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A STUDY OF CONSUMER ATTITUDE TOWARDS ORGANIC PRODUCTS IN NASHIK CITY

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ABSTRACT

The paper analyzes various factors affecting consumer attitudes towards organic products. This study consists of both secondary and primary data. The primary data is collected with the help of the structured questionnaire. The total of 168 participants from various parts of Nashik city responded through the questionnaire. The results of the study show the higher concern of environmental consciousness, quality attributes of the organic products and the health benefits from the organic products while buying the organic food products. However, consumers are less concern with the price of the organic food products. The research results support the relationship between consumer attitudes and intention to buy the organic food products. The results pros that the marketers can effectively design the marketing strategies on focusing the factors like quality, health benefits and environment friendliness of products along with price at the smaller extent as the factors governing customer attitude.

Introduction

The organic food products are grown with environmentally and socially responsible methods without the use of chemical fertilizers and pesticides. Organic foods have more valuable nutrients as well as the antioxidants. Organic food products do not contain genetically modified organisms (GMOs). As the way a food is grown can have impact on mental and physical health. The market for organic food has developed significantly from last two decades in India. As per the World's Organic Agricultural land, India is 8th place in the world and 1st in terms of total number of producers as per

2020 data.

The table-1 shows that oil seeds are contributing as the leading source for organic products. The consumers also prefer to buy the organic products by keeping importance of environment friendliness, sustainable development, and support for the farmers and local businesses. With increasing prosperity and thus increasing disposable incomes of the consumers, they prefer to purchase organic products as the consumers are becoming health conscious. The consumer market for organic food products is still at its early stage of development. Thus, a clear understanding of what factors influence and motivate the consumers to purchase organic products may help both consumers and sellers of organic food products.

Table 1: Category wise Production of Organic commodities during Year 2020-21

S. No.	Category	Organic Production (In MT)
1	Oil Seeds	853754.86
2	Fibre	811007.77
3	Sugar	797627.60
4	Cereals & Millets	321006.27
5	Spices & Condiments	104820.81
6	Pulses	91039.63
7	Medicinal Plant Products	80533.52
8	Fresh Fruits & Vegetables	67350.21
9	Tea	42120.79
10	Coffee	22401.54
11	Flowers	13191.48
12	Dry Fruits	11499.82
13	Fodder	11059.53
14	Others	5796.57
15	On farm Processed Food	4003.86
16	Tuber Products	3134.76
Total		3240349.01

Source: http://apeda.gov.in/apedawebsite/organic/data.htm#Summary_Statistics_2021

From the Table-1 oil seeds are at the top among the organic production in 2020-21. When considering the top 5 states in India engaged in organic production, Maharashtra was 2nd in the list. This study aims at exploring consumers' attitudes towards organic food products with special reference to the consumers in Nashik city in Maharashtra state.

Table-2 State wise Organic Farm Production for the year 2020-21

S. No.	State Name	Organic Production (In MT)
1	Madhya Pradesh	1214919.50
2	Maharashtra	752176.23
3	Karnataka	355718.73
4	Rajasthan	237436.69
5	Uttar Pradesh	183089.90

Source: http://apeda.gov.in/apedawebsite/organic/data.htm#Summary_Statistics_2021

In India, the use of fertilizers has increased in agriculture mainly after the green revolution in the 1960s. In India, Maharashtra state is 2nd highest among the top five states where organic food production is 752176.23 metric ton. This also indicates that, in the region the production for organic food items is on the rise due to demand by consumers for chemical free food and grown by nature-friendly methods without the use of synthetic inputs. In the business world, the marketers are focusing on the organic products as the policy for being socially and environmentally responsible.

REVIEW OF LITERATURE

Ranjithkumar (2006) in his study revealed that the satisfaction level of respondents about the organic foods. In his study the various reasons for preferring organic food products was health and taste of the food.

Suganya and Aravindh (2014) have considered the consumers' preferences towards organic food products. They found that consumers have good awareness about organic food products but the incomes of people have significant differentiation in their perception towards organic products.

