



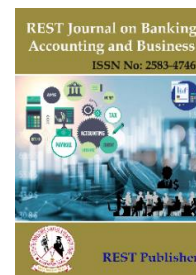
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Impact of Consumer Perception on the Demand of Organic Products

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Abstract: This research investigates the relationship between consumer perception and the demand for organic products. As sustainability and health consciousness continue to shape consumer choices, understanding the factors influencing their perception becomes crucial for the organic industry. The study employs a mixed-methods approach, combining surveys and interviews to analyze consumer attitudes towards organic products. Examining factors such as perceived health benefits, environmental impact, and trust in organic certification, the research aims to unveil the drivers and barriers impacting consumer perception. Additionally, it explores the influence of marketing strategies on shaping consumer views.

Keywords: Consumer perception, organic products, demand analysis, sustainability consumption.

1. INTRODUCTION

Organic products refer to food items that are produced using methods that do not involve the use of synthetic pesticides, fertilizers, and other harmful chemicals. These products are grown in a natural environment and are free from genetically modified organisms (GMOs). Organic farming practices are designed to protect the environment, promote biodiversity, and improve the quality of the soil, air, and water. Organic products have gained popularity due to their perceived health benefits and environmental sustainability. They are commonly found in grocery stores and farmers' markets and are used in a variety of recipes and cuisines.

Organic groceries include fresh fruits and vegetables, dairy products, meats, and other food items that are produced using organic farming methods. Organic products can also include personal care and household items such as cleaning products, clothing, and bedding. Organic products are becoming increasingly popular as consumers become more aware of the potential health and environmental risks associated with conventional farming and manufacturing practices. By choosing organic products, consumers can support a more sustainable and environmentally friendly food and product system while also reducing their exposure to potentially harmful chemicals.

India has been witnessing a surge in demand for organic groceries and products in recent years. The organic movement in India has been gaining momentum owing to the growing awareness about the benefits of consuming organic food and the negative impact of conventional farming practices on the environment. The organic food industry in India is still in its nascent stage, but it is rapidly growing as consumers are becoming more health-conscious and environmentally aware. The organic market in India is expected to grow at a CAGR of 23% from 2020 to 2025, driven by increasing consumer demand and favorable government initiatives. Organic groceries and products are now widely available in India, with several online and offline stores offering a range of organic food items, personal care products, and household items. Organic products are also sold at local farmers' markets and also online.

Origin of Organic Products in India: Organic products in India have been produced and consumed for centuries, with a focus on natural agriculture, herbal medicines, and Ayurvedic practices. They also constitute all the important ingredients that are required to be incorporated into our daily diet. Organic farming has been practiced

in India for centuries, with farmers relying on traditional knowledge and sustainable practices to produce food. Today, organic products in India are conveniently and widely available in stores and also online.

2. REVIEW OF LITERATURE

The following works of literature were reviewed to gather relevant information required for the topic.

A Study on the Organic Food Industry: Consumer Perception (May 2020) published by Roshny Munshi, Sakshi Agarwal, Saurav Radia, Shaili Makwana, and Soham Agarwal. This research article focuses on studying consumer perception towards organic food in Western Mumbai. It was conducted to study the motivations, barriers, awareness levels, and demographic characteristics of the population.

Organic Food Products: A study on perception of Indian Consumers (February 2019) published by Dr. N. Savithri and B. Lavanya. This research article focuses on extracting certain facts about consumers' perceptions of organic food products.

In a study conducted by Hughner et al. (2007), the authors found that consumers' perceived health benefits, environmental benefits, and taste were the most important factors influencing the demand for organic products. The study also found that consumers who have a positive perception of organic products are more likely to buy them than those with a negative perception.

Similarly, Aertsens et al, (2009) conducted a survey in Belgium to understand the impact of consumer perception on the demand for organic products. The study found that consumers who have a positive perception of organic products are more likely to pay a premium price for them.

In a more recent study, Chrysochoidis et al. (2012) found that consumers' perception of organic food safety and healthiness positively influenced their willingness to pay for organic products. The study also found that consumers who perceived organic products to be more environmentally friendly were more likely to buy them.

A study by Luchs and colleagues (2010) found that consumer perception of the health and environmental benefits of organic products positively affects their purchase intention.

A study by Eom and colleagues (2013) found that consumers who perceive organic products as healthier are more likely to purchase them.

