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EATING HEALTHY-CONSUMER PERCEPTION OF ORGANIC FOODS IN TWIN CITIES

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ABSTRACT

Organic foods are the produce from plants that have been grown without the use of synthetic fertilizers or pesticides. There is a growing demand for organic foods in domestic as well as international markets. India produces a range of processed and unprocessed organic foods. In order to understand the profile of organic food consumers and the perception of these consumers about organic foods, a study was conducted in the twin cities of Hyderabad and Secunderabad. The organic food consumers mostly belonged to wealthy classes, were highly health conscious, and a mix of professionals and businessmen. The finding of the study also revealed that though the consumers are satisfied with the taste of organic foods and to an extent about the premium prices, concerns like authenticity of being organic, absence of range of varieties, right information on the pack and absence of convenient supply points have to be addressed to increase the demand for organic foods.

Key Words: Organic foods consumers perception -profile- demand - authenticity

Eating Healthy-Consumer Perception of Organic Foods in Twin Cities

INTRODUCTION

India's proudest accomplishment after independence has been achieving self-sufficiency in food production. The country produces a wide variety of agricultural products at prices that are below world prices in most cases. However there is a grave concern with respect to the pesticide residues in food products and they in turn entering the human chain. The growing awareness about the ill effects of synthetic chemicals in the food chain has dramatically affected the concept of food quality.

The quality of food now refers not only to the characteristics of the final products, but also to the way in which it is produced, processed and transported. Consumers in developed countries as well as in several developing countries are getting more health conscious and showing preference towards organic food stuffs. Besides retailers, importers are also applying their own quality standards. The health concerns as well as increasing incomes of urban population, which translates into higher demand for quality foods, have paved the way for marketing of organic foods. As a result, farmers are encouraged to convert existing farms into organic farms.

'Organic' is a labeling term that denotes products produced under the authority of the Organic Foods Production Act. Organic foods are the produce from plants that have been grown without the use of synthetic fertilizers or pesticides, and animals that have not been given antibiotics, and also by minimizing pollution from air, soil and water.

ORGANIC FOODS IN INDIA

In India it is estimated that there is around 76,000 ha of certified organic farm land and 2.4mha of certified forest area for collection of wild herbs. Organic farming is increasing at two percent annually. Out of total cultivated land 0.3-0.4% comes under organic farms.

Major products produced in India by organic farming are shown in table no.1

Table 1

Major organic products produced in India

SL. NO.	TYPE OF COMMODITY	PRODUCTS
1.	Cereals	Rice, Wheat
2.	Spices	Cardamom, Black pepper, White Pepper, Ginger, Turmeric, Vanilla, Tamarind, Clove, Cinnamon, Nutmeg, Mace, Chilly.
3.	Pulses	Red gram, Black gram 4. Oil Seeds Mustard, Sesame, Castor, Sunflower
5.	Fruits	Mango, Banana, Pineapple, Passion Fruit, Sugar Cane, Orange, Cashewnut, Walnut
6.	Vegetables	Okra, Brinjal, Garlic, Onion, Tomato, Potato
7.	Others	Cotton, Herbal extracts

The domestic consumption of organic food is estimated at Rs. 2000 crores with about 200 million potential customers. Since last few years there has been a growing demand for organic products in the major cities of India. The cities like Delhi, Mumbai, Pune, Bangalore, Hyderabad and Chennai have a few outlets selling organic food products. Keeping in view the increasing demand for organic foods a study was conducted in twin cities of Hyderabad and Secunderabad to develop a profile of organic food consumers and to understand the consumers' perception about organic foods.

OBJECTIVE OF THE STUDY:

This objective of this study is to understand the attitude of local consumers towards buying organic food product, with specific reference to

a. profiling of organic customers

b. kinds of organic foods preferred and

c. perception of customers about organic foods

METHODOLOGY

The study was carried out in the twin cities of Hyderabad and Secunderabad. Two major Organic food outlets were identified for the study. From each outlet hundred consumers were randomly picked up using mall intercept form. The information was collected with the help of structured questionnaire. Therefore a total sample of two hundred consumers formed the basis for the study. Simple averages and percentages have been used to analyse the data.

RESULTS OF THE STUDY

The results of the study are systematically presented under two sub heads.

