

# Influence of Psychological Factors on Purchase Intentions for Organic Foods

Ritu Munjal<sup>1</sup>, Dr. Rishi Manrai<sup>2</sup>, Dr. Prashant Yadav<sup>3</sup>

<sup>1</sup>Research Scholar, <sup>2,3</sup>Assistant Professor

<sup>1,2</sup>Amity University, Haryana, <sup>3</sup>SCMS, Symbiosis International University, Noida Campus.

**Abstract:** The current study is undertaken to understand the important parameters influencing the Purchase Intentions for Organic Foods in Delhi NCR. This study will help all organic food firms better understand the buying intentions of their organic food clients and develop policies that are appropriate for their preferences. The population of the study includes users of organic food in Delhi/NCR using a structured questionnaire. The data was collected from the 498 organic foods in Delhi/NCR. The sample size of 498 is considered representative using a stratified sampling technique. The study's findings indicate that the two most important factors identified by the analysis were convenience and availability, along with health consciousness and benefits. The study has a limitation that only respondents from Delhi-NCR are included in the survey, while studies indicate that consumers from Bangalore, Mumbai, and other locations are equally strongly drawn to organic food. Additionally, a longitudinal study may be conducted to determine how COVID-19 affects buying intentions.

**Keywords:** Organic Food, Purchase Intentions, Attitude, Health Consciousness/ Health Benefits, Environmental concern

## 1. Introduction:

The term 'organic' refers to an overall system of farm management and food production that aims at sustainable agriculture, high-quality products, and the use of processes that do not harm the environment, and human, plant, or animal health and welfare. Organic food is understood as a product from a farming system that avoids the use of synthetic fertilizers and pesticides. The principles used in the farming system apply the benefit of modern scientific understanding and technologies to offer more sustainable food production (Institute of Food Science and Technology, 2005). Genetically modified organisms and antibiotics are prohibited in organic standards for animal husbandry while only 30 additives are permitted in certain conditions (Soil Association, 2000). Therefore, purchasing organic foods can be seen as an action motivated by beliefs about healthiness and possibly good taste of these products and beliefs about the positive impact on the environment and welfare of production animals.

India's total volume of exports during 2020-21 was 888179.68 MT. The organic food export realization was around INR 707849.52 Lakhs (1040.95 million USD). Organic products are exported to the USA, European Union, Canada, Great Britain, Korea Republic, Israel, Switzerland, Ecuador, Vietnam, Australia, etc. In terms of export value realization Processed foods including soya meal (57%) lead among the products followed by Oilseeds (9%), Cereals and millets (7%), Plantation crop products such as Tea and Coffee (6%), Spices and condiments (5%), Medicinal plants (5%), Dry fruits (3%), Sugar (3%), and others.

A growing middle class with higher disposable incomes, rapid urbanization, elevated concerns for food safety and quality, and a growing niche of consumers embracing wholesome or naturalistic lifestyles are all factors driving domestic organic food consumption. India's organic food sector is expected to grow at a compound annual growth rate (CAGR) of 10 percent in the MY 2016-2021 period from US \$386.32 million in 2015 and reach US \$10.75 billion mark by 2025.

In the last few years, contribution to the growth in the Indian organic foods landscape has included various national-level schemes by providing financial support to farmers who are adopting organic farming under various government schemes such as the Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM), National Mission for Sustainable Agriculture (NMSA), Rashtriya Krishi Vikas Yojana (RKVY) etc. to encourage organic farming, initiating new exports from the remote North East region, and improved market linkages of producer clusters with agribusiness, phytochemical, organized retail and e-commerce firms.

