



A STUDY ON FACTORS INFLUENCING PURCHASE INTENTIONS TOWARDS ORGANIC PRODUCTS AMONG CONSUMERS IN COIMBATORE CITY

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Abstract

The consumption of organic products is low in India in comparison with other nations and there are different factors that affect the purchasing and consumption of organic products among consumers. The environmental concern, quality, accessibility and recognition are the factors influencing purchase intentions towards organic products among consumers. The results show that there is significant association between socio-economic profile and factors influencing purchase intentions towards organic products among consumers. The quality, environmental concern, accessibility and recognition have positive and significant impact on intention to purchase organic products. To improve the purchase intention of consumers towards organic products, the producers and marketers of organic products should create awareness among consumers about importance and need for conservation of environment and ensure quality of organic products. Besides, the marketers must make organic products easily available and accessible to consumers and they should promote organic products through well designed advertisements for enhancing the recognition of those products by consumers.

Keywords: Consumers, Organic Products, Purchase Intentions.

1. Introduction

The raise of the awareness about environmental problems among consumers has impact on purchasing behaviour of consumers, with the organic product market growing at an incredible rate (Aini, et al., 2003). Thus, in the last decade, there is an increased of production and consumption of organic products that is observed as having a smaller amount effect on the environment. Organic product, described by how it can not be produced than how it can be produced, should be made without the use of synthetic chemicals, hormones, biotechnology, antibiotics and irradiation. The large number of agricultural products can be produced organically.

There have been a large extend of efforts in different nations to encourage farming through a move from the traditional farming to the organic farming (Wheeler, 2008).The mounting interest in the demand for organic products, viewed to be safe, healthy and eco-friendly is a reaction to this apprehension about conventional farming across the globe(Schifferstein and Ophuis, 1998).

Many developing countries are putting huge efforts to improve the organic farming including India because there is a strong linkage between organic products and health of consumers. Regardless of the fast growth and huge potential for organic farming, the organic products in India are mostly produced for export as compared to domestic consumption. The consumption of organic products is low in India in comparison with other nations and there are different factors that affect the purchasing and consumption of organic products among consumers. Therefore, it is necessary to examine the factors that influence the intention of consumers to purchase organic products in Coimbatore city.

2. Methodology

The Coimbatore city is selected for the present study. The consumers of organic products are chosen by using random sampling method. The data are gathered from 250 consumers of organic products through pre-tested and structured questionnaire. To examine the socio-economic profile of consumers, the percentage analysis is used. To identify the factors influencing purchase intentions towards organic products among consumers, an exploratory factor is carried out. To study the association between socio-economic profile and factors influencing purchase intentions towards organic products among consumers, the Chi-Square test is employed. To examine the impact of factors influencing purchase intentions towards organic products among consumers on intention to purchase, the multiple linear regression is done.

3. Results and Discussion

3.1. Socio-Economic Profile of Consumers of Organic Products

The socio-economic profile of consumers of organic products was analyzed and the results are presented in Table-1. The results indicate that 58.80 per cent of consumers are males, while, the rest of 41.20 per cent of them are females. It is apparent that 36.80 per cent of consumers are in the age group of 36 – 45 years followed by 26 – 35 years (30.40 per cent), 46 – 55 years (15.60 per cent), below 25 years (8.80 per cent) and above 55 years (8.40 per cent).

The results reveal that 28.40 per cent of consumers have educational qualification of graduation followed by higher secondary (26.00 per cent), diploma (19.60 per cent), secondary (13.60 per cent) and post graduation (12.40 per cent). It is clear that 37.20 per cent of consumers are in the monthly income of Rs.20,001 – Rs.25,000 followed by Rs.15,001 –



Rs.20,000(20.80 per cent), Rs.25,001 – Rs.30,000(16.00 per cent), less than Rs.15,000(14.80 per cent) and more than Rs.30,000(11.20 per cent). The results imply that 69.20 per cent of consumers are married and the remaining of 30.80 per cent of them is unmarried.

Table 1: Socio-Economic Profile of Consumers

Socio-Economic Profile	Number of Consumers	Percentage
Gender		
Male	147	58.80
Female	103	41.20
Age Group		
Below 25 years	22	8.80
26 – 35 years	76	30.40
36 – 45 years	92	36.80
46 – 55 years	39	15.60
Above 55 years	21	8.40
Educational Qualification		
Secondary	34	13.60
Higher Secondary	65	26.00
Diploma	49	19.60
Graduation	71	28.40
Post Graduation	31	12.40
Monthly Income		
Less than Rs.15,000	37	14.80
Rs.15,001 – Rs.20,000	52	20.80
Rs.20,001 – Rs.25,000	93	37.20
Rs.25,001 – Rs.30,000	40	16.00
More than Rs.30,000	28	11.20
Marital Status		
Married	173	69.20
Unmarried	77	30.80

3.2. Factors Influencing Purchase Intentions towards Organic Products among Consumers

To identify the factors influencing purchase intentions towards organic products among consumers, an exploratory factor is carried out and the results are presented in Table-2. The Kaiser-Meyer-Olkin (KMO Test) measure of sampling adequacy (KMO = 0.764) and Bartlett's test of Sphericity (Chi-square Value = 0.0038; Significance = 0.000) reveals that the factor analysis method is appropriate. Four factors are extracted that account for 71.37 per cent of variations on 18 variables. Each of the four factors contributes to 21.56 per cent, 19.25 per cent, 17.92 per cent and 12.64 per cent respectively.