Another important factor that affects the demand for organic products is the perception of environmental benefits. A study by Padel and Foster (2005) found that consumers who perceive organic farming as environmentally friendly are more likely to purchase organic products.

Other studies have found that consumers' perception of the quality of organic products can also drive demand. For example, a study by Gracia and de-Magistris (2008) found that consumers' perceived quality of organic products was a significant determinant of their willingness to pay a premium for them.

In addition, studies have examined how other factors, such as price and availability, can influence consumer perception and, in turn, demand for organic products. A study by Tarkiainen and Sundqvist (2005) found that a lower price and greater availability of organic products can increase consumer perception of their value and positively impact demand.

Also, personal values and attitudes towards sustainability also play a significant role in shaping consumers' perception of organic products. For instance, a study by Thogerson and Olander (2006) found that consumers who have pro-environmental attitudes are more likely to purchase organic products, while consumers who prioritize price and convenience over environmental concerns are less likely to do so.

Moreover, demographic factors such as age, education, and income also influence consumers' perceptions of organic products. For instance, older consumers and those with higher education and income levels are likely to purchase organic products (Janssen and Hamm, 2012).

Finally, studies have also examined the impact of demographic factors on consumer perception and demand for organic products. For example, a study by Aertsens and colleagues (2009) found that age, income, and education

level were all significant predictors of consumer perception and willingness to pay a premium for organic products.

Objectives of the study:

- To identify the consumer’s perceptions of organic products in the market.
- Analyze the effect of consumer perception on the demand for organic products.
- To find out the relationship between consumer perception and the willingness to pay a premium price for organic products.

Methodology: The primary data for this research was collected with the help of a structured questionnaire which includes close-end questions only. In the survey that was conducted, 30 responses were collected from people belonging to different age groups. The secondary data required for this research was collected from various websites, literature reviews, and previous research

3. ANALYSIS AND INTERPRETATION

Following are the results from the survey conducted:

Out of the 100 people who responded, the majority of the responses are from students belonging to the age group of 18-24 with a monthly income ranging from 0- 20,000. A diagrammatic representation of the demographic data collected is shown below:

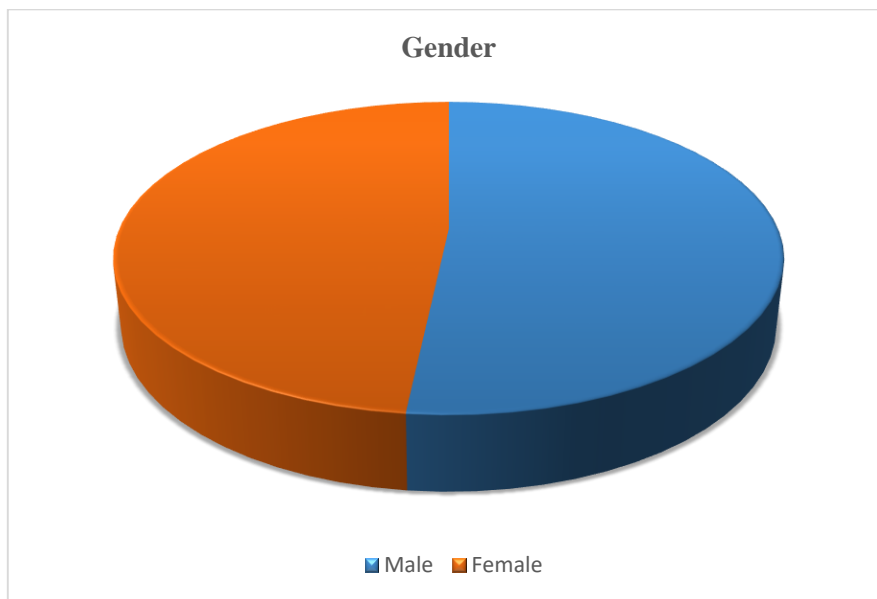


FIGURE 1. Demographic Data (Gender)

