

Determinants and Impact of Consumer Preferences Toward Organic Food Products – A Study

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ABSTRACT

The growing awareness of health and environmental sustainability has significantly shaped consumer behavior, particularly in relation to organic food products. This study investigates consumer preferences toward organic food products in Chennai city. It examines the key factors influencing the shift toward organic consumption, including health consciousness, environmental awareness, and social influence. The research also compares consumer perceptions of organic and conventional food products, with specific emphasis on quality, price sensitivity, and accessibility. The findings indicate that a strong preference for organic food is primarily driven by concerns about health risks associated with chemical fertilizers and pesticides, as well as a commitment to environmentally sustainable practices. Despite these positive attitudes, high prices and limited availability remain major barriers to widespread adoption. The study highlights substantial growth potential for the organic food market in Chennai, provided these challenges are addressed through effective marketing strategies and improved supply chain management.

Keywords: Organic food, consumer preference, health, environmental awareness, price sensitivity, sustainable consumption, organic market growth.

1. INTRODUCTION

In recent years, the demand for organic food products has surged globally, with consumers becoming more health-conscious and environmentally aware. Organic food refers to products that are grown without the use of synthetic pesticides, chemical fertilizers, or genetically modified organisms (GMOs). This shift in consumer preference is driven by growing concerns over the potential health hazards posed by conventional farming practices, which often involve the use of chemicals. Moreover, the emphasis on sustainable farming methods, which protect the environment and preserve biodiversity, has further reinforced the appeal of organic products. In urban areas like Chennai, consumers are increasingly looking for healthier and eco-friendlier food choices, which has stimulated the growth of organic markets.

However, the adoption of organic food products in Chennai is influenced by several factors, including consumer awareness, perceived benefits, price, and accessibility. While many consumers are drawn to the health benefits of organic food, the higher price point compared to conventional food often acts as a barrier. In addition, the availability of organic products in mainstream retail outlets is limited, restricting their widespread consumption. This study aims to explore the key drivers of consumer preferences for organic food in Chennai, identifying both the motivations and challenges faced by consumers. Understanding these factors is essential for marketers, retailers, and policymakers who seek to promote the organic food market and encourage sustainable consumption practices.

2. STATEMENT OF THE PROBLEM

Despite the growing awareness of health and environmental benefits associated with organic food, the adoption rate of organic food products in Chennai remains limited. While some consumers express a preference for organic products due to health consciousness and environmental concerns, others are deterred by the higher costs, limited availability, and lack of trust in certification standards. This disparity raises questions about the underlying factors that influence consumer preferences and purchasing behavior towards organic food in Chennai.

The problem, therefore, lies in understanding the specific drivers and barriers that impact consumer decision-making regarding organic food consumption. Identifying these factors is crucial to developing effective strategies for increasing market penetration and addressing consumer hesitations. By exploring these dynamics, the study aims to provide insights that can help businesses, retailers, and policymakers in fostering a more robust organic food market in Chennai, ultimately contributing to healthier and more sustainable consumption patterns.

3. SCOPE OF THE STUDY

This study focuses on exploring the consumer preferences and behaviors towards organic food products in Chennai city. It aims to identify the key factors that influence consumer choices, such as health consciousness, environmental awareness, price sensitivity, and trust in organic certification. The research seeks to understand the motivations driving consumers to opt for organic products, as well as the challenges and barriers that prevent broader adoption.

The study is limited to the urban population of Chennai, specifically targeting individuals who are aware of or have experience purchasing organic food. It also examines the availability of organic products in local markets and the role of marketing strategies in influencing consumer decisions. The findings of

this research will be valuable for organic food retailers, marketers, and policymakers in shaping future strategies to promote organic consumption and overcome barriers, thereby contributing to the growth of the organic food sector in Chennai.

