

# Factors Affecting Consumer Purchase Intentions of Organic Products in Lalitpur District

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## Abstract

*This study aims to identify consumer buying behavior towards organic foods in the Lalitpur district. The specific objectives of this study are to study the awareness of consumer buying behavior toward organic foods and to identify the factors that affect consumer buying behavior toward the organic foods Nepalese market. The study used descriptive and inferential analysis based on primary data. The survey method is used as a closed-end questionnaire research method. Each variable is measured using 5-points Likert scales. Both descriptive and inferential analyzes were used as statistical tools for the analysis of the data collected. In this study 200 sample sizes have been used to analyze consumer buying behavior towards organic foods in Sunakothi, Thecho, Chapagau of Lalitpur district. The results indicate that consumers have a positive awareness of organic foods. Thus, it concluded that respondents' awareness level was good while buying organic foods. Based on the result, health-conscious, environment conscious, price, taste awareness are factors affecting consumer buying behavior towards organic foods. Consumer awareness level is quite well about organic foods. The majority of respondents were conscious of their health while buying organic foods. The majority of consumers feel that the prices of organic foods were high than conventional foods. This study concluded that the Nepalese market was aware of organic foods. The awareness level of consumers was quite goods.*

**Keywords:** Purchase intentions, Organic products, Health, Environment, Price, Tastes, Awareness

## Introduction

In today's context, customers are becoming sensitive to consuming organic foods. So, this paper concerns with the behavior of consumers on organic food. Organic foods have a small market in Nepal. But the global market, organic foods have increased their market. These foods may satisfy as well as dissatisfy consumers. Many researchers explain that price is a factor that influences the purchasing power of the consumer. Besides, consumers thought that organic foods are not easily available in the market. In Nepal, few retail stores are only available. Consumers have their views about organic foods. Organic foods have a small market in the context of Nepal. But organic food markets get increasing day by day in the global market. These organic foods may or may not satisfy the consumer. In Nepal organic food outlets are very few, thus consumers thought organic foods are not easily available in the market along with a high price. In Nepal, there are few outlets of organic foods Nepali organic stores, Subechhya Basnet, Gaungharstore, Asha Puri, Adhaya store. Organic farm and Organic Market are a fewly available in Nepal. Nepal is the least developing country. Agriculture can be a major income generation source. GDP is heavily dependent on remittance (9.1%) of foreign workers. Nepal has low living standard rather than other countries. Rana

& Paul (2017) explained that trends of organic foods were started from developed countries like Europe and North America. But these trends were promoted to developing countries like India, Nepal, Thailand, Malaysia, and Vietnam.

Sangkumchalianga and Huang (2012) explained that consumer attitude towards organic foods consumption and identify factors that affected on demand and consumption of organic foods. Fruits and vegetables are most preferable for buying organic foods. Price is the main influence factors that affected on purchasing behavior of organic foods. In this context, this paper tries to answer the following research questions which are as follow:

- Are consumers aware of organic foods?
- What are the factors affecting consumer buying behavior toward organic foods?

### **Purpose of the Study**

The main purpose of this study is to identify consumer buying behavior towards organic foods in the Lalitpur district. The specific objectives of this study are:

- a. To study the awareness of consumer buying behavior toward organic foods.
- b. To identify the factors that affect consumer buying behavior toward the organic foods Nepalese market.

### **Literature Review**

Sarumathi (2015) revealed that health is a major factor that influences the consumer while purchasing organic foods. Besides that consumers feel that organic foods are more tastes than conventional foods and more environmentally friendly (Shafie and Rennie, 2009). Wekeza, Siphleel and Melusi (2019) explained that consumers have positive attitudes towards organic foods in terms of health. Consumers are more conscious about organic foods and they want chemicals free goods. It is expressed that organic foods are healthier, tastes, and eco-friendly. Generally, public do not purchase organic foods due to high prices and limited stores. Consumer expressed that store of organic foods is not easily available (Yin, Wu, Du, & Chen, 2010). Now a day, Green product, Green marketing, Green attitudes, and public awareness towards organic foods are popular (Lin and Huang, 2012)

The sustainable development concept was initiated in society. As the result, it reduces the negatives impact on society as well as the environment. Sustainable development encourages eco-friendly goods as well as proper utilization of natural resources without comprising future generations. Sustainable development encourages eco-innovation and green consumption (Nasir &Karakaya, 2013). Consumers start to accept green products like organic foods in terms of health as well as environmental issues. Consumers have a positive attitude toward environmental protection (Bhatta, Doppler & K.C, 2008; Shrestha, 2016). Even though only 1% to 3% of the entire market covers the total market share of the green product like organic foods (Nasir &Karakaya, 2013). Sharma and Singhvi (2018) reported that health, environment, safety, taste were the most common factors for influencing organic foods. Jose and Kuriakose (2016) revealed that consumer attitudes towards organic foods must understand consumer knowledge, environmental concern, personal norm, the subjective norm. Consumer purchase intention must understand to expand the market of organic foods. Nevertheless, this study focuses that if consumers have a positive attitude towards organic foods. Then they are willing to purchase organic foods. Wekeza and Melusi (2019) also revealed that organically grown product has grown day by day because of consumer awareness in term of environment protection, food safety, and health issues. Based on these discussions, the main motive is to point out the factors that impact consumer buying objective of organic products. Mainly, health-conscious, environment conscious, price, tastes, consumer awareness are taken as the key factors affecting consumer purchase intentions of organic foods.

