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Exploring the Influence of Sociodemographic Factors on Purchase Intention for Organic Food Products in the Indian Market

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Abstract

The rising awareness of potential health risks associated with conventional food consumption is driving an increasing preference for organic alternatives in India. This trend, coupled with the growing popularity of e-commerce and a shift in consumer demands, is expected to significantly accelerate the growth of India's organic food market. However, consumer behavior is influenced by more than just personal preferences; research suggests a significant role played by sociodemographic factors in shaping purchase decisions. This study aims to bridge the gap in existing research by investigating the influence of these characteristics on purchase intentions specifically related to organic food products in the Indian context.

Employing a descriptive research approach, a well-designed questionnaire was distributed to a sample of 150 individuals, derived through a snowball sampling method, and secured 121 valid responses. The questionnaire was informed by established research on consumer behavior and organic food consumption, drawing upon the works of Chiew Shi Wee et al. (2014) and Anupam Singh & Priyanka Verma (2017), among others.

The findings reveal a positive correlation between income and purchase intention for organic food products. This suggests that individuals with higher disposable income are more likely to purchase organic options. Similarly, a statistically significant association was observed between educational attainment and purchase behavior, with individuals holding college degrees exhibiting a greater propensity to purchase organic products. This aligns with the possibility that higher education levels may enhance health awareness and appreciation for the potential benefits of organic food, ultimately influencing purchasing decisions.

This research reinforces existing knowledge that consumer choices regarding organic food are influenced by various factors, with sociodemographic variables like income and education playing a more prominent role than the market's stage of development (developed vs. developing).

Keywords: Organic food, Purchase intention, Consumer behavior, Sociodemographic factors, India

Introduction

An encouraging trend is that people are learning the hard way about the risks posed by these extremely polluted and contaminated food items. Growing numbers of Indians are opting for organic food options rather than their more traditional counterparts. By "biodynamic agriculture," we mean the cultivation, processing, and storage of agricultural products that have not been exposed to synthetic chemical substances such as chemical fertilisers, pesticides, weed killers, or other similar chemicals at any point in the life cycle. In addition, organic food products do not include any genetically modified components, which is critical in the effort to create a more environmentally friendly agriculture system. When raising livestock organically, farmers don't use any pesticides or hormones to speed up the animals' development. Increases in both production and consumption of organic foods can be attributed to rising public awareness of their health advantages. [1]

Several factors, including the increasing accessibility of organic food items over the internet and a shift in consumer preference towards organic food, point to a large increase in demand for organic food products in India throughout the predicted period. USDA projections for organic food consumption in India through FY2026 include for growing marketing and distribution infrastructure as well as a more health-conscious consumer base. [2]

More individuals are concerned about what goes into their bodies, which has increased the market for organic foods. Nutritional value and food quality are becoming more and more vital to the wellbeing of Indian consumers. [3] The growth of the organic food market in India may be attributed in large part to the trend towards healthier eating among consumers.

There was a shortage of workers in the organic processing industry during COVID-19 because people were ordered to stay at home. Because of this, companies that produce organic foods have trouble finding enough workers to meet consumer demand. In addition, due to the closing of vendor shops, farmers have had a hard time procuring agricultural supplies [4]. The pandemic of coronavirus has had a significant impact on the Indian market for organic food products. Because of widespread concerns about health during the epidemic, there has been a rise in demand for organic food products across the country. The market for organic food is growing thanks to shifting consumer attitudes towards preventative health management, and this trend is expected to continue.

Organic Food Products

The United States Department of Agriculture (USDA) defines organic foods as those that are farmed without the use of chemical pesticides [5]. Animal goods that come from organic farming, like eggs, meat, milk, and milk products, cannot be fed with antibiotics or growth hormones [6], they are part of the dairy group]. Since chemical pesticides and fertilisers aren't used in the production of organic foods, they're considered to be safer for the planet. Plus, they are not made with any genetically engineered ingredients. Irradiation, industrial solvents,

