

Organic Foods in India: A Study of Factors Affecting Consumer Preferences

Ms. Vandna¹, Dr. Kapil Kumar²

¹Research scholar, Department of Management Studies, Bhagat Phool Singh Mahila Vishwavidyalaya, Khanpur Kalan, Sonipat

²Assistant Professor, Department of Management Studies, Bhagat Phool Singh Mahila Vishwavidyalaya, Khanpur Kalan, Sonipat

Email: ¹vandnamunjal9@gmail.com; ²kapiljangra25@gmail.com

Abstract

The main goal of this study is to study the consumer preference towards organic food in India. The paper has used an exploratory research approach and data has been collected from a total of 200 respondents. Factual instruments like regression and factor investigation are utilized to examine the information. Results showed personal, psychological, social and cultural are the major factors directly affecting the purchase of organic food. Organic food ordering and purchasing is an emerging concept globally and also in India. Due to people's health concerns, companies have been forced to respond to customer demand i.e., providing organic and healthy food delivery to their doorsteps. The growing demand of organic food requires further studies for academics to gain a deeper understanding. This paper adds to the limited existing study by looking at factors like cultural and psychological in relation to organic food purchase in India.

Keywords: environment-friendly, Consumer attitude, online food delivery, organic foods.

1. Introduction

Over the past ten years, the natural food varieties industry in India has seen substantial growth due to the expansion efforts of various global companies. However, retailers have encountered difficulties related to societal, dietary, and religious factors. Moreover, challenges such as low awareness and limited buying ability have further impeded the industry's progress. Additionally, issues such as lack of awareness and limited purchasing power posed additional hurdles for the industry. However, major shifts in education levels, employment, savings, and GDP rates were observed as a result of globalization and liberalization of the economy. This led to a substantial increase in purchasing power among consumers, encouraging them to explore new consumer durables and dining options in both metropolitan cities and towns. Consequently, this had a notable impact on the expansion and sales of organic food retailers. To stay competitive in the market, these retailers enhanced their customer relationship strategies and adjusted their marketing mix more frequently. Thus, the homegrown and global retailers spread their tasks to significant urban communities and towns the nation over in a brief timeframe, but still there was distinction in the showcasing system of worldwide retailers as far as promoting drives they sent off in the western nations.

The exploration concentrate on accordingly cantered around investigating speculations and models of buyer conduct, extent of client faithfulness and client relationship procedure and adequacy of promoting methodologies of homegrown and global retailers on the lookout. The Indian natural food sources propensities and the client discernment towards natural food varieties has seen continuous change in the new years as the huge piece of the populace spent additional cash on eating natural food varieties from the homegrown and worldwide retailers on the lookout.

Factors Influencing Consumer's Behaviour

Customer conduct is characterized as the decision, obtaining, and utilization of labor and products for the satisfaction of one's requirements. The buyer assesses how much cash he has accessible to spend after picking his merchandise. Ultimately, the consumer evaluates the typical costs of products and makes decisions regarding the items they should purchase. Meanwhile, various factors, including social, cultural, personal, and psychological aspects, influence the consumer's purchasing choices.

a. Cultural Factors

Culture-explicit components including purchaser culture, subculture, and financial class fundamentally affect customer conduct.

- **Culture:** As a fundamental aspect of every community, culture significantly impacts human desires and actions. When examining the cultural aspects of different groups, regions, or entire nations, marketers need to approach with caution because the impact of culture on consumer behavior varies across countries.
- **Subculture:** Each culture has different subcultures, including those connected with different religions, nations, geological areas, racial gatherings, and so on. Through dividing the market into smaller segments, marketers can effectively target these groups. For instance, marketers have the opportunity to create products tailored to meet the needs of a specific geographic population.
- **Social Class:** Each general public has some type of social class which is vital to the advertisers since individuals from a similar financial class will quite often act much the same way while making buys. In this manner promoting exercises, could be custom fitted in light of a few social classes. Here, it's memorable's critical that social class is impacted by various different standards also, including abundance, training, occupation, etc.

b. Social Factors:

Social perspectives affect clients' buying choices too. Social factors like roles, status, family, and peers are crucial.

