

## **Research into Consumer Behaviour**

### **ABSTRACT**

Consumer behaviour is a factor that is given a lot of importance in the marketing world. The launch of any product can result in its success or failure depending on the manner in which consumer behaviour is analysed and the extent to which consumers are motivated. Food being a basic necessity of mankind has a huge market potential especially with the organic food. Consumers are becoming increasingly dissatisfied with GM (Genetically Modified) and conventional food. Therefore there is an inclination seen towards the organic food sector in the market. Organic food is said to be healthier due to ethical ways of production which do not use man-made chemicals and unnecessary preservatives as opposed to conventional food. It is also said to be eco-friendly because of environment conscious methods which are used for the production of organic food. The advantages of organic food are more whereas the disadvantages (such as price premium) are negligible when compared to its better side. Regular buyers of organic food are willing to overlook these minor disadvantages which are negligible. In this research work, the consumer behaviour in the United Kingdom (UK) regarding organic food is studied and compared with that in India. The factors (such as consumer expectations, beliefs, criteria, concerns, quality, awareness and so on) that affect marketing of organic food in the UK and in India are also studied with relevance to consumer behaviour. In the United Kingdom, organic food market is majorly divided whereas the Indian market is growing at a faster pace. The growing demand for organic foods from the consumers because of its quality, safety and positive environmental impacts have increased the demand among the consumers. The research has contributed good knowledge of the various factors that can depict the future organic food consumer trends in the United Kingdom and in India. Some of the main factors like the consumer demographic. Apparently this has enabled to outline certain challenges that may assist in improving the current marketing strategy for organic food in India. Suggestions were also given in the later part of the dissertation that can change the present marketing scenario and would inevitably encourage more consumers to decide on buying organic food.

### **ACKNOWLEDGEMENTS**

First and foremost I would like to thank god for giving me immense strength and courage to complete this dissertation and my parents for empowering their blessings throughout this dissertation.

Secondly, I would like to extend my gratitude to Simon Speller, my supervisor who was always enthusiastic and motivated me to complete my dissertation. I wish to express my warm and sincere gratitude towards him who encouraged and guided me throughout my research study.

I would like to thank specially my Module leader Yi Zhu, who encouraged me and never hesitated to help me out during my study. I immensely thank my friends especially Taj and Tinoy and the employees of the stores who were always there to lend me their hand.

## CHAPTER 1: INTRODUCTION

This study is focused on the consumer behaviour and to understand their approach towards organic food in the United Kingdom and in India. Organic food has a healthier demand because of its better quality, taste and appearance. Brunso (2002) denotes that since the organic food is healthier and the process of making it is more convenient, consumers will easily accept these merits. Consumer lifestyle has been noted as one of the factors for the consumers to make certain preferences and organic food is better prevailing among consumers since people are more focused on a healthy lifestyle. They prefer organic food since it is healthier, fresher, tastier, residue free and eco-friendly. It is nutritional and tastier and the process of producing the organic food is not harmful to the environment when compared to conventional food Lang, (2005). When the consumers see the label organic, they presume that the product is of superior quality because of the way it is processed. The use of natural raw materials, welfare oriented animal husbandry and eco-friendly usages of land are the aspects regarded by a consumer. According to an organic consumer, the word organic implies quality which means unadulterated ingredients which is favourable to the consumers likewise the production process is also safer to the environment which comprises of the wellbeing of the humans, animals and plants. On the whole it is beneficial to the community and the universe (Beck et al., 2006).

Conventional foods are produced using pesticides, fertilizers, ionizing radiation and they are dependent on soil and water polluting methods. Hence consumers are prepared to pay more for organic food which is of residue free. Virtually all non-organically produced foods contain residues of pesticides, fertilizers and other chemicals, and to prevent the consumption of these infirmity consumers buy organic food which is tastier and nutritious. According to the Consumer reports, since 1996 pesticides which were formerly used extensively are now federally banned and restricted by some manufacturers to meet safety standards in particular for the children Dabbert, Haering, & Zanoli, (2004). The Food Quality Protection Act (1996) recognizes that many pesticides are dangerous for the human health meticulously for the infants and children McEachern, & Willock, (2004).

Organic food preserves the diversity among the flora and fauna in an environment. It even supports the nutrients in soil for a better soil fertility. Organic food is grown and produced using some production standards. Some consumers prioritise to universalistic values such as "social justice" and "unity with nature" and hence they are more focused in purchasing organic food rather than conventional food (Grunert et al., 2001). The pesticides which are used for

conventional farming is not used for the production of organic food. There is no residue or impurities in the food which is harmful for the consumers and the environment. Organic food is safe and has no industrial or human waste. During earlier days organic food was cultivated only in farmer's gardens and some households for their own use Torgusen et al., (2001). So organically produced food was not accessible at all places and was not extensively available. There are certification and strict regulations to produce and market organic foods. The regulations are pursued for the betterment of the quality of the organic food. These are some of the strategies followed to enhance the quality of the organic food. But in the recent years the production of organic food is supplementary. It is widely available at all domestic and urban areas. Since consumers are more cognisant about their health and environment, the demand for organic food is additional and perhaps the supply has also been amplified.

A wide range of organic food and non organic food consumers were addressed and scrutinised to obtain their observation and appreciation towards organic food. All organic food consumers are not having the same method of approach towards organic food. Subsequently the statistical process guides us to comprehend the relation and the model of the consumer behaviour trends on organic food in the UK and in India. We could also categorize the similarities and contrast of the consumers in the UK and in India. The way of approach between the two countries and the stimulant for their choices are discussed. To acquire data many respondents were given questionnaires to answer questions pertaining to this topic and later these questionnaires were gathered to scrutinized and draw facts. Towards the end of this research recommendations and conclusion are given.

### 1.1 Aim and Objectives

The main aim of this Research is to identify the consumer behaviour towards organic food in the United Kingdom and in India.

