

Factors Influencing the Purchase Intention of Buyer towards Organic Foods

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Abstract

Consumer awareness of health and environmental concerns plays a significant role in driving the demand for organic foods. Consumers perceive organic products as more natural, healthier and less harmful to both themselves and the environment. One of the main obstacles to the mass use of organic food is high prices. Studies have shown that consumers are ready to pay more for organic foods. Many buyers are discouraged by higher pricing and may choose to forego higher-priced options because of financial limitations. Perceived product quality, availability, convenience, and social influence emerge as contributing elements when considering the buyer's inclination towards purchasing organic foods. The study seeks to empower marketers and policymakers in developing effective strategies pertaining to product labeling and marketing campaigns targeted at promoting organic food consumption. Overall, understanding these factors is crucial for businesses looking to understand and cater to the preferences of consumers in this market segment effectively.

Keywords: Purchase intention, Price, Product labeling, Advertisement, Availability, Environment concerns, Health consciousness.

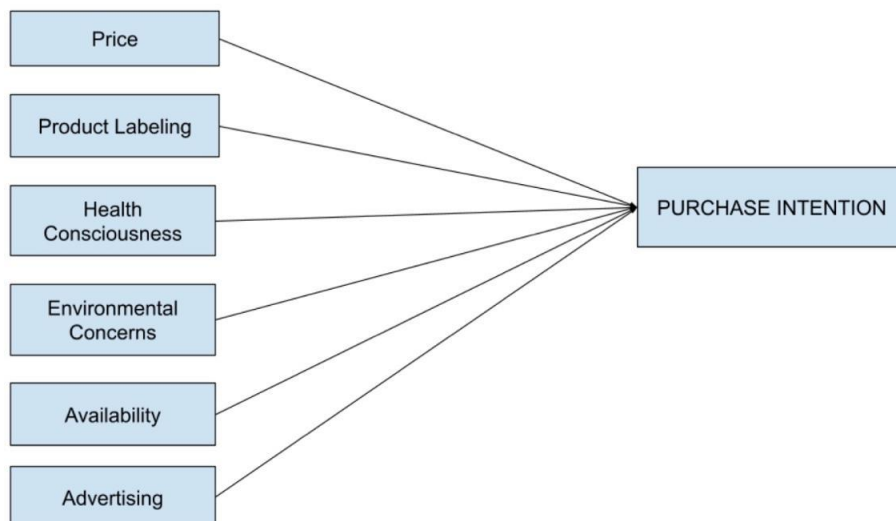
Introduction:

Over recent years, there has been an increasing emphasis on health and wellness among consumers, resulting in a shift towards organic food products. This can be attributed to the rising awareness regarding the harmful effects of synthetic pesticides, hormones and genetically modified organisms (GMOs) present in conventional food sources. Moreover, consumers are increasingly concerned with sustainability and environmental stewardship; therefore, they opt for organic produce that promotes eco-friendly farming practices. Additionally, social norms and peer influence play a significant role in shaping buyer behavior towards organic food as individuals prioritize their health-conscious lifestyle choices. Lastly, factors such as product availability, price competitiveness and convenience also impact purchasing decisions related to organic foods. By considering these various factors influencing buyer behavior towards organic food, a consistently evolving marketplace for consumer preferences can be better understood.

Objectives:

- To investigate the influence of price on purchasing intentions towards organic foods.
- To examine the effect of product labelling on buyers behavior towards organic foods.
- To assess the impact of health consciousness on buyer behavior towards organic foods.
- To evaluate the relationship between environmental concerns and purchase intention of buyers towards organic foods.
- To study the impact of availability of organic foods on purchase intention of buyers.
- To understand the impact of advertising on purchase intention of organic foods.

Fig . 1: CONCEPTUAL FRAMEWORK OF THE STUDY.