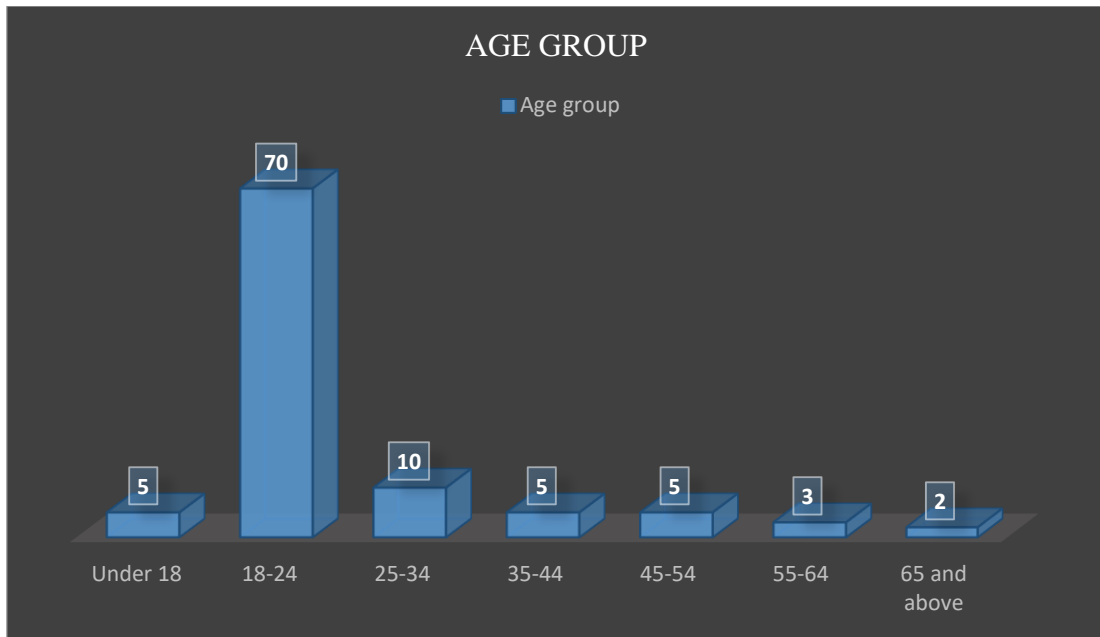


FIGURE 2. Demographic data (Age group)

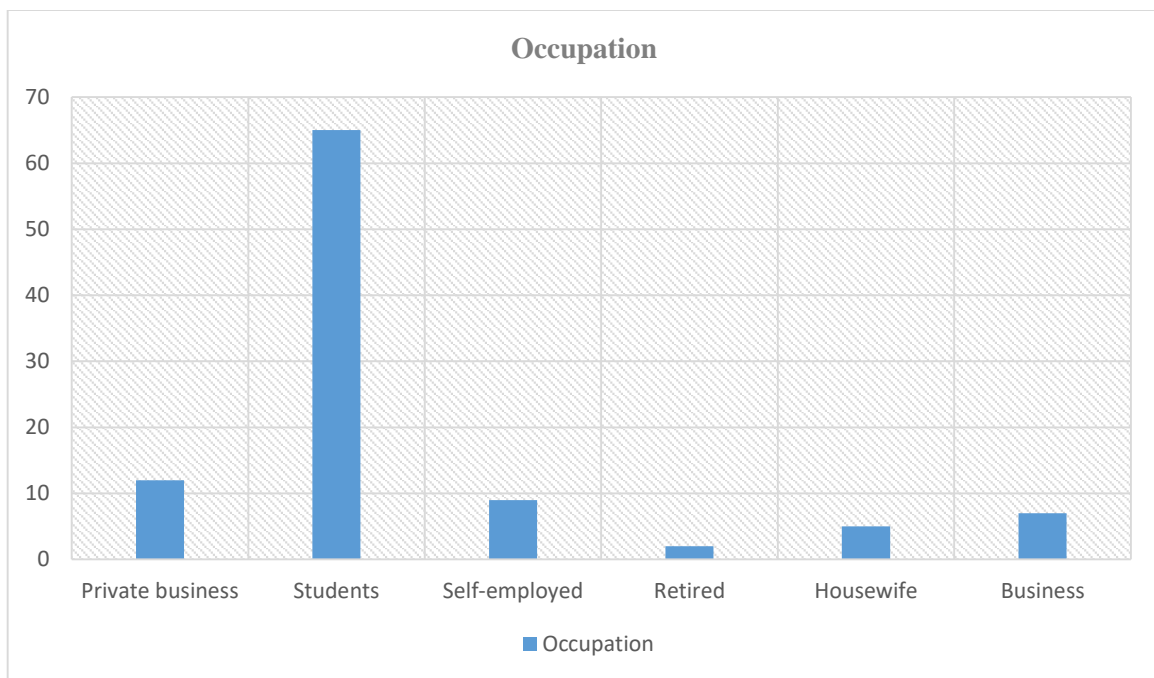


FIGURE 3. Demographic data (Occupation)