In order to fulfil this aim, the following objectives have been identified:

1. To identify the demographic characteristics in the UK and in India for the consumption of organic food.
2. To analyze the consumer attributes considered in the UK and in India while buying organic foods.
3. To assess the beliefs of consumers towards purchase of organic foods.
4. To examine the consumer behaviour towards organic food in The UK and in India.

### 1.2 Research Approach

The research approach adopted for this study is quantitative methodology. The results collated from this survey will then be analyzed to make findings and future recommendations. The

respondents will comprise of people who are involved in the consumption of organic and conventional food products. The survey will thus help in successfully achieving evidence for the research problem and objective. The main advantage of using these methods is that it helps in understanding and exploring the contextual information of the research topic (Saunders, Lewis & Thornhill, 2003) and these when mutually combined with research literatures shall provide a broader perspective to the research topic.

### 1.3 Research Outline

This chapter thus encapsulates the research topic and justifies the need for this study. It describes the aim and objectives of the study and outlines the approach adopted for this research.

Chapter 2 reviews the literature and strives to evaluate the consumer behaviour and attitudes in terms of food choice of customers and preferences with regard to organic food.

Chapter 3 describes the methodology adopted for this study and the reasoning behind the method selection. It also enumerates the data collection methods.

Chapter 4 analyzes the data collected from the survey and interprets the findings to present the attitudes towards organic foods. Based on the findings an attempt has been made to provide recommendations.

Chapter 5 discusses the limitations and the implications for future research. It also summarizes the entire research.

## CHAPTER 2: LITERATURE REVIEW

This chapter details all the relevant study completed so far with relevance to consumer behaviour and organic food. The question posed in this research was derived by analyzing theories and patterns from previous research work which helps us to comprehend the topic better.

### 2.1 Preface

An individual's lifestyle basically depends on two major attributes such as food preferences and consumption. These preferences facilitate the betterment of their wellbeing. Food plays a vital role in the composition of a human being and the food that is consumed is influenced by many factors. A number of models have been framed to study these influences. One such model developed by Shepherd (1985) explains the factors that are essential when considering food preferences Diagram which is at figure 1.

The demand for organic food in the food industry is growing at a faster pace in countries such as Europe, North America, Australia and Japan hitting to an annual sales of \$114.5 billion

(Arbindra et al., 2005). The need for such food has increased in recent years amongst people who are health conscious and those that like to lend their hand in the conservation of the environment. According to Makatouni (2002) organic food is professed as a type of food that is without chemicals and growth hormones and it is not produced intensively but is grown naturally. Organic foods are always linked to naturalness Da Costa et al., (2000). A study was conducted by Garnkvist and Biel (2001) to correlate the purchasing of eco labelled foods with other purchasing criteria's such as price, product familiarity, environmental consequences, quality, personal experiences, package attractiveness, effects on own health. It was analyzed that health and environmental consequences were the two major factors that correlated with purchase of eco labelled foods.

## 2.2 Quality of Organic Foods

The production of organic food follows mandatory regulatory and quality based standards. The production process is monitored by the legal certification body. The concerned officer will validate the entire production process, therefore enhancing the quality of the food and after the inspection is completed, the organic certificate is then granted Nielsen, Bech-Larsen & Grunert, (1998). The quality of the food can be estimated from different perspectives. Hoffman (1994) indicates four qualities which are sensory, nutritive, hygienic-toxicological and technological. There are varied consumers like the technologists and the inspectors who have different qualities but every consumer will show attention to nutritious and sensory values of food Padel & Foster, (2005). Food inspectors concentrate more on hygienic issues and technologists are more focused on the technological aspects of the raw material, nevertheless countries which exercise the inspection system undergo these aspects before the food reaches the consumers (Hoffman 1994).

A consumer choice of food is entirely an individual's perception of qualities related to food. These qualities can be roughly classified into two broad categories. They are sensory characteristic and non-sensory characteristic. Hoffman's (1994) proposal's research has exhibited that consumer's focus more on sensed characteristics of food and it plays a vital role in their choice of food Wandel & Bugge (1997). The most essential criteria for food choice are taste Holm & Kildevang, (1996). There are also other imperative features like appearance, odour and freshness (Wandel & Bugee (1997). On the other hand studies show us that consumers are increasing in number for those who are keen on non-sensory characteristics. Some of them are the absence of food additives, preservatives and residues, nutritional value and how the production of food was made. These enhance the quality of organic food which drives customers towards it Wilkins & Hillers, (1994). Wellbeing of the animal and fair- trade is the qualities related to ethical factors which are also taken into regard for the importance of food choice. There is dissimilarity between sensory and non-sensory qualities. The non-sensory

attributes are hard to comprehend by the consumer. Consequently for those who show great importance to such characteristics, trust may be of their bigger concern.

### 2.3 Consumer Behaviour on organic food:

Consumer behaviour plays a major role in marketing. No trade can take place without a consumer. Belch and Belch (2007) defines consumer behaviour as "the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires". Consumers are basically become very selective in buying their products. In marketing point, it is a vital aspect to comprehend the consumer skilfully and to satisfy their needs, wants and demands and attract them towards the product. It is the consumer who is the main source for any kind of business to run efficiently, without whom there is no point in running any organizations, industries and business oriented companies. Hence, the vital outcome is satisfaction of a consumer. In the case of organic food, a consumer is interested in organic food because of the ecological factor and the infirmity of the non organic food which motivates them to buy organic food which is healthy and eco-friendly. Mc Gregor & Blackholly (1990) researched about consumer attitudes, values and purchasing habits of organic food and eventually concluded that consumers are very health oriented, focusing more on residue free food and taking ecological factors into consideration whether the price is low or high.

"Consumer behaviour is the activities people undertake when obtaining, consuming and disposing of products and services" Schutz & Lorenz (1970).

