A review on Consumer Perception on Organic Food and its Consumption in Indian Context

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Abstract: The consumers’ perspective towards organic food are reviewed and comprehended. The results show that consumers’ use multiple criterion to determine and accept a food as “organic” influencing their intention in its consumption. In particular, utilitarian attitudes are strongly influenced by consumers’ view on attributes such as nutritional information and price tag. Fascinatingly, the natural context and environmental benefits have mixed appeal among the consumers’ and remained less significant even among literate consumers’. These attitudes determined consumer intentions in consuming organic food products. Also an inconsistency exists between attitudes and behavior with an optimistic consumer seldom buying organic foods due to very high prices.

Keywords: Organic food, Consumer behaviour, Consumer perception, India.

1. Introduction

“Organic” agriculture has garnered global attention both in terms of production and consumption. There is no global standard for “organic” as such, since different protocols are used to certify products “organic” in different countries [1]. Organic foods are natural foods with minimum or no intervention of artificial processing to enhance or preserve the integrity of the food and are cultivated only by sustainable practices which are environment friendly. Organic producers are required to obtain unique certifications abiding to national and international standards to market produce within a country and across the borders [1] [2].

The increased consciousness of health hazards associated with agrochemicals and preference for safe and hazard-free food motivates the augmented consumers’ consumption [2]. The aim of this review is to obtain knowledge about consumer attitude towards organic food consumption and to analyze the attributes that change their behaviour. The justification of this review is that only erudite consumers’ considered environmental welfare and the idea of leading healthy lives in harmony with nature. On the other hand, the evaluation of the present state of consumers’ awareness and knowledge deemed obligatory before any behavioural change is attempted. As a result, consumer’s perception on organic foods, their intention and attitude and willingness to pay higher prices for organic food are reviewed.

2. Organic food in popular culture

The following reasons led to increased attraction towards organic foods [2]:

- The consumer believes that these foods are highly nutritious and superior in quality than intensively cultivated food and is more confident of the farming practices as more environment friendly.
- These foods are produce of sustainable agriculture - which preserves soil fertility and only natural or organic pesticides are used.

It is considered to contain relatively small amounts of agro-chemical residues and is safer to consumers’ health than the other food.

The taste of organic food is perceived differently. Majority of the consumers’ agree that it tastes good whereas a few feel the opposite and there are consumers’ who does not feel any difference.

Though increasingly popular, the critical barriers in place are the price, inconsistent supply and demand and interestingly lack of awareness.

3. Consumer perceptions

3.1 In global context

The largest organic producers in the world are India, Uganda and Mexico and the largest consumers are the United States, Germany, France, China and Canada (Ref. Figure 1). Globally, in 2014, certified organic agriculture is managed on 43.7 million hectares of agricultural land by 2.3 million organic producers mostly in Asia (36%), Africa (29%) and Latin America (16%) [3] [4]. The largest organic agricultural land areas are in Oceania (17.3 million hectares or 40 percent of global organic farmland), Europe (11.6 million hectares or 27 percent) and Latin America (6.8 million hectares or 15 percent). World-wide, the land area for organic farming increased by 0.5 million hectares compared with 2013. Australia ranked no.1, amongst the countries with large organic agricultural land (17.1 million hectares), followed by Argentina (3.1 million hectares) and the United States (2.2 million hectares) [3]. Hence it is apparent from

Figure 1: Largest producers and consumers of Organic food world-wide [5]
the above data that the farming practices in the developing countries (the largest organic producers in particular) are traditionally sustainable and those practices still prevail in certain parts of the respective countries.

### 3.2 Where do the consumers’ buy

The Table 1 describes the data from a survey, published in 2015 by the Research Institute of Organic Agriculture (FiBL) in collaboration with the International Federation of Organic Agriculture Movements (IFOAM – Organics International) and other partners that most of the organic food consumers’ in Europe are willing to buy organic foods and products from specialized shops, super markets and directly from the organic farmers and are less interested in local markets, organic baskets, farmers’ co-operative, online retailers and the most least by other means.

