

# Independent variable and dependent variable of organic products marketing essay



## **Chapter 2**

### **Literature Review**

#### **2. 1 Introduction**

In this chapter is find previous studies to support the independent variable and dependent variable of organic products. There are variety of factors that can potentially influence organic products consumption behavioural have been identified in relevant previous studies. There are consumer attitude, consumer motivation, demographic, and consumer barriers.

#### **2. 2 Consumer behaviour**

Consumer behaviour can be defined as study of psychological, social and physical action when people buy, use and dispose the product and service, idea and practice. But for marketing researches, consumer behaviour is a complicated and experienced to understanding (Solomon, 2006; Blackwell et al., 2001; Peter and Olsan, 2008). According to Blackwell et al., 2001, even the consumer research had basis idea of inquiring of buying reason but researcher still have to go the research with deeper and asking people how when in the condition of purchase and consume.

In the theories of behavioural, all of theories are explained about the processes of determine consumer behaviour. The consumer behaviour can be imaged as a cyclical process. There is micro-level behaviour of many individual and macro-level which affect each other. The collective (macro) level is about economic, cultural development, demographic, also representing the world which consumers are living in. However, the individual (micro) is about the consumers having different of needs and may

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be able to be satisfied or not. Consumers have abilities to consume the opportunities for consumption. Besides, some of the consumers may be will changeable more or less, and these all depend on their expected and actual outcomes of behaviour. (Vindigni, Janssen and Jager, 2002)

The components of consumer behaviour are ideas, feelings, experiences and actions of consumers with additional environment factors such as prices and commends. Besides, consumer behaviour is always keep changes in ideas, perceptions, and action of consumers in an individual or in group, so, consumer behaviour can be explain that is a dynamic process (Olsan and Peter, 2008). Peter and Olsan, 2008, also suggested that consumers should be analysis into three objects; there are “ affect and cognition”, “ behaviour”, and “ environment”. These three of objects are related with each other. (Figure 2. 1) So, before make the decision of marketing strategy, all the elements of consumer analysis should be considered. First, “ affect and cognition” are intensive to connect with each other but they are totally different ways with feelings and thoughts (Peter and Olsan, 2008; Chisnall, 1995). Furthermore, Peter and Olsan defined the “ consumer behaviour” as “ overt consumer behaviour” that means the method of qualitative and quantitative can be uses to analysis the consumers’ activities. According to Blackwell et al., 2001, consumer environment is surrounding and external effects such as social pressure, culture, and personal influence and so on.

Figure 2. 1 Three Elements of Consumer Analysis

Source: Peter and Olsan, 2008, p. 22

According to Zanolli and Naspetti (2002), in the economic theory, there are few of explanation for consumer behaviour. These limits not only relate to consumer rationality and perfect information. But most of time related with price and disposable income as variables of consumer behaviour and other influence treat as unobservable variables. However in marketing, the consumer analysis is preferences and how the preferences develop in the mind of consumer. There are differentiations between cognitive and behavioural in marketing approaches to consumer behaviour. A cognitive approach is mental structure and thinking process, but, behavioural approach is relationship between characteristic of environment and behaviour. Peter et al. (1999) was suggested that both approaches in the analysis behaviour are accepted and recognized widely with high degree of correlative.

According to Von Alvesleban (1997), model of food consumer behaviour has give the impulses to consumer behaviour are product information, perception and attitudes. First, the attitudes will determine the consumers' behaviour. The attitudes are formed by nutritional and healthy, safety, motives and so on. But perception of product also included. Lastly, the result of product information (knowledge about the product) comes from the perception of product.

## **2. 3 Consumer Decision Process**

A consumer decision-making can be determining how a consumer makes a purchase decision to fulfil their needs (Peter et al., 2005; Vermier et al., 2002). In the theory of consumer buying behaviour, decision making is a problem solving and the outcome is find out how a consumer to operate the <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>

information to guide them toward an end-goal of purchasing (East, 1994 cited in Foxall et al., 1998). Decision-making process is very important for a marketer to understand and observe consumer's wants and what the purpose of consumer to purchase a product (Smith and Swinyard, 1999 cited in Zanolli and Nasppetti, 2002). According to Peltier and Schribrowsky (1997), the consideration of both motivation and decision making are closely linked with the consumers purchasing of final product. In the discipline of segmentation research, the behavioural and motivational will be combined and try to create an overall theory. By this way, the conceptual will help in new segmentation strategy approaches with better understanding about purchasing behaviour.

According to Blackwell et al. (2001), consumer decision process starts with consumer's need recognition and ends with divestment process. The marketer can be clarifying the buyer in every step and change decision by using the ways of purchase behaviour. Figure 2. 2 shows the process of consumer decision-making.

