

Consumers' Buying Behaviour Towards Organic Food: Exploratory Factor Analysis

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Abstract

The idea of organic food is not new; in fact, it has been around for a very long time. Numerous researchers have correctly asserted that organic food is an essential component of our daily lives. Over the past eight to ten years, there has been a significant increase in understanding of the benefits of organic food, particularly in tier-01 cities. In tier-02 cities, awareness has increased more slowly. The goal of this study is to determine the different factors that influence consumers' intentions to purchase organic food (or products). The study's main goal is to assess the relationship between purchase intention and characteristics including price premium, availability, trust factors, relative utility factor, and social media influence. Following the creation of a closed-ended questionnaire and its distribution to 320 consumers, 284 responses were favourably collected. Using SPSS 25, exploratory factor analysis was used to test the data. The findings show that every factor taken into account—including price premium, availability, trust factors, relative utility factor, and social media influence—had a major effect on consumers' intentions to buy organic food.

Keywords: Purchase Intention, Availability, Price Premium, Trust Factors, Relative Utility Factor & Social media influence.

Organic Food Market in India

According to IMARC and IFAD, the Indian organic food market is expected to increase by around 42% between 2022 and 2026, with a projected value of US\$ 815 million in 2020. In essence, organic food is agricultural produce or modified goods that aren't genetically modified, treated with pesticides or herbicides, or grown using antibiotics or growth hormones. In essence, organic food is made without the use of chemicals, pesticides, or other harmful substances. There are many different varieties of organic food, including: agricultural produce; dairy products; changed or processed organic items; beverages; bread and bakery; meat and poultry; and even fish. Rising health concern has triggered the increased inclination of Indian consumers towards organic food. As the consumers become more and more focusing on nutrients value and the quality of food, hence there is swift rise in organic food demand. Moreover there are some other factors such as increased income, spending power, urbanization, so spending on health as well as wellness have increased tremendously in recent years especially after the strike of deadly corona pandemic that acknowledged the significance of good quality food with nutrients content. The government has also an important role to play to boost the organic food concept in Indian consumers mind. Local, state as well as central government are enthusiastically promoting and endorsing organic food by providing needed subsidiary and other such benefits to encourage the organic food market to grow in double digit pace. The government has implemented various programs, including the Rashtriya Krishi Vikas Yojana (RKVY), National Food Security Mission (NFSM), National Mission for Sustainable Agriculture (NMSA), and Integrated Development of Horticulture (MIDH).

LITERATURE REVIEW

According to Gupta (2009) main factors that affect the food purchase decision in Indian consumers is health concern. During his survey with 326 respondents from Uttar Pradesh he found that health is considered to be a main concern behind Indian consumers buying organic food. while **Ali, Kapoor and Moorthy (2010)** undertaken study to understand the preferences of consumers and buying behaviour towards food products. As per **Gracia and Magistris (2002)** consumers intention to purchase

depends on income, attitude, and awareness of organic food. **Makatouni (2002)**, claimed that purchasing intention behind organic food is attributed to health. As per **Nayana sharma and Dr. Ritu Singhavi**, the availability in the market has a great impact on buying behaviour for organic food. According to **Sharma** price is one of the integral aspects that influence buying intention when it comes to organic food as price premium is an integral part of organic food. **Vishal kumar Laheri and Purushottam Kumar Arya** has claimed in their survey that governments awareness programme play a very vital role in increasing awareness and igniting buying intention for organic food products. They also of opinion that Premium price and availability acts as positive and negative factors for buying behaviour of organic food so it is necessary to address these factors so that these should turn out to be positive aspects to boost more acceptability towards organic food. As per **S. Suganya and Dr. Saravinth**, awareness towards organic food has significantly increased and consumers are willing to buy organic food as it is affordable and easily available. **Brijesh kumar (2018)** claimed that social media has a great role to influence the purchase intention for organic food in recent years. **According to Sivathanu** along with various demographic factors, Trust factor is also one of the important for that influence buying intention for organic food. **Dr. Shiny Chib,(2019)**, the organic food can be considered as an immunity boosting agent as it is a rich source of minerals, vitamins and is free from hazardous chemicals, herbicides, pesticides.

OBJECTIVE

The study aimed at evaluating the Purchase intention. The research tries to evaluate the nexus between purchase intention and identified purchase attributes for engaging potential customers in organic food segments.

RESEARCH METHODOLOGY

The goal of the current study is to assess how purchasing intention and qualities relate to one another. Through the use of a closed-ended questionnaire with research-related questions, the study leverages primary data. The investigation was conducted between February and March of 2022. Respondents were chosen at random from a simple sample of customers who choose organic food products. A 32-item online survey was created and sent to 320 respondents of

different ages over the internet; only 284 of the 320 respondents were examined. A five-point Likert scale, with one denoting strongly disagree and five denoting strongly agree, was used to gather customer perceptions on purchase intentions. The data was collected and coded in a systematic way after which was analysed using SPSS 25. Questionnaire consisted of total 34 questions.

