

A STUDY ON PERCEIVED KNOWLEDGE TOWARDS ORGANIC PRODUCTS

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ABSTRACT :

Now a days, growth in organic markets in the country for a number of reasons. They may be related to changes in consumers' lifestyles or the growth in awareness of consumers regarding food quality. Organic farming is often considered by consumers as environmental friendly, and this may result in more attention given by consumers to organic farming. Growth in the popularity of organic farming can be also connected to a number of policies which have aided the development of the organic sector. Organic agriculture was often promoted by a lot of countries in their domestic policies, for example, by financial subsidies for organic farmers, specific extension activities or promotion in media. This study deals with how perceived risk, perceived price, perceived quality leads the consumers towards the perceived knowledge towards Organic products.

Key Words: Organic farming, environmental friendly, financial subsidies.

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INTRODUCTION

The increased consciousness towards healthy lifestyle has seen organic farm production and trade emerging as an important sector in India as in other parts of the developing world. Organic food is grown with nil or minimal use of chemical fertilizers and pesticides and in its processing no chemical, artificial color or flavoring is used either as processing aid or as additive. These foods are cultivated using organic manures, bio-fertilizers and bio-pesticides. Organic products are being seen as a natural choice by consumers and producers. Increasing awareness towards nutritious, tasty and healthy food and changing lifestyle are surging the demand for organic food, particularly across the metro cities which has nearly quadrupled the size of organic foods in India in the last few years.

ORGANIC PRODUCTS:

Organic products are grown under a system of agriculture without the use of chemical fertilizers and pesticides with an environmentally and socially responsible approach. This is a method of farming that works at grass root level preserving the reproductive and regenerative capacity of the soil, good plant nutrition, and sound soil management, produces nutritious food rich in vitality which has resistance to diseases.

ORGANIC PRODUCTS AND ITS PRINCIPLES

Organic product has longer served being the dominant from the agriculture since ages past. It was only recently in the first In India, organic farming has grown many folds and number of initiatives at Government and Non- Government level has given it a firm direction. By 2011 India had brought more than 9.2 million hectare of land under certification. Growing awareness, increasing market demand, increasing inclination of farmers to go organic and growing institutional support has resulted into phenomenal growth in total certified area during the last five years. As on March 2012, total area under organic certification process stood at 12.01 lakh ha and the overall market potential is estimated to be around Rs.1452 crore. As per Food and Agriculture Organization organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved. The overall definition is further specified in four guiding principles, Health, Ecology, Fairness and Care.

OBJECTIVE OF THE STUDY:

The following are the Objective of the study,

- (i) To study the perceived knowledge among the consumers of Organic products
- (ii) To evaluate the factors that facilitates the perceived knowledge towards Organic products.

REVIEW OF LITERATURE:

Perceived knowledge explain how individuals develop an understanding of the motivations behind their own behavior. Perceived knowledge by customers relates to values and motivations that drive buying behavior -- which is also an important aspect of consumer perception.

Stages of Perception in Organic Products:**Sensation**

Sensation describes what occurs when a person's senses are initially exposed to the external stimulus of a Organic product .The sensory receptors of a consumer are engaged by product or brand cues through sight, sound, smell, taste and texture.

Attention

In consumer information processing, attention occurs when a person lingers and gives mental processing capacity to the external stimulus from a product or brand. Selective perception is when a consumer pays attention to messages that are consistent with her attitudes, beliefs and needs. When a product is inconsistent with these factors, the consumer will withdraw attention.

Interpretation

Interpretation occurs when a person assigns a meaning to the sensory stimulus from a Organic product. Comprehension is aided by expectations and familiarity. A consumer scans his memory to retrieve previous experiences with the brand products or an Organic Products. Store frequently capitalizes on the interpretation stage when product packaging design contains logos, colors and other elements that consumers are generally more familiar with.

Retention

The conclusion of the consumer perception process is the retention stage. This is marked by the storage of product or product information in short-term and long-term memory. The

marketer's goal is to provide positive stimuli in the proceeding stages that translate into consumers storing the information about the organic product into long-term memory.

Budi Suprpto and Tony Wijaya (2012) has found that that healthy consumption life style are a good predictor for attitude toward organic food, meanwhile attitude toward organic food directly influence to purchase intention toward organic food.

Aertsens (2011) revealed that objective knowledge regarding organic vegetables is high. Attitudes towards the consumption of organic vegetables are generally positive. The strongest motivations for consuming organic vegetables are that they are produced without synthetic pesticides, are better for the environment, healthier, of higher quality and taste better. The strongest perceived barriers are overly high prices and lack of availability.