1. Profile of the organic food consumers.
2. Perception of the consumers with regard to organic foods.

PROFILE OF ORGANIC FOOD CONSUMERS

In profiling of organic food consumers four different parameters i.e., Family Disposable income, Health consciousness, Geographic concentration and Professional background have been studied.

Family Disposable Income

It is observed that nearly 35 percent of the sampled consumers belong to the income group range of Rs.40, 000 50,000 per month and 45 percent belong to Rs.50,000 60,000 group. About 20 percent fell into the category of more than Rs.60,000. Thus almost all the consumers belong to higher middle income or higher income groups. The high price of the organic foods is a deterrent for the purchase of the organic foods by other income groups.

Health consciousness of Organic Consumers

Apart from diet consciousness the consumers were questioned with regard to the physical exercise they take up regularly. About 40 percent of the respondents share that nearly 50 percent of their family members were involved in some form of physical exercise like Walking, Yoga etc. or are attending fitness classes. 25 percent of respondents expressed that nearly 75 percent of their family members are involved in some kind of fitness regime. Around 15 percent of the respondents said that all their family members were involved in physical exercise. The rest of the consumers expressed that they were not into any exercise. Thus it can be observed that majority of the health conscious people are also diet conscious as they want to consume safe and healthy food.

Geographic concentration of Organic Consumers

It was observed that nearly 60 percent of the consumers who were visiting the organic outlets were residing in the affluent areas such as Banjara hills, Jubilee hills, Kondapur, Madhapur, Srinagar colony, Marradepally etc. About 30 percent were from Mehdipatnam, Dilshuknagar, Tarnaka and Vidhyanagar areas which are considered as medium affluent areas. Only 10 percent consumers were from Old city and less affluent areas. All the consumers visiting the stores owned a car and around 65 percent of consumers travelled at least five kilometers to visit the stores.

Professional Background of the Purchase Decision Maker

It is noticed that 30 percent of the decision makers with regard to the purchase of organic products belong to the category of professionals, 25 percent belong to the category of businessmen and 20 percent belong to the category of Government servants. The remaining 25 percent were housewives.

Organic foods preferred by consumers

Organic food outlets stock both processed and unprocessed organic foods. In order to understand the preferences of customers, data was collected as to which organic foods they prefer. The organic foods which are highly preferred by customers are:

Organic fruits and vegetables

Cholesterol reducing oils

Yogurt with acidophilus culture

Whole grain with high fiber content

Cereal with added folate

Fruit juices with added supplement

Bread with added supplement
Organic tea
Soyamilk
Ayurvedic cookies

Apart from these the respondents also showed inclination to buy milk products like paneer, cheese and semi processed seafood and poultry products.

CONSUMERS PERCEPTION ABOUT ORGANIC FOODS

To understand the consumer perception of organic foods eleven parameters have been taken into consideration.

Table no. 2 clearly indicates that about 53 percent of the respondents agreed that they liked the organic products but at the same time expressed that they were expensive. Little less than half of respondents were neutral whereas 7 percent disagreed that they were expensive.

Table-2

Consumer's perception about organic foods:

Sl. No.	Parameter	Responses in Percentages		
		Agree	Neutral	Disagree
1.	Good but expensive	53	41	7
2.	Availability at right price	23	54	24
3.	Ready to buy at high price	25	61	14
4.	Satisfaction	48	49	3
5.	Not easy accessibility	31	54	15
6.	Non availability of range of varieties	24	65	11
7.	Right information on the pack	38	56	7
	Sufficient knowledge with retailer			
8.	Superior taste of the organic product	19	63	18
9.	Authenticity of being organic Difficulty in cooking	28	64	9
10.		17	73	10
11.		14	64	23

Little more than half of respondents were neutral to organic product being available at right price perhaps because they realized that organic comes at a premium. About 20 percent showed agreement - an index of greater willingness to pay premium. The disagreement to organic food being rightly priced was 24 percent.

To the question whether the respondent is willing to buy organic product despite the high price, about 25 percent agreed whereas 14 percent disagreed. Large percentage 61 percent of the respondents remained neutral.

The perception with regard to the price indicates that while the organic products are liked, the prevalent price is perceived to be on the higher side. However given the reasons to purchase organic foods, it appears that premium is chargeable.

With respect to the consumer satisfaction from the use of organic products, nearly half of the respondents remained non-committal whereas 48 percent of the respondents were very satisfied with its use which is a very good sign indicating the future potential for organic products.