REVIEW OF LITERATURE

Purchase Intention

The intention is a person's willingness to carry out a particular behavior, and the best estimator of behavior is the intention (Ajzen, 1991). There is evidence related to the association between intention and behavior. For example, Chan (2001) discovered that purchase intention for green products was found to be an important predictor of green purchase behavior. Furthermore, O'keefe (2002) confirmed that behavioral intention is the most appropriate aspect for determining the actions of people, including the green product market. More recently, Yadav and Pathak (2017) discovered that purchase intention had a substantial impact on purchase behavior in the context of green products. Companies that embrace an internal green orientation are better positioned to adapt to dynamic market trends, potentially expanding their market share. The level of environmental commitment of an organisation and its market position were found to have a favourable association (Menguc and Ozanne, 2005). Consumers generally consider

companies that invest resources to sustainable practises or demonstrate a strong commitment to environmental consciousness as being more socially responsible. The concept of corporate responsibility has the potential to boost consumer. **Sukanya Metta (2024)**, According to research, clients who are satisfied with a product or service are ore likely to be loyal to the brand or company. Customer loyalty has a substantial influence on the likelihood of repeat purchase behaviour. Over time, the manifestation of loyalty can result in an increase in market share because loyal customers not only make repeat purchases but also actively advocate the brand, drawing a bigger consumer base (Luo and Bhattacharya, 2006)

H1: Purchase Intention factor has a positive impact on buyer behavior towards Organic foods.happiness

Price Factor

Organic foods are priced higher than conventional foods..Padel and Midmore and O'Doherty et al.indicate that high prices are likely to impede future demand development; thus, price is crucial in organic food marketing. The research confirmed that consumers switch products due to high prices found that higher costs hurt the chances of buying organic foods. However, studies concluded that some consumers have a positive attitude toward organic foods and are willing to pay a higher price.Meanwhile, it has been found that price does not significantly impact organic food purchases. Raghava R. Gundala, Anupam Singh (2021)

H2: Price factor has a positive impact on purchase intention towards organic foods.

Product Labeling

Numerous research studies have determined a variety of elements that affect consumers' inclinations to make purchases. Discovered that the primary determinants of purchase intention for private label brands are risk, perceived value, quality, and brand recognition.Similarly emphasized the importance of product quality and brand image on purchasing intention. Positive perceptions of one's nation of origin have been shown to improve purchase intentions elaborated further by listing price, perceived benefits, social impact, and economic conditions as significant determinants. All of these studies point to the possibility that product labeling—which includes information about country of origin, brand image, and product quality can have a big impact on consumers' intentions to buy. Kakkos (2015) Haitao (2022) (Sripongpun, 2014). Ja (2012)

H3: Product labeling factor has a positive impact on purchase intentions towards Organic foods.

Health Consciousness:

Consumer attitudes are significantly influenced by their health consciousness.Consumers mainly purchase organic foods due to health benefits. Several studies show that health factors significantly influence consumers' willingness to buy organic foods. One of the significant reasons that influence consumers could be the deterioration of their health, thus consumers see consumers' purchases as an investment for good health. Bourn and Prescott found that organic foods have a competitive advantage over conventional foods due to organic foods' nutritive attributes.

However, in a study conducted by Fotopoulos and Krystallis taste is also another reason consumers buy organic foods. Even though many studies said that the perceived health benefits are the primary motivator, work by Tarkiainen and Sundqvist and Michaelidou and Hassan did not find it to be a compelling driver. In the earlier studies, the health benefit is the least significant influencer to purchase organic foods.

H4: Health Consciousness factor has a positive impact on purchase intention towards organic foods.

Environment consciousness

According to Ariffin, Yusof, Putit and Shah (2013), environmental concern can be defined as a degree of apprehension, credibility and attitude an individual embraces towards the environment. Consumers who are concerned about the environment and wellbeing of society are motivated to protect the environment by finding innovative and protective methods and taking the right actions to protect the environment and this can be done when consumers become part of environmental protection strategy in choosing green products, use biodegradable product, consume organic foods (Kanpur, Anvari, Jusoh & Othman, 2014). Consumers who are involved with environment protection activities as reported by Chen (2001) tend to have a positive attitude and acceptance to consume organic food products. Organic foods, which are produced by using natural farming procedures, were seen as an environmentally protected strategy to reduce pollution towards the environment, as chemical pesticides and fertilizers which are damaging to the environment are not used in their production (Hasan, Loi & Kok, 2015). This has forced green buyers to buy organic food products as they want to save the environment (Ahmad & Juhdi, 2010).

