

Evaluation of the Perception and Buying Behaviour of the Consumers towards Organic Food in India

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Abstract

Today the market for organic food products in India has been growing at a rapid pace. Changing lifestyle of today's consumers, rising health awareness, higher disposable income and increasing number of modern retail outlets across the country are the major growth drivers for the organic food segment. Hence, the present study aims at evaluating the perception, buying motives and behaviour of the consumers towards organic food. Exploratory Research Design was adopted and the data needed for the study was collected from primary source using self-structured questionnaires. A sample of 230 respondents were taken and the collected data was analysed using Likert's Five point scaling technique, Summary Statistics, Simple Percentage analysis and Mean, Factor Analysis, Chi square analysis, Correlation and Path Coefficient Analysis and the research implications were duly drawn out.

Keywords: Organic, Organic food, Consumer's Perception, Buying Motives, Consumer Behaviour

1. Introduction

Today, the market for organic food products in India has been growing at a rapid pace and is expected to grow from 675 crore in 2010 to 7,000 crore by 2015 with a CAGR of 60 per cent. According to "India Organic Food Market Forecast and Opportunities, 2020", the market for organic food in India is anticipated to grow at a CAGR of over 25% during 2015-20. Changing lifestyle of today's consumers, rising health awareness, higher disposable income and increasing number of modern retail outlets across the country are the major growth drivers for the organic food segment. According to Ashima Agarwal, Category Head – Organic Foods, FabIndia India is witnessing growth in terms of both the customer base and the consumption trends. The country is constantly working towards bringing a greater variety to the market. It started with 70 products in the range in 2004 and today, there are more than 300 products and is still growing.

The producers and environmental groups who don't want pesticides and fertilizers to do any more damages to the environment promote organic food and act as very strong contributors to the idea that organic food is superior to other types. As chemicals that are unsafe are not used in organic farming, the chances for soil, air and water pollution is minimal, thus ensuring a safer and healthier world for future generations to live in (Zehnder et al., 2003). With all these implications it becomes necessary to study the key determinants influencing the consumers buying behaviour and motives towards organic food products. Consumers are willing to pay significant price premiums to obtain organic produce (Beharrell and MacFie, 1991; Collins et al., 1992; Hammitt, 1990, Hutchins and Greenhalag, 1997) as these are not negatively influencing the different vitamins, minerals, and organic compounds that are essential for the prevention of things like cancer, heart disease, premature aging, vision problems, and cognitive malfunction. (Gil et al., 2000; Piyasiri and Ariyawardana, 2002). At this instance it is obligatory to understand the right meaning of the term 'Organic' and 'Organic food'.

'Organic' is primarily a labelling term that is used on a wide variety of foods that have been produced through methods and practices approved by The Agricultural and Processed Food Products Export Development Authority which was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985.

'Organically grown and processed food' does not use synthetic fertilizers or pesticides, sewage sludge, genetically modified organisms, or ionizing radiation. Animals that produce meat, poultry, eggs and

dairy products in this category do not take antibiotics or growth hormones. (Report of APEDA, Ministry of Commerce and Industry, India)

2. Review of Literature

Few notable and worthy research literatures were reviewed in this paper. Raghavan and Megeh (2013) in their research found out that perceptions towards organic food product had the strongest relationship with the buyer's intention to buy organic food product. Balaji and Bhama (2012) critically analyzed the consumer perception towards organic food products in India. The findings of the study revealed a significant relationship between various psychographic factors on the overall satisfaction of consumers towards organic food products. A study carried out by Padiya and Vala (2012) in Ahmedabad city, illustrated the organic food consumers as less price sensitive, believers in quality and information; generally seek information from newspaper, magazines and at the point of purchase.

Shafie and Rennie (2012) study found that price was the obstacle factor towards organic food consumption. Sangkumchaliang and Huang (2012) their study results indicated that the main reasons for purchasing organic food products are expectations of a healthy and environmentally friendly means of production and mostly older educated buyers tend to buy organic foods. Saleki et al. (2012) in their study in Iran, determined the influence of organic knowledge, quality, price consciousness, subjective norms and familiarity on attitude and organic buying behavior. Sakthirama and Venkatram (2012) analysed the purchase intention of organic Tea in Coimbatore city, India and the findings revealed that purchase intention of consumers towards organic food products was influenced by attitude and knowledge and familiarity to consumers.

