

Effect of Demographic Factors and Consumer Values in the Purchase of Organic Product

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Abstract— this research paper aims at finding the most influential consumer perceived values that leads to the purchase of organic products. This study also bridges the gap between demographic factors and consumer values affect on buying decision of organic products.

Index Terms— Demographic factors, consumer perceived values, Quality, Price, Trust, Safety, Age, Educational status.

I. INTRODUCTION

In recent decades, the consumption of organic products has been increased in the market; many conventional products have been replaced by organic products. Early research papers have focussed on how these change happened and what are the factors responsible for the change. Most of such change in the consumption of the organic products has been attributed to demographic factors such as age, family size, gender, marital status, presence of children etc. On extensive reading through earlier literature it was found that there are a set of consumer perceived values related to the purchase decision of organic products and this paper is oriented towards finding out that set of consumer perceived values which influences the purchase decision of organic products.

II. LITERATURE REVIEW

To satisfy the growing needs of human population, huge quantities of natural resources have been exploited, and these days the human population has raised the issue of environmental protection. This sudden interest towards protecting the environment and our natural habitat has given rise to a new category of eco-friendly consumption called green consumerism. In their pursuit to save the environment consumers are now willing to purchase organic products even though they are relatively costly. Recent studies on green consumerism with respect to demographic factors have found that women are more oriented towards organic products than men, educational qualification plays a vital role in the purchase decision of organic products, younger people purchase organic products and most non-buyer are elder to the buyers. Research papers also suggest that young people are more eco friendly but are not willing to pay an extra price for the organic product because of their low purchasing power on the other hand older people are more health conscious and are willing to pay that extra price for an organic product. Studies

also reveal that educated people are more likely to purchase organic product. It has also been found that the presence of children in the family and the age of the kids in the family is also an important factor that influences the purchase of an organic product. Thus over the years a lot of factors have led to the increased consumption of organic products. This research is oriented towards finding the most significant consumer perceived value that is responsible for making a decision with regard to the purchase of organic product.

III. METHODOLOGY

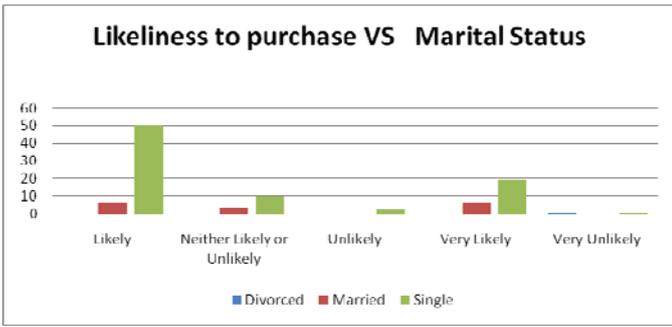
This research consists of a pilot survey and a main survey. The findings from the pilot survey was used to narrow down the research from a wide range of consumer perceived values to fewer and most influential consumer perceived values. The population for both the pilot and main survey were students of a well established management school in south of India, sample size is 200 for pilot survey and 100 for main survey. Descriptive results were reached using pilot survey by using Microsoft excel and main survey was analyzed by using SPSS analytical software. The scales used in the pilot survey questionnaire are dichotomous and 5 point likert scale and for the main questionnaire all questions were of 7 point likert scale.

IV. ANALYSIS

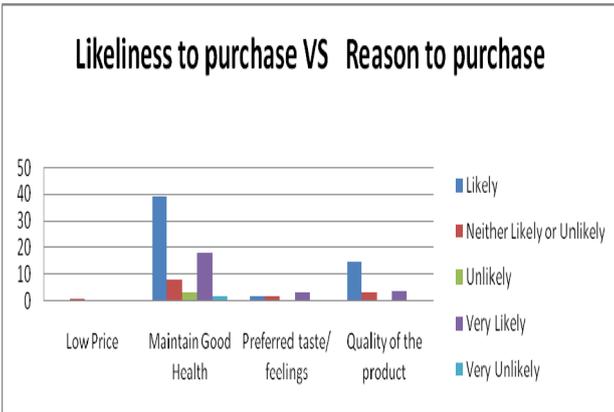
The pilot survey responses were used to generate descriptive statistics using Microsoft excel and the most influential attributes responsible for the purchase decision of organic products were chosen and then the main survey was administered. The most influential attributes responsible for organic product purchase was selected from the pilot survey and the questionnaire was made with respect to the main attributes Main survey was analysed using IBM spss, linear regression was used to reach the end result.

