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An Assiduous Study on the Viability of Organic products in Delhi and NCR Region

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ABSTRACT

A variety of organic products are available in the domestic market such as cosmetics like skin moisturizers, perfumes, lipsticks, fingernail polishes, makeup, shampoos, permanent waves, hair colors, toothpastes, and deodorants, anti-dandruff shampoos and antiperspirant-deodorants, as well as moisturizers and makeup with SPF (sun protection factor) numbers, besides tea, coffee, rice, wheat, pulses etc. Products which are available for export market, besides these, include but not limited to, are, cashew nuts, cotton, oil seeds, various fruits and medicinal herbs. The presence of wholesalers and traders, distributors, retailers, shopping malls, super markets and mom and pop shops are the major channels available in the domestic market and accounts for only 12.5 per cent of the total organic production. However, from the study of Delhi and NCR region of the Country, the markets and shops for organic products are slowly and steadily coming up, owing to the fact that many of the consumers mainly working and non working women, who are the driving force in the purchase of organic products, are realizing the need and importance of using the organic products rather than non-organic products. This leads to a crucial importance to study the viability of organic products and its growth and development in terms of its market share.

KEYWORDS - Organic farming, Organic Products, Non-Organic products, Market, Market Share, Consumers.

INTRODUCTION

In India, which is the second most populous country in the world, with its ever increasing population, the cultivable land resource is shrinking day to day. In order to meet the demand of food, fibre, fuel, fodder and others of its growing population, the productivity of agricultural land and soil and health needs to be improved. Post independence, the Green Revolution has paved way to developing countries for self-sufficiency in food, yet in order to sustain

agricultural production against the finite natural resource base demands, has drifted from the “resource degrading” chemical products to a “resource protective” biological products or *organic products*.

Greater use of synthetic agro based chemicals like fertilizers and pesticides, high-yielding varieties of crops, highest exploitation of irrigation potentials etc., has led to increased production output in many cases. Nevertheless, the continual use of these high graded inputs declines the production and productivity of various crops and deteriorates soil, health and environment. In order to sustain the productivity of the crop, maintaining the soil, health and healthy environment, there is a collateral need for adopting an alternative farming system, i.e *Organic Farming*.

ORGANIC PRODUCTION

In India, there are three types of organic producers – **Traditional** organic growers who grow for their needs, **Commercial** farmers having surplus and who export their produce through different channels, and **Private companies** having their own farms or who organize large conversion programmes with growers (Yussef and Willer, 2003).

Basically, there are three main types of farmers engaged in organic production in India:

Farmers having the indigenous knowledge and technology developed over the past thousands of years, growing for their own consumption and having very little surplus.

Farmers having very small to medium sized holdings. These can be further divided into two groups viz,

those working to revive the Vedic practices based on Ayurvedic tradition of health system coupled with scientific exposition; and

those who follow modern organic agriculture systems, like Steiner’s biodynamic agriculture or Fukuoka’s “nature farming”, for example.

They usually have market surplus and sometimes export their goods.

Private companies who have responded to market demands in the country by organizing large scale conversions to organic systems, thereby adding more economic value to the crops, which are already cultivated in a manner similar to organic systems, and are actively engaged in promoting organic agriculture for export.

ORGANIC PRODUCES

With the advent of Green Revolution, companies like Patanjali, Fab India have starting producing organic cosmetics like skin moisturizers, perfumes, lipsticks, fingernail polishes, makeup, shampoos, permanent waves, hair colors, toothpastes, and deodorants, anti-dandruff shampoos and antiperspirant-deodorants, as well as moisturizers and makeup with SPF (sun protection factor) numbers, besides tea, coffee, rice, cereals like wheat, jowar, bajra

cardamom, spices i.e. ginger, turmeric, chillies and cumin, pulses like pigeonpea, chickpea, green gram, red gram, and black gram, oilseeds i.e. groundnut, castor, mustard and sesame, fruits i.e. banana, sapota, custard apple and papaya, and vegetables i.e. tomato, brinjal, and other leafy vegetables, besides honey, cotton and sugarcane especially for jaggery (GOI, 2001). In 2019, 25779 farms in India were certified as organic.