Vlahovic et al. (2011), examined a study in Serbia and found out that most of the consumers were not adequately informed about the importance of organic food consumption; high price was found to be a limiting factor and fruits and vegetables were the mostly preferred and purchased organic products. Voon et al. (2011) in their study examined the determinants of willingness to purchase organic food among consumers in a Malaysian city, using a questionnaire survey. The results indicated that efforts to promote consumption growth should focus on influencing consumer attitudes.

Gracia and Magistris, 2007; Lockie et al., 2004; Millock et al., 2004; Briz and Ward 2009, in their study empirically investigated that socio-demographic profiles, nutritional knowledge of the consumers are most likely to affect the purchase decisions of organic foods. Chakrabarti (2010), in a study results indicated that the influence of customer value towards organic food products had a significant influence to the customer loyalty for the organic food products. Gupta (2009) explored that though quality of food products was one of the most important parameters for food product purchase decision, people did not see much improvement in the quality related parameters for food items during the last ten years. He found out that cleanliness and free from pesticides was the most important criteria for products like food grains, pulses; store quality, marketing mix and taste, flavour explained the maximum variance in the purchase decision of fruit and vegetables.

Tsarkiridou et al. (2006) in their study listed two worthy findings: (a) organic food products are believed to be healthier and higher quality than conventional food products, (b) care for the environment and health were the important factors in the purchase of organic food products. Lea & Worsley (2005) found out that majority of the participants in the study believed organic food to be healthier, tastier and better for the environment than conventional food. However, high price and lack of availability were strong barriers to the purchasing of organic foods. The study concluded that, women were more positive about organic food than men and the personal value factor related to nature, environment and equality were the dominant predictor of positive organic food beliefs.

Choo et al. (2004) studied purchasing behaviour of new food product among innovator groups in India. They have found that consumers' attitudes will positively affect Indian consumers' intention to buy new processed foods. A study by Fillion and Arazi (2002), found that organic orange juice was perceived as tasting better than conventional orange juice. Ajzen (2002) indicated that the more favourable the attitude with respect to behaviour, the stronger is the individual's intention to perform the behaviour. The result of researches shows that there is a positive relation between attitude toward organic food and buying intention of organic food (Chan & Lau, 2000; Aertsens et al., 2009; Gracia & Magistris, 2007).

3. Objectives of the study

- a) To identify the factors influencing the perception of consumers towards organic food
- b) To examine consumers buying motives, preferences and attitude towards organic food products.

4. Methodology of the Study:

The research design for the present study is exploratory, as it aims to analyse the factors influencing the perception of consumers and to examine the consumer's preferences, buying motives and attitude towards organic food products. Data needed for the study was collected from primary source using self-structured questionnaires. The population being infinite and undefined, the number of samples was limited to 300 in number.

The study was conducted in Coimbatore district, one of the more affluent and industrially advanced districts of the state of Tamil Nadu in India and is known as the Manchester of South India holding the highest GDP among the districts of Tamil Nadu and highest revenue yielding district in the state. Area sampling was adopted wherein the entire Coimbatore District was divided into east, west, north and south to get a representative sample and from each segment the sample units were selected on the basis of convenience.

Out of the total 300 samples collected only 230 responses were found to be valid on the basis of consistency of responses and therefore taken fit for analysis. The data collected through the tools was subjected to statistical analysis and results were drawn out. **Likert's five point scaling technique** was used on the basis of which Summary Statistics using **Simple Percentage analysis** and **mean** were calculated on the total sample. Relevant sub samples were grouped based on gender, age, education, stream of education, occupation and monthly income and comparisons were made to test the level of awareness using **Chi square analysis. Factor analysis**, a multivariate statistical technique was used to condense and simplify the set of large number of variables to smaller number of variables called factors. Among the grouped factors, **Correlation and Path Coefficient Analysis** was applied to find whether Awareness, Knowledge, buying motives and intentions have relation with Consumer buying behaviour towards organic food.

5. Results and Its Implication:

5.1 Testing the significant differences in customer's perception and attitude toward organic food in relation to their Demographic profile :

There are several factors, which affects the level of awareness on organic foods among the consumers. It was empirically tested with the formulation of following hypothesis whether the demographic profiles of the consumers have a relation to their level of awareness towards organic foods.

H₀ - There is no significant difference in customer's attitude toward organic food in relation to Gender.

H_a . There is significant difference in customer's attitude toward organic food in relation to Gender.

H₀ - There is no significant difference in customer's attitude toward organic food in relation to Age.

H_a . There is significant difference in customer's attitude toward organic food in relation to Age.

