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SHEDDING INSIGHT ON SUSTAINABLE FOOD CONSUMPTION: A CASE STUDY ON CUSTOMER PERCEPTIBLE BEHAVIOUR TOWARDS ORGANIC PRODUCTS

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ABSTRACT

Organic products seeped into the mainstream of the Indian market from decades with regeneration and shedding insight on sustainable food production. Presently customers typically understand the credentials of organic living, shell out to pay a premium for these products. But the negative repercussion towards the product and delusion towards organic labels slackens the product demands. This creates glitches for the organic industries, which are thriving hard to widen the market. The conventional products have created havoc by created colossal damage of 40% by household consumption and rest damage from the industry. So, it has become imperative for individuals to stick towards organic consumption. This case study identifies the issues of sustainable food consumption and the perceptible behaviour of customers towards organic products. The data is obtained from secondary sources of literature reviews, exhaustive journals and also internet sources. Studies highlight the organic food markets and its consumption rate along with the progress of the industry and obstacle faced by the producers

Keywords: Organic products, Consumption, Perceptible behaviour, Sustainable

1. INTRODUCTION

The organic market was a small niche that has seeped into the mainstream swaying the product potential from the nascent stage to the present era penetrates with a robust move towards a sustainable food choice of customers. Customers are now vehement towards health concern and environmental issues shed insight towards sustainable food consumption. A past study specifically defines the unhealthy and impulsive behaviour of customer has raised the question about the imbalance in eco-system. The perceptible behaviour of customers regarding sustainable food consumption is identified with knowledge, food safety, environmental protection and healthy lifestyles. The other factors such as psychological motivation based on human personality is also a connective link for behavioural tendency of customers (Bahri Ammari Nedra et al (2014 [1]. A country like India with one of the highest geographical areas organically managed along with Brazil, China, Uruguay and Argentina has developed 1.03 million hectares of organically cultivated lands in 2009. Prior research highlight that the top ten buyers of organic food in India along with other economies. The reason for the subsequent entry of these players into the organic industry is Indian's veracity of health claims towards these brands. But the organic market woes are about the high premium price perception. The customer's environment and health consciousness is the weapon for perceptible behaviour tendencies towards organic purchases. Presently almost 140 countries are having certified organic products in 32.2 million hectares of land at the global level. (Somnath Chakrabari (2010) [2]. The customer consumption factor is seen on predictability between the nexus of consumer behaviour and favourable attitude. The consumer behaviour can be classified on concern factor based on health concern and sensitive to moral values. The most determining

factors for the purchase intention of the organic product are personal health and safety concerns. The concept of trust captures a significance criterion due to consumer's confidence in the organic production process. However, food safety perception was opined as a crucial consideration for sustainable food consumption. But some research shed insight of negative comments of customer that "organic" label does not necessarily provide a succinct picture of safety and healthy lifestyles (Shih Jui Tung et al (2012) [3]. Empirical research endeavours about the individual concern towards taste, health and quality of food foster the increased purchase intention of these organic products. Studies projects that customers with high-income level and higher education shell out by splurging on organic food. Studies also demonstrate customer's reluctance to pay the premium due to low income, inadequate knowledge about the product, high premium prices along with lack of marketing infrastructure emasculate the purchase decisions (Ayse Ozar et al (2008) [4].

2. OBJECTIVES

The objectives of the study are limited to sustainable food consumption and the perceptible behaviour of customers towards organic products.

1. To analyze the sustainable food consumption rate in the country.
2. To identify the perceptible behavioural tendencies of the customers.
3. To investigate the demand for the organic product based on exports.
4. To explore the obstacle faced by the organic industry/producers.

3. RESEARCH METHODOLOGY

This paper involves the secondary data which is from published research papers and case studies for analyzing. The various facts related to shedding insight on sustainable food consumption and the perceptible behaviour of customers towards organic products are from published data such as the Research Institute of non-conventional agriculture and food market. The paper analyzes the sustainable food consumption and perceptible behaviour of customers towards organic products. The World of Organic Statistics in Agriculture and Emerging Trends, the International business organization is considered for the study.

