

Factors Affecting the Actual Purchase of Organic Grocery through Online Medium – A study in the city of Mumbai

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ABSTRACT: Food is the most important basic need for survival. Today, the kind of food that is consumed is doing more harm; this is due to the chemical pesticides and chemical fertilizers that are being used to serve the ever increasing population. The only way that this can be taken care of is by going back to the basics in which the producers manufacture and grow food that is organic. Organic grocery and products are now becoming a worldwide phenomenon. Countries and governments across the world are providing tremendous impetus to the growth of organic. Leading this change is the ever increasing knowledge of the consumers that are becoming more health conscious along with the increase in the concern for the environment. Online is one of the fastest growing mediums of promoting oneself and also used to carry out purchase transactions, with the advent of technology multiple options and techniques are being used to produce as well as sale and purchase organic products. This paper is a study to understand the consumers' intention to actually purchase of organic grocery using through the online channel. The study was conducted in the city of Mumbai with a sample size of 300 respondents. The investigation was done using various factors and the analysis was derived with the help of statistical software so as to determine the outcome. The results for the same showed that if given chance consumers are ready to purchase organic grocery and will to do so at any cost. Health and environmental concerns are of paramount importance which cannot be taken lightly. Many significant findings which can be used by the producers of organic grocery so as to increase the overall growth of organic and also increasing the number of consumers purchasing organic grocery.

KEYWORDS: Actual Purchase, Organic Grocery, Health, Consumer Behaviour, and Online Channel.

I. INTRODUCTION

Significance in produce grown organically is increasing throughout the globe, as a response to the issues about the earlier practices of agriculture, health concerns, safety of food, consideration towards welfare of animals and environmental concerns. The requirement for organically grown food products is increasing multifold. As the consumers are getting more educated and informed about the health and wellness thus leading to a bigger awareness regarding the choice of food. Many consumers have gathered lot of data about organically grown foods; this organically grown produce is not the fastest growing segment in the global food markets (Datamonitor, 2010a). Hence the organically grown grocery seems to be a very big market by different retailers of organically grown food. Based on reports the Indian organic food market is likely to record a growth rate of CAGR 25 per cent, (TechSci Research report, India Organic Food Market Forecast and Opportunities, 2020) continuing health conscious consumers is a major attribute that is increasing the demand for organic food in India. Various other attributes that are increasing the growth for the market are increasing income levels, higher living standards, government initiatives that are favourable which are targeted to develop the current level of organic farming by providing technical and financial help to the farmers (TechSci Research report, India Organic Food Market Forecast and Opportunities, 2020).

Generally, organic or green products are often referred to grocery that can be consumed safely, is of the highest quality, concern towards animal treatment in a humane way, are foods that are nutritious and are grown and manufactured under the guidance of developmental sustainability (Liu, 2003). A consumer who is green is explained as the consumers that are cognizant of and are worried about issues of the environment (Soonthonsmai, V. 2007). Those consumers believe and perceive that all the services and products

having an impact on the environmental and their plan is to make sure to lower the damage to the lowest possible extent. They are willing to change their consumption and purchasing behaviour to an environmental friendlier way and are ready to pay extra for the products. Nevertheless, a consumer who is worried about the environment need not necessarily behaves or purchases in a way that is green (Wee, C. S., Ariff, M. S. B. M., et. al (2014). People that are environmental conscious need not necessarily perform pro – environmentally; like for example, people may litter the place when most people in the surroundings does so (a reactive process rather than a intentional decision making) (Ohtomo, S. and Hirose, Y. (2007). While maximum of the consumers do have a positive attitude with regards to purchasing products that are organic, they are many a times inhibited by certain obstructions (Saba, A. & Messina, F. (2003). There are many reasons that contribute to the deficiency in the purchase of organically produced food; first of all the biggest barrier to purchase organically foods at high prices and availability, further to a lesser effect the lacuna of information and trust in the certifications and quality of organically grown food (Thompson, G.D., & Kidwell, J. (1998). However, with the barriers there are multiple questions to be answered like who are the organic food consumers and the consumers' triggers for purchase of organic grocery are things that are yet to be answered. (Dimitri and Dettmann, 2012; Lea and Worsley, 2005; Makatouni, 2002). This research aims to understand the reasons for actual purchase of organic grocery and will consumers do online to purchase the same.