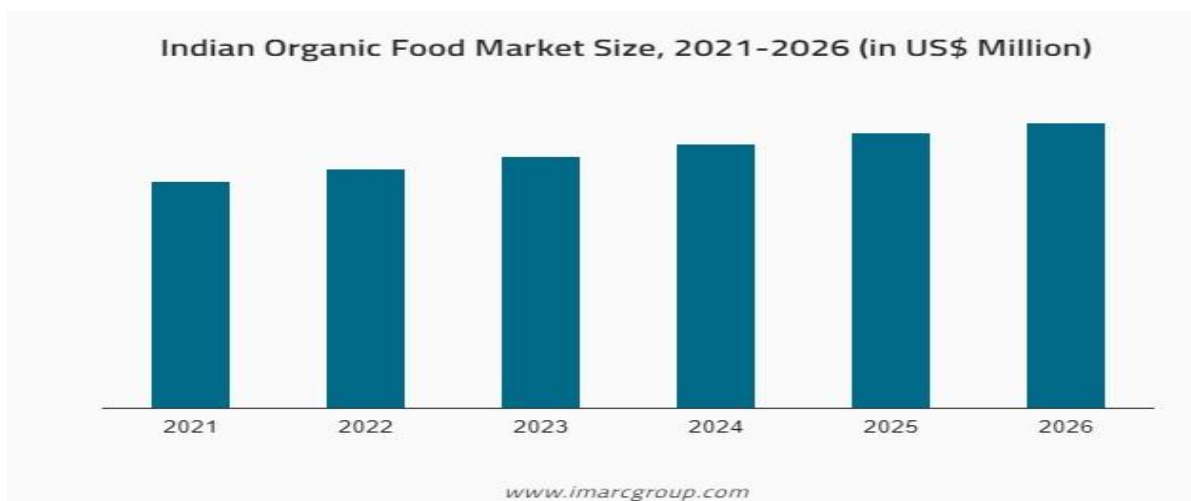
and artificial food additives are not used in the production of organic foods. [7], similar to how conventionally grown foods are. Since these meals are made using eco-friendly methods, they are considered safe for the planet.

Population levels were low all across the world, making organic or almost natural farming the norm. However, these historic practises, which were passed down from one generation to the next, were insufficient to supply enough food to meet the demands of the fast-growing world population. Farmers' use of technological interventions to boost yields in response to the increasing demand for food brought on by a rapidly expanding global population is sometimes referred to as the "green revolution." The growing need for chemical pesticides and fertilisers is one of the unintended consequences of our modern obsession with feeding the world. Consumers everywhere are become more and more concerned about the planet. [8]. They pay close attention to news about products, manufacturing methods, and labels that may have an impact on the natural world [9]. Environmental problems are seen as more directly impacting customers' well-being than other issues. Organic food purchases are more common among environmentally conscious individuals [10]. Companies have increased their investment in organic food production and marketing in response to the growing environmental consciousness of the public and the demand for organic products among consumers. Therefore, they are causing major shifts in the organic food industry [11]. Organic food sales are expanding because of this trend [12]. Companies have increased their investment in organic food production and marketing in response to the growing environmental consciousness of the public and the demand for organic products among consumers. Therefore, they are causing major shifts in the organic food industry [13]. In addition, people's standard of life has substantially enhanced over the previous several decades. Because of these developments, people are more interested in adopting better habits and eating more nutritious meals. There's a new movement afoot, and it's all about the organic food and products. People who are interested in buying organic products want to discover their benefits. [14].

