

Changing Patterns in Buyers Behavior due to Introduction of Organic Food” over Conventional Food

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Abstract

Purpose—The aim of this paper is to identify consumers' attitudes and behaviour towards organic products and their acceptance of the new trend.

Consumers seem to be informed about environmental and health issues. They seek information about the nutritional value of food and demand more products free from chemical residues. The results show that most consumers associate organic consumption mainly with fruits and vegetables. Although demographics seem to affect attitudes towards organics, their value in explaining actual behaviour is minimal. Given the complexity of consumer decision making, future research should explore the other value trade-offs that consumers make.

Organic foods are foods produced by organic farming. While the standards differ worldwide, organic farming in general features cultural, biological and mechanical practices that foster cycling of resources promote ecological balance and conserve biodiversity. Currently, the European Union, the United States, Canada, Mexico, Japan and many other countries require producers to obtain special certification in order to market food as organic within their borders. And a growing demand in the markets of United States of America and Europe has new business opportunities paved for many small businesses. There is insufficient evidence in the medical literature to support claims that organic food is safer or healthier than conventional food. As more and more consumers are purchasing and embracing this new trend, a rise in small businesses and so called farmers markets is significant. The sale of an organic product has almost twice the price of a conventional product. Even big corporations like Wal-Mart are now bending for the demand and providing organic produce sections to tackle the demand.

Keywords: Organic foods, Food products, Greece, Consumer behaviour, Health, Trends, Market Value.

1. INTRODUCTION

Interest in organic food has grown remarkably as consumers and marketers react to popular media about health and environmental effects of pesticides, genetically-modified organisms, and food safety. This gradual evolution of attitudes toward the origins of the food we eat has not been sufficiently

captured in most of the published literature about food-purchasing behavior. Indeed, the rising popularity of organic foods—a multi-billion dollar global industry with accelerating growth—raises important questions of interest to governments, growers, distributors, retailers, industry planners, and marketers. Among those questions are: i) Who is the organic food consumer? ii) What are the forces and factors driving organic food consumption? iii) What will the organic market look like in the future? iv) What, if any, policies should be implemented to abet this market and consumer welfare? The purpose of this paper is to synthesize the findings of published studies and thereby to begin answering these questions.

Answering such questions requires recognition of the complexity and diversity of consumer decision-making vis-à-vis organics. One must first understand that individuals interpret the term organic in a variety of ways and in a multitude of contexts. Consumer purchase decisions are based on subjective experiences and perceptions of organic foods.

1.1 The global organic market

Published findings have produced commonalities and contradictions and so it is difficult to say with confidence what the size of the global organic market actually is. It is possible, however, to make a number of observations. Firstly, and perhaps most importantly, the organic market is growing; it has increased considerably in recent years and is frequently regarded as one of the biggest growth markets in the food industry. The global market for organic food was estimated at US\$ 20 billion in 2002 (Fitzpatrick, 2002). The market likely will be worth £1.47 billion in 2005 (BoxallQ3, 2000), thus supporting claims that the UK organic food market can now be classified as mainstream rather than a niche market (Palmer, 2001). Despite this global growth in consumer demand and sales, the organic food market is still relatively small. Organic farming globally constitutes a very small percentage of overall farming, as little as one per cent of

farming in most OECD countries. However, organic farming is generally on the rise. In the United States, while conventional farming is decreasing, organic farming is increasing by 12 percent annually. Organic farmers are also beginning to receive more government aid—a trend that is expected to increase in the future (McDonald, 2000). Given the rapid and accelerating growth of the organic food market, an assessment of organic food consumers seems imperative.

1.2 Procedures

The focus of this research is twofold: one, to review and synthesize the research concerned with identifying organic consumers and two, to identify the reasons why consumers purchase and fail to purchase organic food. The volume of research in recent years pertaining to understanding organic consumers and consumer attitudes toward organic food has been immense. As organic food continues to permeate the grocery landscape, it is important that researchers are mindful of what has been learned, as well as the areas that have yet to be understood.

Several steps were used in selecting the literature to be reviewed. First, we conducted a broad, interdisciplinary search for research related to organic food published in the last 20 years (1985–2005). Databases such as ABI Inform Global Edition, AGRICOLA, Sociological Abstracts, PsychInfo, and EBSCO provided hundreds of citations published since 1985, most since 1990. Following Hart's (1998) review guidelines, we then narrowed the focus to include only empirical studies identifying consumers' beliefs about and/or behaviors toward organic food. This means we eliminated all non-empirical—conceptual and editorial—articles. We also eliminated research focused on associated topics, as well as research related to organic farming and production methods. Although conclusions vary substantially across the sample of studies identified we sought common themes that transcended study method or population sampled. Fifteen themes that related to consumers' opinions, feelings, intentions, and/or consumption behavior concerning organic food were identified.