Chandrashekar (2014) in his study revealed that the advertisement of organic food products and better taste would influence the purchase of organic food products. He also found out that price of organic food was a major reason for low demand.

Ramesh and Divya (2015) initiated that the major object for customers to buy organic foods in India is the expectation of a healthy lifestyle and an environment-friendly means of production.

Mehra and Ratna (2014) proposed 6 factors impacting attitude towards organic products, like perception towards organic food, health consciousness, product information, value for money, accessibility and trust. They focus upon consumers' preference towards food taste as well as nutritious, and price of organic products.

OBJECTIVES:

- To study the demographic profile of the consumers.
- To find the consumer attitude towards the organic food products
- To analyze the reasons for consumer preference for organic food products

HYPOTHESIS:

H1: There is significant relationship between environmental concern of organic products and intentions to buy.

H2: There is significant relationship between quality of organic products and intentions to buy.

H3: There is significant relationship between price of organic products and intentions to buy.

H4: There is significant relationship between healthiness of organic products and intentions to buy.

METHODOLOGY:

A market survey of 168 customers of organic food products from Nashik city was conducted which is one of the major markets of organic products in Maharashtra. The sample respondents for this study were selected through convenient sampling method. The study includes the consumers who were visited to selected outlets in Nashik city

formed the sample respondents. After the review of related literature, some prominent factors were selected as they are affecting consumer's attitude towards buying organic food products. The structured questionnaire was prepared to assess the attitude of respondents towards organic food products based on the four major factors like environment friendliness of the products, healthiness of products, quality and price. The consumer attitude and its relation to the intentions to purchase the organic food products was the main concern of the study. Each of the attitudinal factors were measured using five levels. The study used 5 point Likert scale with choices like Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly Agree = 5. The data collected during the survey was analyzed using descriptive statistics by using statistical software.

The questionnaire was composed of five latent variables containing: four possible causes for selecting organic food products i.e. health concern, quality of products, environmental concerns and price of the products however, a single possible outcome i.e. intentions to buy the organic food products.

RESULTS AND DISCUSSION:

The demographic characteristics of the sample of the study are presented in Table-3.

Table-3: Socio-Economic Profile of the Respondents

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	101	60.1	60.1	60.1
	Female	67	39.9	39.9	100.0
	Total	168	100.0	100.0	

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	5	3.0	3.0	3.0
	21-30 years	87	51.8	51.8	54.8
	31-40 years	53	31.5	31.5	86.3
	41-50 years	19	11.3	11.3	97.6
	51-60 years	4	2.4	2.4	100.0
	Total	168	100.0	100.0	
Marital status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married with children	66	39.3	39.3	39.3
	Married without children	58	34.5	34.5	73.8
	Single parent	5	3.0	3.0	76.8
	Single	39	23.2	23.2	100.0
	Total	168	100.0	100.0	
Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal education	1	.6	.6	.6
	Primary school	4	2.4	2.4	3.0
	High school	19	11.3	11.3	14.3
	Diploma	39	23.2	23.2	37.5
	Bachelor Degree	79	47.0	47.0	84.5
	Master Degree	24	14.3	14.3	98.8
	PhD	2	1.2	1.2	100.0
	Total	168	100.0	100.0	
Income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than Rs. 10000	14	8.3	8.3	8.3
	Rs. 10001 - Rs. 20000	18	10.7	10.7	19.0
	Rs. 20001 - Rs. 30000	27	16.1	16.1	35.1
	Rs.30001 - Rs. 40000	40	23.8	23.8	58.9
	Rs. 40001 - Rs. 50000	52	31.0	31.0	89.9
	More than Rs. 50000	17	10.1	10.1	100.0
	Total	168	100.0	100.0	

From the above descriptive statistics, it is clear that majority of the respondents are from male category i.e. 60.1% and 39.9% are female respondents. The age wise distribution of the respondents shows that 51.8% are from the group of 21 to 30 years, 31.5% respondents are from the age group of 31 to 40 years which is second highest. The data shows that majority of the respondents i.e. 39.3% are married and with children. There are 34.5% respondents who are married but without children. The frequency table shows that 47.0% respondents are educated with graduation, 23.2%

are with diploma and 14.3% are masters in their education. The above table shows that 31.0% of the respondents are from Rs. 40001 – Rs. 50000 along with 23.8% as a second higher from Rs. 30001 – Rs. 40000.

