

## **A Study On Consumer Awareness, Perception And Level Of Satisfaction Towards Organic Food Products**

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### **ABSTRACT**

India has a huge, largely untapped market for natural foods. A large portion of natural food production in India is destined for export. People are now seeking to avoid foods cultivated with chemical fertilizers and pesticides, especially genetically modified organisms, due to health and environmental concerns. However, the high cost of organic foods is reducing demand. This study aims to learn about consumers' awareness, consumer insight, and purchasing behaviour towards natural foods in Hyderabad and Secunderabad.

**KEYWORDS:** Organic food, consumer perception, consumer behaviour, consumer satisfaction, organic farming, organic food market.

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### **INTRODUCTION**

Organic farming is an old agricultural technique in India. The Indian organic agriculture market has grown rapidly in recent decades, helping the Indian export sector. Organic refers to the way certain foods are produced. Organic food is produced without the use of artificial chemicals, hormones, antibiotics, or genetically engineered organisms. A food item must be devoid of artificial food additives to be called organic. Incorporated in this are sugar substitutes and Monosodium Glutamate. Organic foods are created entirely of natural ingredients, with no artificial chemicals, fertilisers, pesticides, etc. It doesn't imply no pesticides are used, but they must be controlled and non-synthetic. Natural fertilisers like manure are commonly used in organic farming. Organic food does not contain toxins that harm the environment. Organic farming preserves soil fertility, plant nutrition, and effective soil management while producing healthy food that boosts human immunity and protects the environment. Animals kept in conditions that enhance animal health and wellbeing

are fed organic diets and do not get chemical hormones. Many customers have switched to organic food items in recent years, believing that organic food is better for their health and free of pesticides and chemical residues. Thus, organic farming not only protects the environment but also improves public health, benefiting both the rural economy and the rural social network. Organic packaged food and drinks are a growing niche industry in India, including high-income urban customers. The organic packaged food industry in India is estimated to hit Rs.871 million by 2021. India's climate supports organic farming. Due to its diverse agro-climatic zones, India has enormous potential for organic food production.

According to the Research Institute of Organic Agriculture, India ranked 9th in terms of organic agricultural area and 1st in terms of total producers in 2018. Agricultural & Processed Food Product Export Development Authority reports that India produced about 1.70 million metric tonnes of certified organic goods in 2017-18.

## LITERATURE REVIEW

**Sharma. N. and Dr Singhvi. R. (2018)** health, safety, taste and environmental concerns were the most significant variables influencing customers' attitude and preference towards organic food items. This study shows that demand for organically cultivated foods will increase in the near future, therefore producers, merchants, consumers, and governments should focus on this niche sector.

**Krishnakumare. B. and Niranjana. S. (2017)** showed the importance of customer behaviour in the organic food business. The major reason for eating organic food is health. These findings show a lack of faith in the uniqueness of organic foods, which is one of the reasons why people do not purchase them. Psychological factors such as perception, attitude, and purchasing intention influenced organic food customers' purchase intentions.

**Ghai. S. and Ramawat. N. (2016)** investigates the factors impacting customer attentiveness and purchase decisions for natural tea. This study reveals that people in cities like Delhi-NCR are more aware of their health and lifestyle, and that most of them are working professionals. Metro customers can afford to pay a premium for organic foods.

**Padmathy. J. and Saraswathy. R. (2016)** consumers choose organic foods for a healthy lifestyle. This shows they are aware of organic food. Consumers are interested about green products, which open up chances for green marketing. The study found a favourable correlation between characteristics or factors influencing consumer purchase habits for green products.

**Dr Chandrashekar. H. M. (2014)** to keep up with shifting customer buying habits. That people know about organic food but aren't devoted to it. Organic foods are gaining popularity amongst customers. Organic food knowledge and awareness can influence attitudes, perceptions, and

ultimately purchases. Organic fruits and vegetables are more popular than organic grocery items. Among the elements that influence consumer preference are organic food product quality, nutritional content, flavour, and freshness.

