

# A STUDY ON CONSUMER PERCEPTION TOWARDS ORGANIC PRODUCTS WITH REFERENCE TO COIMBATORE CITY

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**Abstract:** The approach and outlook towards agriculture and marketing of food has seen a quantum change worldwide over the last few decades. Whereas earlier the seasons and the climate of an area determined what would be grown and when, today it is the "market" that determines what it wants and what should be grown. The focus is now more on quantity and "outer" quality (appearance) rather than intrinsic or nutritional quality, also called "vitality". Pesticide and other chemical residues in food and an overall reduced quality of food have led to a marked increase in various diseases, mainly various forms of cancer and reduced bodily immunity. This immense commercialization of agriculture has also had a very negative effect on the environment.

**Index Terms-** Organic, Perception, agricultural.

## I. INTRODUCTION

There is no common definition of "organic" due to the fact that different countries have different standard for products to be certified "organic". In simplest words organic foods are minimally processed to maintain the integrity of the food without artificial ingredients, preservatives or irradiation. Organic products are obtained by processes friendly to the environment, by cultivation techniques that consider both the attributes of the final product and the production methods. A wide range of consumers of organic food and non organic food were addressed and scrutinized to obtain their observations and visions towards organic food. All organic food consumers are not having the same method of approach towards organic food. Subsequently the statistical process guides us to comprehend the relation and the model of the consumer behavior trends in organic food in India. The Definition of the word "Organic", an ecological management production system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on the minimal use of off-farm inputs and on management practices that restore, maintain and enhance "ecological harmony" (National Standards Board of the US Department of Agriculture (USDA)).

### ORGANIC FARMING IN INDIA

The approach and outlook towards agriculture and marketing of food has seen a quantum change worldwide over the last few decades. Whereas earlier the seasons and the climate of an area determined what would be grown and when, today it is the "market" that determines what it wants and what should be grown. The focus is now more on quantity and "outer" quality (appearance) rather than intrinsic or nutritional quality, also called "vitality". Pesticide and other chemical residues in food and an overall reduced quality of food have led to a marked increase in various diseases, mainly various forms of cancer and reduced bodily immunity. This immense commercialization of agriculture has also had a very negative effect on the environment. The use of pesticides has led to enormous levels of chemical buildup in our environment, in soil, water, air, in animals and even in our own bodies. Fertilizers have a short-term effect on productivity but a longer-term negative effect on the environment where they remain for years after leaching and running off, contaminating ground water and water bodies. The use of hybrid seeds and the practice of monoculture have led to a severe threat to local and indigenous varieties, whose germplasm can be lost forever. All of this is for "productivity". In the name of growing more to feed the earth, we have taken the wrong road of unsustainability. The bigger picture that rarely makes news however is that millions of people are still underfed and where they do get enough to eat, the food they eat has the capability to eventually kill them. Yet, the picture painted for the future by agro-chemical and seed companies and governments is rosy and bright. Another negative effect of this trend has been on the fortunes of the farming communities worldwide.

This is where organic farming comes in. Organic farming has the capability to take care of each of these problems. Besides the obvious immediate and positive effects organic or natural farming has on the environment and quality of food, it also greatly helps a farmer to become self-sufficient in his

### 1.2. NEED FOR THE STUDY

The following below are some of the main reasons to study about the organic products and its impacts to the consumer and farmer perception

#### FARMERS

1. High premium: Organic food is normally priced 20 - 30% higher than conventional food. This premium is very important for a small farmer whose income is just sufficient to feed his/her family with one meal.

2. Low investment: Organic farming normally does not involve capital investment as high as that required in chemical farming. Further, since organic fertilizers and pesticides can be produced locally, the yearly costs incurred by the farmer are also low. Agriculture greatly depends on external factors such as climate, pests, disease. Furthermore, most of the small farmers are dependent on natural rain for water. Therefore in cases of natural calamity, pest or disease attack, and irregular rainfall, when there is a crop failure, small farmers practicing organic farming have to suffer less as their investments are low. (It should be noted that while shifting from chemical farming to organic farming, the transition might be costly)

3. Less dependence on money lenders:

Many small farmers worldwide commit suicide Since chemical inputs, which are very costly, are not required in organic farming, small farmers are not dependent on money lenders. Crop failure, therefore, does not leave an organic farmer into enormous debt, and does not force him to take an extreme step.

4. Synergy with life forms:

Organic farming involves synergy with various plant and animal life forms. Small farmers are able to understand this synergy easily and hence find it easy to implement them.

5. Traditional knowledge:

Small farmers have abundance of traditional knowledge with them and within their community. Most of this traditional knowledge cannot be used for chemical farming. However, when it comes to organic farming, the farmers can make use of the traditional knowledge. Further, in case of organic farming, small farmers are not dependent on those who provide chemical know-how.

### 1.3. SCOPE OF THE STUDY

With rising concern of health issues and food safety, many consumers have turned their site to organic products. The increased consumers' interest in organic food has been attributed among others to the growing demand for food free from pesticides and chemical residues. Organic food promotes a balance of human, other living organisms and the nature. It also promotes no artificial preservatives and best maintain the originality of food. This prevents excess use harmful ingredients and thereby ensures health. This study attempted to gain knowledge about consumer attitude towards organic food product consumption and to see whether there is any potential this might have for changing their behavior. The rationale for carrying out this study is that consideration for the environment could come only from well-informed citizens who are aware of, and fully committed to their rights to a quality health and environment. Nevertheless, before any behavior can be changed, it is necessary to evaluate the current state of consumers' awareness and knowledge. Therefore consumer's attitude, perception towards organic food products, willingness to pay for organic food product and intention to purchase organic food will be the main aim of this study.