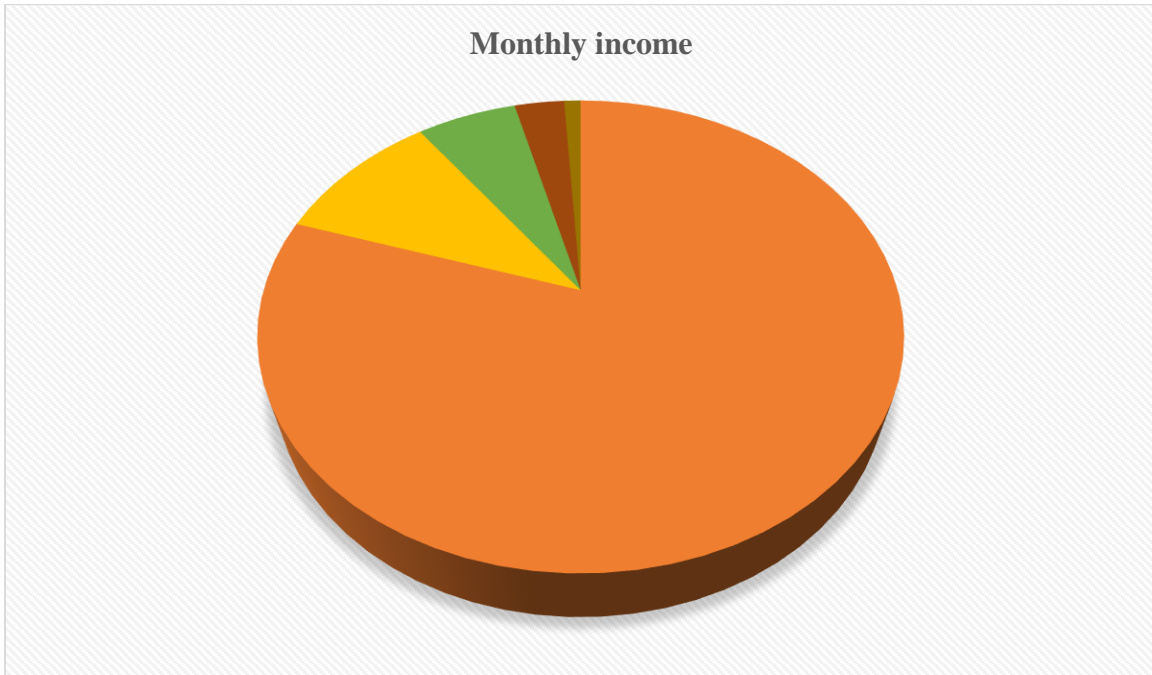


FIGURE 4. Demographic data (Monthly income)

When asked about their source of information on organic products, 57 people responded that they became aware of organic products through various social media platforms. 20 people through television advertisements, 10 people heard about organic products from their family members, 8 people from a magazine or newspaper advertisement, and 5 people from various educational events.