4. THE SUSUTAINABLE FOOD CONSUMPTION RATE IN THE COUNTRY

The Survey done by the related Chamber of Commerce and Industry of India forecasts the projection of highly purchased organic food categories such as vegetables 68%, fruits 52%, pulses 51%, food grains 50%, milk 45%, Juices 51%, etc. The retail outlets and supermarkets are the major players in the domestic organic food supply chain worldwide. One-third of organic agriculture land is situated in developing countries with 35.4% in Latin America, followed by Asia and Africa. The major shift in demand for organic products particularly fruits and vegetables are sold in metropolitan were the percentage of sales increased from 62%- 95% in the past five years (Luciana Marques Vieira et al (2013) [5]. Traditional conventional farming practice employed non-sustainable farming with intensified usage of chemical and fertilizers which proliferated the devastating effect of soil fertility. To replenish the fertility of soil organic practices of growing crops came into emergence. Moreover the input cost of organic farming likely to be lower compared to conventional farming. Since organic food production is in the nascent stage encompass many constraints like high price premium along with higher labour cost. To embark new era contract farming is considered paramount. Contract farming is an agreement between Farmers and marketing companies where the supply chain is integrated so that a large segment of masses access into it. The advertisement and promotional strategy capture huge market share which exercises high demand for these products (Varghese Manloori et al (2016) [6]. Shedding insight towards organic product reports portray the information of 154 countries of the world reveal the estimated figure of more than quarterly

million hectares of land is organically managed with 1.4 million producers. The country's highest production land area is Europe with 8.2 million followed by Latin America 8.1 million and India emerging with 340,000 producers with the highest production rate along with Uganda and Mexico with 180,000 and 130,000 approximately (Ummyiah, H. M. et al (2017) [7].

Table 1: India's leading states in organic food consumption (2017)

States	Percentage
Mumbai	17
Bengaluru	15
Delhi	15
Ahmadabad	14
Chandigarh	13
Indore	13
Hyderabad	13

Source: Organic Foods in India.

To encounter the environmental issue the companies reshape their strategic move towards sustainable consumption. Sustainability is presently a hot topic in developing countries. The main focus is on environmental sustainability and pollution control. Sustainable food choice has proliferated the consumer choice towards organic products. The social pressure helped to solidify the nation's strength towards integrity. Moreover, the financially empowered customers have increasing concern towards sustainable products and also the demand for the organic product have epochal shift due to customer intention towards organic purchases (Hung Vu Nguyen et al (2019) [8]. Major studies elicit multiple reasons beyond organic product purchase intention is animal welfare, health concern, environmental concern, food safety and taste even though there is a dearth of the cross-national research. The organic practice is a challenge and exaggerates to the mainstream market coupled with a positive and negative perception of customers. Sometimes the customer's attitude is usually multi-faceted due to ambiguity towards organic brands dwindle the product potential. However, customer's incoherent behaviour tendencies towards multiple sources of information also impede the progress (Bernt Aarset et al (2004) [9].

5. CUSTOMERS PERCEPTIBLE BEHAVIOUR TOWARDS ORGANIC PRODUCTS

Health-conscious is an important predictor of purchase intention since it shapes the compulsion paving the way to action. Research delineate about the increased willingness towards organic purchases is basically due to information about the product leading to knowledge upsurge the positive notion towards product credentials. The other noteworthy views such as education and high income penetrate positive repercussions towards product regeneration (Mervin Rupesh, M. et al (2013) [10]. Environmental awareness is highly fragmented as opined by customers. The personal values and choices emphasize a paradigm shift towards sustainable consumption. Growths in organic demands have reportedly increased due to attitudinal ambivalence of customers based on organic and conventional products. Past research indicates the rising figure of organic production has substantially proliferated from 10 % to 30 % from the past five year's period. This overarching growth has tremendous implications to develop a certification process. A total of 130 countries convincing evidence to support the growth of sustainable products are now claimed of producing certified organic products with special emphasis on environmental conditions (Athanasios Krystallis, George Chryssohoidis (2005) [11].

