



---

# The Study on the Impact of Price on the Perception of Buyers towards the Organic Food Products

R.Sangeetha, [gsangeethamba@gmail.com](mailto:gsangeethamba@gmail.com)

Dr.A.Geetha, [geethaganesh2015@gmail.com](mailto:geethaganesh2015@gmail.com)

---

**Abstract-** Aim of this study is to identify the influence of price on buyer perception of food products. This study was conducted in Chennai metropolitan city. The study was done among the consumers of organic products. The sample population was selected using convenience sampling and analysis of the data was done using regression. The sample size of the study was 100. The results of the study showed that there is significant relationship between price and buyer perceptions.

**Keywords:** buyer perception, organic food product, Price

## I. INTRODUCTION

In the past few years, the market for organic products has developed continuously. But, on the whole share of the organic products is not more than the total market for foods. Even in the nations with the matured sector for organic products like Austria, Switzerland Denmark, the consumption of organic food is hardly more than five percent of the whole consumption of food (Dash, Manoranjan, Samantaray, Alaka & Dash, Madhusmita., 2014). For promoting the products which are produced in an organic manner, a consistent strategy for marketing is required, which is dependent on the better apprehension of the consumers of food products and their behavior of purchase. For achieving the sustained development, attempts should be made to produce for the sustainable consumption (Shafie, Farah & Rennie, Denise. (2012). Sustainable consumption comprises of the behavior of buyers for the green products which brings lesser pollution during the process of production (OECD, 2002).

The concept of organic could be discussed widely as the food grown without the usage of any type of chemicals. The word organic farming was framed by Lord North Bourne in the year 1940. The introduction of the organic movement started at the beginning of 1800s. The term organic movement refers to the individuals and organizations around the world which work for the promotion of the organic products and the organic farming. Though the concept of organic farming is old, its importance has increased only in the recent times. The production and the marketing of the organic products is growing at a great speed. The stores selling the organic products had gained a noteworthy share of the markets for the grocery shops.

## Objectives

The objective of the study is to assess the impact of the price on the perception of the buyers regarding the organic food products.

## II. REVIEW OF LITERATURE

H.M. Chandrashekar (2014) had established 4 main aims of the research. The first one was to evaluate and assess the factors which influence the consumption of the organic products. the next aim was to assess the probable market for the organic food products. The third one was to investigate the perception of the consumers regarding the organic products. The fourth aim was to assess the limitations in the marketing of the organic products and to recommend suitable procedures thereof. The primary data of the study was collected from the consumers by way of the method of simple random sampling. Data was collected from the respondents through questionnaires. The challenges in the field of organic product consumption is the insufficient availability of the organic products. There also chances that the consumers buy inorganic items along with organic products. The heavy price of the organic products is yet another problem of organic products. Hence, these products are not purchased in heavy quantity.

Singh, Bhanwar (2018) had aimed to get aware of the perception of the consumers regarding organic products. The study was about the consumers in New Delhi. The sample population of the study was each person who purchase and make use of the organic products in their daily consumption. The authors had used the structured questionnaire to collect details for the study from the consumers. The sample size of the study was 140. The findings of the study proved the fact that increased numbers of persons buy fresh vegetables and fruits. To conclude, this study stated that the decision making of the consumers is based on the knowledge of the individuals regarding the organic products.

Sangkumchaliang, Parichard & Huang, Wen-Chi (2012) had stated that the demand for products in the market determined the adoption of the production and also processing of the organic products. Hence, it can be said that the production of organic products depends on the attitudes and perceptions of the consumers regarding organic products. The sample size of the study was 390. Findings showed that the consumers purchased organic products because these products satisfied the expectation of environment friendly and healthy production methods. Further, the trust of the consumers on the genuineness of the goods and its price are also main issues. It was also found that consumer knowledge was the main barrier for increasing the share of organic products in the market.

### III. METHODOLOGY

The study was done among the consumers of organic products. The sample population was selected using convenience sampling and analysis of the data was done using regression. The sample size of the study was 100.

