
Consumer Buying behaviour – A Study with reference to Organic Products in Hyderabad City

B. Lavanya

Asst. Prof

SMS department

CBIT-Gandipet

Dr. S. Saraswathi

Associate .Prof

SMS department

CBIT-Gandipet

Abstract

Global market for organic products is increasing phenomenally as consumption of organic food has grown annually at more than 25 per cent in the last decade. It is observed that the most preferred place for buying safer and healthier products is, an organic store and the reason being is discussed in many research papers. The present paper deals with pre-purchase (Why-reasons for buying), purchase (what products are bought) and post purchase behaviour (satisfaction) of the consumers towards Organic products and the study also reveals the challenges faced by the retailers in marketing the organic products. Both qualitative and quantitative data used for the study revealed interesting facts that help retailers and consumers topromote organic products and sustainable consumption

KEY WORDS: SAFETY AND HEALTY PRODUCTS, SUSTAINABLE CONSUMPTION

INTRODUCTION:

Viral videos about chemically produced vegetables and fruits,artificially grown chicken and chemically shaped eggs, plastic rice made people worry about their health and led to popularity of organic segment in pushing forward. The rising consumers' consciousness about quality and safety of food led to increasing demand for organic food products in various parts of the world (Vindigni et al., 2002).Organic pulses and food grains dominated demand for organic food in the country since 2015 and it is believed that the segment is anticipated to continue dominating the market through 2021. Olivas and Bernabeu (2012) have concluded that the organic food consumption can be considered the effect of an interaction between eating a healthy diet, showing respect for environment and the individuals' sociability. From the literature review it is evident that this generation in particular who is educated and smart prefer more to consume organic products as they believe that spending on healthy food isbetter than to spend on medical treatments. It necessary to understand the buying behaviour of the consumer towards the organic products, as it makes the retailers understand the their perception and attitude, this in turn helps them to cater their services in better manner. So the present study is carried out.

PURPOSE OF THE STUDY:

As per TechSci Research report, "India Organic Food Market By Product Type, Competition Forecast and Opportunities, 2011 - 2021", India organic food market is expected to grow at a CAGR of over 25% during 2016-2021, and this is due to increasing use of synthetic chemical fertilizers and pesticides in non-organic products that lead to various health issues such as cancer, obesity and birth defects.Reports suggest that the government is making efforts to increase adoption of organic food, by the way of launching various policies and expanding land area under organic cultivation over the next five years.The study conducted by (Krishnakumare and Niranjana, 2017) has revealed that consumers' behaviour plays a major role in organic food products segment. The marketers of organic foods need to be innovative and dynamic to meet the changing purchase behaviour for organic food products. Thoughthere is an increasing market in our country

especially in urban areas, the uniformity is not seen in the consumption pattern and very few research studies are carried out in Hyderabad city about the organic products. So the need for the study is felt.

LITERATURE REVIEW:

The increasing use of synthetic chemical fertilizers and pesticides in non-organic products lead to various health issues such as cancer, obesity, blood pressure and birth defects. So People started opting for quality lifestyle over chemically charged lifestyle. This consumption pattern resulted in increasing organic food sales, not just in the country but globally. Consumer behaviour is the key to the impact that society has on the environment. Organic foods are the foods that are not processed by irradiation, industrial solvents or chemical food stabilizers and exclude any additional ingredients (Allen & Albala, 2007).

The increasing demand for organic food products in various parts of the world from early-2000s is driven by the rising consumers' consciousness about quality and safety of food (Vindigni et al., 2002). Consumer knowledge can influence the level of trust worthiness of a product. So it can be considered as an important aspect in explaining the consumers' decision making, searching for information and processing as it can (Carlson et al., 2009). Nowadays consumer behaviour is changing towards purchase of many environmental-friendly and organic products, due to awareness of environmental degradation and the related issues (Mohamed Bilal Basha et al, 2015).

Health consciousness refers to the degree to which health concerns are integrated into a person's daily activities. Study conducted by Mohamed et al. (2012), on the consumer attitude towards organic Food, in Bangalore and Chennai, revealed that Health conscious lifestyle is the foremost motivating factor for purchasing organic food. Organic food attitudes are mainly influenced by gender, age, income, level of education and the presence of children in the household (Magnusson et al., 2001; Wier et al., 2003).

