Research Paper

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A Study on Consumer Awareness, Attitude and Satisfaction Towards Selective Organic Products in Coimbatore City

Commerce

KEYWORDS : Organic Products, Awareness, Attitude, Satisfaction.

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ABSTRACT

Agriculture is the backbone of the Indian economy. Despite this, it is facing various constraints such as fragmentation of landholding, low productivity and conversion of agricultural land to nonagricultural uses. The Indian Economy is still reliant on agriculture and it contributes nearly 14% of the country's GDP. According to Indian organic food market survey report says "Indian Organic food market is anticipated to grow at 19% during 2012-17. The present study consists of the following objectives viz.,to identify the level of awareness and attitude of the organic consumer, to identify the satisfaction level of organic consumer and to examine the problems faced by organic consumers. The primary data has been collected through questionnaire from 150 respondents. The simple percentage, chi-square and factor analysis are applied to test the independence of attributes between the variables. The study reveals that the there is no relation between gender, age and awareness level of the respondents. Accessible services and effective protection are the high influence factors on the satisfaction level of organic food products among the consumers.

Introduction

Agriculture is the backbone of the Indian economy. Despite this, it is facing various constraints such as fragmentation of landholding, low productivity and conversion of agricultural land to nonagricultural uses. Still there are increasing investment opportunities in the sector due to the rising need for quality and value-added products. The use of oil cakes, cow dungs, neem leaves, etc. is still practiced in India to ward off pests and used as preservatives. The use of chemical fertilizer for increased productivity started from late 1850s. In India, the first use of chemical fertilizer for increased agriculture productivity started from 1906. A chemical fertilizer creates many health issues. Hence, the consumer prefers organic products. Organic foods are promoted as superior and safer options for today's health-conscious consumer. Manufacturers of organic food claim it to be pesticide free and better in terms of micronutrients. Consumers have to pay heavily for these products and they are willing to provide they are assured of the claimed advantages.

Organic farming in India

The Indi an Economy is still reliant on agriculture and it contributes nearly 14% of the country's GDP. According to Indian organic food market survey report says "Indian Organic food market is anticipated to grow at 19% during 2012-17. At present, India has ranked 33rd position in terms of total land area under organic cultivation. In India, about 2.8 million hectares area is under certified organic farming with about 1,95,741 framers engaged in organic farming. Economic times survey report says the market for organic foods is growing at a compound annual growth rate (CAGR) of 20-22 per cent. More than 80 organic food products including cereals, pulses, spices and fruit juices will be sold across the country. FMCG firm Organic India has plans to launch organic grocery items such as rice, dal and spices next year. "With rapid expansion and awareness of organic products, we expect robust growth in our business. We are hoping to touch a revenue of Rs 200 crore by 2015-16," Organic India Managing Director and Global CEO Krishan Guptaa said "The company had clocked a turnover of Rs 70 crore in last financial year, of which 40 per cent came from the domestic market and rest from exports. India has competitive advantages in the world markets due to low production costs and availability of climatic condition. The export of organic product is estimated at US $ 100.4 million.

Statement of the Problem

Increasing consciousness about conservation of environment as well as health hazards associated with agrochemicals and consumers' preference to safe and hazard-free food are the major factors that lead to the growing interest in alternate forms of agriculture in the world. Organic agriculture is one among the broad spectrum of production methods that are supportive of the environment. The demand for organic food is steadily increasing both in the developed and developing countries with an annual average growth rate of 20–25%. Organic agriculture is one of the fastest growing sectors of agricultural production. However, there are certain issues that should be clarified before we go for a large-scale conversion to organic agriculture. The most important issues are

Can organic farming produce enough food for everybody?

Is it possible to meet the nutrient requirements of crops entirely from organic sources?

Are there any significant environmental benefits that accrue from organic farming?

Is the food produced by organic farming superior in quality?

Is it economically feasible?

In India, vast stretches of arable land, which is mainly rainfed and found in the Northeastern region where negligible amount of fertilizers and pesticides are being used and have low productivity, could be exploited as potential areas for organic agriculture. Hence, the present study focused on consumer awareness, attitude and satisfaction towards selective organic products in Coimbatore city.

OBJECTIVES OF THE STUDY

- To identify the level of awareness and attitude of the organic consumer
- To identify the satisfaction level of organic consumer.
- To examine the problems faced by organic consumers.

RESEARCH DESIGN AND METHODOLOGY

The methodological aspects related to the research conducted in the present study are given hereunder:

Research Design
This study is descriptive and analytical in nature.

Sources of Data
The present study is based on both primary and secondary data. For collecting primary data the well structured questionnaire was framed and collected in and around Coimbatore city. Secondary data have been collected from various books, journals, magazines and internet.

