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# **Consumer Psychology, Attitudes and Indulgence towards Organic Foods-Impacting the Sales and Revenues**

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**Abstract** - In this rapidly changing world in terms of human health, market, occurring disorders, inventions, economic conditions, world monetary dynamics and on top of all this- awareness among people about the changing nutrition needs, healthy content, better and advanced agricultural ways, the green revolution, the number of players in the market as well as the uncertainty related to organic food consumption, organic food options are the most looked upon shelf demand. This study is an attempted to gain knowledge about consumer attitude towards organic food products using research review of the available literature and analysis.

**Keywords:** *Consumer psychology, Organic food, sales, revenues*

## **I. Introduction**

We all have heard about organic foods in bits and pieces. But do we know what organic food is? Basically, organic produce/foods and other ingredients are grown without the use of pesticides (apart from certain organically approved pesticides), synthetic fertilizers, sewage sludge, genetically modified organisms, or ionizing radiation to provide them a perfect look and longer shelf life. Animals that produce meat, poultry, eggs, and dairy products do not take antibiotics or growth hormones to be in perfect shape and size.

The various determinants for the organic food acceptance and popularity amongst consumers vary according to the demographics, personal as well as social drivers and the roles of the drivers in organic food purchase/consumption. These days various grocery chains and restaurants are adapting the organic foods, they also have representatives for enlightening customers walking into the stores and restaurants. There are a variety of vegetables/ fruits that are grown by using organic ways of farming, various bakery products made by using organically grown grains and a range of poultry, sea foods and other foods that

are grown in organic conditions such as feeding them organically grown grass, avoiding the use of chemicals and hormones, etc.

The organic food products have made a discernable impact on the integral part of the purchase chain- the stakeholders in the food industry, the wary consumers, the wholesalers, the local store owners as well as the franchise stores.

## **II. Purpose**

The major purpose of this article is to address and discuss following:

- 1) Awareness about organic products
- 2) Labeling concerns
- 3) Food safety
- 4) Do the consumers consider organic food products as normal food products or premium goods?

To study all the above mentioned factors, reasons, changes and needs from the producer's as well as the consumer's perspective along with the facts. The consumer's decision making ability, attitude as well as adaptation needs are to be addressed. Also there is a need to understand the worldwide organic agricultural practices, the production rates as well as the success, legislation around this business, demands and the various target markets/segments in order to go ahead and research further in this segment.

## **III. Literature Review**

From the present day statistics about the organic food products it is reasonably clear that there is a positive correlation between the awareness and demand for these products<sup>1</sup>. The rise of the environmental awareness has had a thoughtful effect on consumer behavior, with the green product market intensifying at a remarkable rate (Bhaskaran et.al, 2006)<sup>6</sup>. Therefore, in the past decades there have been an increase of production and consumption of organically-produced products which is seen as having less impact to the environment. In December 2000, the National Organic Standards Board of the U.S. Department of Agriculture (USDA) established a national standard for the term "organic."<sup>5</sup>

In relation to growth potential of consumer demand and its parameters many researchers have identified and ranked motivations for buying organic products and have largely showed a positive picture of strong demand. People who purchase organic food have been categorized into four groups namely (Anne Davis, Albert J.Titterington and Clive Cochrane, 1995)<sup>7</sup>: greens; people who are anxious about the environment, food phobic; those who are concerned about chemical residues in food, humanists; people who are pensive with factory farming methods and hedonists; people who believe that a finest products must be better and decisively taste better. In terms of sales and revenue of the organic food products, availability in conventional grocery stores accounts for half of all sales. In addition, well-known brands are announcing or procuring organic products and even presenting organic versions of current products. There are various food chains dedicated to the organic food, these restaurants have all sorts of organic foods that include different varieties of vegetables, grains, meat products as well as sea food products. Also the restaurant staff presents the food with all kinds of relevant information to the customer related to the organic food they have ordered. This example illustrates the awareness and acceptance of the organic food products amongst customers.

In this paper various researches are reviewed and compared in order to fulfil the purpose of the article. After testifying the various researches against each purpose/objective of the research, the inferences/ findings would be deliberated towards the culmination of the article.

Carolyn Dimitri and Luanne Lohr researched about the consumer's perspective on organic foods in the USA. The researcher found out that organic food sector is dynamic. The demand is increasing but the data is fragmented and at times inconsistent.

#### **IV. Design/methodology/approach**

Research methodology: secondary research. In this article/paper, secondary research and specific research review talking about the organic foods consumption and awareness will be undertaken in order to find out various scenarios, facts, trends and assumptions moving around the market radar of organic food products.

Period of research: November 2014- March 2015

#### **V. Findings and conclusions**

After going through various research papers in order to analyze, following are the findings and conclusions:

- Consumers demand for locally grown food products as they perceive it to be fresher, better tasting as well as more nutritious because of unaltered freshness.
- Fresh products being the top selling organic food category captures 42% of sales of the food market<sup>8</sup>.
- Consumers are demanding a properly recognizable label. Along with the label consumers are also demanding along with the actual description of organic food products.<sup>10</sup>
- According to the survey by consumer reports, consumers do consider organic foods as a differentiating factor than other available foods. Consumers see organic foods as fresher and higher in nutrients.

#### **VI. Research limitations**

There were a few research limitations because of the secondary nature of the article. All the conclusions were based on the research review. Also if a comparative study between organic foods and other foods (such as genetically modified foods, probiotics, etc.) is done the research can become more elaborate and precise.

#### **VII. Scope of research**

Primary research with a structured questionnaire would bring out a different angle in terms of customer's preference around various factors such as economic condition, need, awareness, urgency, etc.

Also if we select a particular territory of research the results may vary based on geography, gender, age group, etc. A statistical approach would bring out crisp results for a similar research.

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