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Consumers perception and Behaviour towards organic food: A systematic review of literature

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Abstract

Food consumption practice is changing worldwide among the consumers and now they want to opt food which is free from synthetic chemicals, fertilizers, and pesticides, *i.e.*, they want to consume for organic food which is not only sustainable for health but also environment- friendly. Organic products are not so much popular among consumers because of lower productivity of organic produce by farmers, which in result lead to the high market price of organic food. There is a need to create awareness about the advantages of organic food products among people and promote its use whereas on the other hand there is the foremost need to motivate the farmers to opt for organic farming. A study on consumer perception regarding organic food may add insight to emerging organic food industry in India and worldwide. The review of related literature in the area of the organic food market and consumer perception studied has provided many insights for the study. It has also provided direction in designing the present study. A number of researchers have identified the demand of organic food products worldwide and in India. Further the various factors that influence consumer perception of organic food products have also been identified. Some studies have also been undertaken preference, knowledge, and satisfaction regarding organic food products. Having reviewed several studies and having identified the gap, the investigator felt a foremost need to undertake the present investigation.

Keywords: organic food market, organic food products, consumer perception, India

Introduction

Organic agriculture is a farming system which had been followed by farmers from ancient times, is free from the use of synthetic fertilizers, pesticides, growth regulators and livestock feed additives. As per the definition of the FAO/WHO Codex Alimentarius Commission (2007) [3], Organic agriculture is an integrated production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity It emphasizes the use of natural inputs (*i.e.* mineral and products derived from plants) and the renunciation of synthetic fertilizers and pesticides. Organic agriculture is different from conventional type of farming system as it follows the rule of sustainability by using natural inputs, environmentally techniques *e.g.* intercropping, crop rotation, mulching etc., the improvement in soil structure and fertility represent the basic rules that make organic agriculture a unique system. The recognition of organic farming is progressively increasing and is now practiced in almost all countries of the world. United States Department of Agriculture (USDA) mentioned that the fast changing trend from chemical based agriculture to organic and eco friendly system of farming is being a major concern at the national and global levels. According to the latest survey, India accounts 5.2 million hectares of organic land and 6,50,000 organic producers. India has the largest number of organic producers in the world. Organic food is defined as a product obtained from an organic farming system which avoids the use of synthetic fertilizers and pesticides. This change in the direction of organic production is getting support from the consumers that are now aware of health hazards; therefore, the demand for the organic food is increasing. Organic food product consumption is also on the rise among consumers all over the world. This pattern is due to the consumer awareness regarding health and environment concerns. Health, availability and education from demographic factors positively influence the consumer's attitude towards buying organic food. Overall satisfaction from consumers of organic food is more than inorganic food (Paul and Rana 2012) [13]. But still by seeing the present condition the market of organic products in India is at nascent stage, and many consumers are unaware about the benefits associated with the products and the environment we inhabit. The price and availability of the organic products is the prime barriers towards its purchase, so the marketers need to focus on such barriers for penetrating the market of organic products in India (Laheri and Arya, 2015) [5].

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Research Design

The demand for organic food products is increasing rapidly but the perception of purchasing and consuming of organic product has always been the concern around the globe. An understanding of perception and attitudinal behaviour towards purchasing of organic food products will be of great importance to producers (farmers) and retailer (business owner) to understand and fulfill the demand for the organic food products. From last many years several studies have been conducted on organic products, the major concern and need of the present study is to provide complete overview of consumer perceptions regarding organic food products.

Objectives of the study

Based on the literature review, the specific objectives of the present study are as follows:

1. To provide updated and efficient review of organic market and organic food (World and Indian scenario)
2. To study various research aspect widespread in the ground of consumer perceptions of organic food products through academic research papers.

Data source and methodology

In order to review the extensive literature, information were gathered from various research articles published in referred journals and also in electronic databases related to organic market at the world and Indian scenario. Later, an extensive review of the literature was conducted in order to investigate the perceptions of consumers towards organic food products. The journals provide the commendable work of various scholars worldwide which ultimately help to conduct their work in desirable manner. In addition to this, an attempt was made to trace references cited in various published articles and reports related to organic food products. Most of the data have been collected from both primary and secondary sources

Findings from the literature

Overview of Organic Market and Organic Food (World and Indian Scenario)

Globally, organic food annual market growth has been expanded day by day and in 2010 the annual growth was 23%. Total market of organic food observed up to 59.1 billion US dollar. Highest land acquired by organic apples is in the United States (17272 acres) in 2001. Among all European countries, Italy, Germany, France, Switzerland and Austria are the leading countries in the sector of organic fruits production (Yadav *et al*, 2010) [21].

According to the report on National Program on Organic production 2012, the market size of organic products is increasing rapidly to 47% in EU, 28% in USA, 28% in Canada remarkably. The market is also growing at a healthy rate for Italy and Singapore. Though a large percentage of this demand is fulfilled by the domestic producers of these countries, but there is a huge demand of many other commodities and quantities of the existing commodities too. This gap in demand and supply will give rise to opportunities for developing countries like India to explore.

Organic food products are popular across Europe and United States of America. Asia is not far behind with India being a prominent player. The concept of organic food products is not new to Indian farmers. However, there is not much of a consumption taking place domestically despite the fact that India is one of the top 10 players in the world when it comes to the number of farmers engaged in organic cultivation

(Balaji and Injodey, 2017) [1].