#### Analysis and Interpretations

**Table 1. a)** Predictors: (Constant), Price

R	R Square	Adjusted Square	R	F	Sig.
.915(a)	.838	.828		87.103	.000(a)

**Table 2.** Dependent Variable: buyer perceptions Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.435	.184		2.372	.020
I compare food price of brands	.017	.032	.027	.534	.595
I don't mind paying more because organic food is good for health	-.008	.044	-.014	-.175	.861
I am willing to pay more	.255	.054	.333	4.730	.000
High price means high quality	.195	.054	.243	3.612	.000
The price of organic product is no difference	.360	.037	.502	9.634	.000
The price of organic product is not important	.062	.042	.120	1.477	.143

Table shows the regression analysis of overall buyer perception as the dependant variable related to Price as independent variables. In order to identify which price influences mostly towards the overall buyer perceptions, a multiple regression analysis was performed and the results are shown in the above table.

The coefficient of Regression determination ( $R^2$ ) is 0.838 which means that 83.8 percent of the variation on overall buyer perceptions is determined by the independent variables. To check the significance of  $R^2$ , ANOVA was performed and the result shows a significant outcome ( $F = 87.103$ ;  $p < 0.000$ ) which means that the Price significantly influences overall buyer perceptions (dependent variable).

As per the study various study variables have been applied. The result of the study shows that there is significant relationship between price and buyer perceptions. When the price data was gathered, it was conveyed from the study that when people think of a particular organic food purchase, they go in a lot of discussions, deep thinking before making an organic purchase. On the contrary, a few statements do not influence the buyer perceptions which are the price of organic product is not important and compare food price of brands.

#### IV. FINDINGS:

- The price has indirect proportional relationship with consumers buying perceptions.
- Though the consumer's concern is high for factors like environment, health and other socio-factors are highly signification for the buying decisions, price let them to rethink.
- A proportional amount of consumers are ready to buy the Organic product regardless of price.

#### V. CONCLUSION

The consumption of organic food is escalating because of concerns over environmental and health issues related with food production. The improvement in the interests of the consumers regarding organic products had been related with the demand for food products that are free from fertilizers and chemicals. The present research had aimed to discuss the current situation of the perception of the consumers of Chennai regarding organic products. The major facts that drive the purchase of organic products are environmental benefits, health benefits and a support to the local farmers. Further, the major obstacle in the progress of the market for organic products is the lack of knowledge of the organic products by the consumers. The best ways to increase the market for organic products are to increase the awareness of the consumers regarding organic labeling, enhancing the availability of organic products. The purchasers of organic products in Chennai are elders, highly educated and tend to have kids at home. The research also explored that there was a difference in the demographical features of the consumers of organic products and the non-consumers. The perception of the consumers related with the organic products is affected by the age and income of people. The major obstacle for the growth of organic products market is the lack of awareness among the consumers about it. The findings of this study will be beneficial for the policy makers in the agricultural sector of the Chennai province to frame policies and strategies as per the information provided in the study. As per the study various study variables have been applied. The result of the study shows that there is significant relationship between price and buyer perceptions.

#### REFERENCE

- [1]. Dash, Manoranjan&Samantaray, Alaka& Dash, Madhusmita. (2014). Consumer's Perception towards Organic Food Products. *International Journal of Engineering and Management Research*. 4. 110-113.
- [2]. Shafie, Farah & Rennie, Denise. (2012). Consumer Perceptions Towards Organic Food. *Procedia - Social and Behavioral Sciences*. 49. 360-367. 10.1016/j.sbspro.2012.07.034.
- [3]. Singh, Bhanwar. (2018). Consumer Perception towards Organic Products. 15. 266-268.
- [4]. Sangkumchaliang, Parichard& Huang, Wen-Chi. (2012). Consumer's Perceptions and Attitudes of Organic Food Products in Northern Chennai. *International Food and Agribusiness Management Review*. 15. 87-102.