

A Study of Factors Identifying Intention to Purchase Organic Products

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ABSTRACT

There is growing consciousness among people to prefer organic products over non-organic due to the advantages it has, primarily healthy lifestyle and environmental conscious achieving the sustainable development goal. Intention to purchase is the first step to complete the buying process. The present study focuses on identifying the factors which influence the intention of the buyer to

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purchase the organic products. And then develop a model which creates intention to purchase organic products. Intensive review of literature was done followed by qualitative and quantitative analysis using interviews, exploratory factor analysis and multiple regression. On the basis of judgemental and convenience sampling, a sample of 548 respondents was collected from Delhi/NCR. Exploratory Factor Analysis with Principal Component Analysis identified 5 factors creating Intention to purchase organic products. Further statistical analysis indicated that all the 5 factors identified are significant but the most contributing factor is friends and relatives. Organic products manufacturers can focus on these factors to boost their sales.

Keywords: Organic products, consumer behaviour, COVID-19 pandemic, Digital Marketing

1. INTRODUCTION AND REVIEW

Realizing the importance of environment friendliness, particularly during ongoing pandemic, there has been a growing interest of consumers, across the globe, towards adopting organic products. As consumer sustainability grows in popularity across the world, more people are ready to purchase environmentally friendly items. (Chen, 2010).

India is also comprehending the importance of green and organic products but in a slow pace. People have started understanding that Conventional agricultural methods use lot of chemicals in various forms like pesticide, antibodies, fertilizers growth hormones etc. which are quite harmful not only to human beings but to animals and environment in general. Organic products are said to be very helpful in building antioxidant capacity, pesticide reduction, healthy body especially heart, immunity booster, environment friendly, local economy friendly and so on. These contentions have been supported by various scholars from time to time. For instance, the primary reason for purchasing the organic food products are their expectation of healthier and safer (Xie, 2015).

Environmental conscience and appearance consciousness both have a positive impact on attitude toward purchasing organic personal care products (Kim, 2011). Better taste, value, accessibility of supply markets, top calibre, great wellbeing, appropriate conduct of venders, transformation to climate, promoting impact have a significantly positive effect on purchasing organic products (Rahnama, 2016). Consumers who believe organic products are of high quality, tasty and healthful have a positive attitude toward them and are willing to pay a higher price for them (Radman, 2005). Mondelaers (2009) stated that presence of the organic label is more important while price is less important for buying of organic products. Singh, A. (2017) found in their study that wellbeing cognizance, information, abstract standards and value influence consumer attitude towards organic food products and actual buying behaviour is affected by age, education, and income. Higher educational level, higher disposal income and families with children tend to buy organic food products (Xie, 2015).

But, at the same time, lack of awareness about benefits of organic products, its higher price, unavailability, shorter shelf life, taste, habitual of using traditional product for generations etc. acts as a hindrance in switching over from traditional products to organic one. Kim (2011) has suggested purchasing organic personal care products depends on affordable price. Lack of Consumer trust plays the role of a barrier in the development of organic product market place. Store images play a mediating role between social responsibility and customer perceived value on customer trust for organic products (Alamsyah, D. 2018).

Consumer's intention to purchase is the first step in developing demand for the product (Armstrong and Kotler, 2010). Actual purchase will take place only when consumer develops an intention to purchase. Testa, F. (2019) suggests that intention to buy organic products positively influences actual purchasing behaviour and health consciousness positively influences attitude towards buying organic products. Ghazali, E. (2017) found that better product knowledge creates favourable attitudes towards buying the organic products while social value is not a relevant predictor in predicting customer attitude. Consciousness towards health, organic knowledge, and trust all have a huge impact on one's attitude. When it comes to the intention to buy organic food, attitude is the most influential factor, followed by subjective norms and price. Availability, on the other hand, had no substantial impact on purchasing intent, which contradicted earlier research. Finally, the desire to purchase was revealed to have a significant impact on actual purchasing behaviour. (Wee et al, 2014).

So, the need of the hour is to understand what are the factors which build an intention to purchase. Hence, the present study is an attempt to explore the factors which create an intention to purchase organic products. Further, we have tried to establish the relationship of factors explored with the intention to purchase organic products.