## Research Methodology

The study used descriptive and inferential analysis based on primary data. The survey method is used as a closed-end questionnaire research method. Each variable is computed by utilizing 5-points Likert scales such as 5 = strongly agreed, 4 = not agreed, 3 = neither agreed nor disagreed, 2 = not agreed, 1 = strongly disagreed. Both descriptive and inferential analyzes were used as statistical tools for the analysis of the data collected. In this study 200 sample sizes have been used to analyze consumer buying behavior towards organic foods in Sunakothi, Thecho, Chapagau of Lalitpur district.

## Demographic Information

The demographic information of respondents is presented below:

Table 1

### Demographic Information

Demographic Variables	Frequency	Percent	Demographic Variables	Frequency	Percent
Age			Monthly Income		
21 to 30 years	76	38	Up to 10000	33	16.5
31 to 40 years	36	18	Rs 10001 to 20000	43	21.5
41 to 50 years	53	26.5	Rs 20001 to 30000	52	26
51 to 60 years	26	13	Rs 30001 to 40001	49	24.5
61 & above	9	4.5	Rs 40001 to 50000	20	10
			Rs 50001 to 60000	3	1.5
Occupation			Education Level		
Administration	24	12	Undergraduate	14	7
Banking	30	15	Bachelor	74	37
Farmer	21	10	Master	106	53
Self employed	54	27	MPhil	4	2
Students	34	17	PhD	2	1
Others	37	18.5			
Gender			Marital Status		
Male	105	52.5	Unmarried	92	46
Female	95	47.5	Married	107	53
			Windowed	1	0.5

## Reliability Test

A reliability test is an important tool in this study. The measure of questionnaire consistency is crucial. Usually, Cronbach's alpha value is more than 0.70, and near to 1 is considered to be reliability lower .

Table 2

### Reliability Test Result for Study Variable

Variables	Cronbach's Alpha	No of items
Health	0.651	6
Price	0.615	5
Environment	0.687	6
Taste	0.729	6
Awareness	0.718	6
Consumer Buying Behavior	0.610	6

Source: Field Survey (2020)

All the values of items are above the 0.6 that mean health (0.651), price (0.615) environment (0.687), taste (0.729), awareness (0.718), and consumer buying behavior (0.610).

### Data Analytics and Results

#### Descriptive Statistic Analysis

Descriptive Statistic Analysis is presented for examined the collected data. The finding are presented below:

Table 3

#### Descriptive Statistic Results

Variables	Mean	Std. Deviation
Health	4.0571	0.39341
Price	3.4828	0.4662
Environment	3.8525	0.44338
Taste	3.5687	0.53132
Awareness	3.8925	0.47667
Consumer Behavior	3.8995	0.3588

As the results presented in Table (3), the highest mean value is 4.0571 and the lowest mean value is 3.4828 of health and price respectively. Thus, this table expressed that respondents are highly agreed with health while buying organic foods, and respondents are less agreed with price while buying organic foods. It is cleared that respondents show maximum health consciousness while buying organic food rather than price. Furthmore, mean values of awareness, environment, and the taste are 3.8925, 3.8525, 3.5687 sequentially. Regarding standard deviation, the taste variable is a high standard deviation (0.53132) and the health variable is less standard deviation value (0.39341).

#### Multiple Regression Analysis

Multiple regression analysis results on consumer buying behavior towards organic foods are presented below:

Table 4

#### Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
(Constant)	1.487	0.239		6.233	0
Health	0.011	0.069	0.012	0.156	0.876
Price	0.038	0.048	0.05	0.789	0.431
Environment	0.152	0.062	0.188	2.459	0.015
Taste	0.283	0.043	0.418	6.666	0
Awareness	0.163	0.058	0.218	2.793	0.006

Note:

R2 = 0.405; F = 26.095; p = 0.000

Predictors: (constant) Health, Price, Environment, Taste, Awareness

Dependent variable: Consumer Buying Behavior

The results indicate that the value of R2 is 0.405 which means that 40.5% of total variation has been explained. This R2 is an overall measure of the strong association. It is called the coefficient of determination.

In this study, still, 59.5% was unexplained by independent variables. However, there is a positive linear relation between two variables. In this study, 40.5% can be explained. The results also explain that the regression coefficient is significant and meaningful interpretable ( $p=0.00<0.05$ ). If significance value  $>0.05$  which independent variables highly significant. The values of constant ( $\beta_0$ ) are 1.487 and  $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  are 0.11, 0.038, 0.152, 0.283, 0.163 respectively. Thus, there is a significant positive relationship between health and consumer buying behavior.

### **Conclusion**

In general, consumers have a positive awareness of organic foods. Thus, it concluded that respondents' awareness level was good while buying organic foods. Based on the result, health-conscious, environment conscious, price, taste awareness are factors affecting consumer buying behavior towards organic foods. Consumer awareness level is quite well about organic foods. The majority of respondents were conscious of their health while buying organic foods. The majority of consumers feel that the prices of organic foods were high than conventional foods. This study concluded that the Nepalese market was aware of organic foods. The awareness level of consumers was quite goods. The demand for organic foods might be increasing in the future.

### **Implication**

This research will helps in the awareness of consumers regarding organic foods. Thus, the organic foods market can be expanded to fulfill the demand of the consumer. This study has certainly contributed to the research area of organic foods in Nepal. Thus, the result of this study can be considered as advice for a marketer regarding consumer buying behavior towards organic foods. Based on this study, a marketer can develop advertising strategies in the future in the Nepalese market. Overall health aspect can be used more in organic foods advertising instead of the environment. Still, Nepalese consumers are unaware of the environmental aspect of organic foods. Furthermore, the information should be widespread in public in various ways. This study result expressed that young people are maximum aware of organic foods. These organic foods are goods for health which help in reducing non-communicable diseases. This study helps in determining other factors that influencing consumer buying behavior.

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