

**A STUDY ON IMPACT OF CONSUMER BEHAVIOUR IN ORGANIC FOOD
CONSUMPTION WITH SPECIAL REFERENCE TO COIMBATORE CITY**

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ABSTRACT

For India organic farming is not a new concept, right from ancient times it is being followed, but after the emergence of synthetic fertilizer and because of its high yield the farming style converted to conventional method. Due to increasing consumer dissatisfaction with conventional food and increasing environmental concerns about intensive production processes in the last few years, Intentions to buy OFP are quite high, suggesting that these products might obtain a substantial market share in the future. The food consumption pattern of the consumers has changed recently and also their concern towards environmental issues, health issues and nutritional value of food were also keeping on changing. Issues such as quality and safety in food attract consumer interest in organic food that is free from pesticides and chemical residues. Organic food promotes a balance of human, other living organisms and the nature. It also promotes no artificial preservatives and best maintain the originality of food. This prevents excess use harmful ingredients and thereby ensures health. This study makes an attempt to see the impact of consumer behaviour on organic food consumption in Coimbatore city.

INTRODUCTION

Organic farming has been practiced in India for thousands of years. The great Indian civilization thrived on organic farming; India was one of the most prosperous countries in the world until the British invaded and ruled it. In traditional India, the entire industry of agriculture was practiced using organic techniques, where the fertilizers and pesticides were obtained from plant and animal products. Organic farming was the backbone of the Indian economy and cows were worshiped (as is still done) as sacred animals from God. The cow not only provided milk but also provided bullocks (for farming) and dung (which was used as a fertilizer).

Agriculture plays a very important role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Currently, India ranks

10th among the top ten countries in terms of cultivable land under organic certification. The certified area includes 15% cultivable area with 0.72 million Hectare and rest 85% (3.99 million Hectare) is forest and wild area for collection of minor forest produces. The total area under organic certification is **4.72 million Hectare** (2013-14).

This study makes an attempt to see the impact of consumer behaviour on organic food consumption in Coimbatore city. There are more than 100 organic shops and more than 200 departmental stores in and around Coimbatore city. There are varieties of products available to consumers where they have to choose from. Customers are the king of marketing; the manufacturers need to satisfy them. So there arises the need to understand the behaviour of consumers. Determinants of consumer buying behavior, a marketer is always interested to know how consumers respond to various marketing stimuli-product, price, place and promotion and other stimuli that is buyers environment- economic, technological, political and cultural. The buyer is considered as a black box, because his mind cannot be imagined, as to his buying decision. The buying decision depends on his attitude, preference, feelings etc.

Consumer buying behavior is the study of how individuals, groups and organizations select buy, use and dispose of goods and services, ideas or experiences to satisfy their needs and wants. Studying consumers provide clues for improving or introducing products and services, setting prices, devising channels, crafting messages and developing other marketing activities. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchases and how they dispose it. So in consumer behavior it is not only learnt, what is the behavior of the consumer when he buys it but also before the consumption, during the consumption and also after the consumption.

