

## **Profiling of Organic Food Buyers In Ahmedabad City : An Empirical Study**

DR. JASMIN PADIYA\*, NAYANKUMAR VALA\*\*

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Due to contamination of various chemicals on food consumer are diverted towards nature. It has resulted into shift towards organic food. 'Organic food' is food which is grown without use of chemical from planting seed to harvesting. Recent trend is slanting towards organic food. Yet the time has not rise for mass marketing of organic food. Though at present, prices are premium for organic food, some health conscious niche segment is purchasing it. This segment carries unique characteristics like they are health conscious, believe in quality, willing to give incentive etc. So our study reveals some secrets about organic food buyers' profile by empirical method.

**Keywords :** Organic Food, Buyer, Health

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### **Introduction**

Nature is potential enough to grow life in it, from many years mankind is changing definition of ecosystem. Due to human interference today new species is developed by unnatural selection very opposite to Charls Darwin's theory of natural selection. In this new era of so called development come with various threats to our minutely balanced life on the mother planet.

Awareness of organic food is growing due to people have started to accepting the fact that today non organic items carries contamination of chemicals. Organic food is free of all the chemicals which generally used to grow crops like pesticides, insecticides, and fertilizers, which harm environment and harm human body as well. In short Organic foods are foods that are produced using methods that do not involve any high-tech or modern synthetic inputs. Pesticides, chemical fertilizers, irradiation and food additives are not used to deliver this product from start to end, from farm to the end user.

At present organic food production is extremely regulated industry; many of the country ask a special

documentation for the food marketed under tag of organic. According to the Indian Competence Centre for Organic Agriculture, the global market for organically produced foods is \$26 billion and is estimated to increase to \$102 billion by 2020.

India ranks 33<sup>rd</sup> in terms of total land below organic cultivation and 88<sup>th</sup> in terms of the ratio of agricultural land under organic crops to total agricultural area, as per statistics available with APEDA. Officials explained that under the 11<sup>th</sup> Five Year Plan (2007-2012), the country targeted the growth of five million hectares of cultivable land into certified organic farmland by promoting a scheme to compensate farmers for the lower yield of such crops.

The motivation for importance on organic Cultivation was its positive effects on biodiversity and efficient soil management and even human's best effort towards changing climate and also minimizing carbon emissions.

### **Literature Review**

Lord North Bourne-look to the lend (1940) coined the term 'Organic Farming' in his book "Look to the Land",

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\*Asst. Professor, GLS Institute of Computer Technology (M.B.A. Programme), Ellis Bridge, Law Garden, Ahmedabad

\*\*Student, GLS institute of computer technology (M.B.A. Programme), Law Garden

out of his conception of "the farm as organism", to describe a holistic, ecologically-balanced approach to agricultural in contrast to what he called chemical farming, which relied on "imported fertility" and "cannot be self-sufficient nor an organic whole" (Brune, 1940)

Anne Davies, Albert J. Titterington (1995) a chain of studies, conducted over the period 1989 to 1993, based on actual buying patterns, seeks to quantify the extent of purchase of organic food and the consumer's promise. The most commonly expressed motives for purchasing organic food have become consideration for the environment and health reasons. Availability and price are the chief factors which inhibit the purchase of organic food. A profile of actual purchasers of organic produce shows them to be female aged 30-45, with children and having a higher level of disposable income. This research has demonstrated that the primary factor in organic food purchase is the consumer's level of personal disposable income. There would appear to be a distinction between those who claim to be interested in the environment and those who regularly buy organic products. (Davies, 1995)

Groff et al (1993) mentioned some key factors that affecting consumer preferences were freshness, healthiness, flavor, nutrition, safety, appearance, price, environmental effect, certification, where it is grown, and brand. (Groff, 2006)

H. Willer, et al (1998) on the FAO/IFOAM meeting on Organic Agriculture-organic foods consumption consider that because of their high price, organic foods are relatively unpopular with consumers in developing countries It notes that market opportunities in high income countries offer good incentives for practicing organic agriculture, but inadequate incentives in low income countries. (H. Willer, 1998)

### **Problem Statement**

Characteristics of organic food buyer are still hidden.

Who are the buyers of organic food? This question prompted this research work. It requires an empirical investigation to profile the buyers of organic food. Better profiling of buyers may lead to accurate promotions and growth of organic food market.

### **Objective**

1. To study demographic profile of organic food buyers
2. To study buying pattern of organic food buyers
3. To identify prime motivation to select organic food
4. To test association of various demographic attributes on purchase of organic food

### **Materials And Methods**

In the beginning to get insight about the conceptual framework and designing research instrument exploratory research was carried out by interviewing few organic food retail outlets and extensive literature review of earlier studies of organic food. The questionnaire was designed after this informal interaction. The questionnaire was designed to understand organic food buyer, his/her preferences and habits and the attribute which differentiate him with ordinary food buyer.

In order to have meaningful statistic analysis nominal and ordinal scales were employed in questionnaire. Multiple choice questions were included to get preferred choice and for some attitude related questions using Likert scale with intervals from 1 to 5 were used to gauge level of importance respondents attached to each variables (5 = Highly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Highly Disagree)

Following hypotheses were tested to arrive at conclusion.