**Mehra. S. and Ratna. P. A. (2014)** Females and younger customers like organic foods. When choosing healthful foods, they carefully read labels and compare product information. These consumers are willing to spend more for food that is both tasty and healthful. The majority of consumers are middle-class and supportive of organic foods.

**Shafie. F. A. and Rennie. D. (2009)** examined how factors such as food safety and freshness affect consumer preference for natural foods. Age, wealth, education, and other demographic factors influence organic food consumption. It examines consumer concerns about food safety based on health, agricultural and environmental changes linked with modern food production including GM foods and pesticide misuse. This research also examines consumer attitudes regarding organic food, specifically their willingness to pay a premium for it.

#### **SCOPE AND IMPORTANCE OF THE STUDY**

People are becoming more health conscious. Chemical-free food is connected to greater consumer interest in organic food. Natural foods foster human, animal, and environmental peace. It also has no artificial ingredients and keeps up with eating trends. Hazardous chemicals are avoided. This research intended to obtain information on customer knowledge, contentment, and consumption of natural food products. Resident rights to excellent health are well-informed

more inclined to consider climate change. Before changing any customer behaviour, it is important to assess their existing level of knowledge and information. This evaluation will concentrate on the buyer's attitude, understanding of natural foods, readiness to pay for them, and desire to buy them.

#### **OBJECTIVES OF THE STUDY**

- To assess consumer awareness of organic food items in Hyderabad and Secunderabad.
- To research customer perception and attitude towards organic foods.
- To investigate the link between income and willingness to pay a premium for organic foods in Hyderabad and Secunderabad.
- To examine the influence of organic food consumption on contentment.

#### **RESEARCH METHODOLOGY**

Customer discernment and natural food buying behaviour were investigated. The study's goal is to better understand how customers view and purchase organic foods.

**Study area** The study took place in Hyderabad and Secunderabad. The data was obtained in Hyderabad and Secunderabad.

**Data collecting** Online and offline data collection a comprehensive questionnaire was distributed via mail and in person to collect primary data. Secondary sources like study papers and websites provided data.

**Sample Type** A structured questionnaire was given to 125 people in Hyderabad and Secunderabad.

**Sampling** The study employed Judgmental and Snowball sampling.

**Statistical methods** This research used a number of statistical approaches to analyse data. These were assessed using graphs and charts. Correlation and regression analyses were performed using SPSS version 20 and MS Excel.

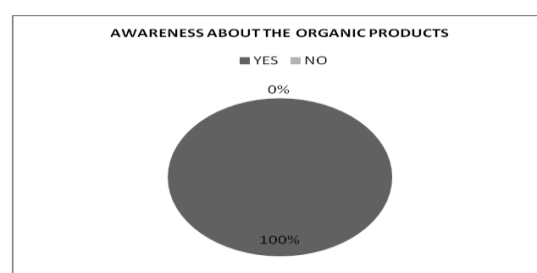
**Hypothesis** Together with past research, the study model generated fifteen possible connections.

Ho→ There is no significant relationship between income level and the willingness to pay high prices for organic food products in Hyderabad and Secunderabad region.

H1→ There is no significant impact of use of organic food products on the level of satisfaction.

**RESULTS** An organised questionnaire was used to collect data, which was then analysed using simple graphs, charts in MS Excel, and statistical tools in SPSS version 20.

Organic cuisine in Hyderabad and Secunderabad. Everyone knows about organic foods, according to the poll. Because the study was done in a metropolis, all respondents knew about organic food, even if they don't use it..

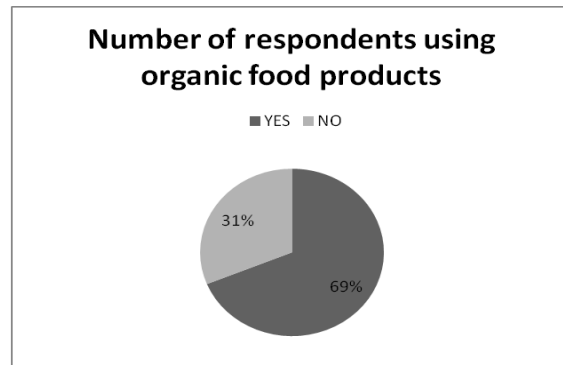


**Graph 1: Awareness about organic food products**

**Interpretation:** The graph above depicts the awareness of organic food in Hyderabad and Secunderabad. The poll had 125 respondents, all of whom said they knew about organic food. Because the poll was done in a place where people are familiar with the market and its products, everyone knew about organic foods, even if they don't use them.