1.3 Organic food consumers

Considerable confusion surrounding the term 'organic' still exists (Chrysochoidis 2000). While many consumers have heard of the term and are aware of its central features—namely, that it is chemical-free—most are unfamiliar with organic farming standards and practices (Davies et al., 1995; Harper and Makatouni, 2002; Hill and Lynchehaun, 2002). Furthermore, variables such as the level of market development, the use of other positively associated food terms (e.g., 'cage-free' and 'natural') Attempts to classify organic food purchasers by income and education have been mixed. Studies have found both negative and positive relationships between these demographic variables and organic food preference (Wilkins and Hillers, 1994; Chinnici et al., 2002; O'Donovan and McCarthy, 2002). In other research, results have been inconclusive

Research has also focused on identifying a more comprehensive, psychographic profile of the regular consumer of organic foods (RCOF). For RCOFs, "organic food consumption is part of a way of life. It results from an ideology, connected to a particular value system, that affects personality measures, attitudes, and consumption behavior. Consequently, organic food consumption is often related to an alternative lifestyle that includes active environmentalism, vegetarianism.

Themes identified among buyers and non-buyers of organic food

2. CONSUMERS'

purchasing motives

Theme 1. Health and nutritional concern

Theme 2. Superior taste

Theme 3. Concern for the environment

Theme 4. Food safety, lack of confidence in the conventional food industry

Theme 5. Concern over animal welfare

Theme 6. Support of local economy

2.1. Deterrents

Theme 7. High price premiums

Theme 8. Lack of organic food availability, poor merchandising

Theme 9. Skepticism of certification boards and organic labels

Theme 10. Insufficient marketing

Theme 11. Satisfaction with current food source

Theme 12. Sensory defects

and/or alternative medicine (Cicia et al., 2002). Research has found that RCOFs are high internal locus of control individuals who believe in self-responsibility for health and are more likely to undertake preventative health action (Makatouni, 2002). In general, RCOFs strongly associate health with diet, believe that eating healthily is more effective than medication in managing illness, and strive to stay abreast of the latest advancements in health and nutrition research (Schifferstein and Ophuis, 1998; Squires et al., 2001). Zanoli and Naspetti (2002) found health to be the most important motive in the purchase of organic foods among both regular and occasional consumers of organic food. For regular purchasers, health attributes were found to be associated with the transcendental values of altruism and ecology; occasional consumers, in contrast, were motivated by personal goals of 'pleasure' and 'getting the most from life'.

Motives for the purchase and non-purchase of organic food Fifteen themes integrate the results of studies explaining consumer attitudes toward organic food. These themes are classified into two broad areas: consumers’ purchasing motives and hindrances to purchasing.

Consumers’ motives

Theme 1: Is healthier The overwhelming majority of studies find ‘health’ to be the primary reason consumers buy organic foods (Tregear et al., 1994; Huang, 1996; Hutchins and GreenhalghQ6, 1997; Schifferstein and Ophuis, 1998; Chinnici et al., 2002; Zanolli and Naspetti, 2002). Consumers buy organic because of their desire to avoid the chemicals used in conventional food production consumers believe organic food to be more nutritious (Jolly, 1991; Hill and Lynchehaun, 2002). Noteworthy, to date there has not been conclusive evidence that organic food is more nutritious (Williams, 2002). Magnusson et al. (2003) find that health concern is a better predictor of the purchase of organic food than concern for the environment, and conclude that egoistic motives are better predictors of the purchase of organic foods than are altruistic motives.

Theme 2: Tastes better Several studies have found ‘taste’ to be among the most important criteria in organic food purchases (Roddy et al., 1996; Schifferstein and Ophuis, 1998; Magnusson et al., 2001). Hill and Lynchehaun (2002) suggest that because of the high prices associated with organic food, consumers perceive organic food to be higher quality than conventionally grown food, which informs their perceptions of taste. Interestingly, Fillion and Arazi (2002) conducted a series of blind taste-tests between organic and non-organic orange juice and milk. They found that organic orange juice was perceived as tasting better than conventional orange juice; however, no differences were found between organic and conventional milk. The authors concluded that the global claim ‘organic food tastes better’ is thus not valid for all organic food categories. Nonetheless, consumers of organic food do perceive taste advantages over conventional alternatives.

Theme 3: Environmental concern Many studies have found environmental concern to be a factor in consumers’ attitudes towards organic foods (Roddy et al., 1996; Wandel and Bugge, 1997; Squires et al., 2001; Soler et al., 2002). Organic consumers view the chemicals and pesticides used in conventional food products as being environmentally harmful, while organic foods are perceived as being environmentally friendly (Ott, 1990; Jolly, 1991; Wilkins and Hillers, 1994). Though environmental concern has been demonstrated to have a favorable influence on consumer attitudes, many studies have found that it is not a driving factor of organic food purchase. Rather, perceptions of good health, nutrients, and taste are more important in the purchase of organic food (Mitsostergios and Skiadas, 1994; Tregear et al., 1994; Schifferstein and Ophuis, 1998; Zanolli and Naspetti, 2002; Magnusson et al., 2003).