2. OBJECTIVES

1. To identify the factors which create intention to purchase the organic products.
2. To provide the model by which purchase intention is created to buy organic products.

3. RESEARCH METHOD

This study is the combination of both qualitative and quantitative approach. This study was conducted in 2 stages. In the qualitative approach (stage 1), we have interviewed 50 people, i.e., 10 from Delhi, 10 from Noida, 10 from Gurgaon, 10 from Ghaziabad, 10 from Kundali, for identifying the reasons for buying organic products and review of the literature. At stage 2 a structured questionnaire is prepared from stage1 responses. The 20 items which were derived from stage 1 measured on 5 points Likert –type-scale (1= “strongly Disagree,” 5= “strongly Agree) were used to develop a purchase intention

scale. Data of 548 people is collected through a survey. Collected data was analysed using exploratory factor analysis and multiple regression.

4. ANALYSIS

4.1 In-depth Interviews

20 males and 30 females were interviewed. The average age is 40, ranging from 25 to 60. Most (40) participants are married having children. Only 7 was the first-time purchaser while others are the regular purchaser. To understand the items which create intention to purchase organic products, people were asked what creates intention to purchase organic products. Various reasons were provided by the respondents. The items/reasons which creates intention to purchase organic product along with corresponding category and frequency told by participants are shown in table 1. The items create purchase intention of organic product in this study coincide with review of literature.

Table 1: Reason of purchasing organic product and Intention to Purchase organic product reported by interviewer

S.No.	Particular	Count
1	Covid-19	14
	I started purchasing organic products due to COVID-19 pandemic.	5
	COVID-19 pandemic has created an urge in me to purchase organic products.	5
	Organic products strengthen my immune system to fight with coronavirus.	4
2	Social Media	20
	I like to see organic products advertisement on Facebook.	5
	I like to see organic products on Instagram.	6
	I like to read tweets related with organic products.	5
3	Friends and Relatives.	18
	My friends use organic product.	5
	My relatives always purchase organic product.	7
	In my hometown my known use organic products.	3
4	Physical and Mental Fitness	25
	I consume of organic product due to habits of physical fitness	8
	I do yoga or exercise regularly	6
	I go to gym and Aerobic Class	5
	I do meditation at home	3
	Organic products have more nutrients value to improve health	3

5	Value	19
	Organic products are value for money.	7
	Consuming organic products are worth.	4
	Organic products are available at optimum price.	4
	Organic products are now available at affordable price	4
6	Purchase intention	17
	I would like to purchase organic products	4
	I would strongly recommend others to use organic products	4
	I shall buy organic products in near future	4
	Organic products will be my first preference.	5

4.2 Exploratory Factor Analysis

(A) For Independent Variables

The sample is taken from Delhi NCR people. The total response of 548 people are taken, and KMO (Kaiser Meyer Olkin) value is 0.960 (Marvellous according to Hutcheson & Sofroniou 1999). All individual items have KMO>.5, which is well above the acceptable limit of 0.5 (Filleo 2013). 5 factors had extracted based on Jolliffe (1972, 1986) retain all factors with Eigen Value>0.7, a priori and in combination explained 73.684% of variance. Five components were rotated, based on Jolliffe (1972, 1986) retain all factors with Eigen Value>0.7 and a priori. After rotation, Friends and Relatives explained 17% of the Variance, Physical and Mental Fitness explained 16% of the variance, Value explained 14% of the variance, Covid-19 explained 13% of the variance and Social Media explained 12% of the variance. “I am likely to read tweets related to organic products” with cross loading so we remove this item for calculating component value.

Table 2 shows the items and component loadings for the rotated components. To improve the clarity of table loadings less than .40 are omitted. Principal components analysis with varimax rotation was conducted to assess how 20 “reasons of purchasing organic products” variables clustered. These variables were Covid-19, Social Media, Friends and Relatives, Physical and Mental Fitness, Value. All assumptions of EFA with PCA method were checked well. For example assumption of independent sampling and normality. Linear relationships between pairs of variables, and the variables being correlated at a moderate level was also checked.