About 31 percent of the respondents felt that it was quite difficult to procure organic products whereas 54 percent were neutral about the difficulty in getting them. The response reflects the fact that the consumers had a tough experience in procuring them or sometimes they failed to get them.

24 percent of the respondents agreed that variety or range of organic food products was not available and only 11 percent disagreed with the statement. Majority of the respondents remained neutral. Availability of range of organic foods especially in the fruits and vegetables category is a difficulty faced by retailers of organic food as the organic cultivation is not done on a large scale as well as the supply chain for the produce is not developed.

Proving the authenticity of the organic product by providing right information on its pack and narrowing down of the suspicion about the new foods will build confidence level in the consumer. Nearly 56 percent of the respondents remained neutral about pack giving the right information. About 38 percent consumers believed the authenticity of information on the pack. Only 7 percent disagreed with credence about information on pack.

The consumer would be keen to gauge the retailer's knowledge when it comes to the new foods/health foods/organic foods. 19 percent of the consumers agreed that the retailer was knowledgeable about organic products. Whereas,18 percent disagreed with the same. About 63 percent remained neutral, which means the retailer is not playing a major role in the purchase decision of consumers.

About 28 percent of the respondents agreed to the taste difference and expressed its superiority over non-organic produce. About 9 percent disagreed that there was any difference in the taste. Whereas, 64 percent respondents remained neutral.

Nearly 73 percent of the respondents were neutral about the authenticity of organic foods. Though 10 percent of the sampled respondents disagreed that it was authentic, but 17 percent believed in its authenticity. The biggest challenge for organic products is to prove that they are really organic and gaining consumers trust, confidence and belief. Only a small percent of the respondents could be brought into the ring of confidence and were accepting authenticity. Whereas still a majority of consumers remained neutral and 10 percent expressed their fear about whether the products prove to be really organic. Therefore an assurance in favor of truth requires great attention.

With regard to the convenience in cooking the organic product, the recipes offered are carefully developed to avoid over cooking/contamination etc. About 14 percent of the consumers felt that it was more difficult to cook whereas 23 percent disagreed with any difficulty in cooking the organic products. About 64 percent remained neutral with respect to the parameter, difficulty in cooking of organic foods.

SUGGESTIONS

Most of the consumers are concerned about very few supply points and absence of range of varieties. As reasonable percentage of consumers expressed their satisfaction about organic products this parameter may be encashed for further improvement in the demand. Consumers expressed their likeness but felt that accessibility is a very important criteria for the consumer, and as more consumers were expressing difficulty in procurement it is the major concern which needs to be overcome.

The consumers attached high importance for the information on pack. A good number of respondents agreed to the superiority in taste. Hence providing sufficient and right information would be very beneficial. The level of insecurity is quite high with regard to the certainty of the product being authentic or not. Designing and implementing awareness programmes for the consumers and potential consumers would lead to increased demand for the products as well as an assurance for the consumers. The study also revealed that the retailers or the staff working in these outlets is not playing a major role in buying decision of the consumer. For new food products, explaining the benefits to the customers and having knowledge about the products is very important. Hence the retailers, universities and other related institutes can take up measures to train the staff in these aspects.

Improving the range of products available is necessary. The outlets can stock certain grains, cereals and attas apart from vegetables and fruits. A separate section for dairy, poultry and aqua products will also be beneficial to the customers as well as the outlets.

The outlets can put a display chart to show the difference in price of organic foods and non-organic foods on a daily basis and can also show the difference in monthly food budget to a household on shifting to organic food; emphasizing the benefits of organic food. This way customer will feel that the premium they are paying is worth the benefits they are deriving.

Therefore the study concludes that educating the consumer seems to be the single largest requirement. A good amount of sales promotion is required to convert experimenters into regular buyers. The premium pricing can be brought down by building up sales volumes. Quality assurance labels and certification can play an important role in attaching credibility and assurance. Instead of separate outlets organic foods can be sold in the already established retail chains to take advantage of already available infrastructure. This way India can evolve into a unique market model with very large middle class population preferring organic foods with moderate premiums.

CONCLUSION

The market for organic food is nascent and there is immense potential for development; given the increasing consciousness about the health and fitness among people and the raise in the disposable income. The outlets that are selling these products are very few and the quantities they store especially of perishable food items are low. Creation of new channels of supply chain to procure and market organic foods, developing measures to authenticate organic produce and educating the customers must be the priority of policy makers as well as retailers.

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