Table 1

| Reliability Statistics | |
|-------------------------------|--------------|
| Chronbach Alpha | Items |
| 0.887 | 34 |

Using a Croanbach's alpha in SPSS -25, the internal consistency of the floated questionnaire was verified. Since the established norm states that an alpha value must fall between 0.6 and 0.7, table number one's alpha value of 0.887, which is more than 0.6, is deemed to be an acceptable level of reliability.

DATA ANALYSIS

Table No 2: Demographic Profile of the Respondents (N= 284)

| Profile | No. of Respondents | % |
|-------------------|---------------------------|---------------|
| Gender | | |
| Male | 89 | 31.33% |
| Female | 195 | 68.66% |
| Age | | |
| 18-30 | 26 | 9.15% |
| 30-40 | 65 | 22.88% |
| 40-60 | 101 | 35.56% |
| 60 and above | 92 | 32.39% |
| EDUCATION | | |
| Master's Degree | 137 | 48.23% |
| Bachelor's Degree | 147 | 51.76% |

| INCOME CLUSTER | | |
|----------------------------|------------|---------------|
| 1.5 to 3.5 Lacks | 69 | 24.29% |
| 3.5 to 5.5 Lacks | 102 | 35.91% |
| 5.5 to 10 Lacks | 113 | 39.78% |
| CURRENT EMPLOYEMENT | | |
| Private service | 81 | 28.52% |
| Self employed | 46 | 16.19% |
| Retired | 65 | 22.88% |
| Housewife | 92 | 32.39% |
| SOCIAL MEDIA USAGE | | |
| Facebook | 119 | 41.90% |
| Instagram | 68 | 23.94% |
| Linked in | 42 | 14.78% |
| YouTube | 55 | 19.36% |

From table no.2 , the major chunk of respondents are female i.e. (**68.66%**) while male constitute around (**31.33%**) having master degree (**48.23%**) and Bachelor's degree (**51.76%**). The age group cluster comprises 18-30 has (**9.15%**), 30-40 has (**22.88%**), 40-60 has (**35.56%**) and for age group 60 and above is (**32.39%**). The income cluster comprise 1.5 -3.5 is (**24.29%**), for 3.5-5.5 is (**35.91%**) and for income group falls under 5.5 -10 lacks is (**39.78%**). As far as the type of employment is concern, the private job holders is (**28.52%**), self-employed is (**16.19%**), the retired group is (**22.88%**) and the housewife is (**32.39%**).The social media usage comprises as For Facebook (**41.90%**), Instagram (**23.94%**), LinkedIn (**14.78%**) and YouTube (**19.36%**).

PURCHASE INTENTION OF ORGANIC FOOD

The current study is undertaken to understand the perception of consumers towards organic foods. The survey that was conducted covered the various factors such as Availability, Price Premium, Trust Factors, Relative Utility Factor & Social media influence and their relationship with buying behaviours of consumers. so to explore this relationship, a exploratory factor analysis (EFA) was done for evaluating the questionnaires with respect to

purchase intention for organic foods. After EFA the items that have below 0.50 factor loading are deleted. To check the adequacy and sphericity of data, a KMO (Kaiser- Meyer-Olkin) and Bartlett's test obtained that is **0.784**. as it is above 0.5 so it is acceptable. hence the factor analysis was applied.

KMO and Bartlett's Test

| | | |
|---|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .784 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 262.967 |
| | df. | 105 |
| | sig. | .000 |

(Table -3)

EXPLORATORY FACTORS ANALYSIS

| Factor | Statement | Initial | Communality |
|---------------|--|---------|-------------|
| Availability | Hassle free access to organic food store | 1 | .732 |
| | Readily available in online and in physical store in vicinity. | 1 | .640 |
| | Availability of information regarding organic food impacts on health | 1 | .525 |
| Premium Price | Premium price ensures good quality products | 1 | .730 |
| | For me, paying premium price leads to satisfaction | 1 | .585 |
| Trust Factor | Govt. Exhaustive promotion creates trust factor for purchase | 1 | .793 |
| | Organic food labels creates trust | 1 | .550 |
| | Locally produced goods creates trust in me | 1 | .646 |

| | | | |
|------------------------|--|---|------|
| Relative Utility | Health is a prime concern especially after Corona | 1 | .631 |
| | Change in life style, eating habits, anxiety, work pressure leads to become more health conscious. | 1 | .722 |
| | Organic food helps me to manage my health more efficiently | 1 | .690 |
| | Swadeshi Touch is another factor to ignite buying | 1 | .679 |
| Social media influence | Frequent updates and related information on social media leads to purchase | 1 | .480 |
| | Related Blogs on social media have a major role to play in my purchase decision. | 1 | .688 |
| | Likes and dislikes on social media also influence my purchase intentions | 1 | .767 |

(Table -4)

Table no 04 states the communality value. Researcher asked five questions pertaining to **availability** out of which three are retained, For **Premium Pricing**, total six questions were asked, out of which three have been retained, for **Trust Factor**, four questions were asked of which only two are retained, For **Relative utility** out of six only four have been retained, and for **Social Media Influence**, only three have been retained out of five questions that were asked.