Consumer behaviour concentrates more on how an individual decides and determines to spend their available resources like time, money, effort on consumption associated substances. The term consumer behaviour illustrates two diverse kinds of consuming entities. They are personal consumer and organizational consumer. A personal consumer purchases goods for an individual's own use. In each of these perspectives, the goods are purchased by an individual for the final use, who is referred to as an end user or ultimate consumer. The subsequent category of consumers are the organizational consumer - that comprises of profit and non profit businesses, government agencies and institutions for which they must buy goods in order to run their businesses or organizations Lockie, Lyons & Lawrence (2004).

#### 2.3.1 Consumer behaviour on organic food in India

The term organic farming is not new to India, Sir Albert Howard an expert in organic farming studied the soil plant interaction and developed ways to tackle and improvise the methods to advance the conventional principles of organic farming such as mixed cropping, crop rotation and legumes Howard (2000). This conventional method of farming was one of main source of income in the rural areas of India. India was also one of the largest exporters of organic foods

until 1960's. The advent of green revolution regulated by the government made the farmers to change their conventional method with the use of pesticides and they started the sideline of organic farming.

Assocham study ([http://www.freshplaza.com/news\\_detail.asp?id=15251](http://www.freshplaza.com/news_detail.asp?id=15251)) has mentioned that organic food consumption in the country is now low among educated and health conscious people in the metros due to its high cost. In its survey 'Use of Organic Products and Non-Organic Products in Metros', the Industry body said only one out of every 30 people in metros are customised to consume organic products, whereas 20% of farmers are engaged in organic farming. The industry chamber claimed that the price difference ranges from 35-40% due to the scarcity of organic products and poor marketing strategies.

"About 300 retailers in India said consumers purchase organic products on health and environmental grounds. However, around 60% of those surveyed said the customers do not purchase foods that promote specific health benefits due to high cost", it said.

Also, over 58% retailers blamed unavailability of organic products in stores for low consumption; it said adding that lack of credibility is the key barrier for consumption of food products claiming to promote health benefits. "Though Indians are getting more and more conscious about health, organic products are yet to make a mark amongst the average Indian household. Marketers of organic food need to not only educate consumers about the benefit it offers, but also build credibility for the offer and thereby buy consumers trust before they can expect any takers", said Assocham president, Venugopal Dhoot ([http://www.freshplaza.com/news\\_detail.asp?id=15251](http://www.freshplaza.com/news_detail.asp?id=15251)).

The usage of organic food by local consumers is less when compared to the non localities. It is exported in large to the other countries. The domestic consumption of organic food by the local consumers are only a meagre of 7.5% of the whole organic food which is produced and the rest of which of the major portion is exported and because Indian agriculture skills are accepted all over the world because of its traditional and natural resources are pure in India. Majority of the domestic consumption of organic food is in urban places like Chennai, Mumbai, Kolkata, Delhi, Hyderabad and many more urban cities. These cities are of well known urban cities which are considered as upper income groups of consumers who contribute the major share in consuming organic food in India.

### 2.3.2 Consumer behaviour on organic food in the UK

The market significance of the production of organic food in the UK is increasing recently and is estimated at £14 billion Data monitor, 2008. The production of organic food spreads out widely as an effect of the growing market potential (Wier & Calverley, 2002). The information provided by the pro-organic groups revealed nearly most of the population consumes organic food. For instance if there are three shoppers, two out of three purchase organic food which is

around 65.4 per cent The Soil Association, (1999). During the year march 2007, the trading value in the UK was £1 billion for the groceries of £128 billion and this shows the organic share is approximately about 0.78 per cent of sales of total groceries. Henceforth there was a random increase in the markets of farmers, internet based retailing, farm shops, retail sectors sales ascended from £300 million in 2004 to £384 million in 2004 The Soil Association, (2006). In regard to this massive market value these models have been emulated across the UK broadening from the south of England to north Reed The Soil Association, (2005).

Demand for organic food is increasing radically. Within Europe, the UK is positioned fifth for its revenue for the organic products, which was half a billion US dollars during the year 1998/1999 (Soil Association, 1999). The UK's organic market with other countries like Switzerland, Denmark and Sweden are reaching the highest annual growth rate in organic sales when compared within Europe and the estimation is to be surplus of 30 per cent Randall & Sanjur, (1981). The Soil Association determined that in the year of 1999 the UK market for organic products expanded rapidly to 40 per cent (Soil Association, 1999) and they even forecast that by 2002 that the growth of organic market would give a turnover worth US \$1.5 billion in retail market sales which signifies 7 per cent to 8 per cent of the food market (Robins et al., 2000).

On the contrary, despite the fact that the demand for organic food is ascending, supply is also descending (FAO, 2001). During the year of 1999, though the supply of organic production has been increased to 25 per cent, however it could not meet the requirements of the consumer demand. As a consequence 70 per cent of organic food which was sold domestically was imported (Soil Association, 1999). When compared to other European countries, the UK was categorised third to import from developing countries because of the drastic demand by the consumers (European Commission, 2000). Since last ten years organic food is booming among mainstream retailers and consumers. Even supermarkets in the UK are trading more on organic food and investing intensively for advertising of organic food among consumers. It is studied that supermarkets sell 70 per cent of all organic fruit and vegetables (FAO, 2001).

Padel and Foster (2005) researched that the consumers in the UK are more cognisant about their health which drives them from buying organic food which is free from residue and are concerned about the safety of food. Zanoli, (2004) recognises that all across Europe, well being of the health is the main motivation for consumers to purchase organic food. Even others factors which were favourable to the environment and animals were another motivation for consumers to go organic (Padel and Foster, 2005).