Hypothesis Testing:

The data is analyzed with the help of SPSS software to draw the inferences and test the hypotheses.

The major factors considered to measure consumer attitude are environment friendliness of the products, healthiness of products, quality of the products and price of the products.

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Environment Concern	.387	1	166	.535
Quality Concern	2.947	1	166	.088
Price Concern	.006	1	166	.941
Health Concern	1.899	1	166	.170

After conducting the Levene's Test for Homogeneity of variances, it is found that there is a significant difference. In the next stage after conducting the ANOVA test. The following table shows the statistics for testing hypothesis.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Environment Concern	Between Groups	58.747	1	58.747	7.906	.006
	Within Groups	1233.538	166	7.431		
	Total	1292.286	167			
Quality Concern	Between Groups	40.550	1	40.550	8.340	.004
	Within Groups	807.111	166	4.862		
	Total	847.661	167			
Price Concern	Between Groups	22.000	1	22.000	3.036	.083
	Within Groups	1202.851	166	7.246		
	Total	1224.851	167			
Health Concern	Between Groups	435.346	1	435.346	39.648	.000
	Within Groups	1822.725	166	10.980		
	Total	2258.071	167			

In the above ANOVA table, a significance level of 0.05 indicates a 5% risk of concluding that a difference exists when there is no actual difference.

i) **H0: There is no significant relationship between environmental concern of organic products and intentions to buy.**

H1: There is significant relationship between environmental concern of organic products and intentions to buy.

The ANOVA table shows that, for the environmental concern for purchasing the organic food products, the p value (denoted by “Sig.”) is .006. In this case, the null hypothesis is rejected as $p < .05$ so it can be concluded that the mean of the environmental concern of the groups for organic food product consumers is not equal. Thus, the null hypothesis is rejected and it can be said that there is a significant relationship between environmental concern of the respondents and intention to purchase the organic food products.

ii) **H2: There is no significant relationship between quality of organic products & intentions to buy.**

H2: There is significant relationship between quality of organic products & intentions to buy.

The ANOVA table shows that, for quality concern for purchasing the organic food products, the p value (denoted by “Sig.”) is .004. Hence, the null hypothesis is rejected as $p < .05$ so the alternative hypothesis (H2) is accepted and it can be said that there is a significant relationship between Age quality of organic products and intentions to buy.

iii) **H0: There is no significant relationship between price of organic products and intentions to buy.**

H3: There is significant relationship between price of organic products and intentions to buy.

The above ANOVA table clears that, for the attitude towards price of the organic products, the p value (denoted by “Sig.”) is .083. As $p > .05$, the null hypothesis can't be rejected. Thus, the hypothesis (H3) is rejected and the attitude towards the price of the organic food products does not have any significant relationship with the intention to buy the organic products.

iv) **H0: There is no significant relationship between healthiness of organic products and intentions to buy.**

H4: There is significant relationship between healthiness of organic products and intentions to buy.

As per the ANOVA test, for the attitude towards the healthiness of organic products, the p value (denoted by “Sig.”) is .000. Hence, the null hypothesis is rejected as $p < .05$ so the healthiness of organic products is associated with the intentions of buying the organic food products of the consumers. Thus, the hypothesis (H4) is accepted and it can be said that there is a significant relationship between healthiness of organic products and intentions of buying the organic food products.

CONCLUSION

The data collection and analysis concluded that, the customers in the selected market of organic food products were giving emphasis on health benefits, environment concern and quality associated with the organic food products. However the data analysis shows that the customers are agreed with the pricing criteria of the organic product. The customers have less concern about the price of organic products as compare to the other factors in consideration in this study. The attitude is mainly associated with the benefits of the organic products than the cost of the products.

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