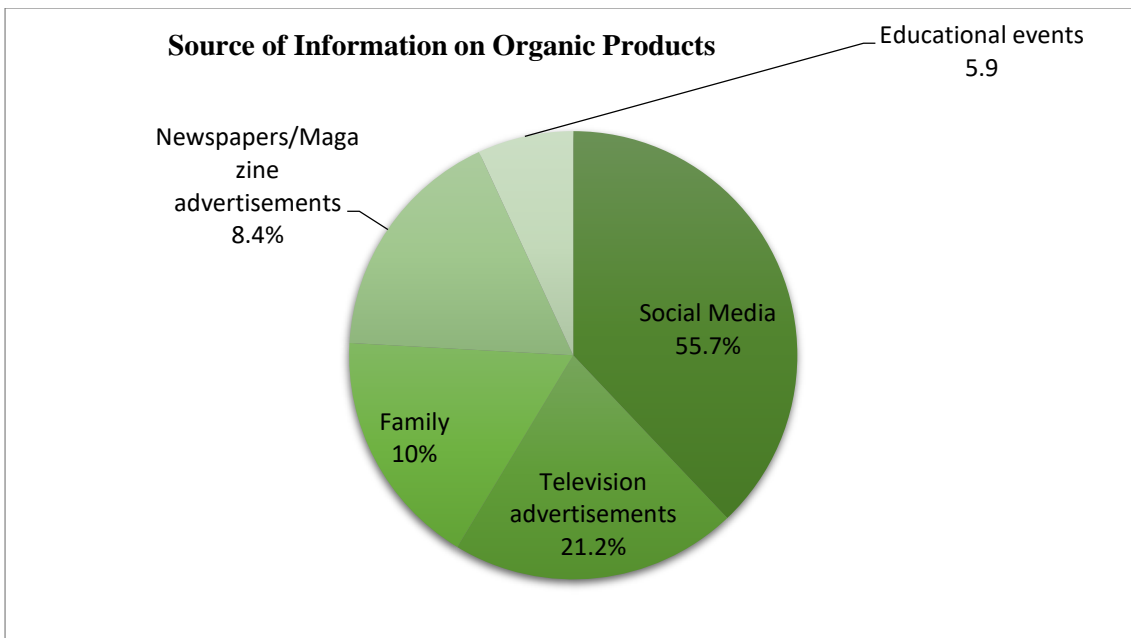


FIGURE 5. Source of Information on Organic Products

An important point that was noticed while conducting the survey was that the majority of the respondents have not used any organic products, in other words, it might also mean that they prefer conventional products over organic products.

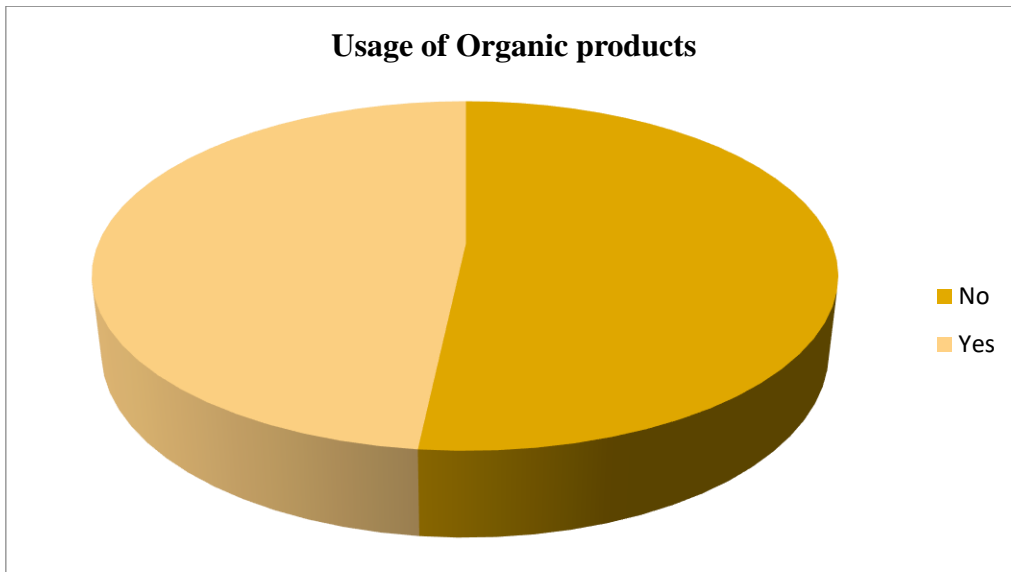


FIGURE 6. Usage of organic products.

The participants who gave positive responses were asked to specify the organic products that they use. It mainly consisted of organic vegetables, fruits, and cosmetics that are made of organic ingredients.

The respondents were asked about the factors that influence their purchase decision while opting for organic products, in 64 out of 100 respondents informed that the health benefits that these products offered influenced their purchase decision. 32 people opined that the quality of these products is better compared to that of the conventional products and 4 people decided to buy these products out of environmental concerns. Taste was also given as an option while conducting the survey, but none of the participants went for that option.