Rana,(2012) the results indicate that health, availability and education from demographic factors positively influence the consumer's attitude towards buying organic food. Overall satisfaction of consumers for organic food is more than inorganic food but the satisfaction level varies due to different factors.

Seyed (2010) states that organic farming systems differ from conventional systems in several aspects such as no artificial pesticides or fertilizers are used on organic farms, organic farms generally have a wider crop rotation scheme, and also have larger areas of non-crop habitats.

Weng Marc Lim, Juliette Li Shuang Yong and Kherina Suryadi (2014)says that the consumers who perceive a positive value with regard to organic food are more willing to purchase organic food, in which health was the primary perceived benefit. For consumers who perceive a negative value with regard to organic food, they are less willing to purchase organic food .

Mohd Rizaimy Shaharudin, Jacqueline Junika Pani, Suhardi Wan Mansor, Shamsul Jamel Elias (2010) explains that only perceived value and health consciousness influenced the customer purchase intention. However, food safety concern and religious factors were found to have less impact on customer purchase intention. Perceived value was found to have significant impact towards the customers' willingness to purchase organic food products.

Dacinia Crina Petrescu and Ruxandra Malina Petrescu-Mag (2015) describe that environmental consciousness of organic food consumers in terms of organic food shows a high percentage of consumers believe that organic food is healthier than conventional food and that it

contributes to environmental protection more than conventional food . Also it was observed that between people with higher education and those without higher education concerning belief that most people consume organic products because they are in fashion and belief that organic food contributes to environmental protection.

Lancaster's (1966) model also addresses how the characteristics of goods can be substituted when relative prices change. A price premium paid for the characteristics of organic foods suggests that consumers place a higher value on such attributes compared to conventionally-produced alternatives. According to Lancaster (1966), a good which does not possess all the characteristics a consumer desires cannot be a dominant good no matter how low its price, while a good that has characteristics not possessed by any other good cannot be inefficient no matter how high the price.

Valarie A. Zeithaml (1988) suggested that Perceived quality is (1) different from objective or actual quality, (2) a higher level abstraction rather than a specific attribute of a product, (3) a global assessment that in some cases resembles attitude, and (4) a judgment usually made within a consumer's evoked set.

McQuitty et al., (2000) explains that Satisfaction plays the vital role in marketing because it is a good predictor of purchase behavior various theories have been developed in an effort to determine the construct and explain satisfaction in different compensation in products/services. Product Perceived Quality and Purchase Intention with Consumer Satisfaction.

Rao and Raghu Nathan, (1997) showed that the product quality is to understand and measure the requirements of the consumers. The evaluation of product by customer after the use is known as purchase intentions. The behavior is viewed as a key for Predicting consumers' purchasing behaviors as well as their intentions.

Aaker , (1996) says that the perceived quality predicts the level for the quality of entire product. There were past studies that exposed indirect influence between perceived product quality and purchase intentions through mediating variable of customer satisfaction.

RESEARCH METHODOLOGY:

Researchers have used Descriptive research design in the study. A structured questionnaire is used, and a five point balanced Likert Scale is used for measuring the influence

of green marketing on perceived knowledge of Organic products . Cronbach Alpha Index is used for checking the validity and reliability of hypothesis and corresponding questions in the questionnaire.

ANALYSIS AND INTERPRETATION:

Traditionally, the Cronbach alpha co- efficient has been to evaluate reliability. The reliability analysis of the Organic products was computed by using alpha technique,

S.No	Dimensions	Cronbach's Alpha Value
1.	Perceived Risk	0.888
2.	Perceived Price	0.819
3.	Perceived Quality	0.701
4.	Overall Perceived Knowledge	0.764

The reliability coefficient for the variables chosen for the study should have to be more than 0.70 to consider it as an acceptable value. The factors and dimensions included for analysis carry a good degree of reliability to support the objectives formulated. Hence it is concluded that the data collected in this study is highly reliable.

KMO :

The KMO measures the sampling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed. Kaiser –Meyer –Olkin (KMO) measure of sampling adequacy is an index for comparing the magnitudes to the partial correlation coefficients .Large values of KMO measure indicates that a factor analysis variable is a good idea.

<u>KMO and Bartlett's Test</u>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.565
Bartlett's Test of Sphericity	578.231	374.951
	190	105
	.000	.000

The sample is worth enough to measure variables. Hence the above test shows the unique and homogenous.