It is noted that consumers are becoming more concerned about how their daily habits impact on the environment. Saleki and Seyedsaleki, (2012), in his study found that there is a positive relationship between consumers who are concerned about mother earth and the intention to purchase organic products. Williams & Hammit, (2001), opinions that organically produced foods are then regarded as less damaging to the environment than conventional foods. According to Lockie et al. (2004), age and income are two prominent factors that motivate the purchasing willingness of organic food.

According to Chen (2009), the government and related institutions should serve as a monitoring mechanism and to provide safety assurance for organic foods in order to alleviate consumer's suspicions and help consumers to maintain positive attitudes to organic foods. MdTareq Bin Hossain (2016) realized from his study that most of the respondents will purchase and consume organic foods based on the support and policy by the government. Customer satisfaction has a high impact on the economic success of a shop (Parmaeswaran&RamaKrishna, 2013). Irregular availability of organic products and improper packaging system of product are usual complaints that the consumer have with Organic retailers (Sathyendra Kumar &Dr. Chandrashekar, 2015).

RESEARCH METHODOLOGY:

The study is aimed at i) Understanding consumer perception towards Organic products ii) To identify the reasons for the purchase iii) To find Consumer satisfaction iv) To analyse the challenges faced by the Organic store retailers.

Data is ascertained through two principal Sources. Primary Data is collected using structured questionnaire and personal interview. Secondary sources include journals, books, magazines, newspapers and internet.

A convenient sample size of 120 consumers and a few organic retailers who reside in Hyderabad are taken in to consideration for the study. Simple percentage analysis is used for analysing the data and drawing the inferences.

The scope of the study is limited to Hyderabad region in Telangana State. The study mainly focussed only on understanding the buying behaviour of the consumer by considering few prominent factors identified

from literature. Sample size availability for identifying the challenges faced by the retailers and cooperation in giving genuine opinions by the consumers stood as major limitations to draw the perfect inferences in the study.

RESULTS AND DISCUSSION:

Gaining insights into the customer's buying process is not only very important for salespeople; it will also enable the Marketers to align sales strategy accordingly. Understanding the Consumer perception is one of the elements that can be a part of pre purchase behaviour. Table-1 shows the Consumer perception towards Organic products in Hyderabad city in terms of percentage of responses.

Table-1: Consumer Perception towards Organic Products.

Statement	Yes	No
organic products are healthier and safe to use	96	4
organic products have always got best value for money	73	27
There is a difference in using organic products to conventional products.	90	10
Buying organic products reflects an individual's believe in Sustainable Consumption	86	24
Best Price and Quality are guaranteed by many retailers	65	35
Organic products are preferred to mainly due viral news on effects on chemicals on Humans and environment.	89	11

From the table it is evident that Consumers have positive perception towards the Organic Products. It looks they give utmost importance to Green purchase behaviour as they feel it Safe and healthier to use them. But when noticed Consumers opinion that Many retailers are unable guarantee the quality and provide value for the price paid by them in procuring the organic products.

The five stages framework introduced by John Dewey remained a good way to evaluate the customer's buying process. The present study also considers the same frame work for understanding the buying behaviour of the consumers towards the Organic products.



Note: Dotted lines represent the potential for a step back

Source: <http://www.slideshare.net/BBAdvisor/bb-chapter-one-consumer-behavior-and-marketing-strategy>



For the sake of analysing the data and to meet the objectives, the five stages are divided in to three phases Viz., Pre purchase (Problem Recognition, Information search and Evaluation), Purchase (Store Choice and purchase) and Post Purchase (Post purchase processes- evaluating the purchase decision.).

A. PRE PURCHASE BEHAVIOUR:

Table-2 shows what consumers look for, before buying the Organic products in specific. Three stages of buying behaviour i.e., Problem Recognition, Information search and Evaluation are included in the table.

Table-2: Stages in pre purchase behaviour towards organic products

Problem recognition:	Concern for Health, Viral news about impact of chemically produced products and toxic municipal sewage on humans and environment, To encourage sustainable consumption.
Information search	Sources- Print and electronic media (web materials, Newspapers)
Evaluation	Established brands and word of mouth, certification for quality

Table-3: Reasons for choosing the organic products.