- To study the various factors influencing consumers' awareness and preferences towards organic vegetables with special reference to Coimbatore District.
- To study the level of consumers preferences towards Organic Vegetables with special reference to Coimbatore District
- To study the impact of consumers awareness and preferences towards Consumers health and environment.
- To recommend ways and means to develop the awareness and preferences towards Organic Vegetables among the Consumers.

### 1.4. OBJECTIVES OF THE STUDY

1. To asses and evaluate the factors facilitate the consumption of organic products in the study area.
2. To analyze the potential Markets for organic products.
3. To examine the consumers perception towards organic products in the study area.
4. To analyze the constraints in marketing of organic products and to suggest suitable measures thereof.

### 1.5.HYPOTHESIS

Null hypothesis is framed for the present study

### 1.6. METHODOLOGY

#### 1.6.1. Source of data

The study is based on primary and secondary data. The primary data had collected from selected consumers on Simple Random sampling techniques and Retail outlets of Organic products, Organic Products Marketing Agencies, by administering the structured questionnaires. The secondary data had collected from Department of Horticulture, Organic Farming Certification

Agencies, APEDA, District Statistical Office in Coimbatore, Organic Products Marketing Agencies, and other agencies involved in production; and marketing of organic products in Coimbatore city. Apart from this, the secondary data will also be collected from published books, reports, journals, magazines, and internet.

#### 1.6.2. Selection of the Sample

In order to understand the demand factors in organic products and the consumers perception of organic products in Coimbatore city the following sample size will be used to collect the primary data. 600 respondents were taken for this study.

### 1.7. LIMITATION OF THE STUDY

The study has been confined to organic stores, Coimbatore City and organic products. The inference drawn purely on the responses obtained from the respondent in the study area.

### 1.8. CONCEPTUAL FRAME WORK

Organic products related studies were reviewed in the previous chapter and an attempt is made in this chapter to present the conceptual frame work or the theoretical background which are essential for this study. This forms the basis for analysis and interpretation of the data collected. Then primary data collected are compared with the standard provided in the concept and thus useful conclusion can be arrived at. Challenges of organic Product marketing Implementing organic marketing is not going to be an easy job. The firm has to face many problems while trading products of organic product like improper market structure. Challenges which have to be faced are listed under

1. Organic product marketing needs more quantity of organic products to meet the demand of the larger section of the people.
2. The supplier of organic products ensures that they convince the customer about their organic product and their necessity in building good health but convincing the middle income Indian customers is a great challenge.
3. The profit from organic product is very low and the cost of cultivation is too high at present situation, the success rate of organic marketing is possible only in the long run. Green marketing will be successful only in long run.
4. Many customers may not be willing to pay higher price for organic products which may affect the sales and interest of the cultivators.

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### WHAT IS ORGANIC FARMING?

Organic farming is a technique, which involves cultivation of plants and rearing of animals in natural ways. This process involves the use of biological materials, avoiding synthetic substances to maintain soil fertility and ecological balance thereby minimizing pollution and wastage. It relies on ecologically balanced agricultural principles like crop rotation, green manure, organic waste, biological pest control, mineral and rock additives. Organic farming make use of pesticides and fertilizers if they are considered natural and avoids the use of various petrochemical fertilizers and pesticides International Federation of Organic Agriculture Movements (IFOAM), an international organization established in 1972 for organic farming organizations defines goal of organic farming as: "Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved..." Organic foods are foods produced by organic farming. While the standards differ worldwide, organic farming in general features cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. Synthetic pesticides and chemical fertilizers are not allowed, although certain approved pesticides may be used. In general, organic foods are also not processed using irradiation, industrial solvents, or synthetic food additives. Currently, the European Union, the United States, Canada, Mexico, Japan and many other countries require producers to obtain special certification in order to market food as organic within their borders. In the context of these regulations, organic food is food produced in a way that complies with organic standards set by national governments and international organizations. Although the produce of kitchen gardens may be organic, selling food with the organic label is regulated by governmental food safety authorities, such as the US Department of Agriculture (USDA) or European Commission. There is insufficient evidence in the medical literature to support claims that organic food is safer or healthier than conventional food. While there may be some differences in the nutrient and anti-nutrient contents of organically and conventionally produced food, the variable nature of food production and handling makes it difficult to generalize results. Need for Organic Farming The

population of the planet is skyrocketing and providing food for the world is becoming extremely difficult. The need of the hour is sustainable cultivation and production of food for all. The Green Revolution and its chemical based technology are losing its appeal as dividends are falling and returns are unsustainable. Pollution and climate change are other negative externalities caused by use of fossil fuel based chemicals.

Majority consumers were aware of organic food, its benefits and problems associated with conventional food. However, this awareness was relatively more among educated respondents. However still majority buy conventional food and not organic regularly due to some prominent reasons like –

1. High price of goods

2. Lack of information related from where to buy.

3. Lack of easy as well as regular availability

4. Risk of getting cheated So supply side factors are more responsible for lack of Demand for organic food. Effective marketing structure and necessary support from the governmental agencies for Organic food is required. It can also be done through NGOs and other Government agencies since it is safer and healthier food along with private sector participation.

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Digital banking is the move to online banking where banking services are delivered over the internet. The advantages for banks and customers are providing more convenient and faster banking services. The shift from traditional to digital banking has been gradual and should be rather described in degrees of service digitization than through a categorization into yes and no. It involves high levels of process automation and web-based services and may include APIs enabling cross-institutional service composition to deliver banking products and provide transactions. It provides the ability for users to access financial data through desktop, mobile and AT services.