Table 2

Rotated Component Matrix						
	Component					Communality
	1	2	3	4	5	
In my hometown my known use organic products.	.800					.812
My relatives always purchase organic product.	.761					.807
In my neighbourhood my relatives use organic products.	.749					.785
My friends use organic product.	.680					.771
I do yoga or exercise regularly		.784				.754
I consume organic product due to habits of physical fitness		.670				.632
Organic products have more nutrients value to improve health		.654				.680
I go to gym and Aerobic Class		.616				.670
I do meditation at home		.585				.644
Organic products are available at optimum price.			.768			.637
Consuming organic products are worth			.751			.775
Organic products are value for money			.737			.779
Organic products are now available at affordable price			.710			.723
I started to purchase organic products due to COVID-19 pandemic.				.752		.810
Organic products strengthen my immune system to fight with coronavirus.				.748		.793
COVID-19 pandemic has created an urge in me to purchase organic products.				.741		.758
I like to see organic products on Instagram.					.790	.763
I like to see organic products advertisement on Facebook.					.665	.757
I found organic products on social media					.637	.676
I likely to read tweets related with organic products.	.432				.509	.711

(B) For dependent Variable

KMO (Kaiser Meyer Olkin) value is 0.846 (Meritorious according to Hutcheson & Sofroniou 1999). All individual items have KMO>.5 which is well above the acceptable limit of 0.5 (Filleo 2013). 1 factor had extracted based on Jolliffe (1972, 1986) retain all factors with Eigen Value>0.7, a priori and in combination explained 79.108% of variance. 1 component was rotated, based on Jolliffe (1972, 1986) retain all factors with Eigen Value>0.7 and a priori. After rotation, the first component explained 79.108% of the Variance.

Table 3

Component Matrix^a	
	Component
	1
I shall buy organic products in near future	.900
I would strongly recommend others to use organic products	.892
I would like to purchase organic products	.884
Organic products will be my first preference.	.881

Six variables were extracted from stage 2 namely: Covid-19, Social Media, Friends and Relatives, Physical and Mental Fitness, Value and Purchase intention of organic products by Anderson- Rubin Method. Covid-19, Social Media, Friends and Relatives, Physical and Mental Fitness, Value all are Independent Variables. Purchase intention of organic product is dependent variable.

Table 4: Reliability of Scale

S. No	Variable Name	No. of Items	N	Cronbach's Alpha
1	Value	4	548	.852
2	Physical and Mental Fitness	5	548	.873
3	Covid-19	3	548	.874
4	Social Media	3	548	.818
5	Friends and Relatives	4	548	.912
6	Purchase intention	4	548	.912

Cronbach Alpha was calculated for each dimension. Reliability value of all the variables was more than the acceptable limit of 0.7 as suggested by Fornell and Lacker (1981).

Multiple regression was performed to find the best linear combination of Covid-19, Social Media, Friends and Relatives, Physical and Mental Fitness, Value for predicting Purchase intention of organic products. Multiple regression assumption were checked and met like assumptions of linearity, normally distributed errors, and uncorrelated errors. This combination of variables significantly predicted Purchase intention of organic products, $F(5,543) = 2187.823$, $p < .001$, with all five variables significantly contributing to the prediction. The adjusted R squared value was .952. This indicates that 95.2% of the variance in Purchase intention of organic products explained by the model. The beta weights, shown in Table 7, tells that Friends and Relatives contributes most to predicting Purchase intention of organic products and having Covid-19, Social Media, Physical and Mental Fitness, Value also contribute to this prediction.

5. CONCLUSION & RECOMMENDATIONS

To summarize, this paper is based on a questionnaire survey of 548 respondents in the Delhi NCR Area. The data is analysed through structured interviews, Exploratory Factor Analysis, and multiple regression. The results of exploratory factor analysis found 5 factors i.e., Covid-19, Social Media, Friends and Relatives, Physical and Mental Fitness, Value for predicting Purchase Intention to buy organic products. Furthermore, Multiple Regression results demonstrate that Friends and Relatives is the most significant factor for predicting Purchase Intention to buy organic products. The paper extends our understanding of factors that the companies producing organic products must focus on to create intention to purchase organic products. The study is limited to Delhi/ NCR, which may be expanded to other geographical areas in future. It has a scope for further research by extending it to different demographic variables like education qualification, occupation, income, gender, location. etc.

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