V. RESULTS

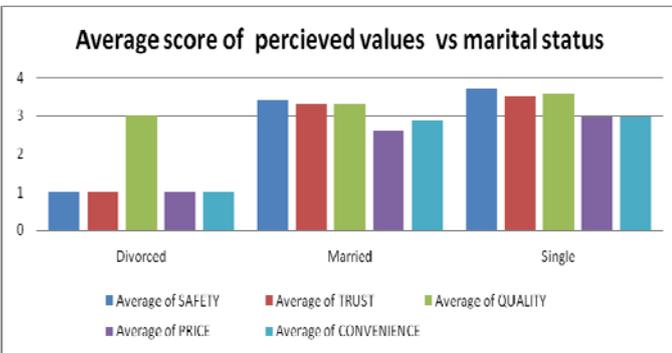
The results of the pilot survey are as follows;



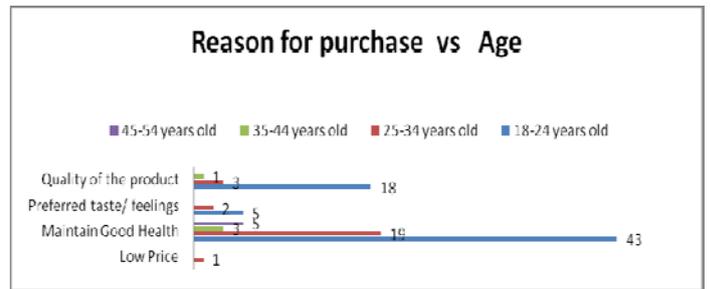
a) Unmarried people are more likely to purchase organic products.



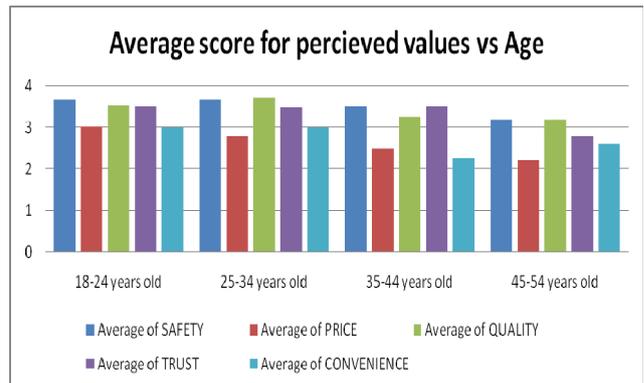
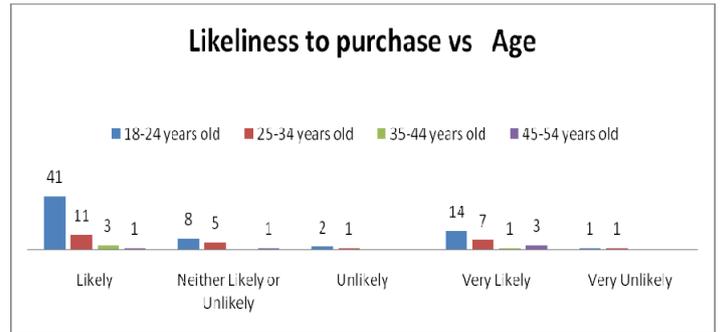
b) Organic products are purchased to maintain good health.



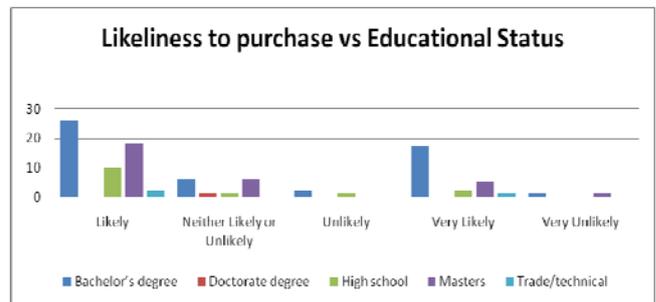
c) Quality is an important factor for divorced people to purchase organic products; Quality and trust are the influential factors for married and single people.