MARKETING FOR ORGANIC PRODUCTS

Organic produce and agriculture is providing cosmetics and food and income, and is gaining wider recognition due to growing markets and acceptance for organic products world wide (Van Elzakker et al 2007). The market of organic products is on the growth as majority of female population are switching to organic cosmetics and even willing to eat organic food on pay premium price . The future of organic produce depend on consumer demand and their motive for paying extra price for organically produced cosmetics which contains natural ingredients necessary for skin care, as also food products that we buy.. Thus, a consumeroriented approach to understand the market for organic products is important for pursuing better management of organic products. However, this is a complex process, which is determined by factors such as quality production, certification, infrastructure and market environment and policies (Aryal, 2008). It is therefore important to understand consumer decision-making regarding organically produced products and call for strategies about how consumption of organic products can be promoted.

The determinants of Production and marketing strategies are Consumer beliefs, their Attitudes, their responses to organic products and their willingness to pay a premium price. Since organic products are coined as credence goods, consumers may not know whether a product is produced using organic or conventional methods unless they are informed (Giannakas, 2002). Thus, awareness and knowledge about organic produce are critical in the consumer buying/purchase decisions.

SIGNIFICANCE OF THE STUDY

A variety of organic products are available in the domestic market such as cosmetics like skin moisturizers, perfumes, lipsticks, fingernail polishes, makeup, shampoos, permanent waves, hair colors, toothpastes, and deodorants, anti-dandruff shampoos and antiperspirant-deodorants, as well as moisturizers and makeup with SPF (sun protection factor) numbers, besides tea, coffee, rice, wheat, pulses etc. Products which are available for export market, besides these, include but not limited to, are, cashew nuts, cotton, oil seeds, various fruits and medicinal herbs. The presence of wholesalers and traders, distributors, retailers, shopping malls, super markets and mom

and pop shops are the major channels available in the domestic market and accounts for only 12.5 per cent of the total organic production. However, from the study of Delhi and NCR region of the Country, the markets and shops for organic products are slowly and steadily coming up, owing to the fact that many of the consumers mainly *working and non working women*, who are the driving force in the purchase of organic products, are realizing the need and importance of using the organic products rather than non-organic products. This leads to a crucial importance to study the viability of organic products and its growth and development in terms of its market share.

PROBLEM STATEMENT

In order to overcome the crises of health, environmental pollution and other social evil effects, the consumable products like cosmetics and other food and beverages should go for natural production by eliminating the pesticide spray, chemical injection etc. All this can be possible only by production and distribution of large number of organic products than non-organic products. Hence, problem factors for this study has been formulated by raising the following questions namely:

Whether or Not the non-organic product consumers are aware about the organic products?

Whether the consumers of non-organic products are willing to switch over to organic products and willing to pay extra price?

Are the markets/shops for organic products easily approachable or available at their nearest area?

OBJECTIVES OF THE STUDY

The present study is concerned with the following objectives:

1) To know about the awareness level among working and non working women consumers about organic products.

2) To study the opportunity of organic products business among non-organic working and non working women consumers.

3) To examine the hindrances faced by the non-organic product women consumers while buying the organic products.

4) To provide valuable suggestions and recommendations to the dealers/ marketers of organic products for improving their marketability.

RESEARCH METHODOLOGY

A descriptive study using primary data is used to investigate the objectives stated above. The geographical area of Delhi and NCR was taken for the study and the required data were collected through questionnaire. The main reason for choosing Delhi and NCR is that the investigator is located here and marketers/dealers of organic products are gradually catching up in these areas. By using the random sampling method, a total of 500 consumers (Working and Non Working Women) of organic products and 203 non-organic product consumers (Working

and Non Working) were identified as target group of respondents from this sampling area and the required data were collected. The collected data were analyzed using Chi-Square test, frequency analysis and descriptive statistics.

ANALYSIS AND INTERPRETATION

The data collected for the present study from the respondents was through the Questionnaire which were tabulated and were analyzed using appropriate statistical techniques as mentioned in the research methodology above. The objective-wise analyses of the study are presented in this section.

ANALYSIS ON THE AWARENESS OF THE ORGANIC PRODUCTS AMONG NON-ORGANIC PRODUCT CONSUMERS

In order to fulfill the objective of the study of predicting the opportunity for organic products among the non-organic product consumers a separate questionnaire was developed and provided to the non-organic product consumers. The questionnaire contains two parts which systematically captures the awareness among the nonorganic product consumers (Women Category) about organic products and the viability of organic products. Their responses were subjected to appropriate statistical tools and the results are tabulated in the following section.

AWARENESS ABOUT THE ORGANIC PRODUCTS AMONG NON-ORGANIC PRODUCT CONSUMERS (Working and Non Working Women)

Frequency and Chi Square Test was used to capture the Consumers awareness about the organic products and its advantages. The results are tabulated in Tables 1 and 2.