Table 2: Factors Influencing Purchase Intentions towards Organic Products among Consumers

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
I	Organic products are worth to buy	0.68	2.64	21.56	Environmental Concern
	Organic products help conservation of environmental resources	0.66			
	Organic products are good to environment	0.69			
	Organic products are free from harmful chemicals	0.65			
	Organic products have high nutritional values	0.63			
	Organic products are healthier	0.61			
II	Organic products are fresh	0.62	1.59	19.25	Quality
	Organic products are tasty	0.67			
	Organic products have better quality	0.63			
	Organic products are free from adulteration	0.68			
	Organic products are using less energy	0.64			
III	Organic products are attractive	0.67	1.14	17.92	Accessibility



	Organic products are easy to purchase	0.60			
	Organic products are easily available	0.59			
	Organic products have reasonable prices	0.64			
IV	Organic products are appropriately certified	0.60	1.02	12.64	Recognition
	Organic products have easily identifiable labels	0.66			
	Organic products are properly advertised	0.58			
	Cumulative % of Variation	-	-	71.37	-
	Cronbach's Alpha			0.81	

Method of Extraction: Principal Component Analysis.

Method of Rotation: Varimax with Kaiser Normalization.

Rotation converges in 11 iterations.

Factor-I consists of organic products are worth to buy, organic products help conservation of environmental resources, organic products are good to environment, organic products are free from harmful chemicals, organic products have high nutritional values and organic products are healthier. Thus, this factor is named as **Environmental Concern**.

Factor-II includes organic products are fresh, organic products are tasty, organic products have better quality, organic products are free from adulteration and organic products are using less energy. So, this factor is named as **Quality**.

Factor-III comprises of organic products are attractive, organic products are easy to purchase, organic products are easily available and organic products have reasonable prices. Hence, this factor is named as **Accessibility**.

Factor-IV encompasses organic products are appropriately certified, organic products have easily identifiable labels and organic products are properly advertised. Therefore, this factor is named as **Recognition**.

Cronbach's Alpha value of the scale is 0.81 indicating that each item is at acceptable level of internal consistency. It is inferred that environmental concern, quality, accessibility and recognition are the factors influencing purchase intentions towards organic products among consumers.

3.3. Association between Socio-Economic Profile and Factors Influencing Purchase Intentions towards Organic Products among Consumers: The association between socio-economic profile and factors influencing purchase intentions towards organic products among consumers was analyzed by using Chi-Square test and the results are presented in Table-3.

Table 3: Association between Socio-Economic Profile and Factors Influencing Purchase Intentions towards Organic Products among Consumers

Socio-Economic Profile	Chi-Square Value
Gender and Factors Influencing Purchase Intentions towards Organic Products among Consumers	9.756**
Age Group and Factors Influencing Purchase Intentions towards Organic Products among Consumers	11.825**
Educational Qualification and Factors Influencing Purchase Intentions towards Organic Products among Consumers	13.498**
Monthly Income and Factors Influencing Purchase Intentions towards Organic Products among Consumers	15.014**
Marital Status and Factors Influencing Purchase Intentions towards Organic Products among Consumers	10.902**

** Significant at one per cent level.

The Chi-Square values are significant at one per cent level revealing that there is significant association between socio-economic profile and factors influencing purchase intentions towards organic products among consumers. Therefore, the null hypothesis of there is no significant association between socio-economic profile and factors influencing purchase intentions towards organic products among consumers is rejected.

3.4. Impact of Factors Influencing Purchase Intentions towards Organic Products among Consumers on Intention to Purchase

To examine the impact of factors influencing purchase intentions towards organic products among consumers on intention to purchase, the multiple linear regression is done and the results are presented in Table-4. The coefficient of multiple determination (R^2) is 0.63 and adjusted R^2 is 0.61 indicating the regression model is good fit. It is inferred that 61.00 per cent of the variation in dependent variable is explained by the independent variables. The F-value of 19.528 is statistically significant at one per cent level indicating that the model is significant.



Table 4: Impact of Factors Influencing Purchase Intentions towards Organic Products among Consumers on Intention to Purchase

Factors Influencing Purchase Intentions towards Organic Products	Regression Coefficients	t-value	Sig
Intercept	1.102**	5.875	.000
Environmental Concern(X ₁)	.404**	4.194	.000
Quality(X ₂)	.430**	4.646	.000
Accessibility (X ₃)	.386**	3.932	.000
Recognition (X ₄)	.345**	3.758	.000
R ²	0.63		
Adjusted R ²	0.61		
F	19.528		.000

**significant at one per cent level.

The results show that quality, environmental concern, accessibility and recognition have positive and significant impact on intention to purchase organic products at one per cent level. Hence, the null hypothesis of there is no significant impact of factors influencing purchase intentions towards organic products among consumers on intention to purchase is rejected.

4. Conclusion

The findings of this study reveal that environmental concern, quality, accessibility and recognition are the factors influencing purchase intentions towards organic products among consumers. The results show that there is significant association between socio-economic profile and factors influencing purchase intentions towards organic products among consumers. The quality, environmental concern, accessibility and recognition have positive and significant impact on intention to purchase organic products. To improve the purchase intention of consumers towards organic products, the producers and marketers of organic products should create awareness among consumers about importance and need for conservation of environment and ensure quality of organic products. Besides, the marketers must make organic products easily available and accessible to consumers and they should promote organic products through well designed advertisements for enhancing the recognition of those products by consumers.

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