- **Reference groups:** A person's affiliation with a particular reference group may influence their attitude or behavior. The effects of reference groups vary based on the product and brand. For example, the impact of reference gatherings will be most noteworthy when the item is noticeable, like a dress, sets of shoes, or vehicle. Assessment pioneers, or the people who impact others because of their exceptional abilities, information, or different characteristics, are likewise remembered for reference gatherings.
- **Family:** The influence of family members significantly shapes consumer purchasing behavior. Therefore, marketers aim to understand the roles and impact of spouses, wives, and children. If a particular product's buying decision is influenced by a spouse, advertisers will target women in their advertising efforts. It is crucial to consider that consumers' buying roles change in accordance with their lifestyles.

- c. **Roles and Status:** Individuals have distinct status and social standing in society based on their affiliations with groups, clubs, families, organizations, and so on. For instance, a woman who holds the roles of both a mother and a financial manager in an organization has unique responsibilities. Consequently, her status and occupation will influence her purchasing decisions.

d. Personal Factors:

Consumer behaviour can likewise be affected by private qualities. Consumer purchasing behavior can be influenced by various personal factors such as lifestyle, financial circumstances, profession, age, personality, and self-perception.

- **Age:** The buyer purchasing conduct might be affected by age and life cycle. It's a given that buyers modify their acquisition of labour and products over the long haul. The various phases of the day-to-day life cycle — youthful singles, wedded couples, unmarried couples, and so on — assist advertisers with making things that are suitable for every period.

- **Occupation:** An individual's purchasing behaviour is significantly influenced by their level of authority. For instance, a marketing manager within an organization may opt for tailored suits, whereas a lower-level worker in the same organization might choose durable work attire.
- **Economic Situation:** The condition of the consumer economy fundamentally affects his buying choices. Customers who earn a significant income and have substantial savings tend to purchase more expensive goods. Conversely, individuals with lower income and savings tend to purchase cheaper products.
- **Lifestyle:** The purchasing behaviour of consumers is heavily impacted by their lifestyle. Lifestyle refers to how individuals engage with their surroundings and live within society. It molds the complete pattern of how a customer behaves and engages with the world, determined by the customer's interests, emotions, and various activities.
- **Personality:** From one individual to another, season to season, and area to area, characters differ. Subsequently, it hugely affects how clients act when they shop. As a matter of fact, one's not set in stone by what they wear; instead, it is the sum of a man's actions under a variety of circumstances. It has a few qualities like strength, hostility, confidence, and so forth. that can be utilized to foresee customer conduct for a particular decent or administration.

d. Psychological factors:

Consumer buying behavior is influenced by four important psychological factors: perception, motivation, education, and attitudes and beliefs.

- **Motivation:** Customers buying conduct is additionally impacted by their measure of inspiration. Each individual has special requirements, including physiologic, natural, social, and different requests. Some of the ways need to be fixed are more urgent than others. In this way, when a need is more dire, it changes into a reason and pushes the individual to look for satisfaction.
- **Perception:** Perception involves the selection, organization, and interpretation of information in order to develop a coherent understanding of the world. Selective attention, selective distortion, and selective retention are three processes that contribute to perception. Marketers aim to attract customer attention by utilizing selective attention strategies. Conversely, selective distortion refers to consumers interpreting information in a way that aligns with their existing beliefs. Likewise, advertisers endeavour to make consumers recall information that reinforces their viewpoints within the scope of selective retention.
- **Beliefs and Attitudes:** Different products have different attitudes and beliefs among customers. Advertisers are keen on these thoughts since they shape the brand picture and impact client buying choices. Advertisers can change the convictions and perspectives of clients by sending off exceptional missions in such a manner.

2. Review and Literature:

According to Ling et al. (2004) and Goyal and Singh (2007), consumer purchasing patterns are significantly impacted by shifting economic, social, psychological, and cultural factors. Furthermore, the organic food industry has experienced growth and gained a competitive advantage over other sectors in the market due to the continuous expansion of the Indian market.