Reason	Percentage of respondents
To Avoid Chemicals, antibiotics	8
To reduce Pollution	12
To be healthier	48
To support Green Consumption Behaviour	10
All	22

The major reasons for the purchase of Organic products are to be healthier, to avoid chemically produced products and to support green and sustainable consumption.

Table-4: Reference group for organic products in Hyderabad

Reference group	PERCENTAGE OF RESPONDENTS
Personal choice	47
Friends	22
Family	19
Celebrities	12

From the table it can be inferred that consumers are buying Organic products out of their personal choice. Few respondents expressed that their family members and friends encouraged them to buy and use Organic products. It is also noted from the data that celebrities have a minor role in influencing the consumers to buy organic products.

Table-5: Factors that helped in evaluating the credibility of Organic products

Factor	Percentage of respondents
Scientific evidence on packaging	24
Celebrity endorsement	15
Sustainable investment made by the brand (brand image)	40
Government regulation or official stamp (Quality certification)	21

Majority of the consumers are brand image, scientific evidence on packaging and quality certification by standard Organizations to evaluate the authenticity of the organic products.

B. PURCHASE PHASE:

Parameters that consumers usually consider during purchase of organic products are shown in table-5. These parameters are identified from literature review.

Table-5: Factors considered during the purchase of Organic products

Parameter	Percentage of respondents
Quality	42
Price (Value for Money)	37
Nature of the product (Characteristics)	21
Suitability of use	7

The table clearly indicates that the quality and price are two major factors the consumers consider when they are purchasing the Organic products.

Table-6: Respondent's preference place of buying organic products.

Preferred place	Percentage of respondents
Retail outlet	49
Wholesale outlet	42
Through teleshopping	3
Through website	6

The consumers expressed that they prefer a retail outlet to an online store when it is time to purchase the products. From the discussions it is evident that judgment for value of the price can be done only in physical stores than an online one. They also expressed that only branded organic products can be trusted when online shopping is considered.

Table-7: Respondent's frequency of buying organic products.

Frequency	Percentage of respondents
Several times a week	12
Once a week	38
Once a month	46
Few times a year	4

From the table it is understood that consumer purchase Organic products either monthly or weekly depending the availability of the products and usage of the products. They expressed that for dairy products they go several time in a week and for buying vegetables and fruits once/twice in a week and said that groceries are bought mostly once in a month.

Table-8: Category of products Consumers buy in organic stores.

Products category	Percentage of respondents	
	YES	NO
Dairy products	24%	76%
Cosmetics	37%	63%
Supplements	48%	52%
Food	75%	25%
Grocery	82%	18%
Fruits and vegetables	68%	32%
Beverages	1%	99%

Most of the consumers buy grocery, fruits and vegetables and food items. Next categories of the products the consumers prefer to buy are supplements, cosmetics and dairy products. The least preferred product is beverages. Consumers mentioned that most preferred products are due to raising concern for health .Cosmetics & supplements are bought mostly because of positive word of mouth.

C.POST PURCHASE PHASE: Table-9: Consumer satisfaction

	Percentage of Respondents				
	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Supplements	36	20	24	15	5
Cosmetics	24	36	5	15	20
Grocery	40	10	20	15	10
Beverages	5	10	35	30	20
Fruits and Vegetables	45	25	17	10	3
Food items	32	20	40	8	0
Dairy products	33	36	18	9	4

Table-9 reflects the satisfaction levels of the Consumers towards the various categories of the Organic products. In this stage the consumers analyse if the product performance met their expectations, so as to ensure satisfaction. From the table it can be interpreted that consumers are highly satisfied with organic fruits and vegetables and grocery items. Even consumers are happy with supplements, food items and dairy products.

Challenges faced by the retailers of Organic stores:

The data for knowing the challenges faced by retailers is collected from telephonic interview and oral discussions held directly with store people. Following are few challenges Organic retailers face in Hyderabad.

1. Ensuring the trustworthiness (quality and value for money) about the products to the consumers
2. Supply Chain Management issues
3. Training the sales force to effectively handle the customer relations
4. Competing with well-established players (Branded stores) in the market
5. Storage issues as observed in conventional products
6. Location of the store and regular supply of the products (fruits and vegetables)

CONCLUSION:

From the study it can be concluded that Consumers have a positive perception towards the usage of the Organic products. The main reasons for choosing the organic products are concern for health and environment. Price and quality are the two factors that are commonly evaluated while buying the products. Retailers expressed that once the consumers become loyal after releasing the importance of organic products there will very few challenges to face in the market, i.e., creating the brand image apart from providing value for the money will majorly influence the consumer to make repeat purchases.

