

## A study on customer awareness and knowledge towards organic products with special reference to Ramnad district

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### Abstract

The rise of organic farming was driven by small, independent producers and by consumers. In recent years, explosive organic market growth has encouraged the participation of agribusiness interests. Organic farming is not only beneficial for farmers, but it also has proved useful for the dairy industry. Products or foodstuffs produced from organic farming neither do not contain any sort of artificial flavors or preservatives nor do they contain any harmful chemicals. Both consumers and farmers are now gradually shifting back to organic farming in India. It is believed by many that organic farming is healthier; consumers are willing to pay higher premium for the same. Many farmers in India are shifting to organic farming due to the domestic and international demand for organic food. The study focuses to find out the factors which affect the awareness level and knowledge on organic foods among the customers. The study carried out in Ramnad district with 150 sample respondents. The samples were selected based on convenience sampling method. The data were collected by using structured questionnaire and collected data were analyzed using simple percentage analysis, Chi square test, Correlation and Anova. The study has been empirically investigated that socio-demographic profiles and awareness level and knowledge of the consumers are most likely to affect the purchase decisions of organic foods.

**Keywords:** Awareness, Consumers, Organic products, producers

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### Introduction

The market for organically-produced food has long-drawn-out considerably in recent years. India has experienced phenomenal growth in production of organic foods in the recent decade and primarily focusing on the export markets. Organic agricultural export market is one of the major drivers of organic agriculture in India.

The demand for environmentally friendly products such as organic foods has significantly increased due to increasing awareness on health, food safety and environmental concerns (Loureiro *et al.*, 2001, Nair, 2005; Briz and Ward, 2009) [7]. Awareness and knowledge has become critical factor in changing the attitude and behaviour of consumers towards organic foods, which in turn is expected to drive the growth in the organic food markets (Soler *et al.*, 2008; Freeland-Graves and Nitzke, 2002).

As consumer knowledge and awareness is an important drive to growth in the organic food market, therefore an investigation of consumers' attitude and behaviours towards organic food may help both consumers of organic interest and marketers of organic food. It may also help government to design strategies for consumer education on the benefits of going organic.

India's organic food market has potential to grow more than 25% annually to touch \$1.36 billion by 2020, provided there is more awareness about these products and the government incentives region-specific organic farming to ensure consistent growth in future.

### Review of Literature

Budi Suprpto and Tony Wijaya (2012) has found that that healthy consumption life style are a good predictor for attitude toward organic food, meanwhile attitude toward organic food directly influence to purchase intention toward organic food.

Aertsens (2011) [1], revealed that objective knowledge regarding organic vegetables is high. Attitudes towards the consumption of organic vegetables are generally positive. The strongest motivations for consuming organic vegetables are that they are produced without synthetic pesticides, are better for the environment, healthier, of higher quality and taste better. The strongest perceived barriers are overly high prices and lack of availability.

Rana, (2012) [5], the results indicate that health, availability and education from demographic factors positively influence the consumer's attitude towards buying organic food. Overall satisfaction of consumers for organic food is more than inorganic food but the satisfaction level varies due to different factors.

Seyed (2010) states that organic farming systems differ from conventional systems in several aspects such as no artificial pesticides or fertilizers are used on organic farms, organic farms generally have a wider crop rotation scheme, and also have larger areas of non-crop habitats.

Vermeir and Verbeke (2004) states that consumers do not always buy sustainable products as consequences of environmental concern or to benefit the community or due to personal beliefs but mainly to give priority to health, to be part of the social group, to distinguish from others and to accomplish the need to try out new technologies.

Hill and Lynchehaum (2002) states that people with higher education are more likely to express positive attitudes towards organic products, require more information about the production and process methods of organics. Laroche *et al.*, (2001) [7]. States that the most convincing evidence supporting the growth of ecologically favourable consumer behaviour is the increasing number of individuals who are willing to pay more for environmentally friendly products.

**Objectives of the Study**

To find out the awareness and knowledge level of organic food product at Coimbatore city. To investigate the factors that influences the intention of buying organic food product. To suggest suitable recommendation to increase awareness and knowledge of consumers.

**Limitations of the Study**

1. The Survey was limited to people residing in Ramnad district only.
2. The respondents were less interested in answering the questionnaire, as they felt that it was an interruption to their regular work.
3. The number of respondents was limited to 150 only.
4. Some of the respondents are not open in giving their opinions. This limit the accuracy of the result

**Methodology**

The data were collected by using both primary and secondary

data collection method. A structured questionnaire was used to collect primary data. The secondary data collected through books, journals, magazines, newspapers and internet. The questionnaire consists of demographic profile of respondents and statements related to awareness level and knowledge of respondents towards organic products.

The study covers all customers of organic food in Ramnad District. The researcher selected 150 samples from people who buy organic food. In this study convenient sampling method was adopted to select sample respondents who came for purchase at Organic food center. The collected data were tabulated and analyzed through statistical tools like simple percentage, chi square, Correlation and Anova.

**Contact Method**

The sample respondents are contacted personally after their purchase of organic food. The data is collected by using structured questionnaire.

