

A STUDY ON CUSTOMER PREFERENCE BETWEEN ORGANIC AND INORGANIC PRODUCTS IN THE MARKET

Dr. Chamundeshwari.G, Associate Professor, Aurora's Degree & PG College.

S.Bhanu Chander, BBA Final Year, Aurora's Degree & PG College.

ABSTRACT

In recent decades, the role of ethical consumer goods rose as peoples habits are changing in selecting everyday products. The demand for organic foods is growing which is driven by consumers' perceptions of the quality and safety of these foods and by the positive environmental impact of organic agricultural practices. People have now begun to value their buying habits on health factors and to choose environmentally friendly products.

Organic food production seems to establish an interesting market niche particularly to attract small farmers who cannot benefit from the economy because of technologically advanced agricultural production. From a research outlook it is important to understand why consumers' are consuming a certain level of awareness towards organic food, and their consumption pattern, what the consumers' motives are, how the consumption of organic food consumption can be enhanced in coming years. The study is done with the objective 1. To study and compare consumer preferences between organic and inorganic products. 2. To explore the market opportunities, challenges and future prospects for organic products. 3. To analyze the market potential for and availability of organic agricultural products The Scope of the study enables to have a better knowledge on satisfactory levels of consumers consuming organic products with comparison inorganic products in Hyderabad city The study is restricted to consumers living only in Hyderabad and the population size is restricted to 50 samples. The Methodology used to collect

information in this research is done through both primary and secondary data method

Primary data is data that is collected by a researcher from first-hand sources, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources. The term is used in contrast with the term secondary data. In this research primary data is collected through survey method by preparing a questionnaire for a sample size of 50 people. Primary data is the data collected by the researcher which serves the purpose of the research and which has not been used previously. Secondary data refers to data which is collected by someone who is someone other than the user. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes.

In this research the statistical information is collected through secondary data. Information is obtained through various sources. Secondary data is the data is which already exists.

Introduction:

Organic production is an overall system of farm management and food production that aims at sustainable agriculture, high-quality products and the use of processes that do not harm neither the environment, nor human, plant or animal health and welfare.

Consumers are anxious about food quality, production techniques and provenance and they

trust organic foods more easily. The food-related decision-making process is complex and is influenced by many determinants:

Economic: cost, income, and availability;

Physical: accessibility, education, and skills;

Social: culture, family, and meal patterns;

Psychological: mood, stress, and guilt;

Personal: attitudes, beliefs, and knowledge about food.

A public consultation on organic agriculture highlighted the public's concerns with environmental and quality issues, and showed a clear demand for strengthened and more uniform organic rules (86%), and improved control systems (58%).

To help consumers make an informed choice, the European Commission, added to existing legislation and set up an extensive framework of rules and requirements on the production.

Difference between organic and non-organic foods:

Non-organic food:

Fruit and vegetables that are non-organic are usually foods that are prepared and grown the way we expect. A lot of them might be genetically modified, or include the use of fertilizers and pesticides. Most of the food you find in supermarkets and shops is non-organic food. It tends to be cheaper than buying organic, and there are debates about whether there is much difference between the two. You will definitely have consumed non-organic food before, but you might be considering switching in the future.

The major difference between the two types of fruit and veg is generally considered to be pesticides. And, apparently, your urine can tell you a lot in this regard, as the pesticide residues in your urine are a lot less on a diet of organic

produce. Synthesizing a food product can result in a loss of some of the natural nutrients, minerals, and properties that exist in the food to begin with. That's what leads a lot of people to decide they'd rather make the switch to organic foods. However, many believe that the difference between organic and non-organic produce is negligible

Organic food:

There are a fair few basic differences between organic and non-organic fruit and veg. For one thing, the size, color, and shape differ. Organic foods seem to have more uniqueness about them; the colors are also more natural. Sizes can often be smaller as the fruit and vegetables are not given artificial additives. Organic food, essentially, is food that is produced via organic farming, and, as such, is free from fertilizers and pesticides. It's healthier and better for you, and some people claim the food tastes a hundred times better than non-organic food. Farming without fertilizers and pesticides generally yields fewer crops, as they are more susceptible to disease and damage by pests. For this reason, you are likely to pay more for organic produce than you are for their non-organic counterparts.

Studies have shown that there are clear differences between organic and non-organic food. There have long been debates about whether or not such differences actually exist. But, it has been proven that organic foods have more antioxidants than regular foods, and are linked to better health. Studies have also shown that switching to organic foods is similar to adding a few extra portions of fruit and vegetables to your daily intake. Food production is varied and diverse, and, as a result, it can be more difficult to gauge the exact positive impacts. But many people believe

organic produce to be much healthier and full of better nutrients for the body.