II. LITERATURE REVIEW

There has been a worldwide study that is carried out by researches investigating behaviour of consumers in the organic food. There is a positive attitude with regards to the purchase of organically grown foods; however, there is lack of intent in choosing them. Regular purchases do take place with small quantities. Many significant purchase attributes include, good taste. The more general beliefs are that organic is healthier, safer, highly priced, and so on; price is an important barrier with regards to purchasing organic food (Magnusson et al., (2001). The major predictor for organic foods is health, availability, purchase intention, environmental concern. The health concern which is an egoistic motive is stronger than concerns for the environment and welfare of animals which are altruistic motives. The consumption behaviour is opposed to change and is highly characterized by affective and component that are non – cognitive

(Magnusson et al., (2003). The advantages of health is the primary motive that is showcased by researchers across the globe that highly influence the consumers to search for the option of organic (Lea and Worsley, 2005;Chen, 2009). Another significant motivating attributes that is driving the consumer to purchase organic grocery are better taste and are fresh (Radman, 2005), are more concerned with the environment (Chinnici et al.,2002; Baker et al., 2004; Thøgersen and O'lander, 2006). The contradictions in these findings is that even though there is proof of organic production being environmental friendly and benefits welfare of animals, there is very less proof that it carries nutritional and health for human beings (Seal and Brandt, 2007).

The attitude of consumers in regards to the advantages of organic grocery that is environment, health and safety have a positive relation towards the intent of purchase (Tanner and Wolfing Kast, 2003; Chen, 2009; Poelman et al., 2008), contradicting to the other researchers (Millock et al. (2004) identified that instead of concerns with the environment, it is the regular attitude of consumers with regards to freshness, health and taste that pushes the choice for organic. Based on (Tarkiainen and Sundqvist (2009) a lower level of association with the purchase of food and lack of consistency with the higher level of cognitive process towards organic produce, in this case the purchase of organic food may be occasional. Therefore, the attitude with regards to organic products relies on the knowledge of consumers towards organic produce and its advantages as compared to conventional food (Von Alvensleben, 1998).

Many researchers have identified customs and traditions of purchasers of organic food producers and found out that there is a greater impact on the buying behaviour. Consumers look at organic products were compared to conventional products and the traits were investigated, as behaviour pointed with regards to the produce. Hence, the consumers' judge and purchase decisions are mainly reflected by the consumer perceptions and hence the way consumers perceive the products is an important research. This paper is a study analyzing the actual purchase of organic using the online medium, in the city of Mumbai, the study conducted was to understand the driving force of consumers to purchase organic food irrespective if they are consuming it currently or not.

III. RESEARCH OBJECTIVES

To study the factors that affects the actual purchase of organic grocery using the online channel in the city of Mumbai.

IV. HYPOTHESIS

H₁ : Health, Safety and environmental concerns are the main factors affecting the purchase of organic grocery, in the city of Mumbai

H₂ : Consumers in the city of Mumbai use online channel to purchase organic grocery.

V. METHODOLOGY

This research paper is based on a primary study conducted in the city of Mumbai. A structured questionnaire was administered with a sample size of 300 (N = 300). The research work carried out is descriptive in nature. The sample type is simple random sampling. The data collected from the respondents are analyzed on various factors so as to understand the motive of purchasing organic grocery or in case they are not purchasing organic grocery. The data was analyzed using Factor Analysis and KMO Bartlett's Test along with the reliability study as well.

VI. DATA COLLECTION AND INTERPRETATION

Demographic Data of the Respondents

Table 1. Gender

Gender	No. of Respondents	Percentage
Male	143	48%
Female	157	52%
Total	300	100%

Table 1 represents the gender of the respondents the female respondents are 157 followed by the male respondents of 143. The female respondents are higher at 52 percent followed by males at 48 percent

Table 2. Age

Age	No. of Respondents	Percentage
21 – 30 Years	33	11%
31 – 40 Years	108	36%
41 – 50 Years	94	31%
51 & Above	65	22%
Total	300	100%

Table 2 represents the age of the respondents the maximum respondents were in the age group of 31 – 40 years with 36 percent, closely followed by the age group of 41 – 50 years which was 31 percent and least with 21 – 30 years which is 11 percent

Table 3. Annual Household Income

Annual Income	No. of Respondents	Percentage
Below Rs. 400000	6	2%
Rs. 400001 – Rs. 600000	102	34%
Rs. 600001 – Rs. 800000	83	28%
Rs. 800001 – Rs. 1000000	31	10%
Rs. 1000001 & Above	78	26%
Total	300	100%

Table 3 represents the annual household income of the respondents; the maximum respondents were in the income bracket of Rs. 400001 – Rs. 600000, which is 34 percent of the entire population, followed by the next income bracket Rs. 600001 – Rs. 800000 which is 28 percent, closely followed by Rs. 1000001 and above which is 26 percent, the least respondents were in the income bracket of below Rs. 400000 which was only 2 percent.