H₀ - There is no significant difference in customer's attitude toward organic food in relation to Educational Qualification.

H_a . There is significant difference in customer's attitude toward organic food in relation to Educational Qualification.

H₀ -There is no significant difference in customer's attitude toward organic food in relation to Educational Stream.

H_a - There is significant difference in customer’s attitude toward organic food in relation to Educational Stream.

H_o - There is no significant difference in customer’s attitude toward organic food in relation to Occupation.

H_a - There is significant difference in customer’s attitude toward organic food in relation to Occupation.

H_o - There is no significant difference in customer’s attitude toward organic food in relation to Monthly Income.

H_a - There is significant difference in customer’s attitude toward organic food in relation to Monthly Income.

Table No: 5.1 - Table Showing the Demographic profile of the consumers and the Level of Awareness towards organic food

Demographic profile	Aware		Unaware		Total		Chi Square Value	p value (0.01 level of significance)
	No. of Respondents	%	No. of Respondents	%	No. of Respondents	%		
Gender								
Male	76	57.14	60	61.86	136	59.13	0.5155	0.472 Not Significant
Female	57	42.86	37	38.14	94	40.87		
Total	133	100.00	97	100.00	230	100		
Age								
< 25	42	30.62	9	9.95	51	22.17	51.875	0.00001 Significant
25 - 35	46	33.74	13	13.95	59	25.65		
36 - 45	30	22.1	26	27.60	56	24.35		
46 -55	17	12.2	22	23.84	39	16.96		
> 55	2	1.34	23	24.66	25	10.87		
Total	136	100	94	100	230	100		
Educational Qualification								
Below secondary	0	0	4	3.68	4	1.63	28.561	0.00001 Significant
Secondary/ Higher secondary	7	5.32	21	21.06	28	12.3		
Graduate	42	32.6	41	40.20	87	37.9		
Post graduate	52	45	39	38.31	91	39.6		
Professional qualification	22	17.08	2	1.96	20	8.57		
Total	123	100	107	100.00	230	100		

Educational Stream							
Arts / Social/ Economics	26	22.34	67	58.43	93	40.23	53.1057 0.00001 Significant
Management / Commerce/ Finance	34	28.97	16	14.34	50	21.72	
Science / Medical	41	35.42	6	5.68	48	20.68	
Engineering	15	13.27	25	21.54	40	17.37	
Total	116	100	114	100	230	100	
Occupation							
Service	38	28.2	19	20.40	57	24.98	14.666 0.002125 Significant
Business	75	55.62	42	43.73	117	50.71	
Housewife	15	10.7	14	14.79	29	12.63	
Student	7	5.48	19	20.49	27	11.68	
Total	136	100	94	99.42	230	100	
Monthly Income (Rs.)							
< 250000	22	15.73	16	18.26	38	16.72	8.2998 0.08119 Significant
250000 - 500000	47	33.56	31	34.44	88	38.32	
500001- 750000	41	29.54	30	33.33	83	35.89	
750001 - 1000000	18	12.72	2	2.55	20	8.74	
> 1000000	12	8.45	11	12.22	1	0.33	
Total	140	100	90	100.00	230	100	

The results depicted in the Table no. 5.1 shows that there is no significant differences in customer’s attitude toward organic food in relation to their Gender, as the chi square value is 0.5155, which is less than the p value 0.472 at 1 percent level of significance so the Null hypothesis is accepted.

But there is significant differences in customer’s attitude towards organic food in relation to their age ($\chi^2 = 51.875 > p$ value :0.00001) , Educational Qualification ($\chi^2 = 28.561 > p$ value :0.00001), Educational Stream ($\chi^2 = 53.1057 > p$ value :0.00001), Occupation ($\chi^2 = 14. 666 > p$ value : 0. 002125) and Monthly income ($\chi^2 = 8. 2998 > p$ value : 0.08119) as the chi square value is more than the p value at 1 percent level of significance . Hence the Null hypothesis is rejected.

The table provides awareness of organic food across demographics of sample respondents. Out of the total 230 respondents surveyed, 133 respondents have reported awareness on organic foods i.e 57.83 percent of respondents. Male respondents are comparatively more aware than females. Nearly 63 percent of the respondents, below 35 years of age are aware of the organic food. The younger generations are more aware of and concerned about food safety and environmental issues. Education plays a vital role in creating awareness and this is clear from the table that 77 percent of the respondents qualified up to graduate and postgraduate level hold on more awareness towards organic food. Again, the stream of education makes a major influence in which respondents under the stream of Science and medicine (35 %) scores well. Majority of the respondents (55 %) belong to Business class, with higher income levels and have higher level of awareness towards organic food than respective counterparts. (64 %).