H5: Environment Conciousness has a positive impact on purchase intention towards Organic foods.

Availability

Availability is one factor that encourages the purchase of organic foods. In a survey conducted by Young et al. consumers prefer readily available products. Therefore, they do not want to spend time searching for organic products. However, recently, retailers across the country have noticed the growing popularity of organic foods and have been adding organic foods to their shelves. Increased organic foods marketing by large retail outlets and specialty stores has made organic foods accessible to more consumers, Raghava R. Gundala, Anupam Singh (2021)

H6: Availability factor has a positive impact on purchase intention towards Organic foods.

Advertisement:

Advertising is a powerful promotional tool used by firms to influence consumers' perceptions, attitudes, and behavior (Kotler and Armstrong, 2018). Specifically, marketers often use advertising to change consumers' attitudes and persuade them that they are not attractive to consumers. Therefore, the

following hypothesis is developed. Jianming Wang, Wilson Dang, Wang Hui, Zheng Muqiang and Wu Qi (2021)

H7: Advertisement factor has a positive impact on purchase intention towards organic foods.

Methodology

Data Collection:

The major purpose of the study is to identify the buying behaviors of consumers towards organic foods. A simple random survey technique is used to collect the data. A questionnaire is developed on the demographic factors such as name, age, gender, occupation, income level and geographical locations, product labeling factor, price factor, health consciousness factor, environment concern factors, advertisement factors, availability factors as independent variables and purchase intention as dependent variables. A five-point Likert scale (1- Strongly Disagree, 2- Disagree, 3-Neutral, 4- Agree, 5- Strongly Agree) is used to record the opinions of the consumers.

Results and Discussion

Cronbach Alpha

Reliability Statistics	
Cronbach's Alpha	N of Items
.895	24

Table -1: Hypothesis testing using Cronbach Alpha

INTERPRETATION

Cronbach Alpha is a statistical measure that evaluates the degree of internal consistency inside a scale, commonly employed to gauge the reliability of the scale. The scale encompasses from 0 to 1, where higher numbers correspond to increased reliability. The Cronbach's Alpha value for the given scale, which has 24 elements, is 0.895. The high value indicates that the items possess strong internal consistency. Typically, a Cronbach's Alpha value of 0.7 or higher is deemed acceptable, 0.8 or higher is deemed good, and 0.9 or above is deemed exceptional.

(Table -2: Reliability Analysis of Variables)

Hypothesis Testing Using Correlation

	Purchase Intention	Price	Product Labelling	Health Consciousness	Environmental Concern	Availability	Advertising
Purchase Intention	1						
Price	.518**	1					
Product Labelling	.509**	.600**	1				
Health Consciousness	.468**	.560**	.505**	1			
Environmental Concern	.463**	.502**	.474**	.583**	1		
Availability	.470**	.483**	.506**	.479**	.458**	1	
Advertising	.412**	.447**	.462**	.406**	.395**	.559**	1

**. Correlation is significant at the 0.01 level (2-tailed).

H1 Price & Purchase Intention: The correlation coefficient between Purchase Intention and the price is 0.518, indicating a reasonably strong positive relationship. This indicates that when the perception of price alters, there is a substantial corresponding shift in Purchase Intention.

H2 Product Labeling & Purchase Intention: Product labeling exhibits a comparable and reasonably robust positive correlation (.509) with Purchase Intention, suggesting that well-executed product labeling can impact Purchase Intention.