Benefits to consider organic food:

Produce and Grain

Organic plant farming practices include:

No use of synthetic fertilizers, which may contain chemicals manufactured from fossil fuels. Instead, organic farmers rely on mulching, composting, and animal manure to enrich the soil.

No fertilizers derived from sewage sludge, which is the residue left over after human waste is processed.

No synthetic herbicides. Weeds are controlled with crop rotation, mulching, tilling, and hand weeding.

Avoid use of synthetic pesticides. Instead, organic farmers use organic approaches like insects that eat pests, traps, and naturally-produced pesticides. But there is a loophole: organic farmers may use certain chemical pesticides in small amounts, following regulations for USDA-certified organic foods.

No genetically engineered crops, more commonly known as genetically modified organisms, or GMOs. Some GMO crops are designed to produce natural pesticides or to be resistant to synthetic weed killers so farmers can apply more of them and increase crop yields.

No irradiation to kill diseases or pests, or to extend shelf life. Irradiation means exposing the food, dairy, or meat to **ionizing radiation**.

Consumer behaviour towards organic food:

Background for the study Organic farming works in harmony with nature rather than against it. This involves using techniques to achieve good crop yields without harming the natural environment or the people who live and work in it. Organic farming does not mean going 'back' to traditional methods. Many of

the farming methods used in the past are still useful today. Organic farming takes the best of these and combines them with modern scientific knowledge. Organic farmers do not leave their farms to be taken over by nature; they use all the knowledge, techniques and materials available to work with nature. In this way the farmer creates a healthy balance between nature and farming, where crops and animals can grow and thrive. To be a successful organic farmer, the farmer must not see every insect as a pest, every plant out of place as a weed and the solution to every problem in an artificial chemical spray. The aim is not to eradicate all pests and weeds, but to keep them down to an acceptable level and make the most of the benefits that they may provide. Why farm organically? Organic farming provides long-term benefits to people and the environment. Organic farming aims to:

- increase long-term soil fertility.
- control pests and diseases without harming the environment.
- ensure that water stays clean and safe.
- use resources which the farmer already has, so the farmer needs less Money to buy farm inputs.
- produce nutritious food, feed for animals and high quality crops to sell at a Good price.

Why consume organic food? To start with, they exclude all the foreign materials added to traditional foods which tend to be toxic. If one practices eating organically produced foods, one is guaranteed of a better and healthier diet to sustain the human body. Consumption also reduces the risk at which one can get cancer which is very important. These foods are 90% safer in the sense that human waste or animal excretions are not being incorporated in the

production. In traditional foods, it is believed that the water supplies have a percentage of human waste and animal excretions present. Organic foods support the environmentally friendly cause in that it doesn't allow the secretion of harmful materials into the atmosphere and ultimately the environment. Pesticides and herbicides used in traditionally produced foods are harmful to the environment especially to aquatic organisms. Therefore organic foods encourage the cause to make the environment a safer place to live in and help in improving the environment. These foods don't result in the emission of greenhouse gases which affect and unstabilize the atmospheric conditions. Players in the market Hassini Impex Pvt.Ltd Morarka Organic Food Pvt.Ltd Swastha group Taj agro international Jhaveri organic farms High tech natural products(India) .Ltd Features Globalization of organic food and its culture are the core factors for future popularization. Main motivation for these organic foods is fast growing health markets. Retail outlet culture is now growing rapidly in India. Shelf life of these foods is at least 2-3 months. Quality, Taste and Flavor of these foods remains as good as conventional food. Objectives of the Study To study the market penetration of Organic food. To study the consumer perception of Organic foods. To identify the buying pattern of Organic food. Research Problem This Study deals with the organic food industry in India. The study also aims at understanding the factors influencing the popularity of organic food in India. The factors under consideration are health awareness, high prices, weak marketing, high cost of production and small scale farming. Scope of the Study The project is a study of what are the factors that is affecting consumer buying behaviour of Organic food in India. The study is undertaken to understand all the

negative and positive perceptions about the organic food. In the study we have highlighted the following points: Percentage of people aware about organic food & have purchased it. What people like in the organic food market as compared to natural food. How often the respondents consume organic food? Which products people prefer more in organic food categories? Point's people gave to prefer organic food as an option when needed.

LITERATURE REVIEW

Damian Carrington and George Arnett

In a form of Organic food has more of the antioxidant compounds linked to better health than regular food, and lower levels of toxic metals and pesticides, according to the most comprehensive scientific analysis to date.

The international team behind the work suggests that switching to organic fruit and vegetables could give the same benefits as adding one or two portions of the recommended "five a day".

The team, led by Prof Carlo Leifert at Newcastle University, concludes that there are "statistically significant, meaningful" differences, with a range of antioxidants being "substantially higher" – between 19% and 69% – in organic food. It is the first study to demonstrate clear and wide-ranging differences between organic and conventional fruits, vegetables and cereals.