Therefore, it is very important to understand the effect of

## 2. Literature review:

There has been increasing demand for organic food products by consumers as awareness has increased concerning the quality, safety, animal welfare, and environmental benefits as well as of the direct effects on personal health, lifestyle, and social convenience (Oroian et al., 2017). The study titled *What Drives and Mediates Organic Food Purchase Intention: An Analysis Using Bounded Rationality Theory* identified that attitude, subjective norms and perceived social support have direct effects on consumers' intent or plan as well as mediating roles in the link between self-efficacy and organic food purchase plan. (Mohammad Ali Ashraf, 2020)

This study extends and tests the theory of planned behavior (TPB) and concludes that environmental concern, PBC, attitude, and subjective norms affect purchase intentions. (Leibao Zhang, Yanli Fan, Wenyu Zhang and Shuai Zhang, 2019, Gupta et. al 2021,2022). The quality attributes of food and nutritional value have become factors in consumers' consideration of food choices. Food habits and sociodemographic factors have important roles in shaping consumer acceptance (Lähteenmäki, 2013; Fernqvist & Ekelund, 2014).

Liu (2007) found that health has a significant influence on consumer attitudes. Salleh et al. (2010) found that health variables have a positive effect on consumer attitudes towards organic foods in Malaysia. Kim and Chung (2011) also mentioned that health awareness is a most essential factor in influencing consumers' purchase behaviors, and also clarified that consumer purchase intentions were weak where health-related awareness was low. The main reasons consumers give for buying organic food concern health issues (Aygen, 2012; Gil et al., 2000; Meixner et al., 2014). One major trend in the food market is increasing concern about the health aspects of foods (Aschemann-Witzel et al., 2015), and this issue is intertwined with social and personal value (Goetzke et al., 2014)

The study of Young et al. (2010) reported that limited availability of a product had a negative influence on consumer attitude and purchase behavior towards organic food products. Most studies showed that limited availability and difficulties in accessing organic food products are major barriers to purchasing environmentally sustainable products (Padel and Foster, 2005; Young et al., 2010). Among the factors in consumers' decisions concerning purchasing organic food, environmental concerns were of low priority, as in Sri Lanka (Kapuge, 2016) and Turkey (Aygen, 2012). However, in India, consumers cared about quality and the environment (Basha et al., 2015) as well as the effect of organic food on health (Yadav & Pathak, 2016).

According to Gan et al. (2008), a higher price has an impact on consumers buying behavior. Their findings are consistent where higher prices led to a negative impact on the likelihood of consumers purchasing organic foods. D'Souza et al. (2006) found high prices results in consumers switching to other products. Some consumer groups have a more positive attitude toward organic food and they show a willingness to pay a higher price (Radman, 2005). In contrast, the study of Smith et al. (2009) revealed the role of price in the purchase of organic food; results show that price does not have a significant effect on the intention to buy organic foods. Van Doorn and Verhoef (2011) noted that younger household prefers organic foods more importantly and include them in their purchase. Besides these females aged 30-45, females having children and high disposable income prefer to go for organic foods (Dettmann and Dimitri, 2007). Rimal et al. (2005) found that older respondents were less likely to buy organic foods than younger respondents.

Household income has a significant positive relationship with organic food purchases (Voon et al., 2011). Higher-income households buy organic produce more frequently (Govindnasamy and Italia, 1990; Loureiro et al., 2001). According to findings of Cranfield and Magnusson (2003), wealthier households are more likely to spend and even spend more on organic food products. According to Dodds, Monroe, and Grewal (1991), value is an evaluation that balances what consumers receive in an exchange versus what they give up. As such, the essential components of consumer value perceptions can be said to include the perceived benefits that can be obtained from the product (e.g., quality and image) and the perceived costs (e.g., price and time) of the product that has to be sacrificed. Value is a driver of consumer behavior that operates as a criterion for defining preference and making evaluations (Kumar & Noble, 2016; Kumar & Reinartz, 2016).

Perceived value can be defined from the perspectives of money, quality, benefit, and social psychology. The Monetary perspective indicates that value is generated when less is paid (such as by using coupons or promotions) for goods (Bishop, 1984). perceived value is the difference between the highest price that consumers are willing to pay for a product or service and the amount practically paid. According to the quality perspective, value is the difference between the money paid for a certain product and the quality of the product (Bishop, 1984). Perceived value is defined as "consumers' overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given (Zeithaml, 1988)", which reflects the trade-off between perceived benefit and perceived risk. Perceived benefit is related to the benefits users obtain from the products or services, while perceived risk refers to the costs incurred to obtain the products or services (Zeithaml, 1988; Wood and Scheer, 1996).