4. OBJECTIVES OF THE STUDY

1. To identify the key factors influencing consumer preferences for organic food products in Chennai
2. To analyze the challenges and barriers to the adoption of organic food products
3. To evaluate the potential for market growth and provide recommendations for promoting organic food consumption in Chennai

5. METHODOLOGY

This study employs a mixed-method approach, combining both quantitative and qualitative research methods to gain a comprehensive understanding of consumer preferences towards organic food products in Chennai. The methodology is designed to collect data that reflects the factors influencing consumer behavior, the challenges they face, and their overall attitudes toward organic food.

A structured survey will be conducted among 300 consumers in Chennai who are either aware of or have experience with organic food products. The survey will include questions related to demographics, purchasing behavior, factors influencing their decisions (such as health consciousness, price sensitivity, and environmental awareness), and barriers to adoption (such as price, availability, and trust issues). The data collected will be analyzed using statistical methods, such as descriptive analysis, correlation, and regression analysis, to determine the relationships between the variables.

6. SAMPLING METHODS

A combination of convenience and purposive sampling will be employed to select participants. The survey will target urban consumers who are potential buyers of organic food, while focus groups will include a diverse mix of age groups, income levels, and education backgrounds to ensure a representative sample of the Chennai population.

7. DATA ANALYSIS

The quantitative data will be analyzed using software such as SPSS to identify trends, correlations, and key factors affecting consumer preferences. Qualitative data from interviews and focus groups will be analyzed through thematic analysis to capture recurring themes and insights. The findings from both

methods will be synthesized to provide a comprehensive picture of the consumer landscape for organic food in Chennai.

8. CONCEPTUAL FRAMEWORK

The conceptual framework for this study is designed to explore the relationship between consumer preferences and the adoption of organic food products in Chennai. It identifies key factors that influence consumer behavior and how they interact with each other to affect purchasing decisions.

1. **Health Consciousness:**

Consumers who are more health-conscious are likely to prefer organic food due to the perceived benefits of avoiding harmful chemicals, pesticides, and genetically modified organisms (GMOs). The framework assumes that health awareness is a strong driver of organic food consumption.

2. **Environmental Awareness:**

Environmental consciousness influences consumers who are concerned about the sustainability of farming practices. Consumers who prioritize eco-friendly and sustainable food production are more inclined to choose organic products, as they are perceived to have less environmental impact.

3. **Price Sensitivity:**

While organic products are often considered superior in quality, their higher price can be a significant barrier to widespread adoption. The framework incorporates price sensitivity as a moderating factor, assuming that high prices may deter even health-conscious and environmentally aware consumers.