Growth of Indian Organic food market

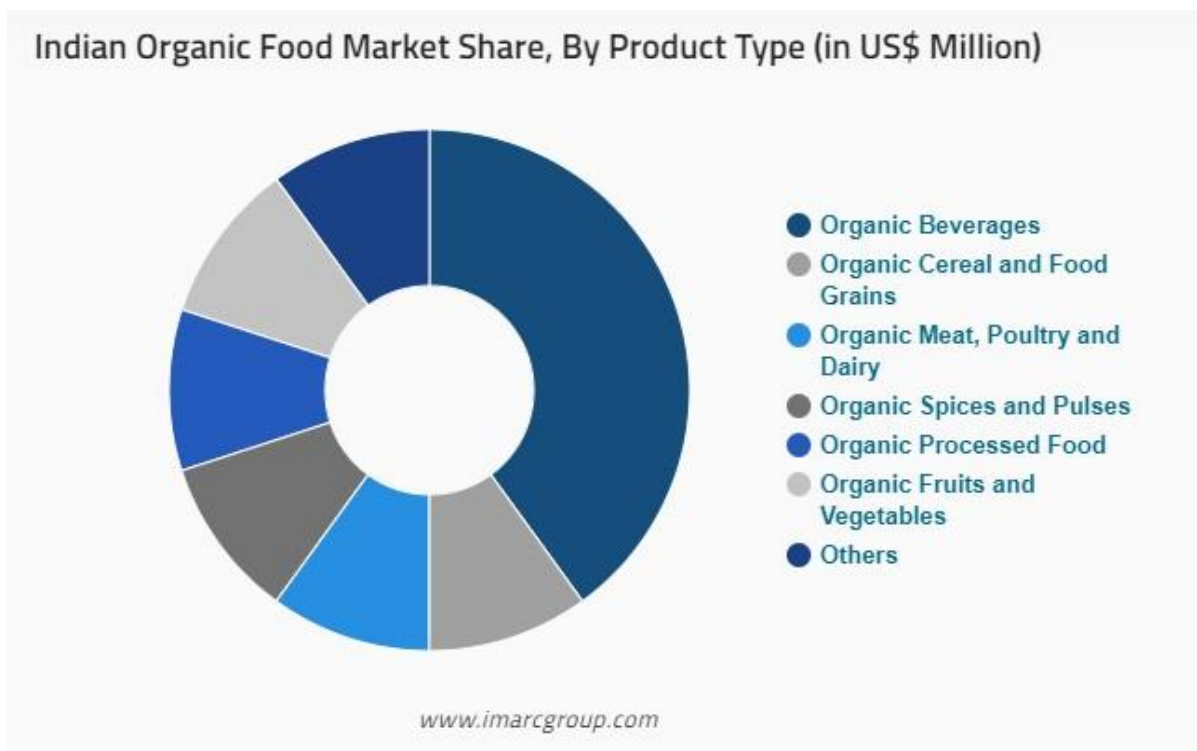
A FiBL study from 2021 found that India grew the most quickly (in absolute terms) due to the addition of about 3.6 lakh hectares of organic land. It also forecasts that the organic business in India would grow at a faster rate than usual, thanks to a rise in interest in such goods in the wake of the pandemic's spread. Although the pandemic has caused supply chains to be disrupted and farmers to be outraged all over the world, it has also prompted consumers to choose for more organic food options. The study estimates that by 2026, the Indian organic food sector would be worth \$820 million, up from little over \$200 million in 2018. Over the period from 2021 to 2026, the market is forecast to expand at a CAGR of 24%. [15]

Figure 1-Indian Organic Food Market Size, 2021-2026



Source: <https://www.imarcgroup.com/indian-organic-food-market>

Figure 2 – Indian Organic Food Market Share, By product Type



Source: <https://www.imarcgroup.com/indian-organic-food-market>

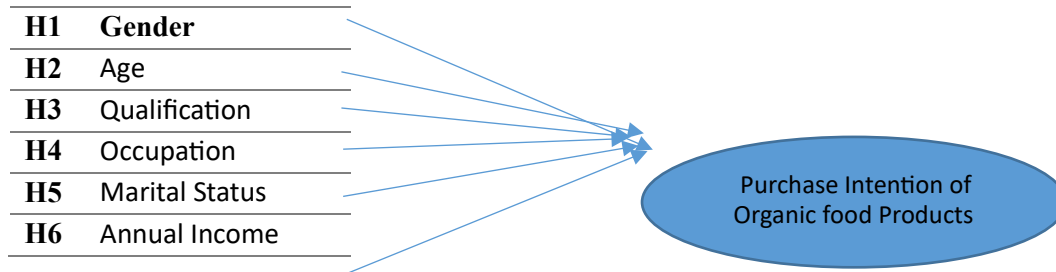
The Organic World used to make 5% of its money through its website and 95% through its brick-and-mortar locations before the introduction of the COVID system [16]. At the height of COVID's success, the split widened to 20% online and 80% in stores. Indian consumers are becoming more discerning because of rising worries about the possible inclusion of pesticides in foods grown using conventional farming methods. Because of this, businesses in the organic food industry have had to come up with new methods to continue satisfying their customers. [17].