Theme 4: Concern over food safety Concern about food safety has also been identified as a reason for the purchase of organically-produced food (Jolly, 1991; Schifferstein and Ophuis, 1998; Soler et al., 2002). Recent food scares such as BSE (mad cow disease), foot and mouth, salmonella, and Escherichia coli 0157 outbreaks have contributed to increasing concerns about conventional food production methods. One study even found that after the September 11 terrorist attacks in the United States, American respondents reported increased intention to purchase organic food (Organic Consumers Association, 2001). Some research has suggested that consumers view organic farming methods to be safer than conventional intensive farming (Lacy, 1992; Kouba, 2003). Of note, many studies did not clearly define the ‘food safety’ construct (e.g., Squires et al., 2001), leaving it to the respondent to develop their own interpretations.

Theme 5: Concern over animal welfare

Expectations of better animal welfare in organic production systems also motivate organic buyers, though to a lesser extent than do health and environmental concerns (Hill and Lynchehaun, 2002; Aarset et al., 2004). Animal welfare is a multi-level construct which contains both nutritional and social components; it is used by respondents as an indicator of food quality, food safety, and humane treatment of livestock

Theme 6: Supports local economy and helps to sustain traditional cooking Some research has found that people have favorable attitudes toward and/or buy organic food because they believe it supports the local economy. This most probably reflects a belief that organic food is locally grown, perhaps by smaller, family-owned farms. Somewhat related, Fotopoulos and Krystallis (2002) note that Greek organic food buyers have strong ethnocentric tendencies in food-related matters and use this as a purchase criterion.

Closing in on the attitude-behavior gap—deterrents to purchase Despite the generally favorable attitudes consumers hold, research has illustrated a discrepancy between consumer attitudes towards organic food and actual purchase behavior (Roddy et al., 1996). As an example, Magnusson et al. (2001) found that between 46 and 67 per cent of the population, depending upon the food category, held positive attitudes toward organic food; however, only four to ten per cent of the same consumers indicated an intention to purchase those foods. The following section is a synthesis of the factors which dissuade consumers from purchasing organic foods.

Theme 10: Rejection of high prices The high price of organic food has been found to be the main obstacle in its purchase (Byrne et al., 1992; Tregear et al., 1994; Roddy et al., 1996; Magnusson et al., 2001; Zanolli and Naspetti, 2002). As a result, willingness to pay (WTP) has been the focus of several studies. Research has found that consumers are willing, at least hypothetically, to pay a premium for organically grown food; however, many are not willing to pay as much as the current market price premiums (Millock 2002).

Few studies have looked at the factors that influence WTP. Soler et al. (2002) found that WTP increases when consumers are presented with information on reference prices for their conventionally produced counterparts.. Hill and Lynchehaun (2002) suggest that the mixed opinions they found about whether organic milk tasted different from conventionally produced milk was based on consumers' perceptions that high price meant better quality, which cued them to believe this should lead to a difference in taste. While WTP research has mainly focused on consumers' WTP higher retail prices, Canavari et al. (2002) found that 30 per cent of consumers surveyed in a conventional Italian supermarket favored paying price premiums directly to farmers.

Theme 11: Lack of availability The lack of availability and/or inconvenience associated with purchasing organic food presents a further obstacle to its purchase (Zanoli and Naspetti, 2002).

Theme 12: Skepticism of certification boards and organic labels Another setback in the purchase of organic food is the level of consumer skepticism surrounding organic food labels. Some European studies have found that consumers tend to distrust certification bodies, leading them to question the genuineness of organic products (Ott, 1990; Canavari et al., 2002; Aarset et al., 2004).

Theme 13: Insufficient marketing Several studies seem to indicate that organic food has been insufficiently promoted and merchandized. Consumers' lack of organic food knowledge, the dearth of organic food promotion, and ineffective retailing strategies (merchandising and displays) have negatively influenced consumers (Roddy et al. 1996; Chryssochoidis 2000). Interestingly, Hill and Lynchehaun (2002) found that location of organic milk was very important

to both regular and infrequent organic food purchasers. "All of the consumers agreed that they would prefer organic milk to be positioned beside standard organic milk—reasons include for making price comparisons, habitual shopping behavior" Respondents also stated that they found organic milk packaging to be subdued and liked the more "bright, modern, and colorful" packaging. Finally, the finding that some consumers fail to perceive any benefits or value to purchasing organic food may point to the paucity and/or ineffectiveness of organic food promotion (Latacz-Lohmann and Foster, 1997).

Theme 14: Satisfaction with current food source Roddy et al. (1994) found consumer satisfaction with conventional food to be a key reason for not purchasing organic food. Further, Magnusson et al. (2001) found that Swedish consumers' most important purchase criterion for food was 'taste' and that 'organic' was the least important criterion. Byrne et al. (1992) also found that organic criteria and criteria related to food safety, were not among the top factors influencing consumers' food purchasing decisions.

Theme 15: Cosmetic defects Some researchers have found that consumers are unwilling to accept the blemishes or imperfections often present in organic produce. Such cosmetic defects tend to deter consumers from purchasing organic produce (Ott, 1990; Thompson and Kidwell, 1998).

3. CONCLUSION

The preceding literature review sheds light on several key issues and elucidates our current state of knowledge pertaining to consumer attitudes and buying behavior towards organic food. In addition, it points to gaps in our understanding. In the following section, a discussion of the key issues that arise from the themes identified is presented.