Sample Size
For the purpose of the study, the data have been collected in different organic food product shops. 150 respondents were selected for the study. Convenience random sampling method has been adopted for collecting the response from the respondents.

Period of the study
The study was undertaken for the period of 3 months from July to September 2015.

Area of the Study
The study was carried out in the Organic food product shops in the Coimbatore District.

Statistical Tools Applied for Analysis
The simple percentage, chi-square and factor analysis are applied to test the independence of attributes between the variables.

Hypotheses of the Study
There is no significant difference between demographic factors of the respondents and Awareness, level of satisfaction and problems faced by organic consumers. .

Limitations of the Study
The present study has certain inevitable limitations.

1. Respondents may be biased in answering the questions.
2. The study has been limited to a sample of 200 respondents in the Coimbatore District.

RESULTS AND ANALYSIS:
PERCENTAGE ANALYSIS:
Percentage analysis deals with the demographic factors, such as age, gender, educational qualification, marital status, occupation and Monthly income of the respondents.

Table No.1
Simple Percentage
Demographic Factor

Variables		Frequency	Percentage (%)
Gender	Male	103	68.7
	Female	47	31.3
Age	20-35 years	42	28.0
	36-50 years	66	44.0
	51-65 years	40	26.7
	Above 50 years	2	1.3
Marital Status	Married	104	69.3
	Unmarried	46	30.7
Educational Qualification	School level	32	21.3
	Graduate	64	42.7
	Professional	45	30.0
	Illiterate	9	6.0
Occupational Status	Business	24	16.0
	Employed	75	50.0
	Professional	16	10.7
	Home Maker	20	13.3
	Others	15	10.0
Monthly Income	Below 5000	17	11.3
	5001-15000	66	44.0
	15001-30000	44	29.3
	Above 30000	23	15.4

The table no.1 indicates that the Percentage analysis which deals with the demographic factors, such as gender, age, marital status, educational qualification, occupational status and monthly income of the respondents. It is found from the simple percentage analysis that majority i.e. 68.7% of the respondents are Males, 44% of the respondents belong to the age group of 36-50 years, 69.3% of the respondents are married, 42.7% of the respondents have completed under graduation and 44% of the respondents earn income between Rs.5001-15000 per month.

Table No.2
Social Factor

Variables		Frequency	Percentage (%)
Awareness	Yes	110	73.3
	No	40	26.7
Influence to Purchase	Health Conscious	84	56.0
	Price	36	24.0
	Quality	21	14.0
	Quantity	2	1.3
	Taste	3	2.0
	Availability	2	1.3
	Packing	2	1.3
Amount Spend	Below Rs.500	23	15.3
	Rs.500 to Rs.1000	72	48.0
	Rs.1000 to 2000	40	26.7
	Above Rs.2000	15	10.0
Frequently Purchased	Fruits	48	32.0
	Vegetables	73	48.7
	Dairy products	17	11.3
	Coffee	5	3.3
	Chocolate	5	3.3
	Meat	1	.7
	Other	1	.7

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The table no.2 indicates that the Percentage analysis which deals with the social factors, such as awareness, Influence to purchase, Amount spend and frequently purchased product of the respondents. It is found from the simple percentage analysis that majority i.e. 73.3 % of the respondents have awareness about organic food products, Majority of the respondents make purchases due to health conscious. 48% of the respondents spend amount for purchasing organic food was Rs.500-1000, majority of them are purchased vegetables and fruits.

Chi-Square Analysis

The chi-square test is used to test the association between two variables. It is mainly used to test the significance of one factor over the other. For the purpose of analysis the factors are classified under two group's namely personal factors and study factors. **The first group contains demographic factors viz.,** Gender, Age and Educational qualification. **Second group contains study factors viz.,** awareness level of the respondents.

Table No.3
Chi-Square Test

Hypothesis No.	Hypothesis	Pearson Chi-Square			Result
		Chi-Square Value	Df	Asymp. Sig (2 Sided)	
H1	There is no Significant relationship between Gender and Awareness	.035	1	.853	Not Significant
H2	There is no Significant relationship between Age and Awareness	4.721	3	.193	Not Significant
H3	There is no Significant relationship between Educational Qualification and Awareness	19.240	3	.000	Significant

Source: Primary Data

Table no.3 shows the results of the 1st hypothesis which is not significant. Hence the hypothesis is accepted and it can be said that there is no significant relationship between Gender and Awareness. The result of the 2nd hypothesis reveals that the values are not significant at 5% and 1% levels of significance. Hence, the hypothesis is accepted and it can be concluded that there is no significant relationship between age and awareness level of the respondents. The result of the 3rd hypothesis makes it clear that the values are significant at 1% level. Hence the hypothesis is rejected and it is clear that there is significant relationship between Educational Qualification and Awareness level of the respondents.