H3 Health Consciousness and Environmental Concern & Purchase Intention: Both health consciousness and environmental concern exhibit moderate positive associations with Purchase Intention, with correlation coefficients of .468 and .463, respectively. This suggests that individuals who prioritize their health and are environmentally conscientious are more inclined to have a greater intention to make a purchase.

H4 Availability & Purchase Intention: The availability of a product has a moderate positive connection (0.470) with Purchase Intention, indicating that as the product becomes more accessible, the likelihood of purchase increases.

H5 Advertising & Purchase Intention: The factor of advertising exhibits the lowest, yet still moderate, positive association (with a coefficient of .412) among the factors that have been listed. These findings suggest that advertising does have an effect on Purchase Intention, however its influence is relatively less significant compared to other factors.

Discussion

The analysis of correlation coefficients among various factors in relation to Purchase Intention reveals significant insights. Price shows a reasonably strong positive relationship with Purchase Intention (0.518), indicating that changes in price perceptions significantly influence the intention to purchase. Similarly, Product labelling demonstrates a robust positive correlation (0.509) with Purchase Intention, suggesting that effective labelling strategies can positively impact consumer purchasing decisions. Health Consciousness and Environmental Concern are both moderately positively associated with Purchase Intention (with coefficients of 0.468 and 0.463, respectively), indicating that individuals who are health-conscious or environmentally aware are more likely to exhibit a stronger purchase intention. Availability also displays a moderate positive link (0.470) with Purchase Intention, underscoring that increased accessibility of a product tends to boost the likelihood of its purchase. Finally, Advertising, while

showing the weakest correlation among the examined factors, still maintains a moderate positive relationship (0.412) with Purchase Intention, implying that advertising influences consumer purchase intentions, albeit to a lesser extent than other factors. Overall, these findings highlight the multifaceted nature of factors influencing consumer Purchase Intention, ranging from price and product characteristics to personal values and product availability.

CONCLUSION

Our research underscores the pivotal role of consumer awareness in driving demand for organic food, despite price sensitivity remaining a significant obstacle. The exceptionally high Cronbach's Alpha coefficient of 0.895 confirms the reliability and consistency of various measures. Correlation analyses reveal strong positive relationships between factors such as price, product labeling, health consciousness, environmental concern, availability, advertising, and purchase intention towards organic food. Effective marketing strategies and policies emphasizing health benefits, sustainability, and addressing price sensitivity are crucial for promoting organic food consumption. As the market evolves, understanding and adapting to consumer preferences are essential for businesses and policymakers seeking to capitalize on the burgeoning organic food market.

LIMITATIONS

One notable limitation in understanding the factors influencing buyer behavior towards organic food lies in the challenge of generalization. Consumer attitudes are not universally homogenous, as variations exist based on cultural, regional, and demographic factors. Additionally, economic constraints pose a significant limitation, with the higher prices of organic products potentially limiting accessibility for certain income groups. This economic aspect can hinder the broad applicability of findings across diverse socioeconomic backgrounds. Moreover, the dynamic nature of the organic food market introduces a temporal limitation, as consumer preferences and market trends evolve over time, rendering some research conclusions susceptible to becoming outdated. Small sample sizes in research studies also represent a constraint, as they may not adequately capture the diverse range of factors influencing buyer behavior, leading to potentially incomplete or biased insights. These limitations underscore the complexity of comprehensively understanding the intricate interplay of factors guiding consumer choices in the organic food landscape.

SCOPE FOR FUTURE RESEARCH

Future research on the factors influencing buyer behavior towards organic food holds significant promise for enriching our understanding of this dynamic landscape. One avenue for exploration involves a comprehensive cross-cultural analysis to unravel how cultural contexts shape consumer attitudes and preferences across diverse regions. Further research could also delve into the nuanced preferences of specific demographic segments, examining how factors like age, income, education, and lifestyle contribute to variations in organic food choices. Exploring the effectiveness of health and environmental messaging, applying behavioral economics principles, and assessing the influence of government policies on consumer trust in organic labels are avenues that could provide valuable insights.

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