4. **Trust in Organic Certification:**

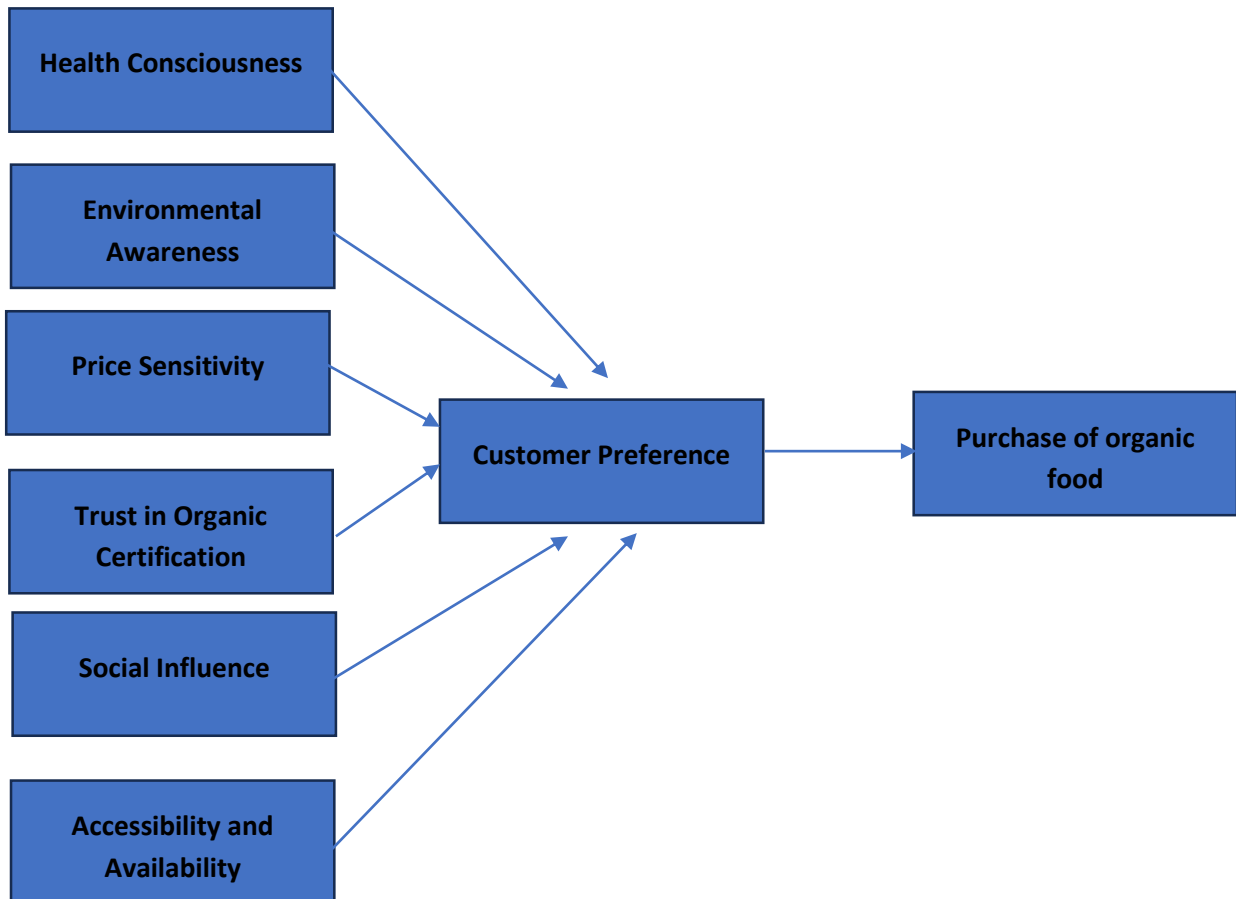
Trust in organic labeling and certification plays a crucial role in consumer decision-making. If consumers have doubts about the authenticity of organic claims, it may negatively impact their purchasing behavior, regardless of other preferences.

