

**THE EFFECT OF INCOME ON PURCHASE INTENTION OF CONSUMERS
TOWARDS ORGANIC FOOD PRODUCTS IN BENGALURU**

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Abstract:

The study, influencing customers' decisions to buy ecofriendly food products, involved a survey of the 100 consumers in Bangalore. The findings indicate that consumer preferences for organic food items are most significantly influenced by flavor, product quality, and environmental and health concerns. According to the report, customers are willing to pay 25% more than for organic food items. The demand for organic food items is rising in India, and this gives an opportunity for food producers and marketers to promote organic food. In conclusion, this study demonstrates that income plays a significant role in shaping consumer preferences for organic food products. While higher-income individuals show a greater preference towards organic food. Factors beyond income also influence consumer behavior. Recognizing those elements can facilitate the development of effective strategies to promote sustainable and responsible consumption patterns in the organic food market.

Key Words: Organic food, consumer, preference, quality, demand

Introduction:

Consumer's wish to pay for the natural food products have been drastically increasing in the recent days, because more and more people started giving much importance for the natural products, since it is helping them to improve their both physical and mental health and also it contributes towards environmental factors. Green products are those that are produced using natural and sustainable methods by avoiding fertilizers, pesticides, GMOs.

This empirical study aims to investigate the factors that influence consumer preference and readiness to pay for natural food products. A survey is conducted among the consumers who purchase organic food products regularly in order to gather information about their preferences, attitudes, and behaviors towards organic food products.

The study will focus on several key factors, including quality, availability, taste and moreover healthy food. The findings of this study will help food producers and retailers in understanding consumer preferences and behaviors towards organic food products. This information can then be used to develop marketing strategies and pricing policies that cater to the needs and preferences of consumers, ultimately leading to increased sales of organic food products. Additionally, this study can help policymakers and food safety organizations make informed decisions about food labeling and safety standards related to organic food products.

Review of Literature:

Arora *et al.* (2019) in their study reveals that consumer perception, attitude is affecting the adoption of OF in Indian market. These factors are treated as the major forces towards purchase decision.

Bansal and Singh (2020) concluded that consumers were spending much on organic consumption mainly by considering health issues and concern towards environment. Organic products are charging premium price from the final consumers.

Kondreddy and Sundarakani (2021) found that consumers' will to buy Green food products was depending on quality, importance to health, environmental factors, and social responsibility.

Nguyen *et al.* (2019) states that the taste, freshness, and environmental sustainability are the major factors attracting consumers.

Yusuf *et al.* (2019) conducted a study titled "Determinants of organic food purchase intention: a systematic review" and found that consumers' will to pay premium amount for natural food products was led by various factors like trust, perceived health benefits, environmental sustainability, and product availability.

Objectives:

- To find out the proportion of consumers choose to purchase organic food.
- To determine the factors influencing consumer preference for organic food items.
- To find out whether consumers are prepared to pay more for organic food items.
- To determine the variables that affect consumer choice while purchasing organic food items.

Statement of Problem:

Understanding consumer preferences and readiness to buy for these products has become more important due to the growing popularity of eco food products. The results of this survey will give food producers and marketers useful information about the demand for organic foods and consumer behavior.

Analysis and Interpretation :

H1; there is an association between education and awareness of organic food products

Chi- Square :

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.490 ^a	12	.940
Likelihood Ratio	7.235	12	.842
Linear-by-Linear Association	.102	1	.750
N of Valid Cases	107		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .28.

Interpretation: The table includes the Pearson Chi-Squares value, which is 5.490 .The associated p-value is .940, which specifies that there is no important association between education and awareness of organic food products based on this test. The likelihood ratio test produces a p-value of .842, which again suggests that there is no significant association between education and awareness of organic food products.

H1: there is an association between income of the consumer and will to pay for the organic product

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	43.031 ^a	16	.000
Likelihood Ratio	42.492	16	.000
Linear-by-Linear Association	14.930	1	.000
N of Valid Cases	107		

a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .67.