ACKNOWLEDGEMENT:

I wish to convey my heart felt gratitude to the principal CBIT, Prof. P. Ravinder Reddy and My Research Guides Dr. S. Saraswathi and Dr. M. Sudheer Reddy for encouraging me to conduct quality research work. I thank my family members for their support. I also thank the respondents without whom this research would have been impossible to complete.

REFERENCES:

1. Allen, G. J., & Albala, K. (2007). *The business of food: encyclopedia of the food and drink industries*: Greenwood Pub Group. ISBN 978-0-313-33725-3.
2. Carlson, J.P., Vincent, L.H., Hardesty, D.M. & Bearden, W.O. (2009). Objective and subjective knowledge relationships: a quantitative analysis of consumer research findings. *J.Consum.Res.*, 35 (1), 864-876
3. Chen, M. F. (2009). Attitude toward organic foods among Taiwanese as related to health consciousness, environmental attitudes, and the mediating effects of a healthy lifestyle. *British Food Journal*, 111(2), 165-178. DOI: 10.1108/00070700910931986
4. Krishnakumare. Band Niranjana. S. (2017), Consumers' Buying Behaviour towards Organic Food Products in Tamil Nadu, *Agricultural Economics Research Review* Vol. 30 (No.1) January-June 2017 pp 133-138.
5. Lockie, S., Lyons, K., Lawrence, G. and Grice, J. (2004) Choosing organic: A path analysis of factors underlying the selection of organic food among Australian consumers. *Appetite*, 43: 135-146.
6. Magnusson, M., Arvola, A., Koivisto-Hursti, U., Aberg, L. and Sjoden, P. (2001), "Attitudes towards organic foods among Swedish consumers", *British Food Journal*, Vol. 103 No. 3, pp. 209-26.
7. MdTareq Bin Hossain, Consumers' Buying Behavior towards Organic Foods: Evidence from the Emerging Market, *Malaysian Management Review*, JULY-DECEMBER 2016 Vol. 51 No. 2, pp. 7-25
8. Mohamed Bilal Basha et al. Consumers Attitude Towards Organic Food / *Procedia Economics and Finance* 31 (2015) 444 – 452
9. Mohamed, M.A., Chymis, A. and Shelaby, A.A. (2012). Determinants of organic food consumption in Egypt. *International Journal of Economics and Business Modeling*, Vol.3(3), pp.183-191
10. Olivas R. and Bernabeu, R. (2012) Men's and women's attitudes toward organic food consumption - A Spanish case study. *Spanish Journal of Agricultural Research*, 10(2): 281-291.
11. Parmaeswaran. R., rAMAKRISHNA. S.(2015), a Study On Consumer Purchase Behaviour towards Organic Products, *International Journal Of Science and Research*, Vol-4, Issue 8, PP. 1906-98.
12. Saleki, Z. S., & Seyedsaleki, S. M. (2012). The main factors influencing purchase behaviour of organic products in Malaysia. *Interdisciplinary Journal of Contemporary Research in Business*, 4(1), 98.

-
13. Sathyendra Kumar .,Dr. H. M. Chandrashekar (2015),A Study on Consumers Behavior towards Organic Food Products in Mysore city, International Journal of Management Research & Review IJMRR, Volume 5, Issue 11, Article No-5,pp.1082-1091
 14. Vindigni, G., Janssen, M.A. and Jager, W. (2002) Organic food consumption: A multi-theoretical framework of consumer decision-making. *British Food Journal*, 104(8): 624-642
 15. Wier, M., Andersen, L.M. and Millock, K. (2003), "Consumer demand for organic foods - attitudes, values and purchasing", paper presented at SOM Workshop, Environment, Information and Consumer, Frederiksdal, April.
 16. Williams, P. R. D. & Hammit, J. K. (2001). Perceived risks of conventional and organic produce: Pesticides, pathogens, and natural toxins. *Risk Analysis*, 21, 319–330.
 17. <https://www.franchiseindia.com/wellness/The-Rising-Demand-of-Organic-Food-Market.9712>
 18. <http://journals.sagepub.com>
 19. shodhaganga.inflibnet.ac.in