5.2 Clustering the items of the study into Factors using Factor Analysis:

Factor analysis, a multivariate statistical technique was used to condense and simplify the set of large number of variables to smaller number of variables called factors. This technique is helpful to identify the underlying factors that determine the relationship between the observed variables and provides an empirical classification scheme of clustering of statements into groups called factors. Using all the fourteen items that influences the perception and buying behaviour of the consumers factor analysis was performed in order to simplify, condense and extract groups called Factors on priority basis. The following table 5.2(a) clusters the ratios into the factors and the results were presented as below:

Table No: 5.2 (a) - Table Showing the Rotated Factor Loadings

Statements	Factors				Communality
	1	2	3	4	
Organic food richer in vitamins	0.432	0.235	0.981	-0.231	2.834
Buying organic aids better wildlife	-0.0345	0.893	0.012	0.452	2.645
Organic products are produced without using chemical fertilizers	0.656	0.0521	0.032	0.001	1.4822
Organic farming is good for the environment	-0.021	0.656	0.415	-0.324	1.452
Organic products do not carry pesticide residues	0.984	0.241	0.452	0.231	3.816
Organic food contains more nutrients	0.021	0.0423	0.982	0.0431	2.1768
High prices of organic food signals better products	0.21	0.0032	-0.431	0.723	1.0104
Organic farming leads towards hunger & poverty alleviation	0.421	0.872	-0.231	0.0032	2.1304
Consumption of organic food decreases the risk of chronic diseases	0.782	-0.435	0.342	-0.179	1.02
Organic farming offers more employment opportunities	0.492	0.982	0.552	-0.467	3.118
Market demand for organic food has positive impacts on rural economy	0.102	0.653	-0.482	0.313	1.172
Organic food products never contain GMOs	0.91	0.212	-0.133	0.003	1.984
No growth promoting antibiotics are used in organic products	0.897	0.525	-0.01	0.131	3.086
Organic farming leads towards food security	0.345	0.898	0.241	0.006	2.98
Eigen val	12.393	11.6592	5.444	1.4106	78.669
percentage of variance	88.5214	83.28	38.8857	10.0757	220.76
Cum percentage variance	88.5214	171.801	210.687	220.76	

The above table 5.2(a) depicts the rotated factor loadings, communalities, eigen values and the percentage of variance explained by the factors. Out of the fourteen variables, four factors have been extracted. The variables were grouped based on a value which explains how closely the variables were related to each one of the factors discovered. As such under Factor – I, the variable Organic products do not carry pesticide residues scores the highest value 0.984, followed by Organic food products never contain GMOs (0.91), No growth promoting antibiotics are used in organic products (0.897), Consumption of organic food decreases the risk of chronic diseases (0.782) and Organic products are produced without using chemical fertilizers (0.656) and are grouped together. Again under factor II variables namely, buying organic aids better wildlife (0.893), Organic farming is good for the environment (0.656), Organic farming leads towards hunger and poverty alleviation (0.872), Organic farming offers more employment opportunities (0.982) , Market demand for organic food has positive impacts on rural economy(0.653), Organic farming leads towards food security (0.898) were grouped together . Factor III includes two variables namely, Organic food is richer in vitamins (0.981), Organic food contains more nutrients (0.982). Factor IV has only one variable, ie., High prices of organic food signals better products (0.723).These four factors put together explain the total variance of these ratios to the extent of 220.76 percent.

Factor loadings help the researcher to explain how closely the variables are related to each one of the factors. In order to reduce the number of factors and enhance the interpretability, the factors were rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method. To obtain better results for interpretation it was employed and the results were given in table 5.3 (b).

The results show that, five factors were identified as being maximum percentage of variance. The five items of 'Food Knowledge' constitutes to one group as factor I with 88.52 percent of the total variance. The next six items under 'Environmental Knowledge' constituted factor II and accounts to 83.28 percent of the total variance. Two items of 'Health Knowledge' constitutes to factor III and accounts to 38.89 percent of the total variance. Last item, 'Price Factor' constitutes to factor IV and accounts to 10.076 percent of the total variance. The factor analysis condensed and simplified fourteen items of factors influencing the perception and buying behaviour of consumers into four factors explaining 220.76 percent of the variability.