Review of literature

Attitudes are not the only elements that drive conduct; a variety of other factors also influence behaviour. For example, Voon et al. [18] discovered that sociodemographic characteristics had an impact on purchasing decisions. Gender is one important issue to consider. For example, Lockie et al. [19] have confirmed that women are more likely than males to have positive opinions regarding organic foods, according to their research. Similarly, adolescent females are more inclined toward organic items than boys [20], according to research. According to research, the purchase of organic goods is also influenced by the buyer's age. By way of illustration, according to Misra et al. [21], elderly people may be more ready to purchase organic goods due to health-related reasons. However, according to Cranfield and Magnusson [22], younger customers are more inclined to spend over 6 percent greater premiums to ensure that food goods are free of pesticides than their older counterparts are. Furthermore, Rimal et al. [23] discovered that elderly persons are less likely than younger individuals to purchase organic goods. Organic foods, on the other hand, are considered more important by younger people and women, who include them in their shopping lists [24, 25]. When it comes to the demographic features of customers, money is another element that is regarded important in determining their purchase of organic food. High-income families are more likely than lower-income households to purchase organic goods, according to two studies done by Govindnasamy and Italia [24] and Loureiro et al. [26]. In a similar vein, Voon et al.'s study discovered that family income had a favourable relationship with organic food purchases. Furthermore, women between the ages of 30 and 45 who have children and have a greater disposable income are more likely to consume organic goods. Cunningham and O'Donovan and McCarthy [27] conducted studies that discovered a favourable association between organic food consumption and education consumption. Individuals with a higher education level, according to their research, are more inclined to purchase organic goods than those with a lower education level. As previously mentioned, this was discovered by Aryal et al. [28]. They demonstrated that knowledge is another element that may impact the buying of organic products by individuals. In contrast to the findings of the research, several investigations [29, 30] discovered a negative association between the two variables. Similarly, the findings of Arbindra et al. [31] demonstrate that there are negative correlations between variables. They demonstrate that the relationship between organic food buying habits and educational levels is statistically significant. Because conflicting findings have been reported in the literature, we decided to investigate the effect of demographic characteristics on purchasing behaviour. Digital marketing promotes commercial activities using internet, web, and mass SMS. This research attempted to boost website traffic and ranking on Google, MSN, and Yahoo. Digital marketing has affected small enterprises, multinationals, domestic firms, education, banking, and manufacturing. Digital marketing's cost-effectiveness and speedy customer reach are valued in many sectors. Organisations and people networking on social media have garnered notice [34]. A case study analysed incorrect impressions about the platform's e-tailing service. Reviews of the product quality issue indicated unhealthy pricing competition in the Indian market, socioeconomic variables that promote e-commerce proliferation, and organisational ability to manage sales growth and profit gain. Rereading scholarly articles and theoretical foundations showed solutions to issues. Fabricated information was compared to the current case's ability to make compromised decisions that improve organisational practise. Indian e-commerce firm Flipkart became a marketplace. Since its launch as an online book vendor, the

platform has dominated India's e-commerce business [35]. The following hypotheses were developed:

Figure 3- Conceptual Framework for the study



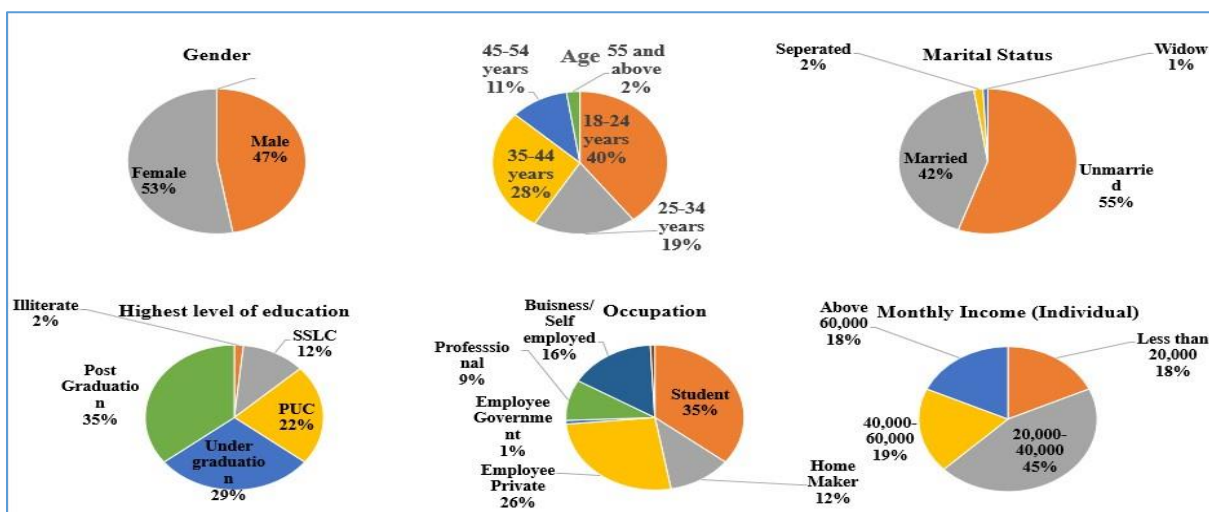
Research Methodology

The study is descriptive in nature and intends to examine the impact of Socio demographic on the Purchase intention of the Target Audience towards the Purchase of Organic Food products. The study is carried out using a well-structured questionnaire in which 6 Socio demographic questions based on logical reasoning and 3 Questions related to Purchase intention inspired by Chiew Shi Wee & et al, 2014 [32] and Anupam Singh, Priyanka Verma,2017[33] were administered to the Target audience. A sample of 150-target audience was chosen at 10% margin of error and 95% confidence, and 121 valid responses were chosen for the study. The respondents were asked to fill the questionnaire and forward it to their family and friends; hence, snowball-sampling technique was used. The study is confined to the Population in Bengaluru city and the rural population is not part of the study. The researcher intends to collect data from Middle-income respondents and the questionnaire was circulated accordingly. The study uses SPSS ver 25 to analyse the data and discussions are based on the same.

Results and Discussion

Demographic Profile of the Target Audience

Figure 4- Demographic Profile of the respondents



The gender breakdown of the intended audience is 53% women and 47% men. About 40% of the demographic is comprised of people aged 18 to 24; another 28% are in their 30s and early 40s; and the remaining 5% are 65 and over. The target demographic consists of 42% married people, 55% single people, and the remaining 7% people who are divorced or widowed. Only 12% of those who participated in the survey did not complete at least elementary school. There are 29% college grads and 35% graduate grads. Education has a key influence in recognising the pros of Organic food items and is an essential socio demographic element of this study. 35% were students, 12% were stay-at-home parents, 26% were employed by private businesses, and 16% ran their own enterprises. The median monthly income of the target demographic is INR 40,000, with 19% of the population earning more than INR 80,000.

Type of Organic Products purchased.

Table 1- Types of Organic Products purchased.

	Yes	No
Organic Fruits and Vegetables	81.8	18.2
Organic Cereals and Pulses	58.7	41.3
Organic Nuts	60.3	39.7
Organic Snacks	32.2	67.8
Organic Dairy Products	54.5	45.5
Other Organic Products	43.8	56.2

In response to a survey asking what kind of organic products people buy, we learned that 81.8% of our demographic regularly buys organic fruits and vegetables, and 60.3% regularly buys organic nuts. 54.5 percent of shoppers look for dairy products, while 58.5 percent favour buying organic grains and pulses.

Purchase intention of the Target Audience Table 2- Descriptive statistics of Purchase intention

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic
I would buy organic food products soon.	121	3.73	0.975	-0.854	0.823
				Std. Error	Std. Error
				0.220	0.437

I plan to buy organic food products in regular basics.	121	3.69	1.041	-0.689	0.220	0.120	0.437
It is often without any plan based on situation I purchase organic food products	121	3.64	1.095	-0.781	0.220	0.206	0.437
Valid N (listwise)	121						

The mean score for Purchase intention of Target Audience is above 3.50, suggesting answers in the Neutral to Agree range; the standard deviation is large, showing large variation in responses around the mean. Both the skewness and kurtosis are within the permissible range, with a positive skewness for the proportion of respondents who intend to buy organic food and a negative skewness for those who do not.

