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Organic Food Consumers and Purchase Behaviour: A Review

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ABSTRACT

This paper deals with the lag between the hype created for the benefits of organic food and the actual sale of organic food. Loopholes in the study – which is research of people declaring themselves as organic consumers – are the vital areas in earmarking the lag between having a positive attitude and actually having consumed organic food.
The complete range of organic foods offers different shades to the consumer, from bright to dull. Fruits, vegetables, pulses, and milk products are considered to be the strongest segment of purchase. This paper enumerates the prevalent generic organic food campaigns as well as some innovative changes that can boost the sale of organic food. The making up of the gap between claiming and owning organic food can be established in research work with the help of certain initiatives – which is the conclusion of the paper.

Keywords: Organic food, Consumer, Purchase Behaviour.

INTRODUCTION:

Redefining of organic food has initiated a dynamic approach. It has been evaluated from a number of dimensions – biology, ecology, and sociology. The information accumulated over a 20-year period has paved the way for efficient marketing of organic food. The research focuses on different aspects for optimising the marketing of organic food. The studies from Hughner et al. and Tshuma et al. (2010) have been mentioned as the latest examples in the research. The areas worked upon are consumer behaviour for local organic food, consideration of 'low input' and organic foods (Woolworths, 2004), use of an organic quality assurance system in developing the marketing strategy (Schifferstein & Oude, 1998), and decision making processes for organic food consumers (Paul & Rana, 2012).
Digging into the challenges of determining the factors responsible for food purchase, the research finds many attitudes fitting each other (kind of like a jigsaw puzzle). Putting them together coherently could solve the mystery. Some attitudes are acquired in childhood, and some evolve due to changing circumstances and experiences, some are due to the diversity of individuals, while some are due to the effect of the enormous number of purchases over a lifetime on an individual (Hughner et al.). These challenges become all the more intensified by the factor of buying low-value, low-involvement products from multiple locations (Paul & Rana, 2017).
The bright side of this tendency is that organic & fair trades are enjoying much higher growth rates than the main markets. The credence attributes find their best expression in organic & trade fairs. Credence attributes are, otherwise, difficult to judge even after purchase, such as taste, experience, and environmental attributes (Hill & Lynchehaun, 2002). This research work has explored the major areas for the better understanding of food supply chain & how that understanding can be best used for marketing organic food. This understanding logically follows the track of organic food consumers – their identification, reason for becoming one, and their choices.

BACKGROUND: ORGANIC FOOD AND ORGANIC CONSUMER

Careful study of the food chain gave an insight into the various centres seeing a brisk business of organic food. At the global level, the organic industry claims above $US 40 billion (Willer, Yussefi-Menzler, and Sorensen, 2009). At the national level, exclusive organic stores and departmental stores enjoy the top-notch position in developed countries. Here is a direct example of the UK – 4 chains have bagged 80% of the total market (TNS. 2007). India claims a similar percentage of the total market. The supermarket business model follows the principle of high sales levels at relatively low-profit margins. As far as grocery, vegetables, and fruits are concerned, non-supermarket retail outlets and exclusive organic retail outlets work well in developing countries, such as India. In a somewhat dismissive manner, they are also referred to as alternative retail outlets. Interestingly, these outlets appear to be emerging from the grower's level and creating food supply chains that are resilient, thus contributing to realising social and economic goals. These are seen as 'local' food networks, and many of these appear in different formats including exclusive independent outlets, shops, farmers' markets, and community supported agriculture schemes. Growers' organic food marketers supply food for schools, hospitals, and government organisations. Some of these specialise in a certain type of organic food, such as salad leaves and sprouts, for organic restaurants.

The availability of organic food, historically, has been traced to somewhere in the 1940-50s. Different countries claim different initiatives, such as 'ecological agriculture' of Switzerland which is closely associated with Mueller's writings and Rudolf Steiner's teachings on 'biodynamic agriculture'. Similar imitations in Germany and Austria have their correlation with Howard's work in the UK and Jerome (on soil and health) in the USA. Similar in the line are 'natural' and 'farming with manners' in India.

The history of organic food was continually nourished by consumer activism whose main concern was manmade changes in and to the natural environment. This was the time when the International Federation of Organic Agricultural Movement (IFOAM) was formed. IFOAM has continually provided the global platform for the movement. It was in the 1990s that the term 'organic' received formal recognition as a food production system by a number of governments. From here it started taking centre stage in the food industry. It also started appearing in the academic research area. Simultaneously, it gained momentum as being a viable option for the masses.

A major part of international research explored areas such as comparisons between the many facets of organic farming, such as environmental concerns, ethical concerns, and lifestyle (Campbell, 2007; Van Oherloo, 1983) and also on the demographics and motives of organic consumers.

The research paper, from now on, talks about the complexity of this kind of research and the significant contributions of major studies in determining the reasons behind the proclivity of consumers towards buying organic food. Consumers' demographic profile is also covered thoroughly since both these factors contribute significantly in revealing what type of organic food is actually purchased.