Table No: 5.2 (b) - Table showing the Cluster of Items into Factors

COMPONENTS	Rotated Factor Loadings	EIGEN VALUE	% OF VARIANCE
FACTOR I			
Organic products are produced without using chemical fertilizers	0.656	12.393	88.52
Organic products do not carry pesticide residues	0.984		
Consumption of organic food decreases the risk of chronic diseases	0.782		
Organic food products never contain GMOs	0.91		
No growth promoting antibiotics are used in organic products	0.897		
FACTOR II			
Buying organic aids better wildlife	0.893	11.6592	83.28
Organic farming is good for the environment	0.656		
Organic farming leads towards hunger & poverty alleviation	0.872		
Organic farming offers more employment opportunities	0.982		
Market demand for organic food has positive impacts on rural economy	0.653		
Organic farming leads towards food security	0.898		
FACTOR III			
Organic food richer in vitamins	0.981	5.444	38.89
Organic food contains more nutrients	0.982		
FACTOR IV			
High prices of organic food signals better products	0.723	1.4106	10.076

5.3 Testing the factors influencing the Consumer perception and buying behaviour towards organic foods

Attitude and knowledge plays an important role in influencing the perception of the customers in making a purchase of the product. Hence, various factors influencing the awareness, knowledge and attitude of the potential customers towards organic food was identified, analysed and thereby their buying behaviour was studied. To do so, consumers were asked to state their agreement and disagreement on five-point Likert scale (strongly disagree-1, disagree-2, neutral-3, agree-4, strongly agree-5) on a set of statements related to various aspects of organic food. The results are shown in Table No: 5.3

Table No: 5.3

Table showing the factors Influencing Consumers buying behaviour towards organic foods

	Determinants	SA	A	N	DA	SDA	TOTAL (N)	Likert's Mean Score
I	Organic food awareness and knowledge							
1	Organic products do not carry pesticide residues	112	80	6	18	14	230	4.122
2	Consumption of organic food decreases the risk of chronic diseases	104	78	11	18	19	230	4
3	Organic products are produced without using chemical fertilizers	75	63	42	38	12	230	3.657
4	Organic food products never contain GMOs	32	30	30	85	53	230	2.578
5	No growth promoting antibiotics are used in organic products	150	45	15	12	8	230	4.378
II	Environmental Knowledge							
6	Buying organic aids better wildlife	32	30	30	85	53	230	2.578
7	Organic farming is good for the environment	86	62	33	25	24	230	3.7
8	Organic farming leads towards hunger & poverty alleviation	22	35	35	70	68	230	2.448
9	Organic farming offers more employment opportunities	104	78	11	18	19	230	4
10	Market demand for organic food has positive impacts on rural economy	110	78	10	22	10	230	4.113
11	Organic farming leads towards food security	120	72	7	19	14	230	4.178
III	Health Knowledge							
12	Organic food richer in vitamins	146	56	32	2	2	230	4.591
13	Organic food contains more nutrients	104	78	11	18	19	230	4
IV	Price Factor							
14	High prices of organic food signals better products	118	76	5	17	14	230	4.13

The above table shows that the consumers are more aware that organic products do not carry pesticide residues (4.122), Consumption of organic food decreases the risk of chronic diseases (4), Organic products are produced without using chemical fertilizers (3.657) and no growth promoting antibiotics are used in organic products (4.378) as the mean value is more than the average mean value (3) under Likert's Scaling Technique. But the consumer's response is unfavourable towards Organic food products never contain GMOs (Genetically Modified Organisms) as their Mean score is 2.578 which is less than the average mean score.

Among the Environmental knowledge factors, consumers are more aware of and are influenced by factors like: Organic farming offers more employment opportunities (4), Market demand for organic food has positive impacts on rural economy (4.113) and Organic farming leads to food security (4.178). Around 145 respondents agreed that Organic farming is good for the environment as their mean score is 3.7. But consumer's responses are unfavourable towards the following factors: buying organic aids better wildlife (2.578) and Organic farming leads towards hunger & poverty alleviation (2.448)

About 202 respondent's accounts to 88 percent have agreed that Organic food richer in vitamins as their mean score is 4.591 and Organic food contains more nutrients (4). Nearly 194 (84.3 %) Respondents agreed to the fact that high prices of organic food signals better products.

5.4 Testing the relationship between influencing factors and the Consumer buying behaviour towards organic foods

In testing the relationship among influencing factors the following null hypothesis were formulated and was duly tested using Correlation Analysis:

H₀: The awareness and knowledge does not influence the customer's buying behaviour towards organic food.