<table>
<thead>
<tr>
<th>Table 1: Place where European consumers’ buy Organic Products</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized shops</td>
<td>67</td>
<td>33</td>
</tr>
<tr>
<td>Super markets</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>Organic farmers</td>
<td>54</td>
<td>46</td>
</tr>
<tr>
<td>Local market</td>
<td>43</td>
<td>57</td>
</tr>
<tr>
<td>Organic baskets</td>
<td>21</td>
<td>79</td>
</tr>
<tr>
<td>Farmers’ cooperative</td>
<td>12</td>
<td>88</td>
</tr>
<tr>
<td>Online retailers</td>
<td>7</td>
<td>93</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>96</td>
</tr>
</tbody>
</table>

This clearly elucidate few of the attributes such as sensory characteristics, lifestyle, nutritional information and recommendation (word of mouth through peers, doctors’ advice etc.). Consumers’ would like to feel the organic product by means of touch and smell to determine its freshness; they would also know the nutritional information on the labels of branded organic products and from the organic farmers directly; peers’ recommendation on product brands and their available places and a consumer lifestyle – all these attributes play a major role in the consumers’ decision of choosing the specialized shops, super markets and direct purchase from organic farmers. On the other hand, the organic product availability in local market, distance to farmers’ cooperative and the absence of sensory appeal and authenticity of organic products in online retail stores make them less attractive to consumers to shop from.

### 3.3 Why do the consumers’ buy

The awareness among European consumers’ on organic foods is very high. They are highly conscious about the environmental sustainability; desire to buy Genetically Modified Organisms (GMO) – free food products; give more importance to foods grown without chemical pesticides and wish seasonal and local produce grown organically [3] [4] (ref. Table 2). They also are willing to pay premium prices if the organic product is genuine certified by competent authorities declaring the nutritional information on the label [5].

On the contrary, in a survey by the brand consultancy BFG in Sep. 2014, around 70% of the United States young consumers’ (mostly under 35) bought organic food but only 20% of them could define the term “Organic”; more than half of them were concerned but confused of what “Organic” means [6]. Although, they are not confident of what the term really means on a food product, the consumers’ as idealists believe the “all-natural or organic” label (about 37% of respondents trust the label) and come forward to pay more. Similarly, only 32% out of 59% (respondents who concern about GMO) could define what a GMO is. More than 70% agreed that some of the food labels were meaningless to them [6].

This shows that the consumers are mostly indulgent and awareness are not clear even in the largest global consumers of organic foods. Also the labeling on the organic products has distinct advantage as the consumer actually depends on it to speak of the product.

### 3.4 In Indian context

For thousands of years, the conventional farming method practiced in India is so called “Organic farming” today. The Indian civilization prospered under these farming methods and its magnificent culture, until the British came in. Traditionally, integrated farming methods were used where pesticides and fertilizers were derived from nature – plants and livestock wastes [1] [2]. This conventional farming was the backbone of the Indian economy until the green revolution where the government imposed intensive farming methods – a deteriorative model learned from the developed west.

From existing statistics (2015-16), the organic certified agriculture farming land is 5.71million hectares ranking 15 in global Organic Agricultural land, including 1.49 million hectares (26%) of cultivable area and 4.22 million hectares (74%) of forest and wild area for forest produces [7]. Primarily into exports, with only a negligible portion in the domestic market at present, India is the major organic player in the global market. A huge selection of products from tea, spices, fruit, rice, corn and vegetables to finished products and organic cotton are exported to Europe, Canada, the USA, Australia, New Zealand, Japan, Switzerland, Korea and countries in the Middle East and Southeast Asia whereas the domestic market is at its infancy. The organic food export revenue was around 298 million USD in 2015-16 with a total volume of 263687 MT. Of all the states, Madhya Pradesh has the largest organic certified farm area followed by Himachal Pradesh and Rajasthan [7].

