



## ORIGINAL RESEARCH PAPER

## Commerce

### CONSUMER PERCEPTION TOWARDS ORGANIC PRODUCTS IN TIRUCHIRAPPALLI CORPORATION

**KEY WORDS:** Organic products, consumer perception, eco-friendly and health benefits etc.

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#### ABSTRACT

Organic farming has been widespread since agriculture was first conceived. However, the organic market trend is gaining importance in India. The demand for eco- friendly products and health concern products such as organic products has been increasing nowadays. Thus, this paper analyzes the perception towards organic products in Tiruchirappalli Corporation. This research is descriptive in nature. Stratified simple random sampling technique has been used and hundred respondents were surveyed by using a well structured questionnaire. The findings of the study show that most of the respondents (58per cent) are in the age group between 31-60 years, more than half of the respondents (62per cent) are female, majority of the respondents (67per cent) is doing business/ employed, most of the respondents (69per cent) make their purchase of organic products within 1 year. Therefore consumer's perception towards organic products is due to the eco friendly nature and health benefits.

#### INTRODUCTION

Organic farming is an old concept in India. An organic method of agriculture is used to produce quality products without any use of chemical fertilizers. Nowadays, the consumption pattern is changing rapidly. Consumers are concerned about the health factor and nutritional value of products and safe consumption. Eco- friendly products like organic products are gaining popular among consumers and it also increases the awareness of their health and the environment. Organic food sector is widespread and the consumers are becoming more interested in organic products. Thus, this research study attempts to understand consumer's perception towards organic products.

#### SIGNIFICANCE OF THE STUDY

The organic product concept is developing around the world; so many consumers have turned their sight towards organic products due to rising concern of health issues. Organic products promote refusal of artificial preservatives. The demand has been changing on account of the false consumer perception that organic products are elite. This study is to understand that concern for the environment and health benefits. Therefore, this study is to gain knowledge about the demographic characteristics of respondents and about the consumer perception towards organic products.

#### STATEMENT OF THE PROBLEM

In India, organic food market is in emerging stage has experienced steadfast growth in the past few years. The current growth in the organic market is driven by health factor and safe consumption. Day to day the environmental concern is increasing, consumers are focusing on the green aspect of the products as well as their impact on the environment. Health issues are becoming consumer's priorities to purchase the products. These are the main driving force while purchasing the organic products. Thus, this research study has been undertaken in Tiruchirappalli Corporation and to focus the consumer perception towards organic products.

#### REVIEW OF RELATED LITERATURE

**Lucimar Santiago de Abreu. et.al., (2008)**, study focused on the consumption of agro-ecological products, based on a socioeconomic and anthropological approach which focus was on the motivation and the spending practices in the metropolitan region of Campinas, Sao Paulo State, Brazil. The purpose was to confirm that what level the consumer behavior shows cultural and economic values with reference to current ecological culture. Therefore, the understanding of the cultural dynamics of each and every expenditure process can give meaningful to the current circumstance of local relations and global exchanges.

**Joris Aertsens. et.al., (2009)**, paper aims to provide an overview, within a framework linking Schwartz values theory and the theory

of planned behaviour (TPB). It seeks to focus on the importance of affective attitude, emotions, personal custom, involvement and ambiguity related to organic food consumption. Both the values theory and the theory of planned behaviour have been referred to related theories for better understanding consumer's choice for organic food.

**Douglas H.Costance and Jin Young Choi (2010)**, their paper investigates the predictors of interest and the perceived blockade to organic acceptance among pragmatic conventional producers in Texas, compared to organic and conventional producers. The results indicate that more than forty percent of producers who currently have conventional operations have some interest in organic production. The paper conclude that increased institutional support facilitates organic adoption.

**Jan P. Voon. et.al., (2011)**, study investigated the determinants incentive to purchase organic food products among consumers in a Malaysian city, using a survey. This indicates the efforts to promote consumption should focus on influencing consumer attitudes.

**Justin Paul and Jyoti Rana (2012)**, the present study is to know about the behaviour of consumers and their intention to purchase organic food. The study is also to determine the factors influencing consumer behaviour towards organic food. The result indicates that consumer attitude towards buying organic food are positively influenced by health, availability and education from demographic factors. The overall satisfaction of consumers more for organic food than non organic food, but level of satisfaction varies depends on different factors. This study suggests that retailers can develop strategies and effective marketing program to influence consumers positively.

**Sonia Attanasio. et.al., (2013)**, their paper examines about the consumer's intention to purchase the organic food products in Pontina Province, Italy and 280 respondents were interviewed using semi-structured questionnaires. Thus the results indicated that the create buying intention organic products is influenced by the perception about the value of organic food products and belief in the health and safety of the product.

**Chiew Shi Wee et.al.,(2014)**, the study examines about consumer perception, actual purchase behaviour, purchase intentions and interrelationship between them in context of organic food products in the district of Kluang, Johor, Malaysia. The results indicated that purchase of organic food was influenced by consumers' perception of health, safety, environmental factors and animal welfare of products. The findings proposed that information are useful to organic marketers to help them to develop marketing strategies to convince to purchase organic food

products; study is also to enhance pro- environmental purchasing behaviour in Malaysia.