Studies report indicates about the survey results show the growth of the organic food industry in the world has an increase of \$6 billion in a short period. The global sales at the grocery stores

increased to \$670 million annually. To meet the emerging demand the best sustainable practices are adopted with great emphasis on environment protection. In 2007 organic vegetables and fruits aseptically packed constitute higher retail sales value accounting for a 37% increase in the organic food sector in developing countries (Panagiotis Kasteridi, T Steven Yen (2012) [12]. Europe and Northern American are the global players of the organic realm since they are the major markets for organic food. The reason behind these exports is demand, where customers shell out even though the price is premium. The intention behind the purchasing power is the presence of the health concern of the individual. A comparison with India shows a succinct picture of low consumption concerning western economies. The organic market is unorganized and fragmented in India which also gives opportunities for domestic as well as international players. The major exports of organic products are rice, cereals, and millets, beverages exported to the US, Canada, Europe and also South Asian countries. India is one of the 10th leading economies in terms of organic certification. The estimated figure of Indian export projects about 6.5 lakh producers with 365 exporters who are associated with organic product sales (Deshmukh, M. S. et al (2015) [13]. From the nascent stage to the present era organic product plays a predominant role in Indian farming scenario. Despite these holistic efforts domestic consumption are embattled with more constraints. Prior research highlights that India is one of the top 10 players in the global arena with a large expansion in the growth of market share globally. In 2010 the annual growth was on the verge of boom state with 23% higher growth along with other European countries such as Italy, German, France, Switzerland and Austria in the production of organic products (Nayana Sharma, et al (2018) [14].

6. DEMAND FOR ORGANIC PRODUCT BASED ON EXPORTS

A convincing report shows the Indian organic exports were around 403 million dollars in 2014, along with organic textile products emerging at a rate of US\$183 million with 7 % higher growth in the coming years (Geetika Varshneva et al (2017) [15]. Exports of organic products have witnessed an overarching growth in the following years until 2020. The Asian export industries are presently considered as the most lucrative industry with a stronghold. The reasons behind these are government quota relaxation limits. When compared to Asian countries Japan is emerging with approximately 40% growth in the organic food market With combating the higher demand for these products (Baisakhi Mukherjee (2017) [16].

Table 2: Share of Organic products export from India in FY 2016

Sl. No.	Organic Products	Share of exports (%)
1	Oil Seeds	50
2	Processed Foods	25
3	Cereals & Millets	17
4	Pulses	2
5	Tea	2
6	Others	2
7	Species	1
8	Dry Fruits	1

Source: Statista 2019

7. OBSTACLE FACED BY THE ORGANIC INDUSTRY/PRODUCERS

The organic industry is considered a lucrative industry due to health concern and environmental friendliness of customers where organic market is a niche that seeps into mainstream leading

the organic consumption to reinvigorate the individual with aggressive demands in the urban areas and imperative supply chain mechanism. Due to the hidden benefits, conventional growers are sticking to organic production. Unlike the verge of a boom in demand, unfortunately, evidence of another stream of literature exposes the obstacles faced by the organic industry due to multiple constraints they face in business (Yadav, S. K. et al (2013) [17]. Adhering to the decision-making process, a loyal customer is the backbone of demand for these products. Nevertheless, alternative organic consumption paves the way towards a shift in consumption factors. Environmental concern customers embrace these products and willing to pay the premium. The customers who possess the multi-faceted attitude buy these products due to health and food safety reasons unlike other customer's purchase intentions is due to environmental concern. Studies specifically investigate organic labels are the positive credence that fulfils the intention to purchase. The main constraints involved are the transformation involved in these food regime exercises minimal access to product potential. The reasons behind this are the slackening demand due to high prices, incoherent behaviour of customers, delusion about product labels and lack of government conscientiousness demand plan (Leila Hamzaoui et al (2012) [18]. Underlying the assumption of a healthy living concept, research demonstrated a gap between customer's convincing attitude and real purchase intention tendencies. It signifies that a positive illusion does not solidify action. The environmental concern may not be the driving force towards purchase intention. On the ground of affordability, the price of organic products poses a challenge towards organic production and marketing. In some cases, opportunities reverberate in large due to individual health concern, food safety for the family, knowledge about product and concern towards a green environment. But the major barriers in organic production are high prices than conventional products and availability curb the sales (Yatish Joshi, et al (2015) [19].

