, (35.6 percent) of people use organic food products when they are in need, (27.4 percent) of people use organic food products on a weekly basis, and 20% of people use organic food products on a daily basis.
- ❖ According to the findings, (31.9 percent) of consumers buy organic food at an organic shop or a farmer's market, while (23 percent) buy from a department store, and the remaining 13.3 percent buy online.
- ❖ According to the survey, the majority of respondents (37 percent) perceive organic products to be healthy and nutritious as a motivation for purchasing them.
- ❖ According to (45.9 percent) of respondents, organic items are more costly than non-organic products. As a result, the respondents are not purchasing more things in larger quantities.
- ❖ According to the results of the study, (33.3 percent) of respondents agreed that "Organic Food Products" taste better.
- ❖ The number of organic product stores and outlets in the city is minimal.
- ❖ The majority of respondents (22.2 percent) believe that television commercials and the internet aid in raising awareness about organic products.
- ❖ When we look at overall consumer perceptions of organic food products, we find that (30.4 percent) are slightly favourable and neutral, while (26.7 percent) are highly favourable.

## Suggestions

Organic items have a limited selection. As a result, the range of things should be expanded. Organic goods also have a high rate; however, it is appropriate. Consumers, on the other hand, want organic products to be priced competitively with conventional items.

The number of organic goods stores is quite restricted. It will be more convenient for people to purchase them if more shops operate. In addition to the foregoing, the government agency should acquire organic food. Currently, there is no way for government entities to purchase organic products.

**The following suggestions should be kept in mind in order to raise consumer awareness of organic food products :-**

- ❖ The Organic Food Products Awareness Initiative is a campaign to raise awareness of organic food products.
- ❖ Chemical and pesticide residues in food are becoming more well-known.
- ❖ Most of the city should have open Super Markets, which might be the most popular purchase point.
- ❖ Digital Advertising: A New Communication Channel on the Rise
- ❖ Setting up an online selling portal is a growing distribution channel.
- ❖ Agriculture Advisors and Research Centers are appointed.

# **CHAPTER 5**

# **CONCLUSION**

## **Conclusion**

In the organic food goods category, consumer behaviour is extremely important. Organic food marketers must be imaginative and dynamic in order to keep up with changing consumer behaviour in the organic food products industry among city dwellers. For a long time, the relevance of organic food items was overlooked. As a result of environmental sustainability, organic food items are becoming more important than conventional farming.

The survey revealed that while consumers were aware of imagery and availability, they were not totally faithful to organic food products. Organic food goods drew the respondent's attention without a doubt. To be effective in marketing organic food items, marketers must make promotions that are both practical and moral, as well as product availability in terms of volume and diversity. Because of changing lifestyles, greater health consciousness, and an increase in the number of contemporary retail outlets across the country, the market for organic food items in India has been rapidly expanding. The majority of customers feel that organic foods are more nutritious and beneficial to their health, and they are reasonable in their purchasing decisions. The research continues by emphasising that marketers must understand that the acceptance of organic food products is determined by customer desire, i.e., market demand.

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## Annexure

### Questionnaire

#### Consumer Buying Behavior towards Organic Food Product

##### Age\*

- Below 20 Years
- 21 - 30 Years
- 31 - 40 Years
- 41 - 50 Years
- Above 51 Years

##### Gender\*

- Male
- Female
- Prefer not to say

##### Education\*

- School Level
- Graduation
- Post Graduation
- Professional Degree

##### Occupation\*

- Student
- Professional
- Businessman
- Housewife
- Agricultural

##### Income Level\*

- Below Rs. 10000
- Rs. 10001 - Rs.20000
- Rs. 20001 - Rs 30000
- Rs. 30001 - Rs. 40000
- Rs. 40001 - Rs.50000
- Above Rs. 50000
- Other:

##### Marital Status\*

- Married
- Unmarried
- Divorced

**Area Of Residence\***

- Urban
- Rural
- Sub – Urban
- Other:

**Consumers awareness towards organic food product available in the market\***

- Aware
- Not aware

**How do you come to know about organic food product? \***

- Advertisement
- Newspaper
- Magazine
- Internet
- Family Members
- Friends

**Consumers Level of interest towards organic food product\***

- Very High
- High
- Moderate
- Low
- Very Low

**Reasons stated by the consumers preferring organic food products\***

- Pesticides / Chemical Free
- No Adulteration
- Eco-Friendly
- More Nutritious
- Competitive Price
- Tradition Based
- Health Factors

**Consumers opinion on benefits of consuming organic food products\***

- Hygiene
- Nutrition Value
- Immune System
- Digestive System

**Consumers opinion on frequency of buying organic food products\***

- Daily
- On the time of Requirement
- Weekly
- Monthly
- Yearly

**Spending pattern of the consumers towards organic food product\***

- Below Rs. 1000
- Rs. 1001 – Rs.3000
- Rs. 3001 – Rs.5000
- Above Rs.5001

**Personnel influence in buying organic food products\***

- Male – Head of the Family
- Female – Head of the Family
- Children
- Jointly
- Based on Occasion

**Consumers opinion on point of purchase of organic food products\***

- Only Organic Shops
- Departmental Stores
- Form Near the Farmers
- Online

**Consumers opinion on point of purchase of organic food products\***

- Only Organic Shops
- Departmental Stores
- Form Near the Farmers
- Online

**Consumers overall perception towards organic food product\***

- Very Favourable
- Somewhat Favourable
- Neutral
- Somewhat Unfavourable
- Unfavourable