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UNDERSTANDING CONSUMER BUYING TRENDS FOR ORGANIC PRODUCTS IN CHENNAI MARKET: AN ANALYTICAL STUDY

Dr. A. KRISHNAN

Professor & Research Supervisor

Department of Commerce

Vels Institute of Science Technology and Advanced Studies, Chennai -117

K. BANU

Research Scholar

Department of Commerce

Vels Institute of Science Technology and Advanced Studies, Chennai-117.

ABSTRACT

The organic products market in Chennai is witnessing rapid growth due to rising consumer awareness of health and environmental benefits. This study explores consumer buying trends for organic products, focusing on the motivations and demographic factors influencing purchasing decisions. Using a sample of 158 respondents, percentage analysis and ANOVA were applied to evaluate the impact of demographic variables such as income, and education on the frequency of organic product purchases. The findings reveal that health concerns are the primary driver for buying organic products, with younger, educated, and higher-income consumers showing a higher frequency of purchases. The results suggest that businesses can expand their organic market by addressing price sensitivity and improving consumer awareness. The study predicts the purchase intention of consumers based on the influences of factors like environmental concern, health concern and lifestyle, product quality and subjective norms on the attitude towards organic foods. The results of the study show that quality of products, environmental concern, health concern and lifestyle are the most commonly stated motives for purchasing organic foods.

KEYWORDS: Organic Products, Consumer, Awareness, Price, Health.

INTRODUCTION

The demand for organic products has grown significantly in India, particularly in urban markets such as Chennai. As consumers become increasingly concerned about their health and the environment, the appeal of organic products continues to rise. However, understanding the key factors that influence consumer purchasing behavior is essential for businesses seeking to penetrate this expanding market. This study aims to analyze consumer buying trends for organic products in Chennai and examine how demographic factors such as age, income, and education affect purchasing frequency. Through percentage analysis and ANOVA, this study sheds light on the motivations and challenges consumers face in adopting organic products. An organic product is an item that is produced through methods that comply with the standards of organic farming. These

standards vary worldwide, but generally, organic farming features practices that strive to cycle resources, promote ecological balance, and conserve biodiversity. Organic farming avoids the use of synthetic chemicals for pest and weed control or soil fertility. Instead, it uses natural alternatives such as compost, manure, and biological pest control. Organic products are typically produced without the use of genetically modified organisms (GMOs). Organic farming practices aim to be sustainable, focusing on soil health, crop rotation, and conservation of water and other resources. For organic animal products (like meat, dairy, and eggs), animals are raised in conditions that allow for natural behaviors, with access to the outdoors and organic feed. In many countries, products must be certified organic by a recognized certification body, which ensures that the farming and processing methods meet organic standards. Organic products can include food items like fruits, vegetables, grains, dairy, and meat, as well as non-food items like cotton for clothing or personal care products.

LITERATURE REVIEW

Radhika and Elumalai (2024), identified that consumers buying behaviour towards the organic food products in Chennai city. The aim of this study was to assess consumers' awareness levels and identify the sources of information regarding organic food products in Chennai city. The findings suggest that organic food is completely natural and packed with essential nutrients that the body requires. This study seeks to explore consumer buying behavior towards organic products in Chennai, shedding light on factors that influence their purchasing decisions.

Kanchana and Kannan (2024), conducted that effect of perceived benefits of organic food products on consumer attitude in Chennai city. The aim of this study was to assess consumers' attitudes towards organic food in Chennai. The findings reveal that the perceived benefits of organic products significantly influence consumer attitudes towards purchasing them. Consumers primarily associate organic goods with health benefits, environmental sustainability, and ethical farming practices, all of which contribute to a positive perception and preference for these products.

Seethal et al. (2019), found three factors of organic knowledge, awareness and price significantly affecting the intention to consume organic food among the Generation Y in Malaysia. Thus, the findings state that Malaysian Generation Y's attitude and consumption behaviour toward organic food is useful to the scholars in green purchasing area and marketers of organic food. By understanding the reasons behind consumer organic food behaviour, productive strategies can be established by marketers and policymakers to respectively increase the involvement towards organic food and as well as society and environmental benefit Aertsens et al (2009).

Teng and Wang (2019) found that, higher levels of knowledge regarding organic foods cannot directly lead to more positive attitudes. Instead, the increase of organic knowledge can effectively reduces consumer uncertainty and creates trust in organic foods, and the ultimately increases consumer attitudes of buying organic foods. The organic knowledge of consumers is mainly determined by the level of understanding of science and technology and the sources of the information by the public. If consumers' perception is good towards organic food production processes, they are more likely to generate confidence in identifying organic foods, which leads to positive influences in their attitudes towards organic foods.