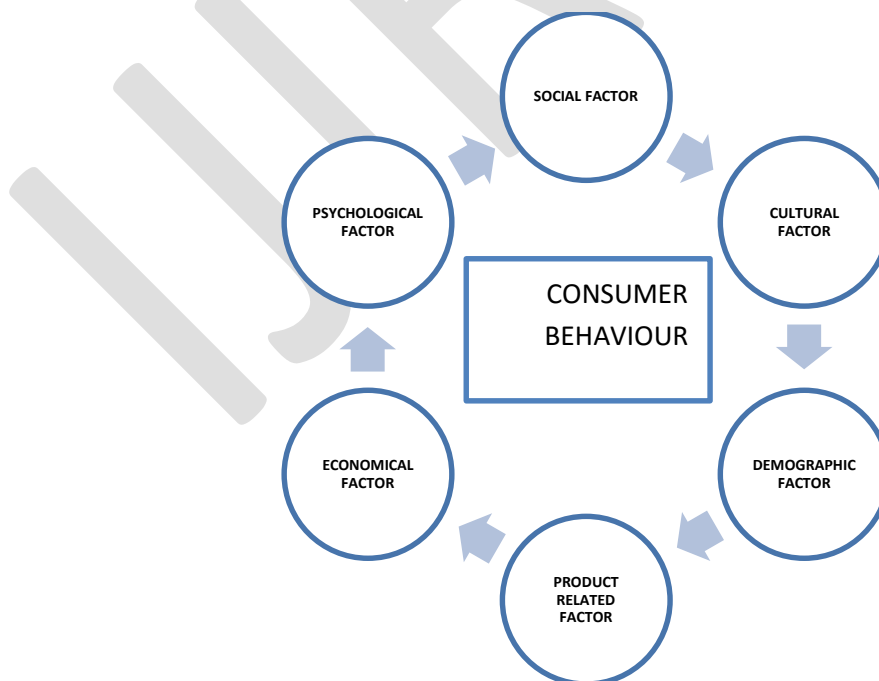
NEED FOR THE STUDY

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concern towards environmental issues, health issues and nutritional value of food were also keeping on changing. Issues such as quality and safety in food attract consumer interest in organic food that is free from pesticides and chemical residues. Organic food promotes a balance of human, other living organisms and the nature. It also promotes no artificial preservatives and best maintain the originality of food. This prevents excess use harmful ingredients and thereby ensures health.

Over the years, there has definitely been a lot more discussion and awareness about going green, but the Indian consumer is still wary. Going green is not an easy task; it's a lengthy process and needs time and patience. "Over the last five years, the awareness and acceptance of organic food has increased in India. The increase in organic food consumption is evident from the fact that many organic food stores (inclusive or exclusive) are spurring up in bigger cities," Organic farming is simply a technique, which uses the cycles of nature to produce food. India has always been known for its traditional farming techniques but somewhere we are losing it in the name of advance technology and high product yield. But with the help of some NGOs and selective players in the organic food category, India is rediscovering its old heritage now.

FACTORS INFLUENCING CONSUMER BEHAVIOR



STATEMENT OF THE PROBLEM

India ranks first in cultivation of organic food products, but the consumption rate of organic food in India is very low. But recently organic food market is one of the fastest growing businesses in India with increase in demand due to the perceived advantage of such food. Even the Indian government is promoting organic food in the country through National Project on Organic Farming (NPOF) scheme. Approximately 57 crore has been budgeted by NPOF in 2004 for the promotion of organic farming in the various parts of India. Our Indian government keep on spending crores money for the development of organic agriculture. Many market related companies related to market on monitoring the organic products estimates in 2013-2015 have reached 72 billion US Dollars approximately. US are leading with 24.3 billion euros followed by Germany with 7.6 billion euros and France with 4.4 billion euros and China with 2.4 billion euros.

"Global Organic Food Market Forecast & Opportunities, 2020" has evaluated the future growth potential of global organic food market, and provides statistics and information on market structure, size, and share. Besides, the report also identifies and analyses the emerging trends along with essential drivers, challenges and opportunities present in global organic food market. Indian farmers were basically organic farmers before the advent of inorganic fertilizers and chemical pesticides. Overtime the use of these synthetic inputs has come to the level of causing a concern to the environment and human health. To make organic farming successful, it is essential that eco-friendly technologies, which can maintain or increase the agricultural productivity, have to be developed and made available to the farmers.

More than 60 % of India's arable land is under traditional agriculture, where no synthetic inputs are being used. Although, the products grown under such systems have so far not been defined as organic products but by all mean they are genuine organic products. These organic products are sold to the middleman and are being marketed along with other chemically grown products. It is the lack of awareness among the consumers in our country that sometimes the chemically grown products which look healthy and attractive, in spite of having alarmingly high level of pesticide residue fetches higher prices than the poorly looking organic products. There is neither subsidy for organic cultivators or incentives to practice organic cultivation. Most of the agriculture in backward and tribal areas especially in the hills of northern, eastern and north eastern

region could be safely classified as organic. We must take advantage of this opportunity by arranging a market for these products both for domestic and export market.

