



A PILOT STUDY ON THE FACTORS INHIBITING THE PURCHASE OF ORGANIC AGRICULTURAL PRODUCE

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Abstract

The present study is an attempt to analyze the factors which inhibits the customers to buy organic agricultural produce. For the purpose of study a questionnaire has been prepared to understand the level of awareness of organic products and to identify the restraining factors in buying the same. A sample of 75 respondents have been surveyed using convenience sampling technique. The findings of the study revealed that the factors viz., low availability of organic agricultural produce, less varieties and usage of organic pesticides have influence on the purchase frequency of organic agricultural produce.

Introduction

According to the news published by Economic times on October 15,2015 the organic food market is growing at the rate of 25-30% and it has more potential to grow. Due to the increasing awareness on the harmful effects of chemicals present in the agricultural produce the tendency towards purchasing organic food is growing among people(Basha, Mason, Shamsidan, Hussai, 2015). Organic food consumption pattern in India is very different in comparison to that of developed countries(Mishra & Kaushik, 2013). Due to the attributes like improved health, environmental awareness, nutritional value. Better taste, freshness and appearance the organic products are preferred by the customers.(Sivathanu, 2015). Consumers of organic fruits and dairy products face problems in purchase of organic products due to high prices, inadequate availability, lack of standardization and insufficient information (Kapoor, 2012). Many studies have explored about the reasons which motivate the customers to buy organic foods and there is also a lacuna between consumers positive attitude toward organic food and their level of consumption (Pearson, Henryks, & Jones, 2010).The present study is an attempt to understand the factors which inhibit the customers to buy organic agricultural produce.

Statement of the Problem

The predominant reasons which inhibits consumers from buying organic food are lack of availability/accessibility, high price, , contentment with regular agricultural produce , lack of faith , the limited variants and lack of perceived value for money (Makatoumi, 2002).Studies have also showed that high price is one of the prime reason which restrains people from buying organic food. Understanding the primary reasons of increased level of organic food consumption are most critical in understanding the potential of the organic food to become a mainstream market. (Ayuni Shafie & Denise, 2009). Rising cases of acidity, blood pressure, cholesterol ,stress induced diabetes and juvenile diabetes have forced people to go towards organic food as a healthy option.(Times city dated 3.10.216). Price premium is the additional percentage charged on organic food when compared with the price of conventional (Shafiea & Rennie,2012).Considering the stated problems the present study is an effort to determine the factors which inhibit the customers to buy organic agricultural produce.

Objectives

- To study the awareness level of customers about the organic agricultural produce.
- To identify the predominant factors which inhibits the customers from buying organic agricultural produce.

Research Methodology

The research design of the study is descriptive in nature. As respondents were spread over diverse area convenience sampling was employed. The study is based on primary data collection. The data has been collected through self-designed structured questionnaire . Survey has been conducted only with households in Bangalore ,who are aware of organic agricultural produce . A sample of 75 respondents were taken into account for finding the factors which inhibits the customers to buy organic products.

Review of Literature

Sukant, Huang, & Stephen(1991) made an attempt to analyze consumer preferences towards testing and certification of fresh produce and studied the consumers' willingness to pay for fresh produce that is certified as free of pesticide residues .The results of the study indicated that 46% of the respondents expressed a willingness pay a higher price for tested and certified free of pesticide residues and very less percentage (26%) of the respondents refused to pay a higher price. Ariyawardana, Govindasamy, & Pudur (2009) in their study made an attempt to understand the consumers willingness to pay for organic ethnic specialty produce. To achieve the objectives, the researcher had selected 1084 respondents from east coast of the

U.S.A. and Washington D.C. The results of the study revealed that Ricans, Chinese and Indians are less inclined to pay a premium for organic ethnic produce compared to Puerto Ricans. Female respondents who were educated and highly opinionated towards ethnic food were more inclined to pay premium for ethnic organic produce.

Yin, Wu, L, & Chen(2010) in their study to understand the major determinants affecting consumers' choice for organic food revealed that the factors viz., income, confidence towards organic food, acceptance of the price of organic food and consumers' concern for health strongly affect the Chinese consumers' intention to purchase organic food .

Vlahovi, Puškari , & Jelo nik(2011) in their study analyzed the consumer attitude towards organic food consumption. The study was conducted with the primary objective of identifying the determinant factors that influence demand and consumption of organic products . The findings of the study revealed that most of the consumers were not adequately informed about the importance of organic food consumption. The high price of organic food is one of the suppressing factors for organic food consumption and more than a third of respondents do not trust the producers.

Bruschi, Shershneva, Dolgopolova, Canavari, & Teuber(2015) in their study tried to understand the attitude and opinion of Russian consumers from Urban localities toward organic food. The main objective of the study was to identify the factors that facilitate or prevent the customers from purchasing organic products. The study found that the respondents perceive organic food as superior quality products. General confusion regarding product recognition remains an important impediment for organic food consumption growth.