Food safety, health issues, media promotion plays a pivotal role in the configuration of customers attitude towards non-chemical fruits and vegetable consumption. The usage of fertilizer and chemicals are the intricacy issues that map the difference. The market forces adversely affect customers buying behaviour, the environmental sustainability and food safety issues along with the appealing suggestion in a particular market evokes trust leading to an upsurge in demand factors. But the perceived behaviour barriers encompass the high price premium, availability, standard labeling, considerably dwindle the attitude and intention to purchase (George Lazaroiu et al (2019) [20]. The unbending nature of customers due to habitual buying of the conventional product coupled with negative repercussions impairs the purchase intention credentials. Customer's shells out pay for conventional products with the dispelled notion about organic products emasculate the opportunities of the organic realm. To reshape the organic food regime the flawless issues about organic food supply should be addressed since people are more apprehensive about food safety needs to be aware of the new dimension of organic food consumption. The variable such as awareness and motivational factors act as a mechanism to boost a healthy tomorrow (Yawar Abbas Sandhu et al (2018) [21].

8. FINDINGS

1. Research endeavours about the individual concern towards taste, health and food quality foster the increased purchase intention of these organic products. It also projects that customers with high-income level and higher education shell out by splurging on organic food.
2. The major change in demand for organic products particularly fruits and vegetables are sold in metropolitan were the percentage of sales increased from 62%- 95% in the past five years is a tremendous victory over product sustainability.

3. The world food reports opined about the survey results show the growth of the organic food industry in the world has an increase of \$6 billion in a short period. The global sales at the grocery stores increased to \$670 million annually.

4. India is the 10th leading country for organic certification. The estimated figure of Indian export projects about 6.5 lakh producers with 365 exporters who are associated with organic product sales.

5. The attitude and perceived behaviour barriers encompass the high price premium, availability, standard labelling, considerably dwindle the intention to purchase.

6. The financially empowered customers have increasing concern towards sustainable products and also the demand for an organic product has an epochal shift due to customer intention towards organic purchases.

9. SUGGESTION AND RECOMMENDATION

1. To embark on sustainability contract farming should be introduced. Contract farming is an agreement between Farmers and marketing companies where the supply chain is integrated so that a large segment of masses access into it. The advertisement and promotional strategy capture huge market share which exercises high demand for these farming.

2. Organic farming reduces the production cost due to low-cost labour. This may benefit the small and marginal farmers who were the victims of green revolution agriculture which has depleted soil fertility leading to increased debts and farmer's suicide.

3. NGO contribution is the most important factor since these NGOs should establish linkage with the poor farmers, thereby increasing the promotion of the organic products, training facility, information services with the farming communities.

4. Increased training program for organic producers along with the promotion of certification programs. Develop some innovation policies for organic production, conducting trade fairs and exhibition of these products may solidify the product regime.

5. The government should introduce these organic products in hop cons and retail outlets, were subsidy for organic farmers/producers should be provided. Moreover, awareness regarding product benefits and financial accommodation should be provided to start a new organic production company.

10. CONCLUSION

Organic food consumption shows the best result of individual consumption of the right food and taking appropriate measures for a good diet and adhering to a healthy living formula. Fortunately, evidence of some stream of the literature shows the convincing evidence of eco-friendly customers, who have compassion towards health and environmental concern always shed insight on organic food consumption. But the price is the prime factors which delimit the organic food consumption and posses challenge for organic marketers. Nevertheless, the government has to frame some policies and awareness program and improve the supply chain mechanism to improve the product potential, so that demand may reach the verge of the boom with lowered pricing trends in the market. Along with these benefits, certain issues need to be addressed, such as certain budgets to be fixed on R&D of organic food and production to be increased at a higher level. Conscientious plans need to be adopted by the government in the

development of these industries by providing tax reduction and incentives to the supply chain network.

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