

# Consumer Perception and Purchase Intention towards Organic Food Products in Nepal

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**Abstract**—The purpose of the study was to gain knowledge about consumers' behavior towards organic food products. This study attempts to examine consumers' perception and purchase intention and their interrelationship between them in the context of organic food products. A sample of 211 respondents was randomly selected for the study. Data analysis was analyzed using descriptive statistics, Pearson correlation, factor analysis, regression analysis and Multicollinearity. The result revealed that three components i.e. attitude (4 items), consumer knowledge (4 items) and personal norm (4) factors have significant impact on purchase intention of organic food products where as health (4 items) and environmental concern (4 items) have insignificant impact on purchase intention. The result also showed that there is positive and significant relationship between purchase intention and attitude, health, consumer knowledge, personal norm and environmental concern. The findings are discussed with a view to improve the marketing strategies of marketers to attract the consumers of organic food products in Nepal.

**Keywords:** Consumer perception, Purchase, Organic Food Products.

## 1. INTRODUCTION

Jia *et al.* (2002) categorized food as “organic” if the product does not contain artificial synthesized fertilizers, pesticides, livestock, growth regulators and poultry feed additives. In recent decades, the global organic market has been expanding in accordance to the increase of its agricultural cultivation area and demand of the products.

People have started giving priority to their life style and quality of life. They have found to be given importance on organic food products. Yin *et al.* (2010) emphasized on the healthy issue concern towards purchasing of organic food. This factor is appeared as the main driving force for consumers to purchase organic food.

Sustainable agriculture can be defined as a way of production that causes less degradation of the agro-ecological system than conventional agriculture. This designation encloses organic agriculture. Organic farming has been identified as a production system that combines the best environmental practices and the application of high-animal welfare standards,

as well as prohibiting the use of synthetic agrochemicals, drugs and hormones and restricting the use of chemical fertilizers and pesticides (Gracia and Magistris, 2008).

Chinnici *et al.*, and Harper and Makatouni, (2002) confirmed that consumers have positive attitudes towards organic products where one of the most common mentioned reason for purchasing organic products was it is perceived as healthier than conventional. Consumer attitudes to organic food have also been explored in a small number of qualitative studies (Torjusen *et al.*, 2001). Consumers have found to purchase organic products due to health consciousness but not obligations since it seems to be healthier from health point of view (Vermeir and Verbeke, 2004).

Chrysochoidis (2000) stated that there are several motives for purchasing organic foods such as the expected health and environmental benefits, the support of local or small farmers, the attraction of fashionable products, and the search for fresher and tastier products. Health and environmental benefits have been reported as a main motive for purchasing organic foods by most studies. Even though organic foods do not completely lack pesticide residue because of the pollution in the air and environment, they are safer than conventional foods that get pesticides directly.

The second important motive to purchase organic foods is that the consumers were considering that purchasing organic food products can support local and small farmers. The third motive to purchase organic food is the consumers' search for new trends of healthy food products. The fourth motive is related to organic attributes including fresher and tastier food (i.e. vegetables).

### 1.2 Objectives of the study

The **main objective** of the study:

- To investigate consumers' perception towards organic food products

### 1.3 Review of Literature and Theoretical Framework

Chen (2007) stated that consumer attitude and preferences to the purchase of a particular product are based on consumer attitude and personal desirability of performing a behavior.

Attitude towards a certain behavior is based on the expectations and beliefs of the consequences as a result of a particular behavior (Ajzen, 2001; Tarkiainen and Sundqvist, 2005; Chen, 2007).

Thogersen and Zhou (2012) concluded that positive attitude towards organic food of consumers is originated from the belief that organic food is good for health, thereby they can consume without any fear and suspicion. Originally, this factor stems from the feeling of “freedom from chemicals” of consumers which was mentioned by Devcich, Pedersen and Petrie (2007). The study showed that health worries refer to the preferences for food made from natural ingredients to synthetic and artificial additives. Similarly, Roddy, Cowan and Hutchinson (1996) stated that people who are more concerned about food safety hold positive attitude towards organic food.

Aertsens *et al.* (2009) has presented “Indeed recent studies point out that *personal norms* have a significant influence on consumer attitude and their intention towards purchasing organic food”. Referring to personal norms, this concept is defined as individual’s conviction that acting in a certain way is right or wrong based on own valuations (Aertsens *et al.*, 2009).

