

Organic Products: Change in the Consumer Buying Behaviour and Its Sustainability in the Market (Through Distributor's point of view)

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ABSTRACT: Organic farming and the production of all-natural health food is not new phenomena. But during recent years interest in the organic farming industry has increased due to health scares, rampant obesity, and the spread of disease throughout the world. Organically grown health food has created a solid niche for itself. Indeed with the growth of farmers, markets and an increased concern over the effects of artificial fertilizers and pesticides, organic food is the beginning to make a serious bid for control of the food industry. However, in its early years, organically grown health food was only a fairly obscure, radical segment of the market. An organic brand like NUTRILITE- promoted by Amway is different from the other business, which has been developed through Multi Level Marketing (MLM). Indian brands like Patanjali, Eco Farms, and 24 Mantra organic are using other channels for marketing and distributing. Organic marketing is growing rapidly and consumers are willing to pay for organic products. Companies that integrate organic strategies into product development, operational process and marketing activities find new opportunities for competitive advantages. Organic products are more preferred in the market today because of natural ingredients and process used for making product. Organic food has drawn attention of more and more consumers. As a result, many researchers have attempted to explain the motivations and marketing issues relevant to the topic This study will cover points like: factor consideration for selling of organic products, awareness level for organic products and reasons for change in the buying behaviour. Efforts are being made to understand how organic marketing as a strategic tool will survive in a globalized market.

Keywords: Buying Behaviours, Health awareness, Natural ingredients, organic Marketing and organic products.

I. INTRODUCTION

Organic products are seen as items which have insignificant influence on the environment throughout their production process Organic products are usually indicated by their packaging, which contains wordings such as natural, recyclable, organic, environmentally friendly, and biodegradable. One of the basic needs of all humans all over the world is food. During the past decades, there have been significant changes in Indian food industry due to the changes in economic structures. A wide range of foods has been produced to satisfy the wants and needs of the various ethnic groups. Indian - concerns toward food consumption and environmental issues are increasing day by day. They are going to change their consumption pattern in order to choose the food that is eco-friendly and healthy.

Recent trends in final food demand show that the concept of food has undergone a radical transformation in recent years to the point to assign to food, in addition to their nutritional and sensory properties, also an important role in the maintenance of health, on psycho-physical well-being and prevention of certain diseases. Today foods are not intended to only satisfy hunger and to provide necessary nutrients for humans but also to prevent nutrition-related diseases and improve physical and mental well-being of the consumers.

1.1 Organic Market

Market highly depends on consumers buying behaviour. Change in the buying behaviour leads to change in the market demand. Today the organic is becoming popular, which lead towards a change in the market demand and consumer behaviour.^{[1][2]} As India is considered to be rich in heritage for organic agricultural and farming, it helps towards the growth and design of strong market development. Rapid increase in organic products and herbal (ayurvedic) products has created more market opportunities and challenges. Market development requires different marketing techniques and efforts to increase consumer awareness.

India is blessed with the roots of organic and ayurvedic system. But its demand has been more found outside India. There has been growth in the market demand for last few years but it has not been well developed in the market due to lack of awareness. World's approach towards natural and traditional system is more developed; even farmers and companies are getting more involved to agro-organic productions which lead towards green revolution.^[3]

Consumer health awareness and increasing food scandals are considered to be the main factors to change in buying behaviours. The word organic refers to all the products which are made or produced without using chemical fertilizer and pesticides, which blends with our old Indian system (ayurvedic). As such ayurveda is considered to be natural science development for human survival. Today market trend has been diverting towards the same system requirement for customers. People all over the world are getting very conscious about their health and environment. This shows that in the next few years there is a great opportunity for organic and natural products.

In India brands like: - NUTRILITE- Amway Organic India, Patanjali, Eco Farms, 24 Mantra organic are known in the Market.