FACTOR ANALYSIS:

Total Variance Explained						
Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.816	32.108	32.108	3.629	24.194	24.194
2	2.516	16.770	48.878	3.314	22.094	46.288
3	2.312	15.415	64.294	2.223	14.819	61.107
4	1.777	11.848	76.141	1.953	13.023	74.130
5	1.111	7.407	83.548	1.413	9.418	83.548
6	0.690	4.599	88.147			
7	0.521	3.473	91.620			
8	0.354	2.357	93.977			
9	0.290	1.934	95.911			
10	0.212	1.415	97.326			
11	0.180	1.198	98.524			
12	0.103	0.685	99.209			
13	0.063	0.422	99.631			
14	0.038	0.250	99.881			
15	0.018	0.119	100.00			

In the above table it clearly shows that when Perceived Risk , Perceived Value and Perceived Quality were extracted and rotated the total variance explained is 83.548.

When perceived risk, perceived price and perceived quality are analyzed through rotated component matrix, below are the factors that influence the perceived knowledge of the consumers towards Organic products.

S.No	Factors
1.	The price of Organic Product are expensive
2.	The Price of Organic Products are higher than my expectation
3.	The Quality of Organic Products are superior
4.	The Quality of Organic Products are stable
5.	The Quality of Organic Products are high
6.	The Quality of Organic Products are effective

FINDINGS:

- ❖ Factors like The price of Organic product are expensive , The Price of Organic products are higher than my expectation , The Quality of Organic products are superior , The Quality of Organic products are stable , The Quality of Organic products are high , The Quality of Organic products are effective
- ❖ The main problems of organic consumers are irregular availability of organic products. Sometimes, the organic consumer would purchase non organic products along with organic products.
- ❖ Organic products are too expensive than non-organic products. So that the organic consumers are not to purchasing more quantity of products.
- ❖ The varieties of organic products which are available in the market are limited.
- ❖ There is a lack of awareness about organic products to consumers.
- ❖ The organic products shops are limited in the city

SUGGESTION:

Based on the suggestion provided by the respondents and with the help of various secondary sources, the following suggestions have been made by the researcher ,

- ❖ As suggested by Indian Organic Trade Association (OTA) , with the help of Indian railways , a “Vegetable Wagon “can be attached to each passenger train to transport Organic vegetable from one part of the country to another . Hence the considerable transportation charges and wastage can be minimized for the producers and for the consumers and there can be reduction in premium. The vegetable will bridge the gap of demand and supply of Organic vegetables.

- ❖ In India, The Indira Gandhi National Open University (IGNOU) ,in the collaboration with the Agriculture and Processed Food Products Exports Development Authority (APEDA) , Ministry of Commerce ,is conducting a six months certification course in Organic Farming programme to Impart knowledge and proficiency in Organic production practices ,certification process and marketing of organically produced agricultural products . The main aim is to promote self employment for income generation. Like IGNOU , a core course can be introduced on the concepts and practices related to Organic Farming in the Under graduate and post Graduate Programmes at different State Agricultural Universities and other allied research institution to encourage Organic food sector .
- ❖ Now a day's many retail shops and department stores are saving the time of the consumers by delivering the food product directly to their house. Hence to increase the supply of Organic food products and for consumer's convenience, a door delivery system can be initiated by the retail outlets. This system can be used as an effective tool in high end segment of marketing for Organic food products.
- ❖ Intensive awareness and special training programmes should be conducted to the peoples like doctors, nutritionist, dietician etc., who have frequent contact with the people, so they can motivate the consumers to purchase Organic food product for their better health. A one day health meeting can be arranged with those persons to deliver a lecture about the Organic food products and its benefits to the people.
- ❖ As quality is the most important aspect in Organic food products, the role of certification needs special attention. The capacity building programme must focus on observing international Organic standards and based on the national organic standards should be established to ensure is quality.

CONCLUSION:

In India, Organic food sector are ready to take the center stage but the need of the hour is to chalk out a definite nationwide strategy to ensure a balanced growth of supply and demand in domestic market, Thus marketers should analyze the behavior of consumers and weed out all the obstacles preventing them from purchasing Organic food products . The future of Organic Sector in India seems to be very bright and the concept of an Organic lifestyle is here to

stay. Various policies supporting Organic food sector should be enacted by the policy maker to overcome exiting challenges and to utilize the possible favorable opportunities prevailing in this field. Organic food sector is the right platform for the producers, retailers, marketers and consumers to come under one roof with a belief to serve the society and human to lead a healthy and peaceful life.

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