**2. RESEARCH METHODOLOGY**

Exploratory, descriptive designs as well as survey research design have been used to establish the empirical data on consumer perception on purchase intention of organic food products. A survey research design has been used to investigate, assess opinions and preferences in buying organic food products. This research design is considered the most appropriate methods to measure attitudes, beliefs or personality structures in a natural setting through tests or attitudes scales or questionnaires (Ajzen, 1991). The research is descriptive because it explains the status of purchasing position in the market.

People of Kathmandu have been selected as a sample to know consumers’ perception and their purchase intention towards organic food products. Primary data has been used under this study. Primary survey based data has been collected to examine the impact of different factors on purchase intention of organic food products in Nepal. These included five factors affecting purchase intention. Fifty items at 5 point rating scale (Likert Scale) ranging from "1" strongly disagree to "5" indicating strongly agree has been constructed to measure the impact of consumers’ perception on purchase intention of organic food items.

**3. RESULTS**

**Table 1.1: Correlation Matrix between Dependent and Independent Variables**

	<b>ATT</b>	<b>HEA</b>	<b>CK</b>	<b>EC</b>	<b>PN</b>	<b>PI</b>
<b>ATT</b>	1.000					

	0.000					
<b>HEA</b>	0.714	1.000				
	0.000	0.000				
<b>CK</b>	0.430	0.386	1.000			
	0.000	0.000	0.000			
<b>EC</b>	0.543	0.600	0.511	1.000		
	0.000	0.000	0.000	0.000		
<b>PN</b>	0.641	0.639	0.515	0.701	1.000	
	0.000	0.000	0.000	0.000	0.000	
<b>PI</b>	0.564	0.484	0.478	0.553	0.742	1.000
	0.000	0.000	0.000	0.000	0.000	0.000

Table 1.1 describes about correlation matrix between variables under investigation. It shows that there is positive correlation between purchase intention and attitude, health, knowledge, environmental concern and personal norm. There is positive and significant relationship among purchase intention and independent variables.

**Table 1.2: Reliability Test**

Variable	Composite Reliability	VIF	Cronbachs Alpha	Communality
<b>ATT</b>	0.8765	2.3320	0.7751	0.7251
<b>HEA</b>	0.8743	2.4050	0.8913	0.7671
<b>CK</b>	0.9176	1.4760	0.9132	0.7423
<b>EC</b>	0.9172	2.2370	0.8741	0.7295
<b>PN</b>	0.8290	2.5850	0.9741	0.7512
<b>PI</b>	0.9176	1.6712	0.8451	0.8248

Table 1.2 reveals the reliability test. VIF factors have been identified to be less than 1 which means there is no multicollinearity among independent variables. The values of cronbachs alpha also seemed to be greater than 0.7 which resembles that the data is reliable. Likewise, communality values have been found to be greater than 0.7 which is good for the research. Thus, it can be concluded that the data is reliable for the purpose of under taking research.

Model		Unstandardized Coefficient		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.001	.290		.002	.998
	ATT	.184	.073	.174	2.500	.013*
	HEA	.092	.073	.088	1.250	.213
	CK	.115	.060	.106	1.917	.049*
	EC	.034	.078	.030	.434	.665
	PN	.655	.078	.612	8.349	.000*
<b>Y = .001 + 0.184ATT + 0.092HEA + 0.115CK + 0.034EC + 0.655PN</b>						

**Fig. 1.1: Multiple Regression Analysis**

Table 1.1 describes about the multiple regression analysis. Three variables i.e. attitude, consumer knowledge and personal norms have been found to be significant towards purchase intention of organic food products in Nepalese

condition. Likewise, health and environmental concern have not been identified to be significant at 5% level of significant.

#### 4. CONCLUSIONS

There is significant relationship between purchase intention and independent variables under investigation. The result revealed that there is significant impact of consumer attitude on consumer purchase intention which supports the findings of (Fishbein and Ajzen, 1975; Chen, 2007; Thøgersen, 2007; & Dean et al., 2008). Likewise, consumer knowledge has been found to have significant impact on purchase intention of organic food products which is in the same line of (Takianien and Sundvist, 2005). Personal norms has also significant impact on purchase intention which result supports the findings of (Thøgersen, 2002 and Fishbein and Ajzen, 1975).

There is no significant impact of health on consumer purchase intention which is contradictory to the findings of (Devcich, Pedersen & Patrie, 2007). Likewise, environmental concern has not significant impact on purchase intention towards organic food products in Nepal which is in opposite line of (Chen, 2007 and Vermeir & Verbeke, 2006).

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