Perceived value has been recently found to be a primary antecedent to behavioral intentions. (Park & Lin, 2018). Poor perceived value can result in the loss of consumer purchase intention (Sweeney & Soutar, 2001). Perceived value is a clear factor affecting the adoption intention of new products such as wearable devices (Yang, Yu, Zo, & Choi, 2016). Customers who perceive low risk have strong new product purchase intentions (Coward et al., 2008; Tuu & Olsen, 2012). Perceived value is a multidimensional construct in which a variety of notions (such as perceived price, quality, benefits, and sacrifice) are all embedded (Babin et al., 1994; Holbrook, 1994, 1999; Mathwick et al., 2001, 2002; Sinha and DeSarbo, 1998; Sweeney and Soutar, 2001). Sweeney and Soutar (2001) developed a perceived value scale, with four value dimensions: functional, emotional, economic, and social.

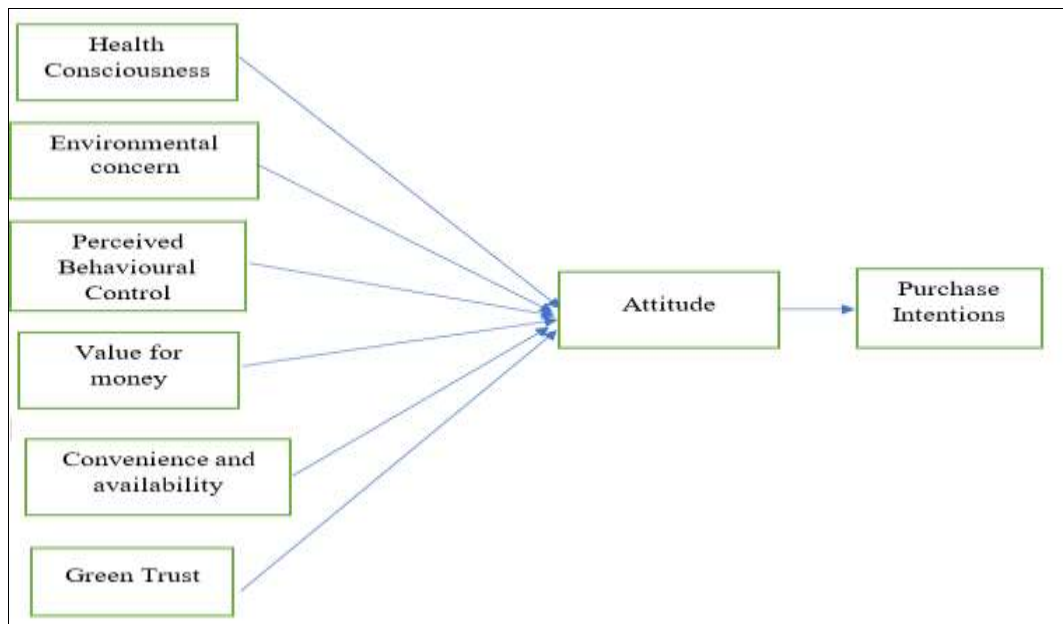
Han et al. (2017) indicated that “if perceived values meet their expectations, they will have a more positive attitude toward these products and then decide to purchase.” Perceived value is more important nowadays, companies can enhance consumer purchase intentions through product value (Steenkamp and Geyskens, 2006). A product can deliver value to customers by offering them benefits and by differentiating the product from competitors (Zeithaml, 1988; Aaker, 1996). Perceived value could not only be a crucial determinant in maintaining long-term customer relationships but also play a key role in affecting purchase intentions (Zeithaml, 1988; Zhuang et al., 2010). Perceived product value has tangible and intangible dimensions (Snoj, B.; Korda, A.P.; Mumel, D).