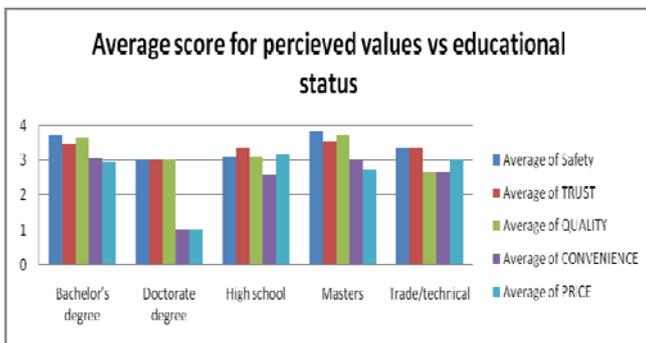
d) 18-24, 25-34 and 35-44 age groups purchases organic products to maintain good health and for the quality of the product.



e) Safety, quality and trust are the three main values across all age groups in the purchase of organic products.



f) Degree holders are more likely to purchase organic products.



g) Safety, trust and quality are the most influential factors. From the pilot survey Quality, Social Status, Perceived values (trust and safety and Price) are found to be most influential attributes and the results were analysed separately based on gender.

The results of main survey are as follows;

Model	R		Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson Statistic	
	GENDER = 1 (Selected)	GENDER = 1 (Unselected)								GENDER = 1 (Selected)	GENDER = 1 (Unselected)
1	.695*	.650	.366	.877	.368	7.654	4	63	.000	2.485	2.112

a. Predictors: (Constant), PRC, SOC, QUAL, PV
 b. Unless noted otherwise, statistics are based only on cases for which GENDER = 1.
 c. Dependent Variable: IKELINESS TO BUY

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	1.443	.796		1.814	.075		
	QUAL	.068	.032	.259	2.094	.041	.784	1.276
	SOC	.032	.021	.176	1.531	.132	.910	1.099
	PV	.002	.030	.009	.069	.945	.777	1.287
	PRC	.274	.071	.434	3.838	.000	.935	1.069

a. Dependent Variable: IKELINESS TO BUY
 b. Selecting only cases for which GENDER = 1

Model	R		Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson Statistic	
	GENDER = 2 (Selected)	GENDER = 2 (Unselected)								GENDER = 2 (Selected)	GENDER = 2 (Unselected)
1	.731*	.418	.535	1.068	.535	10.639	4	37	.000	2.488	2.210

a. Predictors: (Constant), PRC, SOC, QUAL, PV
 b. Unless noted otherwise, statistics are based only on cases for which GENDER = 2.
 c. Dependent Variable: IKELINESS TO BUY

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	.243	.869		.279	.781		
	QUAL	.022	.068	.070	.329	.744	.274	3.644
	SOC	.074	.039	.230	1.905	.065	.859	1.164
	PV	.169	.078	.485	2.159	.037	.249	4.018
	PRC	.110	.109	.134	1.010	.319	.718	1.393

a. Dependent Variable: IKELINESS TO BUY
 b. Selecting only cases for which GENDER = 2

Gender = 1 indicate the male subjects and Gender = 2 indicates female subjects. And the results show that social status and perceived values (safety and trust) to be the most influential attributes for women and quality and price to be the most influential attributes for men.

VI. LIMITATIONS

The survey results were mostly done by the people between the age group of 18-44, and the location was bound within south of India, thus various other attributes that can lead to the purchase of organic products were not considered. Moreover

people get confused between ayurveda and organic products. If the above limitations were mitigated then a much deeper study could have been done.

VII. ACKNOWLEDGEMENT

This research would not have been possible without the guidance and efforts of my mentor Dr. Deepak S Kumar and the faculty and the students of Amrita school of Business, Coimbatore.

VIII. REFERENCE

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