Conclusively, Mukherjee and Patel (2005) found that an improved dining experience at their establishments led to a notable enhancement in customer perception, prompting a significant overhaul of their customer relationship strategy. Currently, customers enjoy a range of new food options, diverse choices, and prompt delivery, all at budget-friendly prices. Wells et al. (2007) similarly noted a change in customer inclination towards packaged food in India, a departure from the limited number of customers who previously opted for such products.

Nevertheless, the increasing presence of organic foods in the market, shifting cultural norms, a demand for sustainable food choices, and a preference for enjoyable dining experiences have motivated customers to explore the wide range of organic food options available. Sabnavis (2008) observed that consumers in both

metropolitan and urban areas now frequently visit organic food chains, and there is a growing anticipation in smaller towns and cities to welcome organic food retailers as public awareness continues to rise.

Lin (2007) highlighted that excellent service quality is crucial in meeting the heightened expectations of customers, with customer satisfaction representing the overall assessment of products and services based on past experiences. If the actual service provided by the service provider exceeds customer expectations, the customer will be highly satisfied; conversely, if the opposite occurs, the customer will be very dissatisfied.

Batte et al. (2007) and Goyal and Singh (2007) state that Indians' preference for organic food stores is mainly induced by their socio-demographic features. These include factors like disposable income, family size, education level, social background, age, religion, and others. Likewise, Ali et al. (2010) conducted a survey on Consumer Purchasing Behaviour in Emerging Economies and found a noticeable shift in consumer buying patterns. This shift is predominantly driven by factors like purchase location, product variety, pricing, appeal to children, store entertainment features, and intangible attributes such as cleanliness, quality, courtesy, convenience, and effective customer services.

According to Sabnavis (2008), the consumption pattern of food in India has shifted from fresh and organic options to packaged, branded, and processed foods. This change is accompanied by an increased awareness and knowledge about various food choices, providing a positive impact on the organic food industry. The metropolitan areas and rapidly expanding urban centers have witnessed a significant surge in the demand for organic foods, with international organizations striving to enhance their market share in the country. According to Goyal and Singh's (2007) study on the behavior of organic food chains' customers in India, consumers now want a more convenient location where they and their families can eat well and enjoy other amenities like basic amenities, entertainment, customer service, and other aspects of the physical environment.

According to Limayem and Hirt (2003), human nature is based on relationship inertia. At the point when the client is utilized to something particular, he/she won't have the intention that is major areas of strength for too even consider searching for options plans, and that implies propensity is a programmed social inclination answering an individual's previous turn of events.

Gefen, 2003 expressed that dormancy is a particular future social intention an individual generally does and shows, which permits the ongoing way of behaving to proceed. Thus, individuals will proceed and over and again get things done in the manner they are utilized to. Latency is directed by quick, simple, and the least eye-catching apparent cycle, and can be equally handled with different exercises, which don't have additional thought or normal examination on their way of behaving, and depend on the propensity.

3. Objectives of the Study:

1. To recognise factors that contribute to the shifting preference for organic food establishments in Haryana.
2. To investigate the elements influencing consumers' behaviour towards organic food products in Haryana.

4. Research Methodology:

Sampling Design

The respondents were understudies and utilized as they address the biggest socioeconomics. Non-probability sampling is used in this study.

Methods of Data Collection

Essential information was gathered from the respondents utilizing an internet based poll study with the assistance of Google structures. The survey received 200 responses from a variety of Haryana city centers. In any case, 192 substantial reactions were gotten which were utilized for the review eight fragmented reactions were dismissed.

Research Tools

Explanations were introduced in five-point Likert type scale going from unequivocally differ coded as one (1) three (3) being nonpartisan and five (5) is firmly concur. As referenced the poll was isolated into two areas,

segment data and articulations to acquire subjective data. Data gathered through overview was additionally examined utilizing Jamovi and SPSS utilizing factual methods like relapse.