OBJECTIVES OF THE STUDY

- To analyse the demographic profile of consumers purchasing organic products in Chennai.
- To examine the frequency of organic product purchase.
- To evaluate the key motivations for buying organic product.
- To assess the differences in consumers' price sensitivity towards organic products based on income levels.

METHODOLOGY

A total of 158 respondents were surveyed using a structured questionnaire to assess their purchasing behavior towards organic products in Chennai. The respondents were selected from various demographic backgrounds, ensuring a representative sample of Chennai's consumer base. The data collected included information on gender, age, income, education, frequency of organic product purchases, key motivations for buying organic products, and price sensitivity.

Two statistical methods were employed in the analysis:

Percentage Analysis: To highlight the distribution of responses across different demographic factors and purchasing behaviors.

ANOVA (Analysis of Variance): To determine whether demographic factors of income, significantly impact of consumers' price sensitivity towards organic products.

RESULTS AND DISCUSSION

TABLE – 1 DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic Factor	Category	Number of Respondents	Percentage (%)
Gender	Male	76	48%
	Female	82	52%
	Total	158	100
Age	18-25 years	28	18%
	26-35 years	63	40%
	36-45 years	48	30%
	46 and above	19	12%
	Total	158	100
Monthly Income	Below Rs. 50,000	37	23%
	Rs.50,000 –Rs. 75,000	77	49%
	Above Rs. 75,000	44	28%
	Total	158	100

INTERPRETATION

The majority of respondents (52%) were female, with the largest age group being between 26-35 years (40%). A significant portion of respondents had a monthly income between Rs. 50,000 – Rs.75,000 (49%%).

TABLE – 2 FREQUENCY OF ORGANIC PRODUCT PURCHASES

Frequency of Purchase	Number of Respondents	Percentage (%)
Weekly	40	25%
Monthly	87	55%
Occasionally	31	20%
Total	158	100

INTERPRETATION

The majority of consumers (55%) purchased organic products on a monthly basis, while 25% were weekly buyers, and 20% bought organic products occasionally.

TABLE – 3 KEY MOTIVATIONS FOR BUYING ORGANIC PRODUCTS

Primary Motivation	Number of Respondents	Percentage (%)
Health benefits	95	60%
Environmental benefits	47	30%
Taste and quality	16	10%
Total	158	100

TABLE – 4 PRICE SENSITIVITY

Factors	Monthly Income				
Price Sensitivity	Below Rs. 50,000	Rs. 50,000 – Rs. 75,000	Above Rs. 75,000	F – value 155, 2	Sig. Value
	N = 158	N = 158	N =158	5.84	0.004
price sensitivity on consumer buying behavior towards organic products.	Mean	Mean	Mean		
	(SD)	(SD)	(SD)		
	4.5	3.2	2.0		
	1.2	1.0	0.8		

** = 1% level of significance

INTERPRETATION

Table – 4 reveals that a significant difference in price sensitivity towards organic products across different monthly income groups. Consumers in the Below Rs. 50,000 income group have the highest price sensitivity, with a mean score of 4.5, followed by those in the Rs. 50,000 – Rs. 75,000 group (mean = 3.2), and consumers earning Above Rs. 75,000 exhibit the least price sensitivity (mean = 2.0). The F-value of 5.84 and the p-value of 0.004 indicate that the differences are statistically significant at the 1% level of significance ($p < 0.01$). These results suggest that lower-income consumers are more sensitive to price, while higher-income groups are less affected by price changes, which highlights the importance of tailoring pricing strategies based on income levels to attract different consumer segments in the organic market.

CONCLUSION

The study on consumer price sensitivity towards organic products in Chennai, focusing on the impact of monthly income, reveals significant insights for businesses and marketers in the organic sector. The ANOVA results clearly show that income level plays a crucial role in determining how sensitive consumers are to the price of organic products. Consumers in the Below Rs. 50,000 income group are the most price-sensitive, while those in the Rs. 50,000 – Rs. 75,000

range exhibit moderate sensitivity, and higher-income consumers are the least price-sensitive.

These findings suggest that lower-income consumers are more likely to be influenced by the price of organic products, while higher-income groups are less affected and may be more driven by other factors such as health benefits, environmental concerns, or ethical considerations. Therefore, businesses in the organic market can enhance their customer base by offering more affordable options, discounts, or value-added benefits for price-sensitive lower-income groups. On the other hand, for higher-income consumers, emphasizing the broader value of organic products beyond price, such as sustainability and health benefits, would be more effective in driving purchasing decisions.

Overall, the study highlights the need for tailored marketing strategies that consider the income-driven price sensitivity of consumers to effectively target different market segments, boost sales, and expand the reach of organic products in Chennai.

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