From the UK the origin of the food is very vital for the consumers of which 60 per cent of them are keener in buying organic food which is originated from the UK whereas the rest of 38 per cent are not concerned from where it is produced (TNS, 2003). Price factor was a major hindrance for consumers who are regular buyers of organic food though they were organic oriented and had a compliance to pay (TNS, 2003). This is recurrent across Europe (Zanoli,

2004). Consumers had a frequency of buying organic food and their average range was 12.8 times a year and their expenditure for an average per shopping trip was 2.53 (TNS, 2003). The major part of organic consumers purchases organic food from Waitrose, Tesco and Sainsburys since it is widely available in those supermarkets. It's a vital factor for the producers from developing countries to benefit from the UK because the organic market is expanding drastically in the UK and since certified organic food grows persistently (Dolan et al., 1999).

#### 2.4 Perception of Consumers on Organic Food

In many researches we can see that a major amount of consumers are more interested and focused into organically produced foods (Ekelund, 1989; Wandel and Bugge, 1997; Wilkins and Hillers, 1994). Consumers are more aware and have a constructive belief about organic food when compared to conventional substitutes (Grankvist and Biel, 2001). However the section of purchasing organic food is comparatively low when compared to conventional food Grunert & Juhl, (1995). Henceforth there is an inconsistency between preferences and behaviour. This inconsistency maybe due to numerous aspects. A main hindrance is the premium price which is higher than the conventional food (Roininen, Lahteenmaki & Tuorila, 2000) and another aspect is the scarce of availability (Jollly, 1991). To add on to it, the supply of conventional food gives the consumers a satisfaction (Ekelund, 1989)

Consumers used to believe that organic foods have superior sensory attributes Williams, (2002). Nevertheless, scientific sensory research has only shown little Johansson et al., (1999). According to Haglund's (1998) studies, a trained sensory product was additional sweeter in taste which was organically grown than the conventionally grown tomatoes. On the contrary, the organically grown carrot was bitter in taste, less sweet and less crunchy when compared to conventionally grown carrots. When a product is organically produced it is shown widely to increase the consumer preference Johansson et al., (1999). A blind consumer preference test of tomatoes was conducted by Johansson and colleagues (1999) and another preference tests either with false or correct information about the production method (conventional or organic). They discovered that the information "organically produced" was more preferential however the effect of the information was more essential for the tomatoes that were less liked in the blind test (Johansson et al., 1999). Henceforth, consumers opt for organic food because of the production method and the positive belief about the production method.

However there are variations between consumers who buy organic food frequently and who buy at fewer intervals. Torjusen et al. (2001) discovered that the consumers who buy organic food regularly are more focused on characteristics that reflect back on them. For instance "fewest possible additives", "environmentally sound production", "ethical and political considerations", "animal wellbeing". To add on to it there were consumers who were concerned about local business and those who preferred buying locally produced foods

purchased organic food (Torjusen et al., 2001). There were consumers who bought organic food for their betterment of wellbeing and other environmental aspects (Schifferstein & Ophuis, 1998)

## 2.6 Factors Affecting consumer behaviour:

### Cultural Factors:

Cultural factors intensely influence the consumer's perception towards products (Blythe, 2008). In countries like India traditions and customs extensively control most of a person's conduct. For example in India an egg less cookie or an egg less cake does exceedingly well because its advertisement stressed on the word Vegetarian 100% and since there are a lot of vegetarians in India. So, any vegetarian brand did very well in India in most of the states in the north and in the south. There are many subcultures in India who eat eggs and consider them as a vegetarian food and don't eat any other non-vegetarian foods

### Social Class

Actually every country in this world has its own social structure, and under every social structure they have different classes and sub classes. In each different social class, they have their own stable social members, where each of the members in every social class share similar ethics, morals, standards and behaviours Eyerman & Jamison,( 1989). India is known for its vast number of religion and caste. The common differentiation is based on their income as the upper class, the middle class and the lower class. For example it is considered that the upper class people are the wealthiest and the lower class are considered to be poorer. The majority of the Indian population consists of middle class when compared to the above mentioned classes Fernandes (2006).

Every society has a composition of different social classes. A social class is categorised orderly into permanent segments who share the same ethics, interests, attitudes, incomes and behaviours Morris et al. (2001). There are some particular six social classes which are the registrar general's class which has been followed from the contemporary period though some of the established countries have their own system. Not only do class systems differ in various parts of the world, the relative sizes of the classes vary with the relative prosperity of countries (Blythe, 2008). The 'diamond' shaped classification is typical of developed countries, although the Japanese and Scandinavian scales are flatter. In less developed countries, such as in Latin American and Africa, the structure is 'pyramid' shaped with a concentration of poor people at the base. As countries develop their class structure moves towards the diamond shape, although there is evidence that the gap between the richest and poorest in the English speaking countries is now widening. Some class systems have a greater influence on buying behaviour than others. In most western countries 'lower' classes may exhibit upward mobility, showing

buying behaviour similar to that of the 'upper' classes. But in other cultures, where a caste system gives poor people a distinctive role, buying behaviour is more firmly to social class, upper classes in almost all societies are often more similar to each other than they are to the rest of their own society. When selecting products and services including food, clothing, household items and personal care products, they make choices that are less cultural bound than those of the lower classes (Armstrong & Kotler, 2007).

#### Social Factor:

A consumer's behaviour is largely influenced by family, friends, neighbours, and so on different groups influence the consumer's decisions at different times Krigjsman,(2007). There are two kinds of groups which influence the consumer behaviour. They are the primary group that intends to consist of informal friends, family etc. The other group is the secondary group which is more formal like the work place colleagues, religious groups, and work unions and so on.

#### Family Group:

The immediate family group influences the buyer's behaviour to possibly the greatest level. (Senauer, 1990)For example, an expensive product is often discussed between the family members before the purchase is made. For products related to home maintenance such as washing, cooking. The lady in the house is often the chooser of the product and for more masculine products it is the man who chooses.