1.2 Organic Business Market

In terms of increasing our understanding of food purchases, a number of valuable insights have been provided by investigating the food supply chain. At the global level, the organic industry is estimated to be in excess of \$US40 billion. Many supermarket chains offer a wide variety of organic products, including private and own brand organic labels. There is also significant expansion in the range of organic products available in supermarkets. Today there are different formats of organic business market such as, organizations that use cooperative business structures, independent outlets, farm shops, farmers, markets, community-supported agriculture schemes and productive direct market. The health motivation can be seen as one of the proactive reasons for the change in customers but still it has not covered the market range.^[4] The product quality is another factor that consumers will generally relate towards the organic food, mainly fresh fruits and vegetables. Good quality generally relates to premium price so business market needs to analyze the pricing factors. And finally, there have been many food scandals in the past few years which have opened new opportunities for the organic business market. This study will analyze the factors for the change towards organic business and what further can be worked out to facilitate the recent developments. An organic products business does not appeal to a coherent segment of the market as it does not have regular customers. Analyzing the factors can lead towards the segmentation parameters which will include combinations of attitude and behavior to bring the change in customers.

1.3 Problem formulation

Although the land productivity in India has increased due to the heavy use of chemical pesticides, antibiotics, growth hormones, and fertilizers, it has also caused a lot of problems related to food safety and environmental issues. Increase in number of food scandals in India has diverted many people to change their preference for organic food. More and more people are becoming conscious of health and environmental protection, and India's rapid economic growth increases the purchase power of consumers, all of which has increased the preference for organic products and so has led even the distributors to sell more organic products.^[5]

In our research, we have designed a survey questionnaire in order to gather the quantitative data on the factors that can influence organic food consumption among people in Ahmedabad. The questionnaire was composed of 10 questions and translated into regional languages before it was surveyed. All the questions in our survey were designed based on the factor which includes Distributors' attitude, social norms, Selling barriers, Change in the purchasing behavior of consumers, and marketing implications.

II. KEY ISSUES

2.1 Organic Marketing

Organic marketing comes in many forms. Modern marketers use this term to refer to natural marketing methods; not forced and not bought. Some business owners call it "attraction marketing" because the marketing material itself serves to draw the target audience in. Traditional advertisements only work on a captive audience – organic marketing ensures that your products themselves are captivating enough to stand alone.

2.2 Why Firms go with organic products?

Organic products are those made entirely from natural substances, which in turn have been grown eschewing the use of artificial chemicals, fertilizers and pesticides.^[6] Although nascent, the Indian organic food market has begun growing rapidly.

There are several reasons for firms to prefer organic products.

- Consumers preference for natural products
- More Health awareness
- Increase in number of food scandals
- To be more socially responsible ^[7]

III. OBJECTIVES

3.1 Primary objective:-

1. Distributors approach towards organic product business.
2. Reasons for Consumers changing perception towards organic products.

3.2 Secondary Objectives:-

1. To study awareness about organic products among distributors.
2. To study the reasons for the change in the buying behaviour of the organic food.
3. To through light on the circumstances responsible for the rapid change in organic industry in context with organic food.

3.3 MYTHS about Organic products:-

1. Only rich people can afford organic products.
2. “Organic” is an uncommon word; people do not accept it easily.

3.4 SIGNIFICANCE OF THE STUDY:-

1. Outcome of the study will provide more view about the changing perception and attitude of consumers towards organic Products in this globalized era.
2. It will help marketers to find out the factors consumers consider in purchasing organic products.

IV. RESEARCH METHODOLOGY AND HYPOTHESIS

We will be conducting survey with the help of questionnaire. It will mainly consider issues associated with personal health; product ‘quality’; and high price we will be conducting interviews (Appendix A) to Distributors/retailers.

4.1 SAMPLING FRAME:-

This study emphasis on different regions of Ahmedabad like science city, Satellite,

4.2 SAMPLING TECHNIQUE:-

Non-Probability convenience sampling method will be used.

4.3 SAMPLE SIZE:-

28 Distributors of different areas in Ahmedabad
Contact Method: Direct Interview, Telephonic and E- Mail
Duration 4 weeks

4.4 HYPOTHESIS:

1. Distributors are having good knowledge about organic products(Q1)
2. Organic products brought little change in their business (Q4)
3. Organic products lead towards change in buying behaviour & consumers (Q7)
4. Due to several reasons customers are diverting towards organic products(Q9)
5. There are some elements which bring change in the organic market (Q10)

4.5 LIMITATIONS OF THE STUDY:-

This study is restricted only to food products and supplements.