### **Hypothesis**

1.  $H_0$ : There is a significance evidence that the customers are not satisfied with average price of organic food

2.  $H_0$ : There is significance evidence that the respondents weigh quality more than cost
3.  $H_0$ : There is significance evidence that the organic food purchaser usually don't buy premium product
4.  $H_0$ : There is significance evidence that the customers feel proud while purchasing premium product
5.  $H_0$ : There is significance evidence that the customers believe that high price is equal to high quality
6.  $H_0$ : There is significance evidence that the customer believe that it is important to know manufacturer and manufacturing process.
7.  $H_0$ : Knowledge depth about organic food of respondent and how respondent come to know about organic food are independent
8.  $H_0$ : Source of awareness of organic food and how often respondents purchase organic food are independent
9.  $H_0$ : Place of purchase of Organic food and willing to spend more on natural/organic food item are independent
10.  $H_0$ : People who believe in quality and willing to spend more on a natural/organic food item is independent
11.  $H_0$ : People who believe high price is equal to high quality and willing to spend on a natural/organic food are independent
12.  $H_0$ : Health of fitness consciousness of respondents and re-purchase of food labeled 'organic are independent.
13.  $H_0$ : People's belief about most important food for health and How often they purchase food labeled 'organic' are independent
14.  $H_0$ : Regularly Purchase organic food and customer's willingness to spend are independent
15.  $H_0$ : Regularly Purchase organic food and labeling of who and how produces it are independent.

**Empirical Results And Discussions**

Sr. no	Demographic profile of respondents	Attributes	Percentage
1	Gender	Male	51.2%
		Female	48.8%
2	Age	Bellow 12	3%
		13-25	15.2%
		25-45	56.7%
		45<	25%
3	Income	<20000	24.4%
		20000-40000	32.9%
		40000<	42.7%

4	Occupation	Self employed	14%
		Businessman	22%
		Government employee	25%
		Student	11%
		Housewife	28%
5	Married	Single	24.4%
		Married	75.6%
6	No. of family member	2	8.6%
		3	20.2%
		4	23.9%
		5	30.1%
		6<	17.2%

H	Null hypothesis	Mean	P-value	Result
H <sub>1</sub>	H <sub>0</sub> : Customers are not satisfied with average price of organic food.	2.6524	.088	H <sub>0</sub> accepted
H <sub>2</sub>	H <sub>0</sub> : There is significance evidence that the respondents weigh quality more than cost	3.0488	.000	H <sub>0</sub> not accepted
H <sub>3</sub>	H <sub>0</sub> : organic food purchaser usually don't buy premium product	3.2683	.000	H <sub>0</sub> not accepted
H <sub>4</sub>	H <sub>0</sub> : customers not feel proud when he purchase premium product	3.3659	.000	H <sub>0</sub> not accepted
H <sub>5</sub>	H <sub>0</sub> : customers not believe that high price is equal to high quality	2.8110	.001	H <sub>0</sub> not accepted
H <sub>6</sub>	H <sub>0</sub> : There is significance evidence that the customer believe that it is important to know manufacturer and manufacturing process.	3.2317	.007	H <sub>0</sub> not accepted

The descriptive table displays null hypotheses, mean value of parameter, p-value of t-test and conclusion of analysis. First hypothesis deals with customer satisfaction with price of organic food. Price of organic food is higher because of the limited production, non

use of pesticides and use of organic or biogenic fertilizer. So as per first hypothesis at the significance level (0.05) p value is higher than significance level so result is customer are not actually satisfied with the price of organic food. Price of organic food is higher because