## 2.6 The Impact of Organic Food on the Environment

According to the Soil Association (2000) there are intensively many consumers who purchase organic food who are more concerned about the environmental welfare. The process how the organic food is produced is truly natural and confines the usage of artificial chemical fertilizers or pesticides. Even the reduction of antibiotic usage for animals is confined. As an alternative it stresses more on farming approach such as crop rotation which is for the welfare of the soil and it even control the pests naturally. Eventually it even takes care of the well being of animals and higher welfare standards, Stacey (2009).

At times every now and then consumers are not environmentally friendly. The behaviour transforms between types of actions. Some consumers are better off in recycling rather than buying food which is produced in an environmental friendly approach (Grankvist, 2001). Some authors feel the relationship between the environmental attitudes, their concerns and behaviours is not relating to the environmental beneficial (Ebero, Hershey & Vining, 1999).

The production of organic food is not harmful to the soil, water, air or even the flora and fauna in the sense that they do not release any toxins or harmful substances into the environment or the ecology as a whole Bredahl, (1999). The energy consumed for organic farming is much

lesser than the level of energy needed for conventional farming methods thereby helping energy conservation process. The usage of pesticides for farming of conventional food contains a great percentage of harmful toxic chemicals which have a negative impact on the health of the farmers, those living in the locality of the farms and the people who consume them. The aquatic animals in the water bodies near the farms and the birds which feed on the produce of these farms suffer various genetic problems and disorders which are mostly fatal.

Organic food production is a reduced amount of destruction to the environment because stability and diversity among and within plant and animal species in an environment is maintained. Organic farming has lower amount of carbon than conventional agriculture since organic food production don't depend on agrochemicals and artificial fertilizers which utilise fossil fuel and on an average using 27 per cent less energy, in accordance to Government findings Basker (1988).

Likewise it is stated by the survey conducted by Soil Association's Organic Market report (2009), consumers of organic food graded that since the production of organic food is having less impact on the environment they tend to buy organic food. In view of the fact that organic production is not destructive to the world and the environment, even wildlife can thrive on organic farms Smith & Marsden (2004). To add on to it even enhances the growth of flora and fauna without conflicting it from its natural growth. Consumers are more concerned about the environmental issues and it even reflects back to them for their everyday life so they are prepared to buy organic food which does no harm to their health and the environment.

## 2.7 Demographic Differences

Demographic segmentation deals with the many ways if statistically categorizing all the people in a national population. For instance, a national population can be divided into subgroups based on age, sex, income, education, occupation, social class, family size, race and religion (Schiffman & Kanuk, 2004). In a sense, there are also different ways of looking at the same individual consumer, because of course we belong to each of these groups. Different aspects of our identity will be relevant to different products at different times (Thompson, 1998). Baby foods can only be marketed to parents of young children, for example and a middle-class, middle aged, middle income, middle manager is more likely to be in the market for an exercise bike than a motor bike. Some of the important specifics of demographic segmentation are:

### Age:

Studies have shown that the intention to purchase organic foods depends on age. Younger consumers purchase organic foods with consideration to the environment animal welfare where as older people purchase organic foods for one's own health Janssen & Jager ,(2001). The complexity between age and environmental behaviour still persist. Age is perhaps the most

frequently used demographic variable in marketing segmentation. One reason for this is that the lifecycle has been divided up by society into what seem to be easily recognizable groups that are clearly differentiated from one another- children, teenagers, young adults and so on Grunert & Juhl,(1995). On the contrary few studies suggested that younger consumers are more positive where as others posses positive attitudes.

Gender:

Dividing the market into male and female segments is another frequently used strategy. But even here, the old marketing certainties are breaking down. Women are more health conscious than that of men and women tend to follow suggestion from health experts when they are compared to that of men Wilkins & Hillers (1994). Thus the need for organic foods is more among women than with the latter. The environmentally friendly behaviour is yet another aspect that keeps them motivated in the consuming organic foods.

Education & Income:

Food quality and consumption is always associated with that of education. A study established that people with good education had increased consumption of fruits and vegetables Wier & Calverey, (2002). The benefit of organic foods and eating healthy is given importance by highly educated people where as study shows that there is no correlation between education and environmentally friendly products related to animal wellbeing. On the other hand eating healthy is more associated with that of education than that of income. It is interesting to see that people with higher education are willing to pay more for organic foods. The purchasing ability of foods is often linked to the income level of the household.

2.8 Consumer food choice:

Consumer choices in buying food are always dense and complicated. Choice of food is mostly based on moral and health aspects of eating. Primarily consumers prefer food which is not harmful for the environment, human health and the environment. In the recent years consumers are more inclined and sceptical about the environment so it is hard for a consumer to decide on purchasing the food which is an important factor in their life Randall & Sanjur, (1985). Some choose because it is perhaps of good at taste and others prefer because it is of nutritional value and healthy. Likewise some consumers prefer organic food rather than conventional food because their choice of preference varies. For instance, at western countries people tend to choose smaller amount of meat and prefer meat which are produced in a better and responsible way like organic or free-range meant Dahlstrand & Biel (1997). There are other characteristics which affect consumer food choice, like personal and social characteristics. For instance, a resident from an urban place can buy a certified food with much ease rather than a resident living in a rural area and has a very limited choice. Consumers opt for organic food

because of its high in vitamin c and minerals and with lower nitrate levels when compared to conventional food Dahlstrand & Biel (1997). Consequently there are many more characteristics which might affect the choice of a consumer.