5. Data Analysis and Interpretation:

Table 1: Demographic Profile of Respondents

Variables	Group Variables	Frequency	Percentage (%)
Age	Below 25 years	136	71
	25 to 40 years	38	20
	Above 40 years	18	9
Gender	Male	96	50
	Female	96	50
Occupation	Business	28	16
	Service	64	33
	Student	98	51
Income (per month)	Less than 50, 000 INR	133	70
	50,000-1,00,000 INR	34	17
	Above 1,00,000 INR	25	13
Education	Undergraduate	41	21
	Graduate	93	49
	Others	58	30
Dietary preference	Veg	136	71
	Non-veg	56	29

According to table 1, 70% of those whose monthly income is less than 50,000 Indian Rupees go to organic food joints, or the majority. 13% of people who spend more than 1,00,000 INR per month and 17% of those with incomes between 50,000 and 200,000 INR visit the stores.

Table plainly portrays that larger part of individuals (71%) who visit natural food varieties joints have a place with age under 25 years. According to statistics, 9 percent of people over the age of 40 rarely visit an organic food joint. Male and female equally favor natural food sources. Larger part of clients (51%) of natural food varieties joints are understudies. Above table deciphers that greater part of individuals (71%) visiting natural food varieties joints favour vegan when contrasted with 29 % of individuals incline toward non-veggie lovers.

Five factors with values greater than 0.400 were extracted through the use of Principal Axis Factoring with Varimax in the context of factor analysis. Every one of the 60 assertions were gathered into five elements named as customer conduct, social variables, social variables, individual elements and mental elements.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710 ^a	.505	.501	.853

a. Predictors: (Constant), personal factors, social factors, cultural factors, psychological factors.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	366.556	4	91.639	126.013	.000 ^b
	Residual	359.972	495	.727		
	Total	726.528	499			

a. Dependent Variable: consumer behaviour b. Predictors: (Constant), personal factors, social factors, cultural factors, psychological factors

Table 2 provides an overview of various direct regression models and overall fitness metrics. The adjusted R² for our model is 0.501, closely aligned with the R² value of 0.505. This R² value signifies that 50.1% of the total variability in consumer behavior towards organic food products can be explained by social, cultural, individual, and psychological factors. In this specific case, this percentage is notably substantial. The Durbin-Watson statistic (d) is 1.942, falling within the critical range of $1.5 < d < 2.5$. Consequently, we can infer that there is no first-order linear autocorrelation present in our multiple linear regression data.

Table 3, the ANOVA table, provides information on how accurately the relapse condition fits the data and predicts the dependent variable. The table indicates that the relapse model is a good predictor of the dependent variable, with a p-value below 0.05. Shows that, we can expect that the model makes sense of a lot of the fluctuation in client's way of behaving for natural food varieties items (i.e., it is ideal for the information).

Table 4: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.716	.123		5.804	.000
social factors	.058	.051	.057	1.129	.259
cultural factors	.341	.049	.342	6.986	.000
psychological factors	.165	.051	.174	3.266	.001
personal factors	.223	.041	.240	5.476	.000

a. Dependent Variable: consumer behaviour

The coefficient Table no 4 furnishes us with the essential data to client's way of behaving for natural food sources items from mental variables, Social elements, Individual variables, Social variables. We track down that social variables, social elements, individual variables and mental elements. social variables contribute generally

around 34 % to the expectation of client's way of behaving for natural food sources items while individual elements and mental elements contributes 22% and 16% to the forecast of client's way of behaving for natural food sources items. This table likewise indicate that these elements contributes measurably essentially to the model (p esteem <0.05).

6. Findings and Conclusions:

The study used data from 192 respondents from Sonipat, Haryana, India who have used the organic food products. The study analysed factors that influence customer's behaviour for organic foods products. The data was collected using convenience sampling and snowball processes. Study was able to extract five factors that affect customer's behaviour for organic foods products.

Multiple linear regression showed that all these four factors have significant impact on customer's behaviour for organic foods products. Cultural factor is the most prominent factor in choosing organic foods product. Mostly young generation prefer to use organic foods products.

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