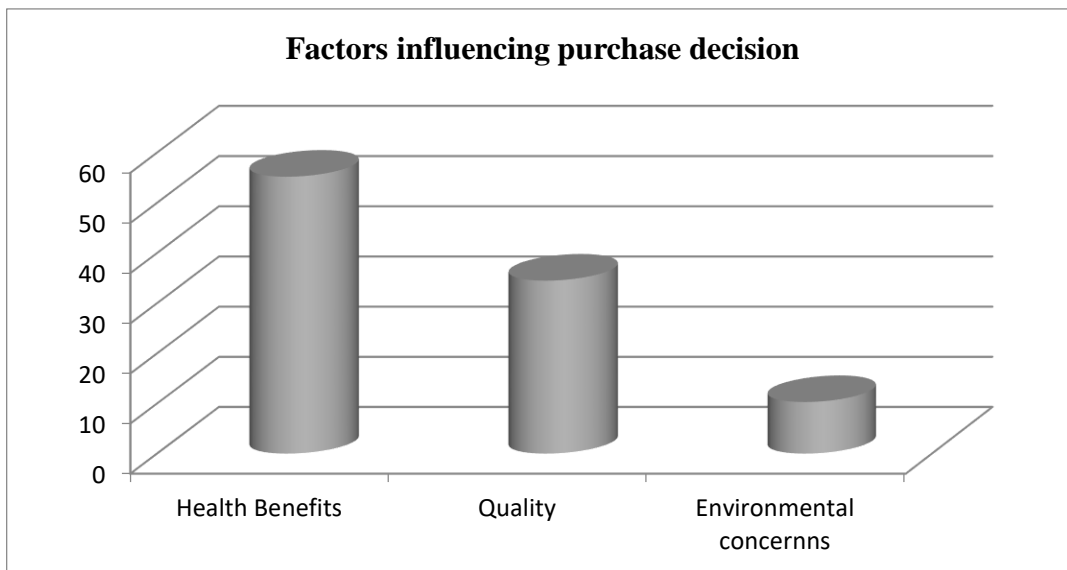


FIGURE 7. Factors influencing purchase decision.

When asked how frequently they purchase organic products, 62 participants responded that they rarely purchase organic products, 23 people responded that they frequently purchase them and 15 participants responded that they have never purchased organic products.

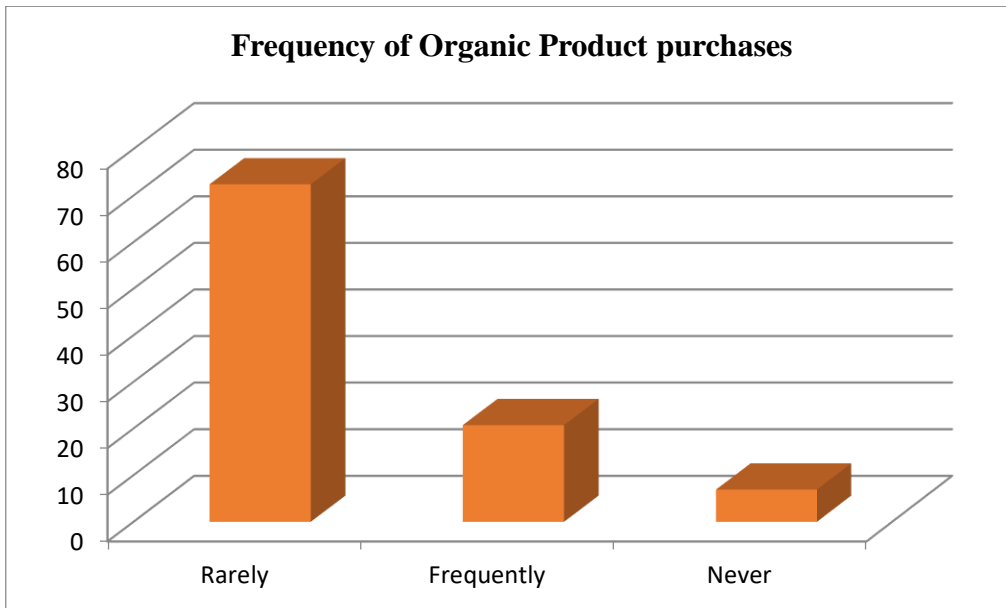


FIGURE 8. Frequency of Organic product purchases.

The participants were also asked to rate the products from a range of 0 to 10. The majority of them gave a positive response by rating them with a score of 10.