At this mechanical life the choices of food is enormous. Choosing of food is persuaded by many aspects which are interconnected Shepherd & Sparks, (1994). In order to describe the effects of likely influences a number of models have been recommended. Apparently, none of these models were able to determine the extent of the effects of neither the suggested factors nor their direct influence on each other (Shepherd and Sparks, 1994). The models were noticed as the registers of factors that most probably had influence on food choice and brought in variables that helped in further study. Factors related to the food, the individual and the environment were the three main categories of factors influencing food acceptance based on some models (Randall and Sanjur, 1981; Shepherd, 1985). A description of the chief factors that were considered appropriate to study on consumer food choice was suggested by Shepherd (1985).

## 2.9 Summary

This chapter has thus provided an insight into the various concepts related to organic foods consumer beliefs and perceptions which need to be mitigated in understanding the behaviour towards organic foods. This has served as a basis for the research question posed in this study and the findings from this research shall be used wherever applicable .The concepts shall be applied to analyze the research findings and make suitable recommendations for further research.

## CHAPTER 3: RESEARCH METHODOLOGY

The preceding chapter summarized the research literature on consumer behaviour towards organic food in the United Kingdom and India. This chapter details the research methodology, tools and approach that were used to accomplish the study. The research design applied to this study aided in the collection of the data and also in achieving the set objectives. The empirical criterion enabled the translation of the research topic into the exact type of data that could answer the research questions posed (Punch, 1998).

### 3.1 Research Design and Method

Research design is commonly referred to as a guide which details the methods and procedures that are applied to acquire the information that is needed to conduct the research (Silverman, 2008). It serves as a framework in guiding the researcher for performing tasks such as collection, analysis and interpretation of data. The methodology adopted in this research was that of a survey which provided quantitative data. The reason the survey research method was

chosen because it consists of a cross - sectional design in relation to the data which was assimilated and this helped in analyzing patterns of association between the different variables (Bryman, 2008). Quantitative study makes use of the numeric data that has been collected from a group of people interested in the subject area which is then analysed and interpreted with statistical tools and results are derived (Cresswell, 1994). The numerical data collected was also instrumental in establishing a correlation between theory and the actual findings.

### 3.2 Research Tool

A questionnaire was drafted which served as a tool to carry out the survey. The reason to choose the questionnaire method was because it has been generally considered as a reliable tool to gather data from a diverse, scattered and varied group of people. Obtaining information from a cross-section of people was an important objective and by using the questionnaire it rendered more possibilities in accomplishing this purpose.

The design of the questionnaire comprised of 17 closed ended questions. This design was incorporated because it would help in achieving a greater uniformity of data (Malim & Birch, 1997). It was also important to ensure that the questionnaire was well planned and circumspectly constructed and this resulted in a high response rate and aided in the summarization and analysis of data in a better fashion. The selection criteria for the questions posed to the respondents was driven by the four different objectives identified for this study. These are illustrated in the diagram below. The actual copy of the questionnaire is enclosed in the Appendix.

### 3.3 Pilot Study

It was considered vital to perform pre - testing of the questionnaire as a pilot study before administering the questionnaire on the entire set of the respondents. The respondent who was chosen to be a part of the pilot study was someone who had similar characteristics to those who actually participated in the survey and was not included in the sample size. The feedback received was incorporated to ensure that the questionnaire was structured in a logical sequence, was easily understood and contributed towards removal of any ambiguities (Malim & Birch, 1997).

### 3.4 Data Collection

An integral part of this research study was the data collection exercise and both primary and secondary data was collected for this purpose. The primary data gathered from the survey ensured that the research was based on data collected on a first hand basis and it was reliable. The primary data comprised of the responses made by the participants. The secondary data that was included in the research comprised of the research literature and journals pertaining

to the research area. The secondary data helped in analyzing the research topic from varied and critical viewpoints. The ultimate benefit of supplementing this study with secondary data was that analysis of data was done in line with authentic research findings from the industry.

The respondents were asked to participate in the survey by sending an email invitation with the questionnaire attached. The data from this survey questionnaire was sent to a total of 475 in these two countries (UK and India). These participants comprised of personnel belonging with diverse demographic attributes.

### 3.5 Analysis of Data

Logical organization of the data is essential to ensure that data is organized in a fashion which makes interpretation easier (Shahjahan, 2002). The raw data had to be categorized in order to be analyzed and this helped in getting the data in a quantifiable form. Microsoft Excel was used which helped in tabulation of data and this made calculation of percentages, ranking of data and design of graphs easier to generate graphs and make pictorial representations of the data gathered. It aided in understanding the findings in a better fashion.

### 3.6 Summary

The contents of this chapter details the research methodology adopted to perform the study along with other nuances pertaining to the data collected. The analysis of data was done to interpret the data collection and was presented in a sensible form for the reader. The quantitative findings made in this study along with the critical analysis made in the literature review provide us with a clearer understanding of the research topic.

## CHAPTER 4: ANALYSIS AND FINDINGS

This chapter provides explanation and interpretation of the results derived from the survey conducted. Some of the results have been depicted in the form of graphs which provide a visual representation of the data collected. The primary data was collected with the help of questionnaires from a set of respondents. This has been supplemented with secondary data collected from research journals and books which have contributed to the final analysis of the data collated. In order to make the analysis more easily interpretable and quick computer aided tools such as Microsoft Excel have been used to produce graphs which helped in the analysis of the data. On the basis of the research findings made and analysis done recommendations are provided.

### 4.1 Respondent Profile

The questionnaire was sent to a sample size of 475 respondents the total number of people who actually responded were 400 (200 from India and 200 from UK) which constitutes a

response rate of 69%. The questionnaire was e mailed to general public to collect data from a range of different age groups comprising both men and women. This was deemed to be sufficient to achieve our preset objectives and draw results. The respondents were chosen from different backgrounds so as to gather data from multiple view points and analyze their behaviour towards organic foods in both the countries.