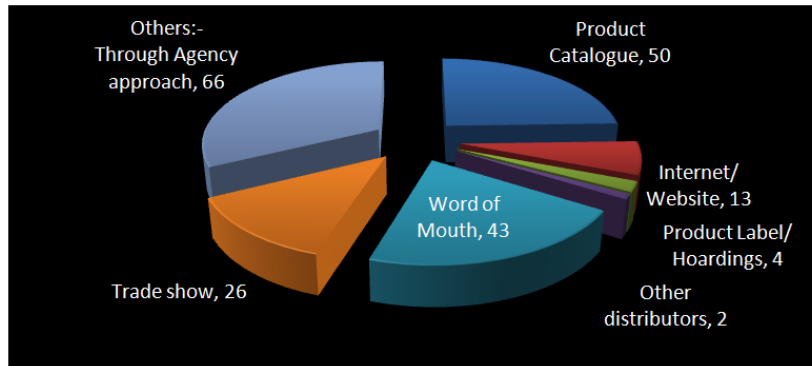
It is important to acknowledge that survey sampling method used in this study cannot be generalized to the whole Population.

V. ANALYSIS AND INTERPRETATION:

Q 2. Table1 with graph: Distribution of the respondents on the first to know about organic product business.

Sr. No.	Variables	No. of Respondents	%
1	Product Catalogue	50	64
2	Internet/ Website	13	16
3	Product Label/ Hoardings	4	5
4	Other distributors	2	2
5	Word of Mouth	43	55
6	Trade show	26	33
7	Others:- Through Agency approach	66	84

Source: Primary Data



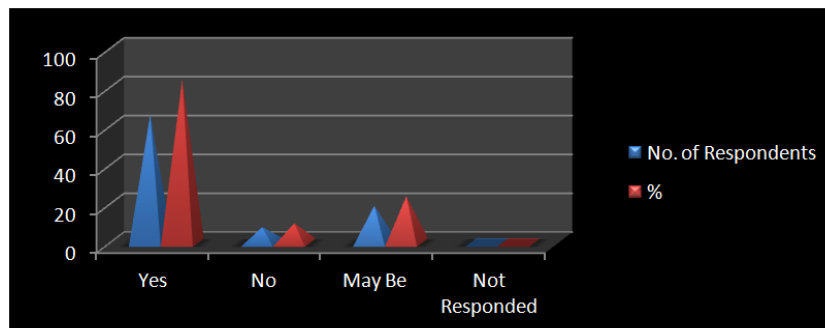
Interpretation: - By analysis from the above data based on questionnaire it is proved that distributors are aware about the organic business through agencies approach. It is interpreted that 66 respondent are who started the business through agency approach. 84 % reflects that major part of the variables. The next source of awareness is through product catalogue which highlights 50 respondents and the result is 64%.So it can be interpreted that most of the distributors are aware about the organic business through agencies approach, and they bring this awareness through product catalogue.

There are two variables which contain major part of variable ratio for awareness regarding organic products. So considering the hypothesis “Distributors came to know about the organic product business though word of mouth.” has been rejected.

Q 4. Table2 with graph: Distribution of the respondents on the Change in business by selling organic products.

Sr. No.	Variables	No. of Respondents	%
1	Yes	66	84
2	No	8	10
3	May Be	19	24
4	Not Responded	0	0

Source: Primary Data

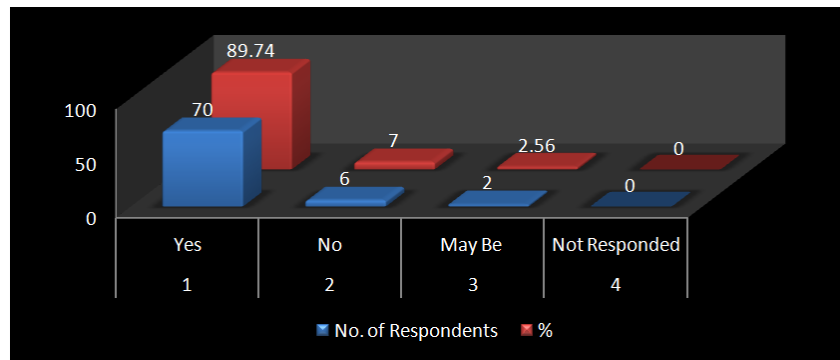


Interpretation:-By analyzing the above data based on questionnaire, it is interpreted that organic products has brought change in the business of distributors .There are 66 respondents who said “yes” to the researchers. If it is depicting in % then it is 84% from the total respondent, which is taken from the hypothesis-“organic products brought a little change in their business.” Has been rejected due to the above reasons as mentioned.