Interpretation: The hypothesis H1 suggests that there is a relationship between the income of consumers and their enthusiasm to pay for natural products .The results of the Chi-Square tests indicate that the Likelihood Ratio with 16 degrees of freedom is 42.492 and the Pearson Chi-Square value is 43.031 with 16 degrees of freedom. The p-value for both tests is 0.000, indicating that there is statistically significant correlation between income and willingness to pay for organic goods.

Additionally, the Linear-by-Linear Association test yields a result of 14.930 with a p-value of 0.000, supporting the hypothesis . These findings imply that consumers' willingness to pay for organic goods rises along with their income.

H1; There is correlation between the various reasons for which consumer will prefer to buy the organic food product

Correlation

			Healthy	Eco friendly	Quality	Taste	Willingness to Buy
Spearman's rho	Healthy	Correlation Coefficient	1.000	.644**	.631**	.553**	.577**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	107	107	107	107	107
	Eco friendly	Correlation Coefficient	.644**	1.000	.632**	.612**	.607**
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	107	107	107	107	107
	Quality	Correlation Coefficient	.631**	.632**	1.000	.634**	.636**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	107	107	107	107	107
	Taste	Correlation Coefficient	.553**	.612**	.634**	1.000	.779**
		Sig. (2-tailed)	.000	.000	.000	.	.000
		N	107	107	107	107	107
	Willingness to Buy	Correlation Coefficient	.577**	.607**	.636**	.779**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.

Interpretation:

Based on the provided correlation coefficients using Spearman's rho, there appears to be a moderate to strong positive correlation between the various reasons for which consumers prefer to buy organic food products.

The highest correlation coefficients were observed between Taste and Willingness to Buy (0.779), as well as between Quality and Taste (0.634). These correlations can be classified as strong positive correlations.

The correlation coefficients between Healthy and Eco-friendly (0.644), Healthy and Quality (0.631), and Eco-friendly and Quality (0.632) indicate moderate positive correlations. The lowest positive correlation was observed between Healthy and Taste (0.553).

Overall, the correlation coefficients suggest that there is a significant relationship between the different reasons that consumers prefer to buy organic food products. This finding may be useful for marketers and manufacturers of organic food products to understand what factors are most important to consumers when making purchasing decisions.

H1: there is a significant difference between various factors that influence the consumer decision making on organic food products:

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Varianc		
factors that influence your decision to buy - Price	107	320	2.990654	1.160289		
A. Availability	107	318	2.971963	1.216188		
A. Brand	107	345	3.224299	1.458649		
A. Certification	107	319	2.981308	1.301534		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	4.757009	3	1.58567	1.234787	0.296627	2.625946
Within Groups	544.486	424	1.284165			
Total	549.243	427				

Anova

Interpretation: The null hypothesis, that there is no significant difference between the means of the components, cannot be refuted at the 5% level of significance, as shown by the F-value of 1.234787 and the P-value of 0.296627.

We may therefore conclude from the data analysis that there are no appreciable differences among the many elements that affect consumers' decisions about organic food . It's crucial to remember that this result is predicated on the particular data set that was utilized for the analysis, and it might not apply to other data sets or populations.

H1; there is a significant difference between the frequency of buying among different income groups

ANOVA

How frequently do you purchase organic food products

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	65.140	4	16.285	14.392	.000
Within Groups	115.420	102	1.132		
Total	180.561	106			

Interpretation: Between groups, the mean square is 16.285 whereas it is 1.132 for groups inside groups. The F-value is calculated to be 14.392 and the p-value is 0.000, which is less than the generally accepted alpha level of 0.05.

Therefore, based on the results of the ANOVA analysis, we can reject the null hypothesis and conclude that there is a significant difference in the frequency of buying organic food products among different income groups. In other words, the income group to which a person belongs is associated with how frequently they buy organic food products.

Findings, Suggestions and Conclusion:

Overall, the results indicate that customers are willing to pay more for readily available, from a reputed brand, and with a recognized certification, organic food goods. However, the consumer wish to buy the product is also influenced by the price of the product.

Based on these results, it is recommended that companies should focus on improving the availability and accessibility of their organic food products while also building a reputable brand image and obtaining recognized certification. Companies should also consider offering competitive pricing to attract and retain consumers.

In conclusion, this study provides valuable insights into consumer preferences and will to pay for natural food products, which can guide companies in developing effective marketing strategies for their organic food products.

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