#### 4.2 Objective One

In order to accumulate data from people, who play a key part in consumption of organic food the survey was sent to people of different age groups, employed within various sectors such as private, public which included professionals with varied income levels. The reason this classification was done because demographic variables are an important aspect while studying the attitudes of consumers towards organic food consumption (Robinson, 1997). It has been mentioned by Janssen & Jager, (2001) selecting the right segment of people who are involved in the purchase of products/ services play a major role in consumer behavioural patterns.

In this survey as per Fig - 3 it was revealed that a higher percentage of the respondents who bought organic as well as conventional food were female respondents from both the countries followed by male respondents. This finding is consistent with the fact that women are more health conscious than that of men. The questionnaire was sent to people of various age groups in these two demographic regions from Table 1 it is apparent that the responses were collected from all age groups ranging from 25 to above 65 from both the regions. From this it is evident that the responses are unbiased with regard to age.

The common perception about purchasing of any product/service is always linked to the income and educational level Senauer, (1990). Over the years experience and research have proved that the purchase of quality food was directly associated to an individual's educational level.

Since the responses collected from shoppers of organic food and non shoppers as well, it is often stressed that price factor is a reason why most people do not opt for organic food; therefore in this study the income level of the respondents was studied to get a clear picture. From the study it is established that among the Indian respondents, 8% earned less than 5000 Indian Rupees per month, 15% earned between 5001 to 10000, 20% earned between 10001 to 20000, 35% earned between 20001 to 30000, and 10% earned between 30001 to 40000 and 12% of the respondents earned above 40000 Indian Rupees per month. On the contrary out of the 200 British respondents, 20% of them earned lesser than 1000 Great Britain Pounds per month, 39% earned between 1001 to 2000 per month, 18% earned between 2001 to 3000, 10% earned between 3001 to 4000, 7% earned between 4001 to 5000 and 6% of the respondents earned above 5000 Great Britain Pounds per month.

A study conducted by Blend and Van Ravenswaay (1999) on the American consumers demand for eco labelled apples and sea foods. They found that education level was one the factors affecting the consumer demand for eco labelled products. It is apparent from the findings that the study was conducted on people with various educational levels. The majority of the respondents had been to university/college from both the countries followed by postgraduates. The table -2 below gives the statistical data on the educational level of the respondents who participated in this study.

#### 4.3 Objective Two

The second objective of this research was "to analyze the consumer attributes considered in the UK and India while buying organic foods". In general it is known that though consumer attitudes are positive towards organic foods still there are barriers which effect the consumption of organic foods in terms of money and reason being compromising on the quality of the organic variant. Even though studies have been conducted in identifying what are the attributes a customer considers while shopping organic foods, but it has been possible to identify the attributes of two different countries. This study helps in achieving purpose.

The respondents were asked to rank the attributes they considered before purchasing organic foods. The figure -4 shows the rankings made by the respondents in both the countries. It is seen from the graph that the people from the UK considered health as the important attribute they considered before purchase followed by environment eco friendliness as the second and quality of the food as the third attribute. Whereas, in India health is again considered as the top attribute followed by price as the second attribute. It is evident from the fact that respondents from both countries feel that consumption of organic foods directly influence the health conditions of individuals.

To clearly understand the consumer attributes of organic foods the respondents were further asked to prioritize the attributes while shopping organic fruits and vegetables. These attributes were correlated with a gender as one of the variable. Of the Indian respondents Figure -5 , the male respondents gave most importance to health factors, followed by easy accessibility followed by environmental friendliness factors and finally the price factors in order of importance while purchasing food, while the female respondents first gave importance to health factors followed by price factors followed by easy accessibility and finally environmental factors. Of the British respondents Figure 6, the male respondents rated health as the most important factor followed by environmentally friendly factors followed by easy accessibility and finally followed by the price factors in order of importance while purchasing food.

Results show that health and environmental benefits constitute the prospects whether to buy organic foods instead of conventional foods. If the consumer considers health as the important attribute the chances of buying organic food is more. Likewise consumers who buy organic

products and recycled products are likely to buy organic foods (Makatouni, (2002). The findings from this study conforms to that of Padel and Foster (2005) where attributes such as health are more important than that of environment.

Results indicate that, as expected, health and environmental benefit attributes of organic foods determine the probability to buy organic foods instead of conventional ones. The positive and statistically significant estimated coefficient for the variable HEALTH indicates that if consumers attach greater importance to the organic food product healthiness attribute when shopping, they are more likely to buy organic food products. Similarly, the environmental benefits coefficients are statistically significant and positive (RECYCLED and RECYCLING) indicating that consumers who consume recycled products and dispose of their garbage in selective containers are more likely to buy organic food products because, as we assumed, they will highly value the environmental attribute of these products. Moreover, the effect of the health benefit on consumers' choice of organic foods is higher than the impact of the environmental one. This finding is in agreement with Millock et al. (2004) and Padel and Foster (2005) but in contrast with Durham and Andrade (2005) who found for USA consumers that environment is more influential than health in consumers' organic purchase decision.

#### 4.4 Objective Three

The third objective of this survey was "to assess the beliefs of consumers towards purchase of organic foods. Consumers have various beliefs about organic food be it the price, their accessibility or their taste in order to attain the survey strives to find what are the most common beliefs among the consumers in the UK and India. The respondents were asked whether the organic foods are overpriced (Figure 7) for this the 70 % of respondents from India felt that yes that that its overpriced whereas majority of the consumers from the UK felt that they are not over priced. It is also seen from the study that 19 % of respondents including UK and India are not aware on the pricing of organic foods. Organic foods may be overpriced when compared to that of conventional foods but when the criterion "organically produced" is used consumers do want to pay more as they do not think about the other superior qualities such as taste, longer shelf life etc Grankvist & Biel,(2001).