Testing of Hypothesis Table 3- Testing of Hypothesis

		Purchase_Intention_1 I would buy organic food products soon.	Purchase_Intention_2 I plan to buy organic food products in regular basics.	Purchase_Intention_3 It is often without any plan based on situation I purchase organic food products.				
		F Stats	F Stats	F Stats	p	p	Results	
		Value	Value	Value				
H1	Gender	7.844	0.00	6.023	0.00	4.812	0.00	Accepted
H2	Age	13.445	0.00	12.998	0.00	0.881	0.085	Accepted
H3	Qualification	9.881	0.00	7.121	0.00	7.34	0.00	Accepted
H4	Occupation	0.73	0.921	0.881	0.085	1.109	0.081	Rejected
H5	Marital Status	8.21	0.00	3.229	0.00	0.991	0.877	Accepted
H6	Annual Income	18.901	0.00	11.997	0.00	12.334	0.00	Accepted

- The analysis of variance (ANOVA) reveals that women are more likely to intend to make a purchase than males are. This effect is statistically significant at the p0.05 level.

- The analysis of variance (ANOVA) shows that age significantly affects buying choice with $p=0.05$, and that the younger generation (those between the ages of 25 and 34) has a higher purchase intention than older generations.
- Postgraduates had a larger purchase intention than those with lower levels of education, according to the study's analysis of variance (ANOVA).
- The findings of the analysis of variance (ANOVA) demonstrate that Occupation does not significantly affect consumer choice ($p=0.05$).
- The analysis of variance (ANOVA) reveals that marital status significantly affects purchasing decisions at the $p=0.05$ level, with married respondents showing higher buy intent than those of other marital statuses.

The ability to really spend money is heavily influenced by one's income. The greater a person's wealth, the more likely they are to purchase organic foods, which might suggest that there is a direct correlation between the two. The findings also show that this trend is prevalent in the educational sector. People with more education are more likely to buy organic produce. Educated consumers may be more health-conscious and aware of the benefits of buying organic foods because of their increased knowledge. Researchers in both developed and developing countries have uncovered a wide range of characteristics that affect consumers' preferences for and purchases of organic foods. However, regardless of whether a country is established or developing, demographic features like gender, education level, and disposable income are the most important determinants of organic food consumption. [5,7]

Conclusion

The results of the study might be useful for organic goods retailers. The results of the study might be used by organic food marketers to convince consumers that their products are superior. More knowledge about the health benefits of organic foods can encourage consumers to buy them. This research will aid stores in segmenting their clientele according to demographic characteristics, allowing them to provide more personalised service. The research's findings might be used by business owners to develop plans for boosting organic product sales by addressing customers' concerns and needs. Because of the importance of availability to consumers, it is wise to engage nearby stores and communities to broaden their customer base. Since organic food consumption is heavily influenced by subjective factors, it is possible that the public, including family and celebrities, might play a role in encouraging its use. There are, however, several severe flaws in this study. We began by looking into things we knew would have an immediate impact on customers' willingness to buy. The second restriction is associated with the method used to collect samples. The results of a survey being distributed amongst students and teachers have the potential to reach a wider audience. When extrapolating results, snowball data should be treated with caution. Organic food marketing, state and federal regulations, and consumption habits might all be the subject of future studies in this field. There needs to be more research done on the topic of organic food consumption, preferably with a larger sample size and in different settings. The spread of the Covid-19 virus has affected many elements of people's daily lives, including what they eat. However, the perspectives of the Covid-19 on the necessity of adopting good eating habits

were not investigated in this study. Future studies in this area need to think about what would happen if a pandemic broke out. Recent research indicates that parental views on nutrition have an impact on children's food choices. As a result, future study should look at how parents' sentiments for their children impact their perspectives on organic foods.

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