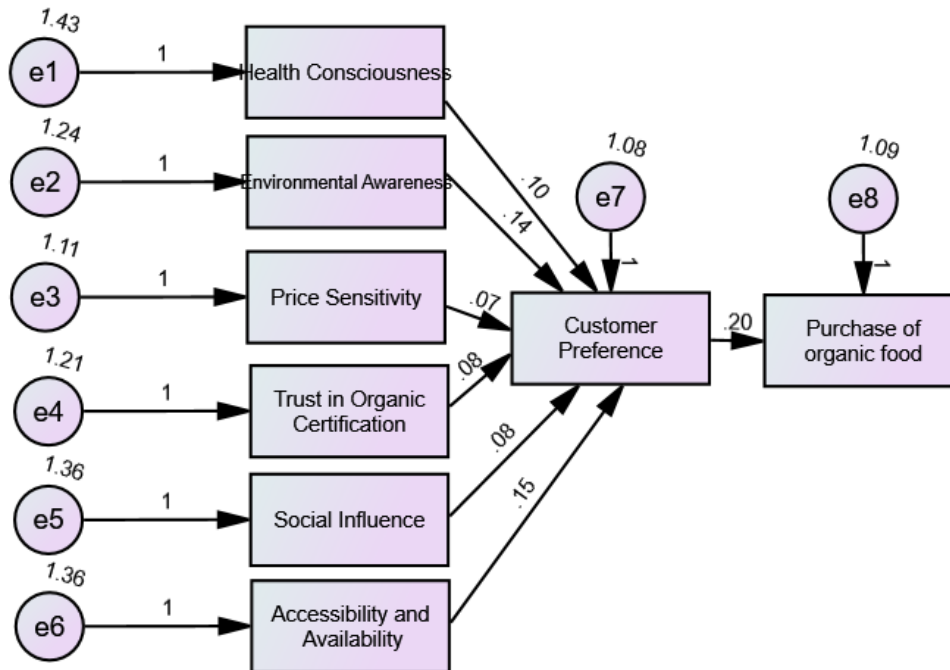
5. **Social Influence:**

Social factors, including recommendations from family, friends, and social media, can shape consumer attitudes toward organic food. This component examines how external influences can either encourage or discourage the adoption of organic products.

6. Accessibility and Availability:

The availability of organic food products in the market also affects consumer choices. Limited access to organic food in mainstream retail outlets can hinder regular consumption, even among those who are willing to purchase it.





The goodness of fit indices for Customer preference is presented in above table. Purchase of Organic Food (OF) is conceptualized with first order construct consists of six items. The value of GFI (0.988) is greater than 0.90. The value of AGFI (0.965) is more than the threshold value 0.90. The RMSEA value (0.028) less than 0.08 which is also in good range. The value of CFI obtained (0.999) greater than 0.90. Also TLI (0.998) which is greater than 0.90 and CMIN (1.310) shows perfect fit of model. All the variables are perfectly fit for the Purchase of organic food.

From above SEM Model, It is clear that Price Sensitive, Trust in Organization Certificate & Social Influences plays a significant impact to the construct of customer preferences with the loading factor value of .07, .08 & .08 for buying organic food product.

9. RECOMMENDATIONS

1. **Price Reduction Strategies:** One of the main barriers to organic food consumption is its high cost. Organic food retailers and producers should explore ways to make organic products more affordable. This could include offering discounts, promoting organic food through loyalty programs, or partnering with government schemes to subsidize organic farming, thereby lowering the prices for consumers.
2. **Improved Accessibility and Availability:** Organic food products should be made more accessible by increasing their presence in mainstream retail outlets, supermarkets, and local markets. Retailers can also expand online platforms to ensure consumers have easier access to organic products from

the comfort of their homes. This will help overcome the challenge of limited availability, particularly in non-central parts of Chennai.

3. **Consumer Education and Awareness Campaigns:** Increased efforts are needed to educate consumers about the benefits of organic food, not only from a health perspective but also in terms of environmental sustainability. Organic food producers and retailers should invest in awareness campaigns that highlight the long-term health and ecological benefits of choosing organic products. Certification bodies should also promote the credibility of organic labels to build trust among consumers.
4. **Collaboration with Farmers:** Support for local organic farmers through cooperative marketing and supply chain collaboration can enhance the organic food market. Encouraging partnerships between small organic farmers and retailers will improve supply consistency, stabilize prices, and create a sustainable market ecosystem for organic products.

10. CONCLUSION

The study reveals that consumer preferences for organic food products in Chennai are influenced by a combination of factors, including health consciousness, environmental awareness, price sensitivity, and trust in organic certification. While there is a growing demand for organic products driven by the desire for healthier and environmentally sustainable choices, high prices and limited availability remain significant barriers to wider adoption. To expand the organic food market in Chennai, retailers, policymakers, and producers must address these challenges by making organic food more affordable and accessible. Enhancing consumer education on the benefits of organic food, ensuring trust in certification, and increasing product visibility in both physical and online markets can drive higher adoption rates. Ultimately, fostering a strong and well-supported organic food ecosystem will contribute to healthier consumption habits and a more sustainable food industry in Chennai.

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