Lim, W. M., Yong, J. L. S., & Suryadi, K. (2014). Consumers' perceived value and willingness to purchase organic food. Findings from the study suggest that consumers who perceive a positive value about organic food are more willing to purchase organic food, in which health was the primary perceived benefit. For consumers who perceive a negative value about organic food, they are less willing to purchase organic food. (Sweeney et al., 1999; Ashton et al., 2010) Perceived value is a set of attributes that are related to the perception of a product's value, so it can build up a positive word-of-mouth effect and raise purchase intentions.

Chen, Y. S., & Chang, C. H. (2012). Enhance green purchase intentions: The roles of green perceived value, green perceived risk, and green trust, The empirical results of the study showed that green perceived value would positively affect green trust and green purchase intentions, while green perceived risk would negatively influence both of them. Furthermore, this study demonstrates that the relationships between green purchase intentions and their two antecedents – green perceived value and green perceived risk – are partially mediated by green trust. Hence, investing resources to increase green perceived value and to decrease green perceived risk is helpful to enhance green trust and green purchase intentions. The next section discusses the research methods, analysis, and results of the study.

### **3. Research Methods:**

The research study started with a well-defined research problem, objectives, and hypothesis. The study is quantitative and examines different hypotheses using the structural equation method. The population of the study includes users of organic food in Delhi/NCR using a structured questionnaire. The data was collected from the 498 organic foods in Delhi/NCR. The sample size of 498 is considered representative as it satisfied the criteria of Nunnally (1989), according to which the sample size must be greater than 10 times as compared to the number of statements included in the questionnaire. The sampling technique used was the stratified sampling method. Based on the literature review the proposed model of the study is given below:



**Fig 1: Proposed model of the study**

**4. Analysis**

Hypotheses	Path	Standardized direct Effect	Critical Ratio	Result
H1	HC → ATT	0.537	22.54 ***	Accepted
H2	EC → ATT	0.239	32.83***	Accepted
H3	PBC → ATT	0.424	11.36***	Accepted
H4	VM → ATT	0.248	28.83***	Accepted
H5	CA → ATT	0.342	24.64***	Accepted
H6	GT → ATT	0.394	17.257***	Accepted
H7	ATT → BI	0.346	12.342***	Accepted

**Table 1: Path analysis**

The beta values in Table 1 clearly indicate that all causal relationships have been accepted in the study, the study indicates that the most significant relation observed was that of Health Consciousness/ Health Benefits with beta value ( $\beta= 0.537$  ,  $p<0.001$ ). This was followed by convenience and availability. The next important construct influencing the attitude of the customer was Perceived Behavioural Control with beta value ( $\beta= 0.424$  ,  $p<0.001$ ). Green Trust also played a significant role in influencing customer attitude with beta value ( $\beta= 0.394$ ,  $p<0.001$ ). Surprisingly, Environmental concern and Value for money were on a lower preference in controlling the behavioral intentions of the customer with beta values ( $\beta= 0.239$  ,  $p<0.001$ ) and ( $\beta= 0.248$ ,  $p<0.001$ ) correspondingly but were positive and statistically significant.

**5. Results and Conclusion**

Literature suggests that the organic market is growing and there are very few studies done on the psychological aspects influencing the purchase intentions for organic foods. The present study will be specifically helpful to all the organic food companies to understand the purchase intentions of organic food customers and make suitable policies based on their preferences. The results of the study suggest that Health Consciousness/ Health Benefits and convenience and availability are the two most significant variables found from the analysis. The study has some limitations also. The study is conducted on respondents from Delhi-NCR only, whereas reports suggest that people from Bangalore, Mumbai, and other places are also very much inclined towards organic food. Also, the study could be performed longitudinally to understand the effect of COVID-19 on purchase intentions.