Considering the different beliefs of consumers the respondents were asked whether they are easily accessible to organic foods from the table 3 below it is observed that out of the 200 respondents from UK, 78% said they had easy access to organic food, 19% said they did not have easy access to organic food and 3% were not even aware about it being available easily or not. On the other hand respondents from India, 48% of them said they had easy access to organic food, 42% said they did not have easy access to it and 10% said they were not aware if it was available easily or not. From this it is evident that consumers believe that organic foods are easy accessible for consumption.

Consumers who give more importance to animal welfare, ethical and political considerations and environmentally sound purchase organic products often than that of genetically modified foods Lund & Rocklinsberg, (2001). When respondents were asked in the survey whether organically produced food was helping the environment 80 per cent of the respondents from both the groups said yes. A very few percentage of respondents said no this may be due to lack of knowledge on the benefits of organic foods. This shows that consumers have a positive attitude about organic foods being environmentally friendly. To understand another common belief the respondents were asked whether organic food is tastier. Taste is one of the important criteria for food choice (Troujusen) Haglund conducted a scientific sensory research established a small taste benefits from organically produced food. From the table 4 below it is observed that, 49% agreed that organic food were tastier than conventionally farmed food, 43% disagreed with it and 8% were not sure about it. Among the 200 respondents from India, 64% agreed that organic food were tastier, 26% disagreed and 10% did not know about it.

#### 4.5 Objective Four

The final objective of this research is "To examine the consumer behaviour towards organic food in The UK and India". Achieving this objective ensures that the behaviour of the two groups is understood in better fashion linking the research findings to existing practices and shall serve as a basis for making future recommendations on consumer behaviour towards organic foods. The respondents from both the groups were asked whether they preferred organic food .The response received is depicted in the graph below Figure 8

60% of respondents from the UK preferred organic food where as 29 % did not prefer. On the other hand 72% of respondents from India did not prefer organic where as only 18 % percent preferred organic food. The fact the respondents from India did not prefer organic food could be because of various criteria such as price, availability of food and lack of knowledge. It is evident from the findings that respondents in UK are aware of its health and environmental benefits.

The respondents were asked whether organic foods were overrated respondents from the UK, 58% said that organic food were over rated, 28% said that it was not so and 14% said they were not sure about it. Of the 200 respondents from India, 60% said organic food were over rated, 23% said that it was not over rated and 17% said they were not sure about that. Considering that these responses came from a wide variety of people belonging to different roles emphasis is placed on the fact that though it is overrated not many people are aware of its benefits.

## CHAPTER 5: RECOMMENDATIONS AND CONCLUSIONS

### 5.1 Recommendations

The research analysis and the findings derived have been able to draw valuable and interesting information concerning the consumer's behaviour towards organic foods. On refining the information it was possible to give some recommendations here so that they could be implemented in depicting future consumer behaviour trends. The actions detailed here when incorporated could make the process more efficient, cost effective and help the businesses use strategies to increase the consumption of organic foods in both the countries.

Studies in the past have shown that organic foods are more appealing to women than that of men Wandle & Bugge, 1997. These facts confirm to the findings made in the survey. Age also plays a major role as younger people are more fascinated by the benefits of organic foods than the conventional ones. The results show that there were no differences between these two demographic regions. However this could be improved by infusing knowledge about organic foods among all age groups so that everyone is benefited out of it. This step could be initialised by the government aided agencies through mass media and advertising campaigns.

It is observed that price is one of the attributes that consumers think before they purchase any organic food. This is evident from the findings that out of the two demographic regions especially respondents from India feel that price is one of the major factors that affect the consumption. Holm and Kildvan (1996) says that price is a powerful factor for choosing any food. Organic foods are generally priced at higher than the conventional foods. This could be reduced by more farmers switching to organic farms than the conventional ones so that when the supply is more the price would automatically reduce. This could help in increased consumption of organic foods and also the price could be balanced.

Health benefit is considered "The" most important attribute while buying organic foods. There are no explicit facts that organic foods are healthier than conventional foods. There are various components to be considered such as soil, climate and so on to compare the quality with conventional foods. Emphasis could be given more on research and development in the areas related to health concern so that researchers come up with comprehensive results. If benefits with regard to health are not proven there would be sharp decrease in the purchase of organic foods.

Respondents from the survey perceive Organic food as environmental friendly but when this compared to that of health reasons consumers tend to become egotistic and don't have to depend on any one for this benefit where as to achieve a better environment the individual has to be dependent on others and would take longer periods of time and at situation he would not be able to make use of the benefits in his lifetime.

Organic products being overpriced is yet another concern which prevent food consumption for the same. A marketing strategy could be adopted by retail outlets and supermarkets. Retail outlets have a very limited variety of organic foods and the prices are more when it is compared to that of supermarkets. Whereas supermarkets have a range of fresh foods available but the chances of being wasted would be high so in order to reduce the premium charges of organic foods at the same time offering a wide range organic products.

## 5.2 Conclusion

This Chapter provides a summary of the entire research and emphasizes areas of research literatures in relation to the summary findings. Possibilities of further research areas are listed towards the end of the chapter.

In the United Kingdom organic food market is majorly divided whereas the Indian market is growing at a faster pace. The growing demands for organic food by the consumers are because of its quality, safety and positive environmental impacts have increased the demand among the consumers. Though the green trend persists among the consumer's attitudes there are difficulties in the food consumption practice across different regions Wandel & Bugge, (1997). This would associate with an unwillingness to pay a higher cost. The choice of food varies among different people. It is believed that people are concerned about the environment but it does not affect the behaviour towards organic foods.

This study was aimed to achieve four different objectives pertaining to customer behaviour towards organic foods and different sets of information were gathered to make the findings. A wide array of facts emerged both from the literature review and the survey which provided better insight into consumer attitudes. Research literatures which were already published related to the study topic were analyzed and compared to the actual responses made. On analysis of the research available so far it emerged that there was no specific study done to understand the consumer behaviour towards organic foods across two different countries and their differences weren't looked into. The factors which were not taken into account were studie