### Do you use organic food products?

**Interpretation:** The graph above depicts the number of people who use organic food in Hyderabad and Secunderabad. 86 out of 125 respondents use natural foods, while 39 do not. This demonstrates that organic food is popular in Hyderabad and Secunderabad.



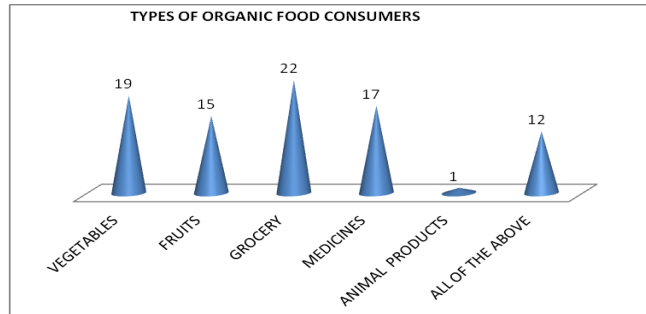
### From where did you learn about organic food products?

#### Graph 3: Source of awareness about organic food products

**Interpretation:** Friends and family are very important in spreading organic food knowledge in Hyderabad and Secunderabad. It is the most effective in spreading organic food awareness in Hyderabad and Secunderabad. 56 out of 125 respondents learned about natural foods through family members. 33 out of 125 respondents obtained their information from magazines, 19 from newspapers, and 17 from television.

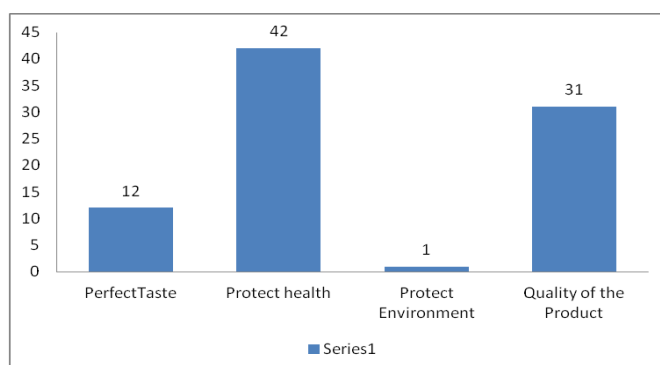
### Which type of organic food product do you consume?

**Interpretation:** Organic foods are varied, but the most common are groceries (22 respondents), veggies (19 respondents), and medication (17 respondents).



### Why do you prefer buying organic food over conventional food (non-organic)?

**Interpretation:** As shown in the graph above, consumers in Hyderabad and Secunderabad prefer organic foods. Out of 86 respondents who use organic food products, 42 think organic food products preserve health, 31 think organic food products are better quality, and 12 use organic food products because they enjoy the flavour.



### Testing of Hypothesis

How much organic food will you buy if the price rises? We want to see if there's a link between monthly income and willingness to pay more for organic products. So, SPSS programming was used to guide the connection test.

**H<sub>0</sub>:** There is no significant relationship between monthly income and willingness to buy organic food if the price increases.

**H<sub>1</sub>:** There is a significant relationship between monthly income and willingness to buy organic food if the price increases.

The results calculated using SPSS software is depicted in the following table:

**Table 1: Calculation of correlation to check the association between monthly income and willingness to buy organic food if the price increases.**

		Monthly Income (in Rs.)	Willingness to buy if
Monthly Income (in Rs.)	Pearson	1	0.118
	Correlation		
	Sig. (2-tailed)		0.089
	N	125	125
Willingness to buy if the price increases	Pearson	0.118	1
	Correlation		
	Sig. (2-tailed)	0.089	
	N	125	125

**Interpretation:** As seen in the table above, there is an 11.8 percent positive connection between monthly income and desire to buy organic food if prices rise, although the correlation is weak ( $r = 0.3$ ) and the p value is 0.089, which implies it is significant at the 10% level.