## References

1. Aschemann-Witzel, J. (2015). Consumer perception and trends about health and sustainability: Trade-offs and synergies of two pivotal issues. *Current Opinion in Food Science*, 3, 6-10.
2. Ashton, A. S., Scott, N., Solnet, D., & Breakey, N. (2010). Hotel restaurant dining: The relationship between perceived value and intention to purchase. *Tourism and Hospitality Research*, 10(3), 206–218.
3. Aygen, F. G. (2012). Attitudes and Behavior of Turkish Consumers with Respect to Organic Foods. *International Journal of Business and Social Science*, 3(18)
4. Babin, B.J., Darden, W.R. and Griffin, M. (1994) 'Work and/or Fun: Measuring Hedonic and Utilitarian Shopping', *Journal of Consumer Research* 20(4): 644–56.
5. Basha, M. B., Mason, C., Shamsudin, M. F., Hussain, H. I., & Salem, M. A. (2015). Consumers attitude towards organic food. *Procedia Economics and Finance*, 31, 444-452.
6. Beerli, A., Meneses, G. D., & Gil, S. M. (2007). Self-congruity and destination choice. *Annals of Tourism Research*, 34(3), 571-587.
7. Belk, R.W. (1988), "Possessions and the extended self", *Journal of Consumer Research*, Vol. 15 No. 2, pp. 139-168
8. Bishop, W. R. Jr., (1984). Competitive intelligence. *Progressive Grocer*, 63(3), 19–20.
9. Chen, Y. S., & Chang, C. H. (2012). Enhance green purchase intentions: The roles of green perceived value, green perceived risk, and green trust. *Management Decision*.
10. Dettmann, R., Dimitri, C., 2007. Who's buying organic vegetables? Demographic characteristics of US consumers. *J. Food Distrib. Res.* 16 (1), 49e62.
11. Dodds, W. B. (2002). The effects of perceived and objective market cues on consumers' product evaluations. *Marketing Bulletin*, 13(2), 1–14.
12. D'Souza, C., Taghian, M., Lamb, P., 2006. An empirical study on the influence of environmental labels on consumers. *Corp. Commun. Int. J.* 11 (2), 162e173.
13. Fernqvist, F., & Ekelund, L. (2014). Credence and the effect on consumer liking of food—A review. *Food Quality and Preference*, 32, 340-353.
14. Gan, C., & Wang, W. (2017). The influence of perceived value on purchase intention in social commerce context. *Internet Research*.
15. Gupta, K. P., Manrai, R., & Goel, U. (2021). Analysing the factors that affect the adoption of payments bank services in India: An analytic hierarchy process approach. *International Journal of Business Information Systems*, 37(4), 522-543.
16. Manrai, R., & Gupta, K. P. (2022). A study on factors influencing mobile payment adoption using theory of diffusion of innovation. *International Journal of Business Information Systems*, 39(2), 219-240.
17. Han, L., Wang, L., Zho, S. and Li, J. (2017), "The intention to adopt electric vehicles: driven by functional and non-functional values", *Transportation Research Part A*, Vol. 103, pp. 185-197.
18. Holbrook, M.B. (1994) 'The Nature of Customer Value: An Axiology of Services in the Consumption Experience', in R. Rust and R.L. Oliver (eds) *Service Quality: New Directions in Theory and Practice*, pp. 21–71. Thousand Oaks, CA: Sage Publications.
19. Kim, C., Zhao, W. and Yang, K.H. (2008), "An empirical study on the integrated framework of e-CRM in online shopping: evaluating the relationships among perceived value, satisfaction, and trust based on customers' perspectives", *Journal of Electronic Commerce in Organizations*, Vol. 6 No. 3, pp. 1-19.
20. Lähteenmäki, L. (2013). Claiming health in food products. *Food Quality and Preference*, 27(2), 196-201.
21. Lim, W. M., Yong, J. L. S., & Suryadi, K. (2014). Consumers' perceived value and willingness to purchase organic food. *Journal of Global Marketing*, 27(5), 298-307.
22. Mathwick, C., Malhotra, N. and Rigdon, E. (2001) 'Experiential Value: Conceptualization, Measurement and Application in the Catalog and Internet Shopping Environment', *Journal of Retailing* 77(1): 39–56.
23. Oroian, C. F., Safirescu, C. O., Harun, R., Chiciudean, G. O., Arion, F. H., Muresan, I. C., & Bordeanu, B. M. (2017). Consumers' attitudes towards organic products and sustainable development: a case study of Romania. *Sustainability*, 9(9), 1559.
24. Padel, S., Foster, C., 2005. Exploring the gap between attitudes and behaviour: understanding why consumers buy or do not buy organic food. *Br. food J.* 107 (8), 606e6
25. Radman, M., 2005. Consumer consumption and perception of organic products in Croatia. *Br. Food J.* 107 (4), 263e273.