The demand and consumption of organic food has grown remarkably, both in developed and developing countries. This is so because; consumer is becoming more and more conscious about their health. Although organic food comprises only a small fraction of the food market, its rapid growth has generated much interest among consumers and businesses, as well as researchers. In Malaysia, the perception and understanding of organic food production is based mainly on not using synthetic fertilizers and pesticides. The organic food industry is facing several challenges in Malaysia. Although the demand for organic food in Malaysia is growing, the supply of local organic products is not able to keep up with the increased demand (Somasundram *et al.*, 2014).

The organic food industry in India is also in the early stages of growth. Higher disposable income and greater health awareness have resulted in an increased domestic demand for organic food. There is huge premium in selling organic products, not only to export markets but also to affluent, health conscious domestic consumers (Manaloor *et al.*, 2016) [8]. The organic food industry has experienced surprising growth in the past few years. Still, the total percentage of agricultural land in the world that is certified organic still remains around 1% at 43.16 million hectares. This is almost four times the area covered under organic agriculture in 1999 recorded at 11 million hectares (Lernoud and Willer 2016) [6]. Despite the fact that the growth of consumption in developed countries is expanding the domestic demand in developing countries has been still a challenge for the organic food sector. Many factors are proposed which prevented the domestic growth of organic foods in developing countries. Some of them were premium price, availability, trust in brand, awareness about organic foods, etc. (Sangkumchaliang and Huang 2012) [15].

Consumer Attitude and Perceptions towards Organic Food Products

In today's world consumer's food pattern is rapidly changing. The niche market of organic is at the verge of boom. It has been that from last few years the organic products production and availability in the market has been increased and made a significant development in the economy. Several people have started to consider organic food instead of conventional food because it is healthier and less prone to chemicals. This kind of purchasing behaviour plays an important role among consumer attitude and perception aspect towards buying of organic food products. Further this, the issues, concern and major reasons have been identified through a broad review of earlier studies.

Approach for buying organic food are mainly influenced by gender, age, income, level of education and the presence of children in the household (Magnusson *et al.*, 2001; Wier *et al.*, 2003) [7, 20]. Hughner *et al.* (2007) [4] identified the main reasons for organic food consumption among consumers. The main reasons are: concerns about health and nutrition, superior taste, care for the environment, food safety, lack of trust in conventional food, care for animal welfare, support the local economy, freshness, curiosity or because they are considered trendy.

According to Chiciudean *et al*, 2012, people consume this type of food from different reasons but most of them are related to animal welfare and environmental friendly. Results indicate that the factors of influence over the consumers

depend on gender and age. The organic food is mostly appreciated for its taste and quality. Women are also influenced by price and by the trendy fact of being „organic”. Major differences have been noticed between people with different age regarding promotions, recommendations from acquaintances and advertising. Youngsters are more influenced by advertising than any other group of age while adult people are influenced by promotions.

Shafie and Rennie (2012) ^[16] assessed consumer perceptions towards organic food and found that food safety, human health and environmental concern along with sensory attributes such as nutritive value, taste, freshness and appearance influence organic food consumer preferences. Premium price continues to suppress organic food consumption. Understanding the grounds of increasing level of organic food consumption such as motivation are most critical in understanding the potential of the organic food to become a genuinely mainstream market.

Consumers' perceptions regarding organic food consumption are influenced by five factors, namely food safety, price, environmental friendly, nutrition and sensory attributes. Food consumption patterns are ever-changing as a result of health and environmental issues. Interest in organically produced food is changing end-to-end the world by Mukul *et al.* in 2013 ^[10].

Mehra and Ratna (2014) ^[9] found that six significant factors were found to influence the attitude towards organic food. They were perception towards organic food, health consciousness, product information, value for money, accessibility and trust. Results of the study showed that women and younger consumers showed a positive attitude towards organic food and perceived consumption of organic food to be a healthier food option. They were keen on getting product information and compared labels while selecting nutritious food. Women perceived consumption of organic food to be a healthier option.

Sharma and Bali in 2014 ^[17] concluded that consumers are very much aware that organic food are good for health, these products are free from chemical which resulting in no side effects and do not cause harm to the consumers. The consumers living in urban areas are more aware about organic food products. Consumer believes that consuming of organic food helps to reduce stress level and maintain an energetic lifestyle. Another factor this study found that respondents are willing to pay even higher prices because of it is beneficial for health. Other researcher, Sivathanu in 2015 ^[18] also add and revealed that consumers prefer to buy organic food products because of their perception that the organic food products are healthy and safe, nutritious and environment friendly.

Pandurangarao *et al.* (2017) concluded ten factors such as labels, health, concern, environment concern, brand advertising, safety, accessibility, affordability, freshness and store location as influencing factors to buy organic food. Out of this health, environment and safety are key factors that are found primary influencers.

Conclusion and recommendations

The purpose of this paper was to determine the consumers' perception regarding organic food in India. Understanding consumer's behaviour and decision making towards organically grown products it has been found out that health, safe, taste and environmental concerns were the most important factors deciding consumer's attitude and preference towards purchasing organic products. Reviewing of study also revealed the availability of the market can influence

consumer's preferences and choices for purchasing organic food products. This paper thus provides vital information that there will be more demand of the organically grown food products in coming future, so it's high time for producer, traders, consumer and government itself to focus over the niche market of organic.

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