The researchers say the increased levels of antioxidants are equivalent to "one to two of the five portions of fruits and vegetables recommended to be consumed daily and would therefore be significant and meaningful in terms of human nutrition, if information linking these [compounds] to the health benefits

associated with increased fruit, vegetable and whole grain consumption is confirmed".

The findings will bring to the boil a long-simmering row over whether those differences mean organic food is better for people, with one expert calling the work sexed up.

Tom Sanders, a professor of nutrition at King's College London, said the research did show some differences. "But the question is are they within natural variation? And are they nutritionally relevant? I am not convinced.

We all want to provide the best and most nutritious food for our families along with minimizing or totally eliminating the toxins to which we are exposed. Grocery shopping can be difficult and expensive, especially if we are constantly worrying about whether we should purchase organic vs. non-organic foods. Let's talk about the difference between organic and non-organic foods.

I'm sure that many of you are like me and are a little serious of the crunchy, Yoga Mom, gluten-free, organic craze that we find ourselves in the middle of. So is organic worth it?

Let's get to the bottom of the "organic" trend. What's the difference between organic and non-organic foods?

Eric Zielinski

In my quest for the truth on the organic food issue, I soon found a raging debate about the difference between organic and non-organic foods that usually centres around these 3 concerns:

Chemicals

In the words of the University of Arizona's College of Agriculture and Life Sciences:

"Organic foods are defined as those foods that are grown without the use of synthetic fertilizers, sewage sludge, irradiation, genetic engineering, pesticides, or drugs. Pesticides are chemical or control agents made to kill insects, weeds, and fungal pests that damage crops."

Non-organic foods, therefore, are either directly manufactured with or are indirectly contaminated by synthetic fertilizers, sewage sludge, irradiation, genetic engineering, pesticides or drugs.

Aesthetics

Many people argue that organic food looks and feels differently than non-organic food. They feel conventional food items almost look too "perfect;" whereas organic produce resembles the fresh fruit and veggies in your back yard garden with non-symmetrical shapes, varying colours and even some blemishes. Food Sentry offers one explanation why this is so:

"The short version is that much non-organic, unprocessed or minimally processed produce is treated with a variety of growth-enhancing substances and is also commonly subjected to U.S. Department of Agriculture (USDA) grading and quality standards (voluntarily), while organic produce is not."

We cannot prove whether or not this is true, but it does give some credence to the Ugly Food Movement, doesn't it?

The Mayo Clinic claims that organic foods are not more nutritious than non-organic varieties. A recent study examined the past 50 years' worth of scientific articles about the nutrient content of organic and conventional foods and the conclusion was that there was not a significant difference in the nutrient content. Yet, this perspective isn't supported by everyone.

The *British Journal of Nutrition* published a paper that evaluated 343 studies on the topic, and decidedly concluded that organic foods are truly the healthier option because they contain up to 69% more antioxidants than non-organic foods.

Because of the importance that antioxidants have in the prevention and successful treatment of chronic illnesses – such as heart disease, neurodegenerative disease and cancer – this information should not be taken lightly. The study also showed that organic foods have considerably less cadmium (a toxic metal) and, of course, pesticide residue.

The important message is this: When you consider the amount of research that has been done pinpointing the specific dangers associated with eating conventional, pesticide-ridden foods, why would anyone purposely choose non-organic food if they were able to choose organic?

DANIEL PENDICK

In examining the question of organic vs. non-organic foods, let's start with the key word here: "organic." Technically speaking, organic means that something comes from living (or formerly living) matter. That includes you and me, the birds and the bees, your morning cup of coffee or tea, and anything that grows on trees, shrubs, and vines.

Organic food products are different because they are grown and processed with organic farming methods, which exclude certain practices that are normal in the mass production of non-organic foods.

Proponents of organic farming point to benefits for the environment, like less water pollution and better soil quality. Organic meats come from livestock raised under more humane

conditions. Organic produce and meat also may have higher levels of certain nutrients and fewer pesticide residues.

DATA ANALYSIS & INTERPRETATIONS

Methodology: The collection of information in this research is done through both primary and secondary data method, **Primary data method:** Primary data is data that is collected by a researcher from first-hand sources, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources. The term is used in contrast with the term secondary data. **Secondary data method:** Secondary data refers to data which is collected by someone who is someone other than the user. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes.

DATA ANALYSIS

Interpretation: According to the survey the responses obtained from the various people of different age groups. Out of all 50 responses 3, 5, 6, 18 and 1 are obtained from the people of the age 17, 18, 19, 20, 21 respectively. And rest of the responses are obtained from the higher age group people.

Do you know about the organic product. **Interpretation:** The above pie charts depicts that 94% of the respondents are aware of organic products whereas only 6% are unaware of it.