Q 7. Table3 with graph: Distribution of the respondents on awareness and change in the consumer behavior in the market about organic products.

Sr. No.	Variables	No. of Respondents	%
1	Yes	70	89.74
2	No	6	7
3	May Be	2	2.56
4	Not Responded	0	0

Source: Primary Data



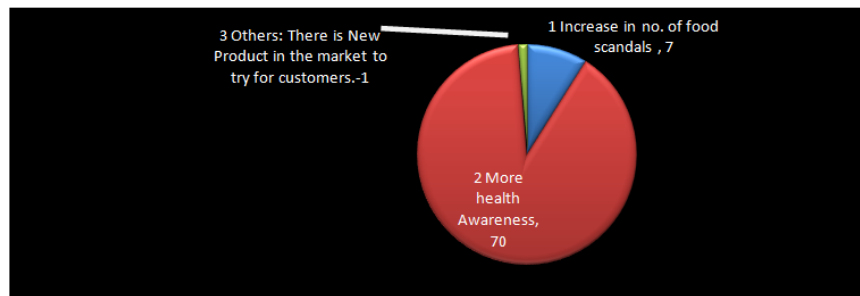
Interpretation:-It is observed in analysis from the above data that 70 respondents out of 100 said “Yes” for the above question which means 90% of the respondent agree or accept that the market perspective and consumer behavior has changed towards organic products and there have been several reasons for the same.

We have considered the hypothesis that “An organic products lead towards the change in buying behavior of the consumer has been accepted.”

Q 9. Table 4: Distribution of the respondents showing results on the reasons for customers to divert towards organic products.

Sr. No.	Variables	No. of Respondents	%
1	Increase in no. of food scandals	7	8.97
2	More health Awareness	70	89.74
3	Others: There is New Product in the market to try for customers.	1	1.28

Source: Primary Data

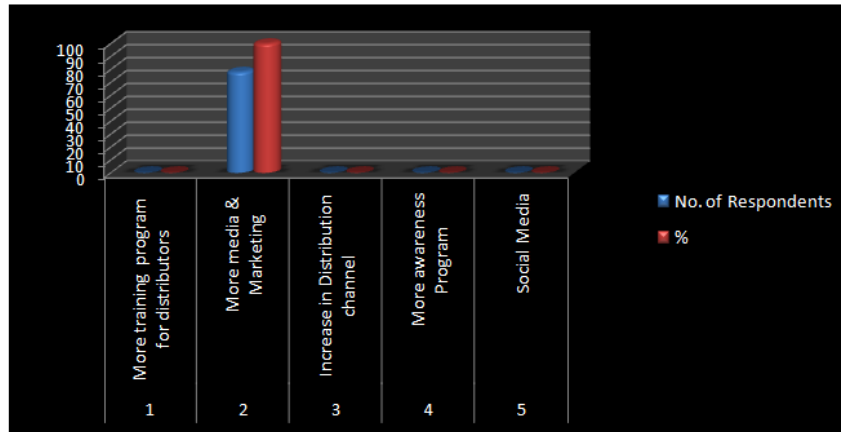


Interpretation:- By analyzing the above data based on questionnaire, it has been proved that 7 respondent are in favor of the 1st option (8.97 %). 70 respondent are in favor of 2nd option which means (90%) distributors favor of ‘more health awareness ‘is the reason for change in customers towards organic products. There is only 1 respondent for the 3rd option that is “New product in the market”. It reflects only 1% to the total response. It shows that all the respondents are in favor that there are several reasons for customers to divert towards organic products that’s where the hypothesis has been proved or accepted –“Due to several reasons customers are diverting towards organic products.”