**Tah Poh Leong and Laily Paim (2015)**, study focuses on the analysis of the factors that affect college students of Chinese and their intention to use organic food; 500 samples had through an online questionnaire mailed. Thus the findings would assist to increase the local availability of organic food products in Malaysia

**Tatiana Abusuniva (2016)**, study focuses on increasing consumer awareness about organic foods among Australia. The sample size chosen for the study is 1011 through online survey; based on demographic profile that support for the research hypotheses by revealing positive and significant effects of the healthiest, hedonism and trust on consumer purchase intention.

**Bo Chen and Sayed Saghaian (2017)**, study examine about consumer preference for organic food can affect choice of retailing format in California. Thus the study findings are based on regular organic user are households and are more likely to support organic specialty store and discount store. Whereas they shop less in warehouse club and convenience store. This has strong managerial implication for retailers.

### OBJECTIVES OF THE STUDY

- The objectives of this study are
- To analyze the demographic profile of the consumers.
- To examine consumer perception towards organic products.

### HYPOTHESIS OF THE STUDY

The hypothesis framed for this study is  
H<sub>0</sub>: There is no significant relationship among consumer perception towards organic products.

### RESEARCH METHODOLOGY

This research is descriptive and survey method is used for this study to analyze the consumer perception towards organic products. Both primary and secondary data used for this study. The analysis was made mainly using primary data. Primary data was collected through a structured questionnaire using Rensis Likert's Scale. Secondary data has been obtained from journals, websites and books. Hundred sample respondents were approached for the study and collected through stratified simple random sampling technique. Hence, for the purpose of the study Tiruchirappalli corporation has been selected as an area of the study and population as per census 2011 is 9,16,857 approximately. Tiruchirappalli Corporation has four zones; the selected zones are Srirangam zone, Ariyamangalam zone, Ponmalai zone and Abishekapuram zone. This study has been conducted during the month of October 2017 to March 2017. The collected data will be analyzed with the help of statistical packages, namely SPSS 20.0 version by using statistical tools such as percentage analysis, Reliability test, KMO/Bartlett's Test and Factor analysis.

### LIMITATIONS OF THE STUDY

- The study is confined to the geographical region of Tiruchirappalli city.
- The sample size is limited to hundred respondents only.
- The analysis is made based on the opinion given by the sample respondents in the study area.

### ANALYSIS AND DISCUSSION

The collected data from the sample respondents have been analyzed and interpreted with the help of statistical tools like percentage analysis, Reliability test, KMO/Bartlett's test and factor analysis.

### DEMOGRAPHIC PROFILE

The demographic profile is analyzed with the help of variables like age, gender, marital status, educational qualification, occupation, monthly income, family type, no. of dependents, residential area, family annual income, number of years for which organic products have been purchased, frequency of purchase for organic products, expenditure on organic products in a month and place of purchase of the organic products. The results of the analysis are discussed

below

**Table**

Factors	Classification	Frequency	Percentage
Age (in years)	Below 30 years	42	42
	<b>31-60 years</b>	<b>58</b>	<b>58</b>
	Above 60 years	-	-
	Total	100	100
Gender	Male	38	38
	<b>Female</b>	<b>62</b>	<b>62</b>
	Transgender	-	-
	Total	100	100
<b>1.1 Demographic profile</b>			
Marital status	<b>Married</b>	<b>60</b>	<b>60</b>
	Unmarried	40	40
	Total	100	100
Educational qualification	SSLC/HSC	19	19
	ITI/Diploma	12	12
	<b>UG/PG</b>	<b>51</b>	<b>51</b>
	Professional	15	15
	Others	3	3
	Total	100	100
Occupation	Student	26	26
	<b>Business/Employed</b>	<b>67</b>	<b>67</b>
	Homemaker	7	7
	Retired	-	-
	Total	100	100
Monthly Income (In rupees)	<b>Below ₹50000</b>	<b>77</b>	<b>77</b>
	₹50000- ₹100000	18	18
	Above 100000	5	5
	Total	100	100
Family Type	<b>Nuclear</b>	<b>74</b>	<b>74</b>
	Joint	26	26
	Total	100	100
No. of Dependents	Less than 2 members	22	22
	<b>2-4 members</b>	<b>56</b>	<b>56</b>
	Above 4 members	22	22
	Total	100	100
Residential area of the respondents	<b>Urban</b>	<b>54</b>	<b>54</b>
	Semi urban	43	43
	Rural	3	3
	Total	100	100
Family Annual Income (In rupees)	<b>Below ₹200000</b>	<b>56</b>	<b>56</b>
	₹200001-₹400000	20	20
	Above ₹400000	24	24
	Total	100	100
Number of years have been purchasing for organic products	<b>Below 1 year</b>	<b>69</b>	<b>69</b>
	1-2 years	30	30
	Above 2 years	1	1
	Total	100	100
Frequently of purchase organic products	Weekly	17	17
	<b>Monthly</b>	<b>41</b>	<b>41</b>
	Half yearly	11	11
	Occasionally	31	31
	Total	100	100
Spend for organic products in a month	<b>Less than ₹ 500</b>	<b>42</b>	<b>42</b>
	₹500-1000	39	39
	Above ₹1000	19	19
	Total	100	100
Purchase of organic products from	<b>Organic outlets</b>	<b>78</b>	<b>78</b>
	Super market	12	12
	Departmental stores	8	8
	Others	2	2
	Total	100	100