OBJECTIVE:

This research work has the objective of exploring all the major areas that lead to a better understanding of organic food consumers & how that understanding can be best used for the marketing of organic food by marketers and growers. This understanding logically follows the track of organic food consumers – their identification, reason for becoming one, and their choices.

METHOD:

To address the above objective, the authors reviewed the research to understand the major factors that influence consumers to buy organic food. We selected related literature for review by taking insights from the previous researches (White, 2008; Terjesen et al., 2016; Paul and Rana, 2017). After conducting thorough research, we selected literature on organic food consumers, food supply chain, and organic food that has been published in the last 26 years (i.e., 1991–2017). This included references given in various articles and online databases.

The important keywords to find out these articles were organic food consumers, natural food, food supply chain, factors influencing organic food purchase, favourite organic food, etc. Further, we took the help of databases such as Research Gate, Google Scholar, Social Science Research Network, and EBSCO, and downloaded 100 published articles. After screening and analysing these, we shortlisted some important articles for review. We referred to the existing research and held discussions among co-authors to select the articles. Finally, we selected a sample of 25 research articles, which focused on organic food, organic food consumers, and organic food distribution system, which are published in the Social Science Citation Index or in SCOPUS-listed journals. We included the period of 1991-2017 for review, which highlights the nature and purchase pattern of organic food consumers. For a better understanding of the hurdles in organic food consumers' behaviour, we have also reviewed the research of different countries.

WHO ORGANIC FOOD CONSUMERS ARE:

Efforts to envisage the characteristics of organic food buyers remain unclear and futile. A clear picture of the buyer remains elusive, though a demographic segmentation variable still has an understandable form. Organic food buyers exist across all demographic segments, though with little common trends. These buyers are generally significantly educated, and most of them are affluent (Anich & White, 2009).

The challenges and variables mentioned so far have made it very clear that different dimensions must be explored to identify organic food buyers. The Multiple Segments parameter is a result of a study formed by combining attitude and behaviour on a different scale, such as from being indifferent to very green. Another interesting segment is based on awareness, such as unaware or aware non-users and aware users (Valerian et al., 2011).

Yet another segment is the level of commitment, which varies from complacent and conceivable to committed (McEachern, M. and McClean, P. 2002). The following segment is the variable based on purchase frequency, ranging from [most frequent to rare] heavy to light users. The glaring example of these variable segments can be traced in India, where 70% buyers purchase organic food. However, the £2 billion annual sale (SA, 2009) proves its market share of around 1.5%, which makes it obvious that only less than 1% buys a large quantity on a regular basis.

According to Huanget. Al., 1993, the majority of buyers can be labelled as those who switch between organic food and its conventional counterpart due to their psychological influence. The usefulness of this segmentation variable has not received the nod from a methodological point of view. The choice of an exclusive store is a critical variable, as the product obtained from a farmer's market would differ from the one obtained from retail outlets. From the validity point of view, it is essential that the consumer should purchase from retail outlets and exclusive stores. In this way, a consumer goes through a two-stage decision process. In the first stage, he selects a store, and in the second stage, he makes a choice between organic food and its counterpart.

Yet another questionable inaccuracy, from the point of view of methodology, is the buyer's self-reporting about his present and future purchase. A chasm has been identified between having a positive attitude towards buying organic food and the actual purchase behaviour (Shepherd, R. et al., 2005). This gap has been explored by many researchers (Pino, Poluso & Guido, 2012) who ended up declaring that consumer decision making is extremely complicated and needs more research for a conclusive declaration. The main deterrents for the purchase of organic food are its high price and limited availability (Saleki et al., 2012).

WHY CONSUMERS PURCHASE ORGANIC FOOD:

Three reasons have been labelled as the main motives behind people buying organic food. These are health, product quality, and concern for natural environment degradation (Brunso and Scholderer, 2001). Researchers have also supported these three as most valid ones (Hughner et al.; McEachern and McClean, 2001), though little variation is noticed in prioritising the reasons.

Health, which has surfaced as the main consideration of buying organic food, is not consistently backed up by scientific research (Shafi & Madavaiah, 2013). A report produced by the Food Standards Agency, UK, has enlisted the potential health benefits of consuming organic food (FSA. 2009) in contrast to the perceived negative aspects of consuming non-organic food. The benefits of having organic food are the beneficial properties of vitamins, minerals, and other health-giving properties, whereas the factors detrimental to good health in non-organic food are enlisted as the presence of artificial chemicals used in the product during production, processing, and storage stages.

An interesting insight into the health benefits of organic food reveals the neutrality of health benefits if the consumer already has a sufficient proportion of the nutrient which is available in the organic food he is consuming. This point also faces a strong counterpoint in the argument that any manmade chemical may not be necessarily dangerous to human health. Similarly, there are many chemicals that occur naturally in food products which are extremely toxic to human health. Besides these, Maximum Residue Levels (MRLs) are the strict monitoring provision observed by most national governments to check the level of chemicals in all food products. Organic foods contain lower MRLs of many chemicals.