FACTOR ANALYSIS

The factor analysis is a very useful method for reducing data complexity by reducing the number of variables being studied. The KMO measure of sampling adequacy is calculated using correlation to test whether the variables in the sample are adequate to correlate. The general rule of thumb is that KMO value should be greater than 0.5 for a satisfactory factor analysis to proceed. The result in table no.4 shows the KMO value as .658 which is more than the rule of thumb. The Bartlett's test of sphericity test, the presence of relationship between the variables and was also found to be significant at 1% level. Hence the result indicates that it makes sense to continue with the factor analysis.

Table no.5 and 6 shows that the principal component analysis with varimax rotation which gives us a clear picture of rotated component matrix of factor loadings as 2 factors. It is observed from that the 2 factors extracted together for 49.15% of total variance (information contained in the original 8 factors). Hence the factors were reduced from 8 to 2 factors.

The table no.6 represents the Rotated Component Matrix the factors Availability, Retailers services, Price and Ingredient have highly loaded as 0.732, 0.708, 0.684 and 0.631 on factor 1 respectively. Thus, factor 1 can be interpreted as a combination of these four factors. Therefore, this factor can be named as **"Accessible services"**. In factor 2 it is evident that health safety and packaging have loaded of 0.824, 0.644. This indicates factor 2 is the combination of these two factors. Therefore, it can be named as **"Effective protection"**. Hence these 2 factors namely, **Accessible services** and **Effective protection** are the high influence factors on the satisfaction level of organic food products.

Table No.4
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequecy		.658
Bartlett's Test of Sphericity	Approx.Chi-Square	208.561
	Df.	28
	Sig	.000

Table No.5
Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	2.628	32.850	32.850	2.628	32.850	32.850	2.166	27.077	27.077
2	1.304	16.295	49.145	1.304	16.295	49.145	1.765	22.068	49.145
3	.986	12.328	61.473						
4	.907	11.334	72.806						
5	.728	9.102	81.908						
6	.606	7.579	89.487						
7	.443	5.533	95.020						
8	.398	4.980	100.000						

Extraction Method: Principal Component Analysis

Table No.6
Rotated Component Matrix

Variables	Component	
	1	2
Availability	.732	.127
Retailers services	.708	.155
Price	.684	
Ingredient	.631	.249
Health safety	-.204	.824
Packaging	.170	.644
Quality	.296	.559
Quantity	.325	.507

Extraction Method: Principal Component Analysis

Rotated Method: Varimax with Kaizer Normalization

a. Rotation Converged in 6 iterations.

Rank Analysis

This technique was used to find out the mean score on problem faced by the respondents with regard to the organic food products.

Table No.7
Rank Analysis for problem faced by organic consumer

Problems	Mean Score	Rank
Non Availability	450	3
Instability of price	442	4
Adulteration	486	1
Perishable in Nature	451	2
Lack of Awareness	422	5

Table no-7 reveals the ranks analysis for the problems faced by the organic consumer. As far as the problems faced by the respondents are concerned adulteration has achieved the top most problem. Perishable in nature has attained second place for their problems. The third place is to non-availability. The fourth and fifth rank has obtained by instability of price and lack of awareness.

FINDINGS OF THE STUDY

From the study It is found from the simple percentage analysis that majority i.e. 68.7% of the respondents are Males, 44% of the respondents belong to the age group of 36-50 years, 69.3% of the respondents are married, 42.7% of the respondents have completed under graduation and 44% of the respondents earn income between Rs.5001-15000 per month.

The study reveals that 73.3 % of the respondents have awareness about organic food products, Majority of the respondents make purchases due to health conscious. 48% of the respondents spend amount for purchasing organic food was Rs.500-1000, majority of them are purchased vegetables and fruits.

CHI-SQUARE TEST ANALYSIS RESULTS:

There is no significant relationship between gender, age and awareness level of the respondents.

There is significant relationship between Educational Qualification and Awareness level of the respondents.

FACTOR ANALYSIS RESULT

Accessible services and **Effective protection** are the high influence factors on the satisfaction level of organic food products among the consumers.

RANK ANALYSIS RESULT:

Adulteration and perishable in nature is the major issues faced by the organic consumers.

SUGGESTIONS:

Retailers could follow special storage facilities for easy perishable goods.

Government can offer special tax concession for organic food products which will help to reduce the price of the product.

A Government could implement special legislation to avoid adulteration

CONCLUSION

The study provides important insights into the awareness, attitude and satisfaction level of organic consumer with reference to Coimbatore city. The study indicates that people like to purchase organic food product for health conscious. The study reveals that the there is no relation between gender, age and awareness level of the respondents. Accessible services and effective protection are the high influence factors on the satisfaction level of organic food products among the consumers. Adulteration and perishable in nature is the major issues faced by the organic consumers.

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