**Results and Discussion**

Socio- Demographic profile of the respondents consist of seven questions related to Age( less than 30 years, 31- 40 years, 41-50 years and above 51 years), gender ( Male and Female), marital status ( married and Unmarried), Educational Qualification ( Illiterate, School level, Under graduate, post graduate, others), Occupation(Public/Private employee, Student, Business, Home maker and Retired), monthly income (Less than 20000, 20001- 40000, 40001 -6 0000 and above 60001) and Number of members in family (1,2,3,4 and more than 4).

**Table 1: Socio- Demographic Profile of the Respondents**

Particulars	Respondents	Percentage (%)	
Age(Years)	Less than 30	24	16
	31 - 40	57	38
	41-50	48	32
	Above 51	21	14
Gender	Male	53	35
	Female	97	65
Marital Status	Married	103	69
	Unmarried	47	31
Educational Qualification	Illiterate	27	18
	School	37	25
	Under Graduate	51	34
	Post graduate	22	15
Occupation	Others	13	9
	Public/Private employee	33	22
	Student	17	11
	Business	32	21
	Home maker	57	38
Monthly Income(Rs)	Retired	11	7
	Less than 20000	31	21
	20001 - 40000	69	46
	40001 - 60000	32	21
Number of members in family	Above 60001	18	12
	1	9	6
	2	19	13
	3	58	39
	4	45	30
	More than 4	19	13

Source: Primary data

The above table depicts that 38% of respondents falls under age group of 31-40 years, 65% of respondents were female, 65% are married, 34 % of respondents were educated up to under graduate, 38 % of respondents belongs to home maker category, 46% of respondents were earning 20001-40000 as monthly income and 39% of respondents have 3 member in their family.

### Chi- Square Analysis

H0: There is no significant relationship between Socio-Demographic variables like income, number of members in family and occupation and price and quantity of the organic foods.

**Table 2**

Factors	Degree of Freedom	Asymp. Sig.	Significant / Not Significant
Income and price of the organic foods	16	0.02	Significant
Income and quantity of organic foods	12	0.21	Significant
Number of members in family and quantity of organic foods	16	0.01	Significant
Occupation and price of the organic foods	16	0.00	Significant

Source: Primary data

From the above table it is shown that  $p < 0.05$  for all variables. Thus the framed null hypothesis is rejected and alternated hypothesis is accepted. The result shows that there is a relationship between income and price of the organic foods (0.02), Income and quantity of organic foods (0.21), Number of members in family and quantity of organic foods (0.01) and Occupation and price of the organic foods (0.00).

### Correlations

#### 1. Relationship between Health and Price of Organic foods

H0: There is no significant relationship between health and price of organic foods.

H1: There is significant relationship between health and price of organic foods.

**Table 3: Correlations**

		Health	Price
Health	Pearson Correlation	1	.457**
	Sig. (2-tailed)		0
	N	150	150
Price	Pearson Correlation	.457**	1
	Sig. (2-tailed)	0	
	N	150	150

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

From the above table it is shown that  $p < 0.05$  thus we accept the alternative hypothesis. Therefore the table depicts that there is relationship between health and price. Since organic foods are healthier makes the price of the foods to increase simultaneously.

#### 2. Relationship between Quantity and Price of Organic foods

H0: There is no significant relationship between quantity and price.

H1: There is significant relationship between quantity and price.

**Table 4: Correlations**

		Price	Quantity
Price	Pearson Correlation	1	.370**
	Sig. (2-tailed)		.000
	N	150	150
Quantity	Pearson Correlation	.370**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

From the above table it is shown that  $p < 0.05$  thus we accept the alternative hypothesis. Therefore there is impact on quantity and price. Where the price of the organic foods increases quantity of organic foods to purchase also increases.

### 3. Anova

#### Difference between the income of respondents and the purchase level of organic foods

H0: There is no difference between the income of respondents and the purchase level of organic foods

H1: There is difference between the income of respondents and the purchase level of organic foods.

**Table 5: Monthly income**

Purchase of organic food	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16.329	2	8.164	3.287	.040
Within Groups	365.165	147	2.484		
Total	381.493	149			

This table shows the output of the ANOVA analysis, that there is statistically significant difference between the group means. The significance level is 0.040 ( $p = .040$ ), which is below 0.05. And, therefore the purchase of organic foods differs with the income generated by the consumers.

### Findings and Suggestions

The survey results revealed that only 76% of total respondents

were aware of 'organic food' in which only 34% percent irregularly/regularly consumed organic food. It indicates that for majority of the people even aware of 'organic food' is still away from their food basket. Consumer's interest in organic food is influenced by their belief that organically produced food is safe and better for health, environment and welfare of farmers.

Some more efforts to introduce organic products in all departmental stores, malls can enhance easy purchase. Consumers will always prepare to give their high priority to get quality, it should be maintained. In order to ensure quality of organic by farmers through certification by the Organic Certification Department, which help them to get a good price.

### **Conclusion**

Organic farming was the backbone of the Indian economy and cow was worshipped. Organic farming was practiced in India since thousands of years. The great Indian civilization thrived on organic farming and was one of the most prosperous countries in the world, till the British ruled it. As results of environmental sustainability, importance is shifted towards Organic food products rather than conventional farming. The study brought out the fact that the people were well aware of images and availability, but not loyal entirely too organic food products. The respondent without doubt attracted towards Organic food products. So the marketers must create promotions which are both realistic and moral and the product availability in terms of volume and variety are required to become successful in marketing organic food products.

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