**Regression Analysis to find the association between use of organic food products and level of satisfaction**

We are worried about the usage of organic foods and their importance. A correlation test was run using SPSS software.

**H0:** There is no significant impact of use of organic food products on the level of satisfaction.

**H1:** There is a significant impact of use of organic food products on the level of satisfaction.

The outcome determined utilizing SPSS programming is portrayed in the accompanying table

**Table 2: The model summary of the regression analysis:**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 <sup>a</sup>	0.378	0.373	0.68
a. Predictors: (Constant), Use organic food products				

**Table 3: Calculation of Anova to report how well regression analysis fits the data**

**ANOVA**

Model		Sum of Squares	Degree of Freedom	Mean Square	F-statistic	Sig.
1	Regression	34.551	1	34.551	74.662	0
	Residual	56.921	123	0.463		
	Total	91.472	124			
a. Dependent Variable: Level of Satisfaction						
b. Predictors: (Constant), Use organic food products						

**Interpretation:** The above table and derived results show the regression model's statistical significance. The model is statistically significant when the p value is.000. The null hypothesis (H0) is rejected at a 1% level of significance.  $Y = -1.135X + 5.321$ .

## **SUMMARY OF THE STUDY**

Conclusions for natural product organisations, merchants, and market administration offices It is necessary to design a plan that addresses consumer health and environmental concerns. The strategy should target certain consumer groups, increasing their awareness of natural foods while maintaining customer loyalty and enjoyment. Buyers may not know if an item is supplied via natural or conventional methods unless informed. Thus, buyers' awareness and knowledge regarding natural foods have a major role in purchasing decisions. This evaluation provides guidelines for natural food sellers. Also, the review might help natural food manufacturers target their ideal clients by highlighting the influence of socio-demographic variables on natural food purchases. As a result of the assessment, health and wellness companies may better prepare for future growth and development. Find out how to segment your market and how to educate potential buyers about the benefits of natural foods including nutritious ingredients, pesticide free, freshness and environmental friendliness. Also, customers should be educated about the limited accessibility of natural food sources.

Despite the enormous findings of this research, there are certain limitations that should be acknowledged when translating results. Initially, just a few criteria were evaluated in order to assess the influence on consumer attitudes towards natural foods. Future research should include variables including notification, unofficial legislation, and appropriation while focusing on consumer inclination towards natural foods. Second, the research is in India, a huge nation. We can't generalise the data from 125 customers. To increase the validity of the results, more large sample size tests should be conducted.

## **CONCLUSION**

For this study, consumers in Telangana's twin cities were asked to rate their satisfaction with organic food. Customers' attitudes towards natural products were determined by factors such as health, safety, flavour, and environmental concerns. Indian agriculture offers enormous untapped potential for organic food items.

Four factors (wellbeing awareness, knowledge of natural food sources, abstract standards and perceived value) influenced customers' attitudes toward natural foods. Nevertheless, these four variables plus one more affect buying natural food (i.e., accessibility). Shoppers consider store area while making purchase decisions. The Hyderabad and Secunderabad markets are quite conscious of organic food goods. Organic food demand remains stifled by high prices. Organic food's purported health advantages are frequently not measurable, making the extra price difficult to support. As a



result, consumers feel organic food is better for their health than conventional food. The study found that respondents' monthly salaries influenced their willingness to pay a premium for organic food. An influence of organic food usage and satisfaction is also revealed. Organic food items satisfy customers.

Product demand for naturally created products is growing. Customers will pay \$5.50 for natural products, which may be regarded as a cost of human welfare. Consumers' views and insights regarding natural products may be influenced by information and consciousness about the things themselves. Nowadays, vegetables, particularly green vegetables, are more costly than other vegetables. However, qualitative attributes such as health and nutritional value, flavour, freshness, and overall appearance influence consumer preferences for organic products. Limited and irregular supply, increased product prices, and limited access and knowledge all impact consumer desire to buy.

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