Q 10. Table1: Distribution of the respondents on elements which can bring change & increase in the business of organic market

Sr. No.	Variables	No. of Respondents	%
1	More training program for distributors	0	0
2	More media & Marketing	78	100
3	Increase in Distribution channel	0	0
4	More awareness Program	0	0
5	Social Media	0	0

Source: Primary Data



Interpretation:-By analyzing the above data based on questionnaire, it can be concluded that 78 respondent which means 100% to the result are in favor of 2nd option. It shows that if the organic companies want to increase their business, the best option will be to bring change in the current form and put more efforts for promoting the product and brand. There has to be more media marketing, promotion and advertising to create more awareness in mind of customers.

The aim of our research has been proven from the above data which shows that the entire respondent (100%) agrees with the above statement.

VI. CONCLUSION & SUGGESTIONS

Conclusion: - Organic products have brought change in the current market. Consumers have also diverted more towards organic products, which has brought change in the current market scenario. By analyzing this research it shows that consumer behavior plays an important role in buying organic products.

By conducting a systematic questionnaire for the distributors, it can be said that organic products have brought change in the distributors business, even they are aware about organic products and its business. They also have a positive attitude towards it. The study brought out the fact that distributors consider the importance of the product they sell to the customers and reflect the change in customer’s attitude to the preference of organic products.

It is also observed form the study that distributors have change in their business due to the change in customers diverting towards organic products. Earlier organic products were new to the market but now a days due to change in the customer’s behavior and attitude has brought some good result in their business and profit has been also considerably raised. ^[8]

This study has been supported by various hypothesis, which has been proved in the study. No statistical Methods or tools are used to prove the hypothesis.

Suggestions:- Although the entire hypothesis has been proved but there is a scope for more betterment or we can say better business in organic products. For that we have conducted “Aim” in our study, which also has been proved and supported by statistical data. It also indicates that to grow more in business, organic companies have to spend more on media and marketing to make customers more about organic products. Better Promotions and advertising has to make to increase knowledge regarding organic product as to make a common term in the market for users and distributors. There has to proper and conventional tools used for proper distribution of the products. Companies should use better marketing tools as to educate the distributors regarding products environmental impact and customer’s health.

Market research and proper marketing strategies are very necessary tools today to survive in the market. Companies should clearly define its communication and parameters towards better growth and sustainability

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Appendix A

Instructions:

- This questionnaire. is designed to know about awareness of organic product and reasons for preference towards organic products
- Please tick mark the appropriate option.
- This is a genuine survey so please do consider all the options.
- In case of any query please do not hesitate to ask the questions.

Questionnaire for Distributors

Q1. Do you have any knowledge about organic products?

- [A] Yes
- [B] No
- [C] May be
- [D] Not Responded

Q2. How did you first hear about organic products business?

- [A] Product Catalogue
- [B] Internet/Web Site
- [C] Product Label
- [D] Other Distributor
- [E] Word of mouth
- [F] Trade Show
- [G] Other: -----

Q3. How Many years of experience do have in selling organic products?

- [A] Less than 1 year
- [B] 2-3 Years

- [C] 3-5 years
- [D] More than 5 Years

Q4. Did organic product sale bring any change in your business?

- [A] Yes
- [B] No
- [C] May be
- [D] Not Responded

Q5. On which parameters do you prefer any product of the company?

- [A] Quality
- [B] Profit Margin
- [C] Brand Name
- [D] Customer Preference

Q6. What do customers look for when they come to buy organic Products?

- [A] Quality
- [B] Price
- [C] Display
- [D] Competence

Q7. Has Market Perspective and consumer behaviour changed due to organic Products?

- [A] Yes
- [B] No
- [C] May be
- [D] Not Responded

Q8. What are the factors do you think has changed towards change in preference?

- [A] Good Display
- [B] Nearby availability
- [C] Good quality products
- [D] Advertising
- [E] Value for Money

Q9. What are the reasons for customers to get more diverted for organic products today?

- [A] Increase in no of food scandals
- [B] More health awareness
- [C] New product in the Market to try for

Q10. Which of these elements do you think will bring a change and increase your business in the market?

- [A] More training program for distributors regarding organic products
- [B] More Media Marketing
- [C] Increase in Distribution
- [D] More awareness programs
- [E] Social Media