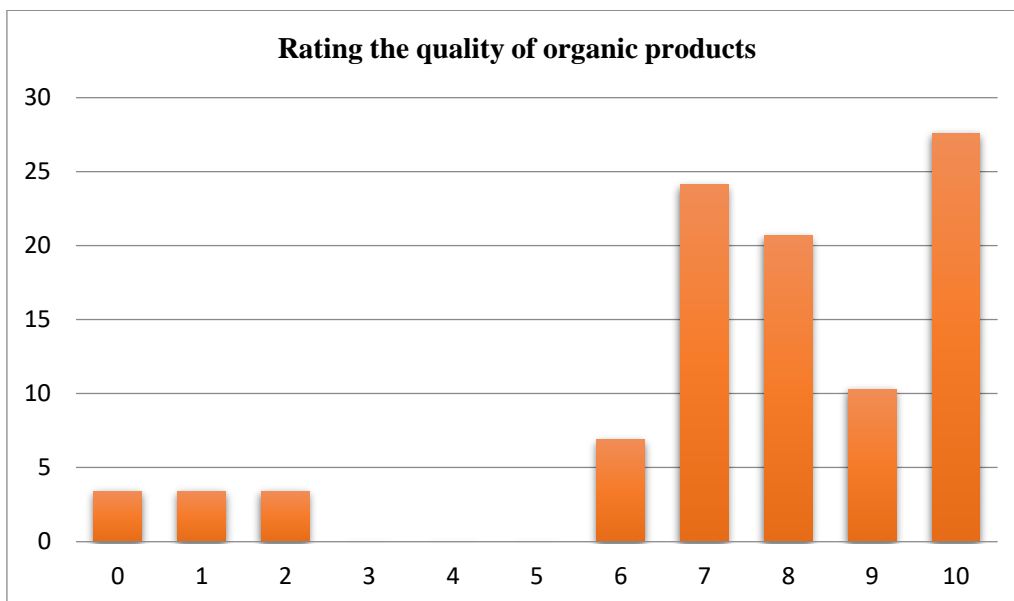


FIGURE 9. Rating the quality of organic products.

When asked whether organic products are worth the extra cost, 66 out of 100 participants were not so sure about their answers, 25 participants gave out positive responses and 9 of them gave a negative response.

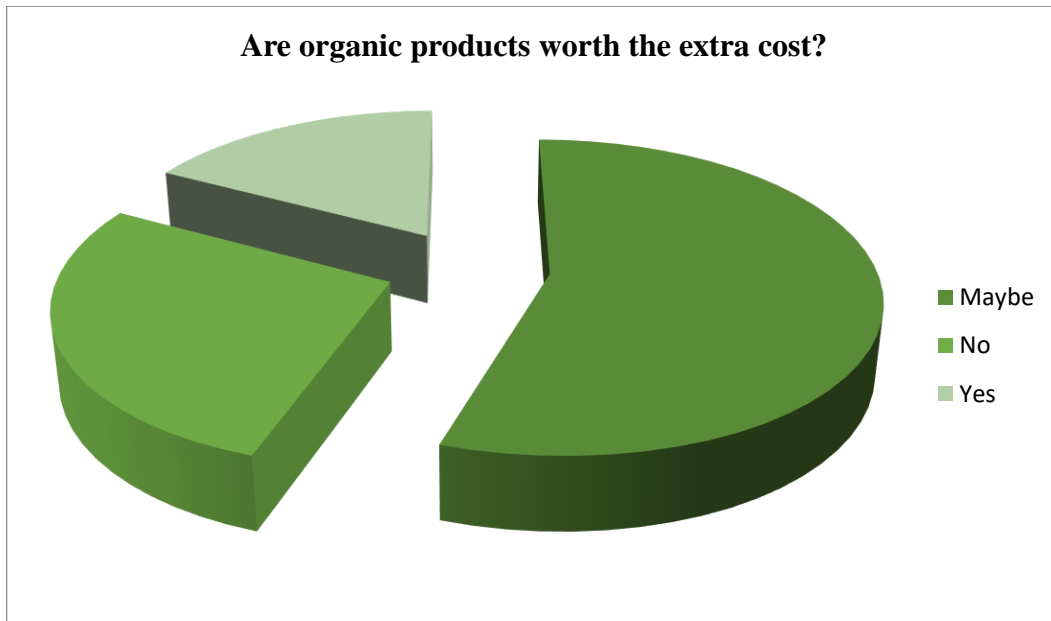


FIGURE 10. Are organic products worth the extra cost?

The participants were also asked whether the organic products were healthier than the conventional products. To this question, 87 of them gave positive responses while the remaining 13 respondents were not sure about their answers.