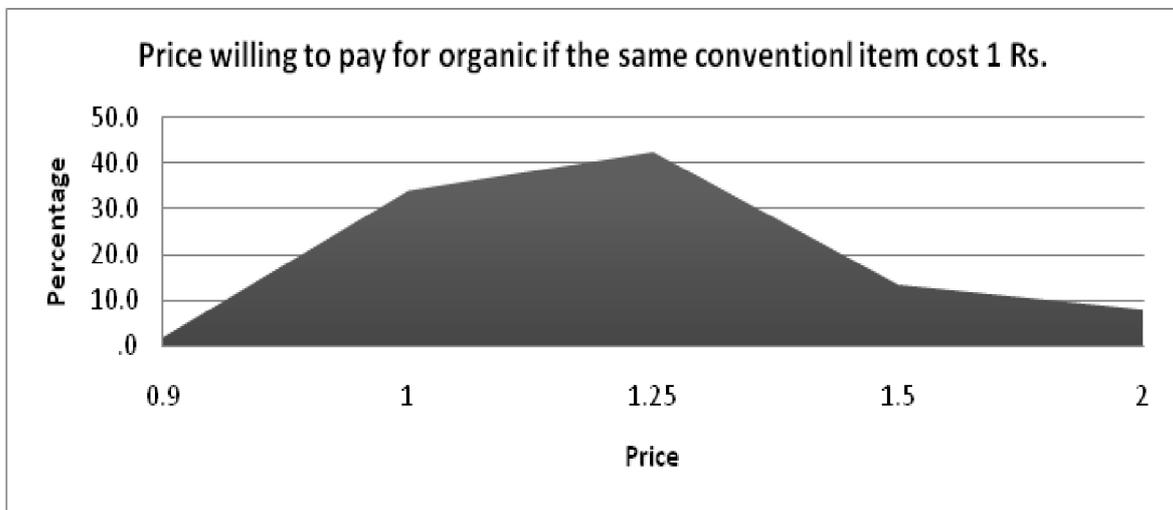
Hypot he sis	Crosstab Attribute	Asymp. Sig. (2-sided)	Interpretation
H <sub>7</sub>	H <sub>0</sub> : Knowledge depth about organic food of respondent and how respondent come to know about organic food are independent	.000	Dependent
H <sub>8</sub>	H <sub>0</sub> : Source of awareness and How often respondents purchase organic food	.000	Dependent
H <sub>9</sub>	H <sub>0</sub> : Place of purchase of Organic food and willing to spend more on natural/organic food item are independent	.000	Dependent
H <sub>10</sub>	H <sub>0</sub> : People who believe in quality and willing to spend more on a natural/organic food item is independent	.026	Dependent
H <sub>11</sub>	H <sub>0</sub> : People who believe high price is equal to high quality and willing to spend on a natural/organic food are independent	.003	Dependent
H <sub>12</sub>	H <sub>0</sub> : Health of fitness consciousness of respondents and re-purchase of food labeled 'organic are independent.	.005	Dependent
H <sub>13</sub>	H <sub>0</sub> : People's belief about most important food for health and How often they purchase food labeled 'organic' are independent	.000	Dependent
H <sub>14</sub>	H <sub>0</sub> : Regularly Purchase organic food and customer's willingness to spend are independent	.000	Dependent
H <sub>15</sub>	H <sub>0</sub> : Regularly Purchase organic food and labeling of who and how produces it are independent	.009	Dependent

of the limited production, non use of pesticides and use of organic or biogenic fertilizer. Apart from the entire hypothesis customer thinks that it is most important to know who and how the product is produced. Result of second hypothesis stats that quality is not more important factor then cost, so as per respondent's null hypothesis get rejection. So respondents consider quality more than cost or the monitory value attached with it. Third hypothesis stats that organic food purchaser usually don't purchase premium product but by statistical testing it was proven wrong so organic food purchase usually purchase premium products. Customer generally feels proud when they purchase premium product as per hypothesis four. If we consider price and quality then its common psychology that consumer will consider high priced product as high quality product.

Respondent's belief about organic food directly depends on Respondents source of awareness. Apart from that respondent's source of awareness and repurchase is

also dependent. As per result of research news papers and magazine are highest awareness generating (47%) tool of IMC, so this implies that marketer should more focus on tool of integrated marketing communication. Place of purchase of organic food and willingness of spending is also dependent on each other, apart from that people who believe in quality is willing to spend more as compare to others and is also think that high price equals to high quality.

As per hypothesis twelfth respondents who are buying often organic food are health conscious and fitness oriented. These people generally go to jogging and gym to maintain physic. Next hypothesis no thirteen reveals that healthy people's belief about healthy food and how often they purchase is directly dependent. Regularly spending in organic food is also directly dependent on customer's willingness to spend more money. As per result of research majority of respondents willing to spend 25% more if product is natural and organic.



Here graph shows those customers are willing to pay more if the product is natural and organic Majority of respondents willing to pay 25% more if the product is organic. So marketer can take advantage of premium pricing strategy by providing good quality organic food.

And finally for re-purchase there should be a bond between customer and producer, customer demands that it is very important to know the process by which product has been produced and actually who have produced the product

### Purchasing Pattern

Regularly buy food items from	Local grocery store	31.1%
	Department store	48.8%
	Exclusive outlet	20.1%
Regular purchase of organic food	Yes	54.3%
	No	45.7%

Regularly majority of consumers buy food items from departmental store. So to cater major customer organic food should distribute itself from selective to more mass catering.

And finally out of all respondents' about half of the respondents do regular purchase of organic food. While other half are not regular purchaser of organic food.

### Conclusion

Organic food buyers represent a unique niche comprising health conscious, less price sensitive, believer in quality and information savvy. These people generally seeks information from news paper, magazine and at point of purchase i.e. food vendor. In addition these groups of buyers are premium product consumers and prefer to shop from exclusive outlets and of course they love nature.

### Limitations of Study

These findings are limited to Ahmedabad city. However Ahmedabad is one of the fastest growing cities of the country with rising cosmopolitan citizens so it offers scope to generalize findings across the country.

Considering time constraint the responses were collected from store interception survey of organic food buyers. A survey of non-buyers may through a different light on the research problem.

### Further Scope of Research

Replication of the study in other parts of the country can be carried out using developed questionnaire and methodology.

A wide scale research can be carried out in order to study non-buyers of organic food, that may be used to convert non-buyers into buyers of organic food.

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