Operational Definition

Awareness: It is the familiarity of the organic products or brands beyond mere recognition.

Results & Discussion

Objective 1: Awareness levels of organic products

Awareness levels are high at 78.7% among the respondents, with respect to organic but still 21.3 percent people are not aware and might benefit the industry. Thus an analysis of those respondents is given in subsequent tables.

Table 1: Awareness levels					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	59	78.7	78.7	78.7
	no	16	21.3	21.3	100.0
	Total	75	100.0	100.0	

The awareness levels across the age categories in Table 2, show that the awareness levels are lowest among the eldest of the groups.

Table 2: Lack of awareness across Age categories					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	29-38	3	18.8	18.8	18.8
	39-48	5	31.3	31.3	50.0
	>49	8	50.0	50.0	100.0
	Total	16	100.0	100.0	

The awareness levels as shown in Table 3, shows that the awareness levels, among men is lower than women.

Table 3: Lack of awareness across gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	12	75.0	75.0	75.0
	female	4	25.0	25.0	100.0
	Total	16	100.0	100.0	

In Table 4, we can see that lower levels of education among the respondents is showing a higher levels of lack of awareness

Table 4: Lack of awareness across educational levels					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	school	9	56.3	56.3	56.3
	college	3	18.8	18.8	75.0
	professional	4	25.0	25.0	100.0
	Total	16	100.0	100.0	

The awareness levels as shown in Table 5, reveal that married respondent were more unaware than the unmarried. This data is in tune with the age table, where it shows younger respondents are more aware.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	married	15	93.8	93.8	93.8
	unmarried	1	6.3	6.3	100.0
	Total	16	100.0	100.0	

Table 6 shows that people in the income bracket of 31000 to 40000 have higher levels of unawareness.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<30000	3	18.8	18.8	18.8
	31000-40000	8	50.0	50.0	68.8
	41000-50000	5	31.3	31.3	100.0
	Total	16	100.0	100.0	

Objective 2: Factors affecting the purchase frequency of organic products

To understand the factors affecting the purchase frequency of organic product, 12 hypotheses were made. To test the influence ANOVA was used at different levels of significance.

Null Hypotheses	Decision	Significance
H ₀₁ :Low accessibility does not influence purchase frequency	Do not Reject	0.05
H ₀₂ :Low in store product visibility does not influence purchase frequency	Do not Reject	0.05
H ₀₃ :Product authenticity problem does not influence purchase frequency	Do not Reject	0.05
H ₀₄ :Age does not influence purchase frequency	Do not Reject	0.05
H ₀₅ :Income does not influence purchase frequency	Do not Reject	0.05
H ₀₆ :Lack of nutritional differential advantage does not influence purchase frequency	Do not Reject	0.05
H ₀₇ :Confusing labels does not influence purchase frequency	Do not Reject	0.05
H ₀₈ :Low shelf life does not influence purchase frequency	Do not Reject	0.05
H ₀₉ :Expensive does not influence purchase frequency	Do not Reject	0.1
H ₀₁₀ :Low availability does not influence purchase frequency	Reject	0.1
H ₀₁₁ :Organic pesticides use does not influence purchase frequency	Reject	0.1
H ₀₁₂ :Low variety does not influence purchase frequency	Reject	0.1

Out of twelve factors, it can be seen from Table 8 that nine factors have influence on purchase frequency.

Factor	Sum of Squares	df	Mean Square	F	Sig.
Low accessibility	47.71	4	11.93	29.59	0.00
Low in store product visibility	44.56	3	14.85	33.63	0.00
Product authenticity problem	32.45	3	10.82	17.67	0.00
Age	14.44	2	7.22	8.46	0.00
Income	10.43	3	3.48	3.77	0.01
Low nutritional differential advantage	12.27	4	3.07	3.38	0.01
Confusing labels	6.62	2	3.31	3.44	0.04
Low shelf life	7.50	3	2.50	2.59	0.06
Expensive	8.57	4	2.14	2.23	0.08
Low Availability	5.01	3	1.67	1.67	0.18
Organic pesticides use	5.01	3	1.67	1.67	0.18
Low variety	0.29	3	0.10	0.09	0.96

Conclusion

Though the awareness levels are high the purchases are affected by accessibility of the products, lack of visibility in the store, lack of customer trust on the authenticity, lower differences in nutritional values when compared to non-organic products, confusing information on labels, lower shelf life, expensive, the purchaser age and income level also affect the purchase of organic products. Complete awareness can help the organic industry which seems to be low in the categories of lower education level, higher age groups, male and married people should be target for creating more awareness.

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