Table 5: Total variance

| Component | Initial Eigen value | | | Extraction sums of squared loading | | | Rotation sums of squared loadings | | |
|-----------|---------------------|---------------|--------------|------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of variance | Cumulative % | Total | % of variance | Cumulative % | Total | % of variance | Cumulative % |
| 1 | 2.425 | 16.165 | 16.165 | 2.425 | 16.165 | 16.165 | 2.425 | 16.165 | 16.165 |
| 2 | 1.534 | 10.227 | 26.392 | 1.534 | 10.227 | 26.392 | 1.534 | 10.227 | 26.392 |
| 3 | 1.449 | 9.661 | 36.053 | 1.449 | 9.661 | 36.053 | 1.449 | 9.661 | 36.053 |
| 4 | 1.236 | 8.241 | 44.294 | 1.236 | 8.241 | 44.294 | 1.236 | 8.241 | 44.294 |

| | | | | | | | | | |
|----|-------|-------|---------|-------|-------|--------|-------|-------|--------|
| 5 | 1.180 | 7.870 | 52.163 | 1.180 | 7.870 | 52.163 | 1.180 | 7.870 | 52.163 |
| 6 | 1.026 | 6.841 | 59.004 | 1.026 | 6.841 | 59.004 | 1.026 | 6.841 | 59.004 |
| 7 | 1.005 | 6.700 | 65.704 | 1.005 | 6.700 | 65.704 | 1.005 | 6.700 | 65.704 |
| 8 | .901 | 6.010 | 71.714 | | | | | | |
| 9 | .755 | 5.033 | 76.746 | | | | | | |
| 10 | .740 | 4.936 | 81.682 | | | | | | |
| 11 | .725 | 4.835 | 86.517 | | | | | | |
| 12 | .678 | 4.518 | 91.035 | | | | | | |
| 13 | .524 | 3.491 | 94.526 | | | | | | |
| 14 | .484 | 3.229 | 97.755 | | | | | | |
| 15 | .337 | 2.245 | 100.000 | | | | | | |

The four extracted components' percentage of variation is displayed in Table 5. Of the total variance, Factor I accounted for 16.16%, Factor II for 10.22%, Factor III for 9.56%, Factor IV for 8.24%, Factor V for 7.87%, Factor VI for 6.84%, and Factor VII for 6.70 percent, in that order. The total variance described by the convergence of 15 statements into 7 factors is 65.70%, meaning that there are other components that account for 34.3% of the variance and influence customers' intentions to purchase organic food.

Component Transformation Matrix

| Components | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------|-------|-------|-------|-------|-------|-------|-------|
| 1 | .604 | .526 | .367 | -.162 | .243 | .222 | .298 |
| 2 | .305 | -.133 | .367 | .773 | -.381 | -.107 | -.026 |
| 3 | -.042 | -.569 | .624 | -.186 | .448 | -.220 | .020 |
| 4 | .419 | -.368 | -.244 | .070 | .244 | .572 | -.488 |
| 5 | -.301 | -.252 | .096 | .069 | -.151 | .668 | .602 |
| 6 | -.522 | .427 | .360 | .266 | .266 | .296 | -.432 |
| 7 | -.031 | .022 | -.378 | .511 | .665 | -.170 | .352 |

Extraction Method: Principal component Analysis

Rotation Method: Varimax with Kaiser Normalization

Result

In order to accommodate potential consumers in organic food segments, the marketers need to bring about the changes or the innovation by taking into consideration various factors that have direct or indirect impacts on buying behaviour of end consumers, as conventional market is more prominent to compete. The marketers have to take into account that the awareness through social media is also one of the factors that can be utilised in such a way so as to tap the potential consumers in organic food segments. The trust factors of being organic, the efforts taken up by local authority would also be a deciding factor for boosting market for organic foods. The consumers have the willingness to pay premium prices associated with organic foods, so it cannot be a cause of concern for marketers. However, social media has a significant role to play in igniting purchase decision, like many consumers follow the blogs and even the likes and dislikes would also ignite their craving for purchasing organic food because they feel that it is a good quality food product that they relate with their health aspect. Finally, the availability of such organic foods is a challenge in many areas, like if we compare tier 1 city, the availability is more rather than tier 2 city, so this gap can be filled with the help of making them available in stores in the vicinity and also through online mode which is the most preferred mode of buying in tier 2 cities also.

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