H₀: Attitude does not influences the customer's buying behaviour towards organic food

H₀: Food attribute does not influences the customer's buying behaviour towards organic food.

H₀: The price of organic food does not influence the customer's buying behaviour towards organic food.

H₀: The buying motives and intentions of organic food have no significant impact on buying behaviour of consumers.

Following relationship was considered in this case:

$$Y = f (x_1, x_2, x_3, x_4, x_5)$$

Where Y = Consumer buying behaviour towards organic foods

X1 = Awareness and knowledge of consumers

X2 = *Attitude of consumers*

X3 = *Food attribute* of organic products

X4 = Price of organic food

X5 = Buying motives and intentions of consumers

The inter-correlation matrix of explanatory variables namely X1 = Awareness and knowledge, X2 = Attitude, X3 = Food attribute, X4 = Price, X5 = Buying motives and intentions with dependent variable Y = Consumer buying behaviour towards organic foods is furnished in the following table no. 5.4.

TABLE No: 5.4 - INTER-CORRELATION MATRIX

	X1	X2	X3	X4	X5	Y
X1	1.000					
X2	0.944**	1.000				
X3	0.955**	0.952**	1.000			
X4	0.812**	0.813**	0.884**	1.000		
X5	0.540**	0.521**	0.708**	0.851**	1.000	
y	0.690**	0.639**	0.797**	0.942**	0.951**	1.000

** Significant at one percent level

It is seen from the above table the correlation between all the explanatory variables are significant at one percent level and was positive. Further, it is also seen that all these explanatory variables are, significantly and positively correlated with the dependent variable connected load. This indicates strong relationship between Awareness and knowledge of consumers , Attitude of consumers , Food attribute of organic products , Price of organic food , Buying motives and intentions of consumers and the consumer buying behaviour towards organic foods .

Path Coefficient Analysis

The direct effect of each of the explanatory variables on the dependent variable and the indirect effect of each explanatory variables on the dependent variable through other explanatory variables are explained by path coefficient analysis and the results are furnished in the table no: 5.5

TABLE No: 5.5 - Table showing the Direct & Indirect Effect of Explanatory Variables

	X1 (Awareness and knowledge)	X2 (Attitude of consumers)	X3 (Food attribute)	X4 (Price)	X5 (Buying motives and intentions)	Y (consumer buying behaviour)
X1	0.187	-0.573	0.332	0.570	0.175	0.690**
X2	0.176	-0.607	0.331	0.570	0.169	0.639**
X3	0.179	-0.578	0.348	0.620	0.229	0.797**
X4	0.152	-0.494	0.307	0.701	0.275	0.942**
X5	0.101	-0.317	0.246	0.597	0.323	0.951**

It was seen from the above table that among the five explanatory variables namely X1 = Awareness and knowledge, X2 = Attitude, X3 = Food attribute, X4 = Price, X5 = Buying motives and intentions with dependent variable Y = Consumer buying behaviour towards organic foods, three explanatory variables namely X3, X4 and X5 have higher positive direct effect on the dependent variable Y – Consumer Buying Behaviour. The variable X3 (Food Attribute) also has a higher positive indirect effect on Y through X4 (Price). Similarly the variable X4(Price) also had positive indirect effect on the dependent variable Y through X3 (Food Attribute). The variable X5 (Buying motives and intentions) also had higher positive indirect effect on the dependent variable Y through X4(Price). Hence the three explanatory variables, X3- Product Attribute, X4- Price and X5- Buying motives & Intentions were substantially important as they contributes to variable to Y (Consumer Buying Behaviour).

6. Conclusion

Nowadays consumers’ started to rethink on food safety, quality and nutrition, which have provided growing opportunities for organic foods in the recent years. India has 4.43 million hectare under organic cultivation with a total organic certified production of 171,100 tonne. (YES Bank report).

Thus, the demand for organic food is steadily increasing in the developed countries, while developing countries still need to go a long way. The untapped potential markets for organic foods in the countries like India need to be realised which require a better understanding of the consumers' preference on food. Therefore, an analysis was conducted to evaluate the factors influencing the perception and consumer's preferences, motives and attitude in purchasing organic food products. The study highlights the fact that consumer's buying behaviour of organic food is backed by attitude of the consumer's in the forefront supported by the intention to purchase, which in turn is influenced by many factors like health, environment, food safety, product attribute, availability, price etc., Hence the present study goes in hand with the previous studies in proving knowledge as an important variable in shaping attitudes on organic food.

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