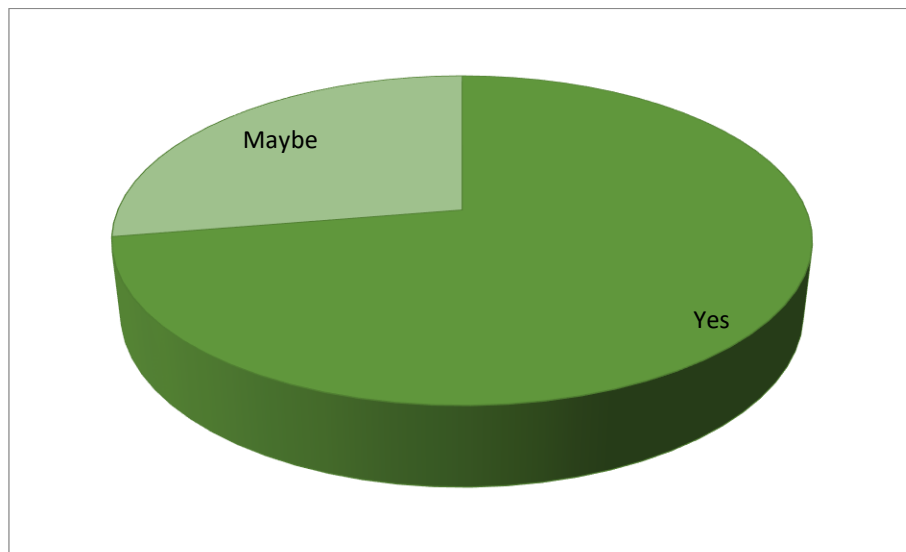


FIGURE 11. Are Organic products a healthier option?

When asked whether the environmental impact of these products influences their decision to purchase them, 80 out of 100 participants gave a positive response, 10 gave negative responses, and the remaining 10 were not very sure about their responses.

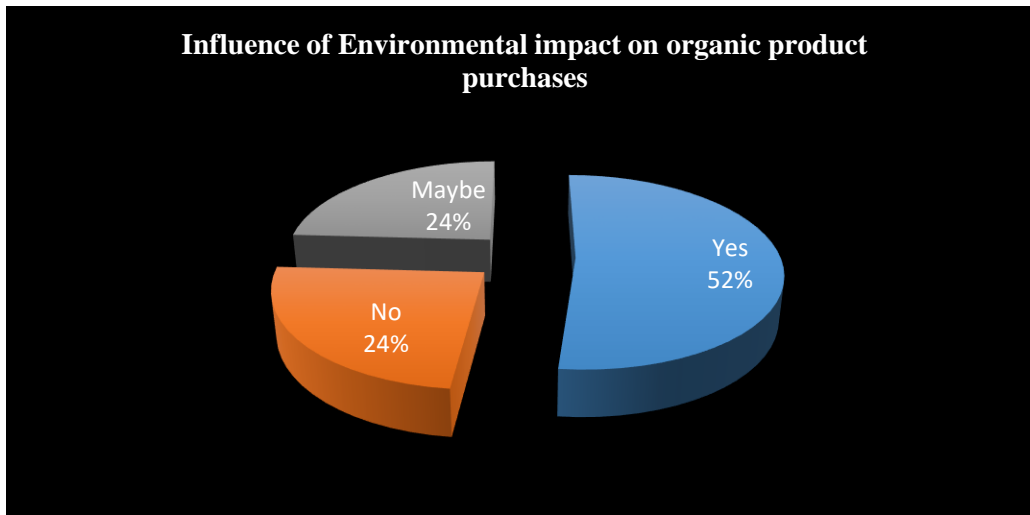


FIGURE 12. Influence of Environmental impact on organic product purchases.

4. CONCLUSION

Therefore, from the above analysis, it can be concluded that the consumer's perception of organic products has a significant impact on their demand. Consumers are willing to pay more for these products due to concerns about health, environmental sustainability, and animal welfare. These products are perceived as being healthier and of higher quality than their conventional counterparts, and these factors have driven their popularity among people. The increasing demand for organic products has led to an expansion of the industry and greater availability of organic products. As long as the positive perception of organic products continues, the demand for these products is likely to remain strong.

Suggestion: Consumer perception plays a central role in driving the demand for organic products, shaping market trends, and influencing purchase decisions. As consumers increasingly prioritize health, sustainability, and ethical considerations, the demand for organic alternatives is expected to continue growing. By understanding and leveraging consumer perception, businesses can effectively position themselves within the thriving organic market, meeting evolving consumer perception while contributing to a more sustainable and health-conscious future.

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