Source: Primary Data

The above table shows that most of the respondents (58per cent) are in the age group between 31-60 years. More than half of the respondents (62per cent) are female. Most of the respondents (60

per cent) are married. More than half of the respondents (51 per cent) are under graduate/Post graduate. Most of the respondents (67 per cent) are doing business/employed. More than three fourth of the respondents (77 per cent) earn a monthly income below ₹ 50000. Most of the respondents (74 per cent) belong to a nuclear type family. Most of the respondents (56 per cent) have got 2-4 members in family prefer organic products. More than half of the respondents (54 per cent) are residing in urban area. Most of the respondents (56per cent) earn an annual income below ₹ 200000. Majority of the respondents (69per cent) makes their purchase of organic products below 1 year. Most of the respondents (41per cent) make their purchase of organic products monthly. Most of the respondents (42 per cent) spend less than ₹ 500 in a month for organic products and more than three fourth of the respondents (78 per cent) of respondents purchase organic products from organic outlets.

#### FACTORS CONSIDERED FOR CONSUMER PERCEPTION TOWARDS ORGANIC PRODUCTS

Factor analysis is used to analysis and identify the consumer perception towards organic products. The 15 factors identified namely P1, P2 .... P15 are given in the table below.

**TABLE 1.2.1 RELIABILITY ANALYSIS ON MOTIVATIONAL FACTORS**

No of Cases	No of items	Reliability Coefficient Alpha
100	15	.907

From the above table 1.2.1, it is observed that the reliability of coefficient alpha ( $\alpha$ ) .907 for the 100 cases of 15 items (scale between 0.0 to 1.0) which shows the reliability of the given factors.

**Table 1.2.2**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.877
Bartlett's Test of Sphericity	Approx. Chi-Square	756.949
	df	105
	Sig.	.000

The above table1.2.2 shows that Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's test of sphericity have been applied to the resulting correlation matrix to test whether the relationship among the variables has been significant or not as shown in the table. Thus the result of test shows that the significant value is .000 and there is a significant relationship among the variables chosen. KMO test has yielded a result of .877 which states that factor analysis can be carried out appropriately for these variables that are taken for the study.

**Table 1.2.3 Rotated factor loadings on Perception**

Rotated Component Matrix <sup>a</sup>			
Perception	factors		
	1	2	3
Organic Products are trust worthy to buy-P1		.693	
Organic products provide balance nutrition for human health-P2		.828	
Organic products ensure confidence among the consumers-P3		.729	
Organic products are safe and convenient for consumption-P4		.790	
Natural flavours in organic products attract more consumers-P5			.558
Consumers have a positive approach and gain new updates of organic products-P6		.549	
Organic products seal is guaranteed and monitored by the government-P7			.627
Organic products are eco-friendly and safe to maintain good health-P8	.511		
Consumers opine that organic products are very needy to maintain good health-P9	.666		

Organic products are free from side effects and ensures health benefits-P10	.805		
Organic products are safe, nutritious and create trust for use-P11	.779		
Organic products are effective and have quality in standard for happy living-P12	.724		
Germfree organic products improve and maintain vitality of health-P13	.719		
Organic label provides assurance towards Genetically Modified Organisms (GMO)-P14			.774
Apart from existing customers organic products can attract more new customers-P15			.649
Percentage of Variance	23.871	22.349	16.167
Cumulative Percentage Variance	23.871	46.219	62.386
Eigen value	3.581	3.352	2.425

Source: Computed results based on Primary Data

**Extraction Method:** Principal Component Analysis  
**Rotation Method:** Varimax with Kaiser Normalization

#### a. Rotation Converged in 5 iterations.

The above table 1.2.3 illustrates that the principal component analysis and rotated factor loading method is used for perception towards organic products. From the table, it is observed that out of 15 factors, 3 factors are identified by the rotation method. This means that the fifteen factors can be reduced into three variables. The total percentage of variation in the factors shows 62.386 per cent.

#### CONCLUSION

Organic products are becoming popular; nowadays almost all of our everyday products can be found in the organic quality as well. Consumers buy organic products because the products are grown without using chemical pesticides and is healthier too. Hence, the results from the present study recognized that consumer's perception towards organic products relates to its eco-friendly nature and health benefits. It was also identified that consumers were aware and also have positive behaviour towards purchasing organic products. Therefore, the research also suggests that marketers have to advertise the availability of the organic products in order to increase the market size of products and at the same time consumers shall be informative regarding the product benefits.

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