The health factor can be perceived as a proactive mindset of people who are reacting against the adverse effects of chemicals-infested food products. Young parents are a persistent example of the proactive buyers of organic food. Health as a purchase motivator has taken a front seat for ageing people (Magnusson et al., 2011; Smith & Paladino, 2009). It is a similar case with people who are recuperating from illness. They are keen on buying organic food as an aid in their drive against illness. The second important reason is quality, as claimed by consumers. They swear by factors such as taste and freshness (Paul & Rana, 2017). But quality is subject to a number of variables. Often this food does not meet the expectations of the consumer due to a number of reasons. Thus, like health, the factor of quality of the product is tenuous as well.

Finally, the third reason for the purchase of organic food is an environmental concern. Organic farming, for sure, damages nature the least, and ample evidence supports the claim (Campbell 2007; Van Otterloo 1983). Viewing the environmental benefits, the UK government is providing additional assistance to organic farmers (Defra. 2004).
Another reason for promoting organic food is animal welfare (Valerian et al., 2011; Smith & Paladino, 2009), though it is not as commonly mentioned as the others. Concern for animal welfare is of primary interest in countries where intensive animal farming systems are rampant. Here, organic food purchase can be viewed as a byproduct.

WHICH ORGANIC FOOD THEY PURCHASE FREQUENTLY:

Fruits and vegetables are the forefront segment of the organic food industry (Paul & Rana, 2012). They also make the largest share of any food category. Keeping in view the fruits & vegetables segment of organic food products, the research's finding which states that the majority of customers purchase organic products is substantiated. In another report (Defra. 2004), it was stated that 84% of the sales of organic products come from only 23% of customers. These results are in line with the Pareto Principle, or the 80/20 rule, which states that maximum sales will come from a minority of customers.
Hence, as far as fresh fruits & vegetables are concerned, they are a result of the sporadic purchases of switchers. On the part of real organic consumers, the inconsistency of benefits (health, quality, and environmental concerns) leaves them perplexed and sceptical (Paul & Rana, 2012).
In another recent report (BFA 2010), Lifestyle of Health and Sustainability (LOHAS) profiling was used to create segments, ranging from leaders to learners, and finally laggards. The study revealed that most leaders purchase organic products from complementary retail outlets, whereas learners purchase them from supermarkets. While these research reports do contribute to our understanding of buyers, their comprehensive profiling remains elusive. Reaching to a conclusive statement regarding the buyers and their choice of organic food products is still akin to chasing a rainbow.

CONCLUSION:

Numerous research activities unfolded many complexities, creating several challenges for the scholar who's trying to understand the organic food industry and its consumer. The paper has reached a general consensus, in terms of the reasons why people buy organic food in general. These are health, quality, and concern about the degradation of the natural environment, though there is little variation in the order of priority.
Another general consensus was arrived at post spotting a wide gap between the consumers' presumed health benefits of consuming organic food and the scientists' skeptic disapproval of the claim on the basis of it having no scientific evidence whatsoever.
Yet another consensus is about the existence of a chasm between the productivity of the consumers about the use of organic food and their relatively low level of actual purchases. Next consensus was reached over the most obvious reasons behind this incongruity, which are high price and low availability of organic food.
The grey area of the results of this investigation is the customer profile – which remains highly elusive. The commonly used market segmentation tools proved to be insufficient. The findings identified the switching behaviour of the consumers, which made them switch between their choice of organic food and conventional food from time to time. This information has brought to light the actual purchases in departmental stores. The findings show that fresh fruits and vegetables have a relatively large market share with a continuingly high growth rate. It is also visible that a relatively small number of products make up a large percentage of sales. Same is the case with consumers who purchase organic food on a regular basis. The majority of consumers fall under the category of 'switchers' between organic food and conventional food.

LIMITATIONS:

The grey area of researchers' result is the No Man's Land which requires further investigation to reach to a conclusive statement about the consumer's profile. Organic food doesn't appeal to a coherent, homogeneous segment of the market beyond the two poles of the converted (regular customers) and the skeptical non-consumers, those who would never consider buying organic food. There is a large number of occasional organic consumers - those who buy organic food due to less knowledge, fewer financial resources, or simply because of the inclination to buy organic food on a more regular basis. Our understanding of the organic food market, its products, and its consumers demands further research, keeping the role of food in our lives and their purchase context in focus.

MARKET IMPLICATIONS AND STRATEGIES FOR MARKETERS AND GROWERS:

It is important to discuss the strategies that marketers and growers must adopt to sell organic food. These strategies involve a sharp focus on the location of exclusive organic stores and retail outlets, distribution systems, and the target market segment (Paul & Rana, 2015). This is because the organic food market is an emerging market in developing countries, and requires special attention of retailers and growers (Ansoh, 1957). Some marketers can target regular consumers and position themselves as regular suppliers of organic food. They can highlight their timely supply of organic food (Sans, 2013). This strategy will help them to attract quality conscious buyers.

Growers can open their own 'farm stores' for consumers who place their trust in buying directly from growers. This strategy will help them to connect directly with consumers. Consumers will also get products at cheaper rates. In the long run, this will benefit the growers in terms of credibility and loyal customers (Tsakiridou et al., 1999). These strategies will help growers to enter the market and marketers to be more visible.

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