TABLE 1: AWARENESS ABOUT THE ORGANIC PRODUCTS

Sl.No	Awareness	Frequency	Percent	Chi-Square (Sig at 5% level)
1	Yes	177	87.2	12.817 df=1 p=0.000
2	No	26	12.8	
		203	100.0	

It is quite evident from Table 1 above, that although they are non-organic product consumers, yet majority of the respondents (87.2%) are very well aware about the organic products and only a few number of respondents (26) do not have any idea about organic products. However, the results are significant as the chi-square value

(12.817; $p=0.000$) is significant for 1 degree of freedom at 5% level of significance.

Consequently, the non-organic product consumers who are aware about organic products were queried about the advantages of using organic products. Their responses were subjected to frequency and chi-square analysis and the results are tabulated in Table 2.

TABLE 2: ADVANTAGES OF USING ORGANIC PRODUCTS

Sl.No	Awareness	Frequency	Percentage	Chi-Square (Sig at 5% level)
1	NO	46	18.2	5.874 df=5 p=0.319
2	Quality	44	21.7	
3	High Nutritious Value	37	22.6	
4	Benefits to the Society	24	11.9	
5	No Health Hazard	26	12.8	
6	Others	26	12.8	
	Total	203	100.0	

As is evident from Table 2 above, the respondents had varied opinion about the advantages of using organic products as indicated by the insignificant chi-square value (5.874; $p=0.319$) for 5 degrees of freedom at 5% level of significance.

FEASABILITY OF USE OF ORGANIC PRODUCTS AMONG NON-ORGANIC PRODUCT CONSUMERS

The analysis in this part of the paper ponders about the usability and viability of organic products among non-organic product consumers. The non-organic product consumers were queried about the hindrances they face that prevents them from using organic products. The frequency analysis and test of significance using chi-square on their responses are tabulated in Table 3 below.

TABLE 3: HINDERANCES TO BUY THE ORGANIC PRODUCTS

Sl.No	HINDERANCES	Frequency	Percentage	Chi-Square (Sig at 5% level)
1	Unavailability of stores nearby selling organic products	56	27.6	3.971 df=4 p=0.653
2	High Price of Organic Products	54	26.5	
3	No Home Delivery	43	21.2	

4	Non Availability of Organic Products	24	11.9	
5	Others	26	12.8	
	Total	203	100.0	

As is evident from the insignificant chi-square value (3.971; $p=0.653$) for 4 degrees of freedom, it is clear that the non-organic product consumers face varied problems that hinders them from using organic products. Of all the above reasons quoted The foremost reason being the non-availability of a store nearby that sells organic products as quoted by majority of the respondents (27.6%), closely followed by High price(26.5%), No home delivery(21.2%)and Availability of products(11.9%) have equal contribution in the reason for not using the organic products by the non-organic product consumers.

Whereas, the majority (64.1%) of the non-organic product consumers have stated that they are willing to switch over to organic products if the above hindrances are removed as portrayed in Table 4.

TABLE 4: WILLINGNESS TO BUY ORGANIC PRODUCTS WHEN THESE HINDRANCES ARE REMOVED

Sl.No	RESPONSE	Frequency	Percentage	Chi-Square (Sig at 5% level)
1	YES	130	64.1	32.981 df=1 p=0.000
2	NO	73	35.9	
	Total	203	100.0	

Evidently, the non-organic product consumers who were willing to buy organic products were also queried about their frequency of purchase. Their responses were captured and analyzed using frequency and chi-square test. The results are depicted in Table 5.

TABLE 5: FREQUENCY OF PURCHASE OF ORGANIC PRODUCT

Sl.No	FREQUENCY OF PURCHASE	Frequency	Percentage	Chi-Square (Sig at 5% level)
1	Always	106	52.2	15.864 df=3 p=0.000
2	Sometimes	74	36.4	
3	Occasionally	23	11.4	
	Total	203	100.0	

It is evident from the Table 5 above, that majority of the respondents (52.2%) are willing to purchase organic products always, provided all the above said hindrances were resolved. Moreover, the

significant chi-square value (15.864; $p=0.000$) for 3 degrees of freedom depicts that the result is significant at 5% level of significance.

This finding gives us a clear picture that the organic product business will flourish in Delhi and NCR Cities even among the non-organic product consumers. This is further validated and proved by the following results about availability of organic products in the non-organic stores also which is tabulated in Table 6.