Factor Analysis – Instrument Validity

The Kaiser Mayer Olkin (KMO) was applied so as to investigate the suitability of the factor analysis. Values that are higher than or equal to 0.5 are acceptable.

Table 4 – Independent Variable

KMO and Bartlett Test

	Health	Safety	Environmental Concerns
KMO measure of sampling adequacy	0.600	0.552	0.614
Bartlett test of sphere-city (chi-square)	152.47	96.23	77.39

Df	1	3	3
Sig.	0	0	0
Factor Loading			
Variable			
Health	H1	H2	
	0.902	0.902	
Safety	S1	S2	S3
	0.753	0.824	0.625
Environmental Concern	ENCR 1	ENCR 2	ENCR 3
	0.756	0.667	0.763

A single factor has the loadings of all items Table 4 shows the results of the KMO test for the factors of health, safety and environmental concerns are the most important criteria for the purchase of organic grocery. As the test data shows

it is highly significant since the data for Health, safety and environmental concerns is 0.6, 0.552 and 0.614 respectively which are greater than the acceptable value of 0.5 All the items were loaded on one single factor.

Table 5 – Dependent Variable

KMO and Bartlett's Test

	Online Channel	Actual Purchase	
KMO	0.573	0.512	
Bartlett test of sphere-city (chi-square)	215.230	244.223	
Df	3	3	
Sig.	0	0	
Factor Loading			
Variable			
Online Channel	OC 1	OC 2	OC 3
	0.756	0.872	0.793
Actual Purchase	AP1	AP 2	AP 3
	0.731	0.887	0.819

A single factor has the loadings of all items Table 5 shows the results of the KMO test for the factors of Online Channel and Actual Purchase of organic grocery. As the test data shows it is highly

significant since the data for Online Channel and Actual Purchase is 0.573 and 0.512 respectively which are greater than the acceptable value of 0.5

Cronbachs' Alpha – Reliability Test

Table 6 Reliability test

Factors	Total Number of Items	Reponses	Cronbach's Alpha
Health	2	300	0.7
Safety	3	300	0.5
Environmental Concern	3	300	0.5
Online Channel	3	300	0.6
Actual Purchase	3	300	0.6

The Cronbach's Alpha counts show the closeness within the number of items developed to accumulate the actual outcomes. As the values of all the factors are more than 0.06. The scale is reliable (Malhotra, N.K.2011. Marketing Research).

VII. FINDINGS

The outcome of the findings showed that health is a bigger reason for the actual purchase of organic grocery for the urban Indian consumer that purchases organic grocery. This is provided backing by the study carried out by (Bhatia, V., & Panwar, S. (2016) the study proved that the health benefit is a main factor that motivates the purchasing of organic grocery. The Indian urban consumer does not regard safety as one of the best options in purchasing organic grocery. However many studies done by other researchers contradict this study. As safety is described as an significant factor whilst purchasing organic grocery. In regards to the environmental concerns the study has shown that consumers are willing to accept that organic grocery has an effect on the actual purchase. However, still work needs to be done in the case where authenticity might be needed to prove that organic grocery is really environmental concerns. The online channel also does have a direct effect on the actual purchase of the consumer. This shows that the consumers are health conscious and are concerned about the environment. Thus along with that online channel for the purchase of organic grocery has given a huge support to the organic grocery purchase.

VIII. CONCLUSION

The outcome of this study, gives a direction to explore many more factors that would influence the actual purchase organic grocery. This will be of great advantage to marketers and businesses so as to direct and operationalize their efforts in order to tap the growing market demand for organic grocery. As the urban Indian market is a big opportunity for organic products, further in – depth study of the demographics, psychographics of these customers will benefit the marketers to channelize the efforts to target them. A thorough investigation of the online consumer behavior in regards to organic grocery will provide a road map for the entire industry.

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