Organic being healthier than non-organic

Interpretation: according to the survey 46% of the respondents strongly agree that non-

organic food is much healthier and 38% just agree to it, whereas 12% gave a neutral opinion and rest of the respondents disagree to it.

How often do you buy Organic food.

Interpretation: the above pie chart shows that 10% of the respondents buy organic foods very often, 34% of them buy often and 44% buy them sometimes. Moreover 12% buy them rarely.

Reason for buying organic food.

Interpretation: The above pie chart depicts 72% of the responses show that organic products are bought for health aspects. 8% purchase for major worries for farm workers and rest of the response have other reasons

Place of purchase of organic food products.

Interpretation: according to the survey 8% respondents purchase organic products online, 56% purchase from supermarket and 26% from farm shops. More over 10% of the people purchase from some other sources.

Are organic products expensive.

Interpretation: this pie chat shows that 44% and 10% agree and totally agree that organic products are expensive. 38% gave a neutral opinion rest of the responses disagree to it.

Organic food tastes much better than non-organic food.

Interpretation: above pie chart shows that 46% agree that organic food tastes much better than non-organic foods. 6% totally agree to it and 38% are neutral. Whereas rest of the responses show that the respondents disagree to the statement.

Organic food is good investment for your future

Interpretation: this pie chart shows that 52% agree to the statement that organic food is a good investment for the future. Whereas 14% totally agree, 30% are neutral and rest of the respondents disagree to the statements.

Purchase preference of organic food

Interpretation: in this pie chart 18% of the people purchase processed organic food, 20% purchase vegetables and 18% purchase meat, egg etc.

knowledge of non-organic product.

Interpretation: according to this pie chart 92% of the people have heard about non-organic products and only 8% are unaware of it.

Non-organic foods are much healthier than organic foods.

Interpretation: according to the survey 8% of the people agree that non-organic foods are healthier, 6% totally agree and 32% are neutral whereas 42% disagree to it and 12% totally disagree.

Reason for buying non-organic products.

Interpretation: this pie chart shows that 20% of the respondents buy non-organic products for health reasons, 10% for beauty purpose and 40% for its better tastes. Whereas 30% have some other reasons to buy.

Place of buying non-organic products.

Interpretations: this pie chart depicts that 28% of the respondents buy non-organic products online, 58% buy from supermarket and rest of them buy from other sources.

Non-organic products are expensive.

Interpretation: this pie chart shows 24% agree that these products are expensive, 6% totally agree and 52% have a neutral opinion. Whereas rest of the respondents disagree to the statement

Non-organic food tastes better than organic food.

Interpretation: this pie charts shows that non-organic food tastes better than organic. For which 28% agree, 10% totally agree, 38% have neutral opinion, 20% disagree and rest of them totally disagree.

Findings:

- As per the findings, the respondents belong to varied age groups
- As per the findings, more than 90% of the respondents are aware of organic products
- As per the findings, more than 80% of the respondents agree that organic food is better than non-organic
- As per the findings, more than 70% of the respondents buy organic products often
- As per the findings, more than 70% of people buy these products for health reasons
- As per the findings, most of them buy these products either online or through supermarkets
- As per the findings, only few of them buy organic products from farm shops
- As per the findings, 50% of the respondents agree to it that organic products are expensive
- As per the findings, 80% of people think that organic food is better than non organic food

- As per the findings, 90% of them are aware of non- organic products
- As per the findings, not more than 25% of the respondents find non-organic products to be expensive
- As per the findings, most of the respondents feel that non-organic food tastes better than organic products

Suggestions:

- As per the findings, most of them buy these products either online or through supermarkets
- As per the findings, only few of them buy organic products from farm shops
- As per the findings, most of the respondents find organic foods as a future investment
- As per the findings, respondents prefer to purchase a varied types of organic foods
- As per the findings, not all of them find non organic food healthier than organic food
- Indeed most of them prefer organic food in health aspects
- As per the findings, respondents have various reasons to buy these products, they are health reasons, beauty purpose or taste preference
- As per the findings, respondents purchase these product on from different means according to the convenience

Conclusions:

- This research clearly shows that organic products are much healthier to consume and almost all the people purchase these products for its better health aspects. They feel organic

- product to have healthier qualities than non-organic products
- from the survey its evident that most of them find organic products to expensive and less tastier when compared with non-organic products
 - as the purchase of organic products is done from many sources and even online, it can be understood that these products are having a growing market
 - organic products are larger purchased in supermarkets and farms hops
 - in this research it is clear that non-organic are preferred for their better taste and less expensiveness
 - non- organic product are available in any market and are purchased by the consumers from many sources
 - from the overall point of view , it can be concluded that organic products are much healthier andexpensive than non-organic products whereas non-organic products are much tastier and less expensive than organic ones

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