26. Salleh, M.M., Ali, S.M., Harun, E.H., Jalil, M.A., Shaharudin, M.R., 2010. Consumer's perception and purchase intention toward organic food products: exploring attitude among academicians. *Can. Soc. Sci.* 6 (6), 119e129.
27. Sheth, J.N.; Newman, B.I.; Gross, B.L. Why we buy what we buy: A theory of consumption values. *J. Bus. Res.* 1991, 22, 159–170.
28. Sinha, I. and DeSarbo, W.S. (1998) 'An Integrated Approach toward the Spatial Modeling of Perceived Customer Value', *Journal of Marketing Research* 35(2): 236–51
29. Snoj, B.; Korda, A.P.; Mumel, D. The relationships among perceived quality, perceived risk and perceived product value. *J. Prod. Brand Manag.* 2004, 13, 156–167.
30. Steenkamp, J.B.E.M. and Geyskens, I. (2006), "How country characteristics affect the perceived value of web sites", *Journal of Marketing*, Vol. 70 No. 3, pp. 136-50.
31. Suki, N.M. (2016), "Green product purchase intention: impact of green brands, attitude, and knowledge", *British Food Journal*, Vol. 118 No. 12, pp. 2893-2910.
32. Sweeney, J.C. and Soutar, G.N. (2001) 'Consumer Perceived Value: The Development of a Multiple Item Scale', *Journal of Retailing* 77(2): 203–20.
33. Tuu, H. H., & Olsen, S. O. (2012). Certainty, risk and knowledge in the satisfaction-purchase intention relationship in a new product experiment. *Asia Pacific Journal of Marketing and Logistics*, 24(1), 78–101.
34. Van Doorn, J., Verhoef, P.C., 2011. Willingness to pay for organic products: differences between virtue and vice foods. *Int. J. Res. Mark.* 28 (3), 167e180.
35. Vikas, K. and Nayak, J. (2014), "The role of self-congruity and functional congruity in influencing tourists' post visit behaviour", *Advances in Hospitality and Tourism Research*, Vol. 2 No. 2, pp. 24-44.
36. Wood, C.M. and Scheer, L.K. (1996), "Incorporating Perceived Risk into Models of Consumer Deal Assessment and Purchase Intent", *Advances in Consumer Research*, Vol. 23 No. 1, pp. 399-404.
37. Yadav, R., & Pathak, G. S. (2016). Intention to purchase organic food among young consumers: Evidences from a developing nation. *Appetite*, 96, 122-128.
38. Yang, H., Yu, J., Zo, H., & Choi, M. (2016). User acceptance of wearable devices: An extended perspective of perceived value. *Telematics and Informatics*, 33(2), 256–269
39. Young, W., Hwang, K., McDonald, S., Oates, C.J., 2010. Sustainable consumption: green consumer behaviour when purchasing products. *Sustain. Dev.* 18 (1), 20e31.
40. Yu, C.C., Pei-Jou Lin and S.C. Chun, 2013. How brand image, country of origin, and self-congruity influence internet users' purchase intention. *Social Behaviour and Personality*, 41(4): 599–612.
41. Zeithaml, V.A. (1988), "Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence", *Journal of Marketing*, Vol. 52 No. 3, pp. 2-22.