<table>
<thead>
<tr>
<th>Table 2: Why European consumers’ buy Organic Products</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concerned about the environment</td>
<td>87</td>
<td>13</td>
</tr>
<tr>
<td>Want GMO-free products</td>
<td>86</td>
<td>14</td>
</tr>
<tr>
<td>Avoid food containing pesticides/residue</td>
<td>85</td>
<td>15</td>
</tr>
<tr>
<td>Want seasonal and local products</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Believe Organic farming is more sustainable</td>
<td>80</td>
<td>20</td>
</tr>
</tbody>
</table>

### 3.4.1 Consumer behaviour

Only a very few literature is available on organic food consumers’ in Europe are willing to buy organic foods and products from specialized shops, super markets and directly from the organic farmers and are less interested in local markets, organic baskets, farmers’ co-operative, online retailers and the most least by other means.
consumption in India, due to the fact that since time immemorial, Indians consumed organic foods as we do conventional foods today. There are a few studies on new food product adoption options and the attributes influencing purchase decisions and these never studied the impact of consumer behaviour on organic food consumption.

The emerging lifestyle and increasing awareness towards nutritious, tasty and healthy food in metropolitan cities such as Mumbai, Chennai, Delhi, Gurgaon, Bengaluru and Pune have surged the demand for organic food in recent years [7] [8] [9]. There are also only a few outlets to buy such products even in those cities and the consumers are majorly the creamy layer of the high income groups. Overall, the attribute concerning the environment was less significant amongst these consumers. The premium price is the major barrier for limited consumption of organic food products in India though most middle class people are well aware of its advantages and qualities [9].

There is a complete lack of awareness amongst the rural villagers and according to them the term “organic” refers nothing but their daily food; they deem it as a fancy word created by the western world for its own good, which is very true from their perspective. As in a quite few villages, still the farming practices are in harmony with nature they truly care and preserve the environment [10]. With 216 million people in India living below poverty line who are underfed and the food they consume is obtained by intensive cultivation method using artificial pesticides and fertilizers which might kill them in due course, there is no room for the bigger picture [1] [2] [3] [11].

4. Discussion

The consumers’ behavioural attributes are based on awareness, recommendation, price, lifestyle, willingness to pay, geographic, demographic and sensory characteristics. The “conscious consumers” are those who distinguish the effects or results of their consumption or those who drives their purchasing power to bring about social change.

The major issues influencing consumers’ purchasing decision are: lack of awareness; the high premium which amounts to its quantitative consumption; authenticity – certification from a recognized government authority or agency that regulates organic standards; unavailability of proper retail framework in domestic markets; irregular availability of organic products which leads the consumer to buy non organic products instead; the limited options of products available in the market.

The organic food market in India could cherish in the near future if a raise in awareness and the region-specific incentives are provided by the government to eliminate market gap and ensure a consistent growth in future.

5. Conclusion

The variables like acquaintance on organic foods, personal beliefs, social interaction, habitual nature and ability to buy persuades a consumer to buy organic foods, and have greater influence. Global consumers rely much on nutritional information, environmental benefits and issues like GMO, chemical free foods without hitching to pay more whereas the consumers’ in Indian context have minimum opinions on sustainable environment and their major concern is the price tag. These attitudes determined consumer intentions in consuming organic food products in a variable fashion. Attitudes and behavior of traditional organic consumers’ in rural India varies, though being optimistic in sustainable farming practices they would seldom buy organic foods from markets due to their idealism.

References

Author Profile

Dr. P. Sankar received the B.Com., M.Com., and M.Phil., degrees from AVVM Sri Pushpam College, Poondi in 2003, 2005 and 2006 respectively. He received his PhD from Bharathidasan University in 2014. He is now an Assistant Professor with the PG and Research Department of Commerce, AVVM Sri Pushpam College, Poondi.