Usually farmers associated with big exporters are on the safer side they need not worry about the sale of their products, certification, approval and so on. But small and medium scale farmers suffered a lot in marketing their products. Due to the lack of awareness among the people is the main hindrance for marketing their products. Cost of organic products are quite high which many people in our country cannot afford only the grown economy can be able to afford. Organic agriculture is not just a source of safer, healthier, tastier food. It is an answer to rural poverty. Organic agriculture is not just a method of farming. It is saving the Earth and farmers' lives. And nowadays people are very much concerned about nutritional value of food and health concern despite the cost of organic food and the consumer behavior differ from person to person in the consumption of food. This state of affairs arises the following questions:

- What is the impact of consumer behavior on organic food consumption?
- Whether internal factors act as a driving force for buyers to buy organic food products?
- Whether the external factors influence them to go for environmental friendly products?
- Does psychological factors have a direct impact on consumer behavior?
- Are organic food products safe, fresh and contain nutritional value?

OBJECTIVES OF THE STUDY

- To examine the impact of consumer behaviour on organic food consumption.
- To identify whether the internal factors and external factors influence the purchase of organic food.
- To study about the psychological factors and their influence over the purchase behaviour of organic products.
- 4. To find out the type of products consumers prefer most in organic shops.

METHODOLOGY

This chapter presents a comprehensive view of the methodology adopted for the present investigation undertaken to know the impact of Consumer Behaviour on Organic food consumption, factors influencing consumption of organic food products and these indicators have

been included in the interview schedule by framing the questionnaire in Tamil and English. Each indicator has a set of statement to which the responses of the respondent have been recorded in five-point scale ranging from 1 to 5. After analysis, inferences are drawn about the Consumer behaviour of Organic food products and find out relationship between variables. In this study, descriptive and analytical research was used.

SAMPLE SELECTION

To study the impact of Consumer behaviour of consumers towards Organic food products, multistage random sampling technique was adopted. Coimbatore city was selected as the sample area for the researcher. Totally 500 samples were collected from Coimbatore city.

CLASSIFICATION OF RESPONDENTS

The respondents were post classified into three groups based on the purchase place of organic food products. Respondents who prefer to buy organic products from organic shops (G1), respondents who prefer to buy organic products from departmental/retail shops (G2), respondents who prefer to buy through online shopping (G3).

COLLECTION OF DATA

Primary Data

- General information from the individual respondents on their social, economic and demographic characteristics like age, educational status, occupation, annual income, family size and family type.
- Monthly family expenditure on food and non-food items in general and organic food products in particular.
- Information regarding the consumption pattern of organic food products and also regarding decision making relating to Organic Food Products.
- Influence of marketers of Organic food products and factors influencing the purchase.

Secondary Data

The secondary data on location, demography and other details about the study area were collected from city statistical office and other records and journals.

TOOLS FOR ANALYSIS

1) Factor analysis 2) Correlation and Regression analyses 3) ANOVA test 4) Chi-square test

SCOPE OF THE STUDY

This study highlights the factors influencing consumer behaviour and their impact on food consumption with regard to organic food. Further research efforts shall attempt to improve upon the limitations of the study and also, broaden up the scope of the current work.

1. A comparative study on the consumer behaviour may be conducted among instant foods vs. organic food because both are emerging trend in the market.
2. A study may be separately done towards customer loyalty towards organic food products.
3. A comparative study between organic food consumption in two districts may be conducted.

CONCLUSION

In the present busy world Organic food consumption is increasing because of concerns over environmental and health issues associated with food production. Nowadays consumers are very much interested in buying organic food products because of its nutritional value and free from chemical residue. The changes in the consumer taste, preference, health concern all together brought changes in the food consumption.

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