TABLE 6: AVAILABILITY OF ORGANIC PRODUCTS IN THE NON-ORGANIC STORES

Sl.No	OPINION	Frequency	Percentage	Chi-Square (Sig at 5% level)
1	YES	189	93.11	10.561 df=1 p=0.004
2	NO	14	6.89	
	Total	203	100.0	

As is evident from the Table 6 above, a whopping majority of the respondents (93.11%) are willing to welcome the availability of organic products in the non-organic products stores. Subsequently, the percentage of extra amount that can be spent for using organic products due its enormous advantages were inquired among the non-organic product consumers and treated with frequency and chi-square analysis and the results were tabulated in Table 7.

TABLE 7: WILLINGNESS TO PAY EXTRA AMOUNT FOR PURCHASE OF ORGANIC PRODUCTS

Sl.No	WILLINGNESS	Frequency	Percentage	Chi-Square (Sig at 5% level)
1	No Extra	28	13.8	95.932 df=6 p=0.000
2	Monthly Expenditure already high	25	12.3	
3	An extra of 0-10% on my monthly bill	24	11.9	
4	An extra of 11- 20% on my monthly bill	57	28.1	
5	An extra of 21- 30% on my monthly bill	23	11.3	
6	An extra of 31- 40% on my monthly bill	11	5.4	
7	An extra of above 41% on my monthly bill	35	17.2	
	Total	203	100	

It is evident from the Table 7 above, that majority of the respondents are ready to afford an extra amount of 11-20% (28.1%) of

their monthly bill for using organic products. This, then, therefore as established by the research among the two categories of consumers, further opens venue for organic product business among the non-organic product consumers.

FINDINGS AND SUGGESTIONS

Following are the major findings from the statistical analysis of the present study:

- Majority of the respondents (87.2%) are very well aware about the organic products and only a few number of respondents (26) do not have any idea about organic products.
- Majority of the respondents (22.6%) are of the opinion that organic products are more advantageous in terms of high nutritious value.
- The main hindrances faced by the consumers of non-organic products is that there are no stores selling the organic products nearby their residence.
- Majority of the non-organic product consumers (64.1%) are willing to consume the organic products and to become the regular consumers of organic products if the hindrances like non-availability of organic products in the store, high price, no home delivery, non-availability of exclusive organic products store etc., are rectified to buy the organic products.
- Majority of the respondents (52.2%) who are in the category of the consumers of the non-organic products would like to buy the organic products always if the organic products are available regularly in their nearby store with affordable price and home delivery facility.
- Majority of the respondents (93.11%) prefer to avail the organic products in the non-organic products stores for sales.
- Majority of the respondents are ready to afford an extra amount of 11-20% of their monthly bill for using organic products.

SUGGESTIONS AND RECOMMENDATIONS TO MARKETERS / DEALERS OF ORGANIC PRODUCTS

- As is evident from the research study on Two sets of Consumers, it is found and established that Majority of the respondents feel that there is a non-availability of organic products in the non-organic products stores and non-availability of exclusive store for organic products. Hence, it is suggested to the marketers/dealers of organic products that the availability of the organic products with high quality and affordable price should be maintained in the non-organic product stores. Further, more number of organic product stores need to open in Delhi and NCR region for easy accessibility of both the organic and non-organic product consumers.
- Since majority of the respondents have opted to avail the home delivery of the organic products, the marketers/dealers are

strongly suggested to take it as an effective tool in high end segment of the market for the organic products.

- The demand for organically produced goods is expected to grow in Delhi and NCR due to the majority of the respondents' opinion that these products are chemical free and contains natural contents. Hence, it is suggested that the marketers/dealers of the organic products should offer their products which are affordable to the consumers. Also, some special discounts and coupons could be given to the customers to increase the volume of sales.

- Since majority of the non-organic product consumers have opined that if the marketing hindrances are removed, they will definitely switch over to consume the organic products, it is strongly suggested that the marketing facilities such as easy accessibility of organic product, affordable price to the consumers, enhanced quality of the product etc., should be concentrated more by the marketers/dealers.

CONCLUSION

Though, the consumers of non-organic products are willing to buy the organic products even at premium price, due to the fact that these products are giving more health benefits and the availability of organic products and easy access will create further a market for organic produce. Thus, this research study contributes to a better conceptual understanding of perception of the organic and non-organic product consumers towards the viability and usability of organic products in Delhi-NCR. Meanwhile, the data obtained in the study can also provide practical implications on how to formulate a better marketing and business strategy to meet the perceived demand to cover the wide segment of the customers and to fully utilize the advantages of the natural resources –Organic Products.

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