Source: Blackwell et. al., 2001, p. 71  
Figure 2. 2: Schematic model of Consumer Decision Process

The first stage of consumer decision process is need recognition. According to Armstrong and Kotler (2007), the needs of consumer can be come from individual reason such as society, advertisement, and physical and so on. Blackwell et al. (2001) also suggested that the manufacturers and marketers should always find out the needs and problems of consumers in order to

avoid mistake of introducing wrong products to market and lead the demand decline.

Next step is searching for information from external area after need recognition. The information can be obtained from person's mind or some consumer will spend whole day for shopping to inquiring the information. In many cases show that the consumers' actions are depend on their memories like remember the price, or repeat old purchasing. (Solomon, 2006; Armstrong and Kotler, 2007)

In Solomon (2006) research was show that nowadays consumers were spend much time in choosing their product because some of the product in the market have hundreds of different brands and these brands have many different sort. Before purchasing, many consumers will make a comparison between alternative and try to select the best. According to Blackwell et al. (2001), if the consumers were perceived inconvenient from that product then the probability of purchasing will decline. So the marketer should do the survey to understand how consumers evaluate those products in the market (Armstrong and Kotler, 2007).

In step of purchase, sometimes do not come with a decision of purchasing a product. Because it can influenced by other factors such as recommends strongly another product or persuasiveness of salesman. Besides, it can also influenced by unexpected changes during the purchase like changes in price. (Blackwell et al., 2001; Armsrtong and Kotler, 2007) Following is consumption step, this is important to determine how consumers use this

product and to satisfy them and affect the pre-purchasing activities (Blackwell et al., 2001).

After consumers purchased a product they will do an evaluation and comparison. Solomon (2006) was suggested that if the degree of dissatisfaction increase then will affect the attitudes and behaviour toward a product and also will bring a negative effect to future consumption for that product. So if the consumers gain the satisfaction then they will buy the product again and make a positive impression in their mind (Armstrong and Kotler, 2007).

## **2. 4 Organic Product and Consumer**

According to previous researches, organic product is perceived as a product or food without using of chemicals and pesticides before produced and it is grown as natural (Soil Association, 2000; Makatouni, 1999; Davies et al., 1995). Most of the consumers are purchase organic product because it is usually perceived as healthy and environmentally friendly choice. Hill and Lynchehaun (2002) were commented that organic food is more natural and health than others food. The users of organics' view, organic are no pesticides used on the food and good for everyone. For non-users, organic are natural, healthy without toxins.

Many surveys had done before show that the motivations for purchasing organic food have represent a strong demand and growth potential in the retail market during 1990s into the twenty-first century (MINTEL, 2000; SA, 1999). However, Makatouni (2002) was suggested that decline market growth will show an inconsistency between willingness to buy and

purchasing behaviour. Besides, Zanolli et al. (2004) also show the differences between perceived and actual organic consumer in their research.

The growth of organic agriculture will become a marketing trend when the consumers understand the benefit of organic food before their decision making (Caswell and Mojduska, 2006). Moreover, Conner (2004) was show a relative between the high prices payment for organic food, belief among consumers and ability of organic food to deliver health benefit.

Nowadays food consumption patterns are change with rapidly because of environment issues, nutritional value of food and health issues. According to Laroche et al. (2001), the quality and food safety issues more attract consumers' interest and influence buying behaviour. Many studies were show that consumers have a preference and interesting in organic foods (Misra et al., 1991; Wandel and Bugge, 1997; Wilkins and Hillers, 1994). Seems many consumers are know about " organic food" (Roddy et al., 1996; Von Alvensleben, 1998), but the consumers who are purchase organic food not many in the market (Grunert, 1993; Wandel and Bugge, 1997; Roddy et al., 1996; Fotopoulos and Krystallis, 2002).

The growing consumers' demand for food without chemical and pesticides has been increasing the consumers' interest in organic food (Childs and Polyzees, 1997; Zotos et al., 1999; Baltas, 2001; Fotopoulos and Krystallis, 2002). According to Chinnici et al. (2002), Organic products are friendly to the environment and using the cultivation techniques with considers the attributes of product and production methods. In generally, organic food products are more expensive than conventional products; majority of studies



has determining the maximum price that consumers are willing to pay to purchase organic food (Jolly, 1991; Misra et al., 1991; Ott, 1991; Govindasamy and Nardella, 2000; Gil et al., 2000; Loureiro and Hine, 2002; Millock et al., 2002)

Usually, the attitudes of consumers have more valuable health and environment toward organic food, they will more likely to buy organic food with high intensity. Some of the researches have showed that attitudes of consumers will influence purchasing organic food (Millock et al., 2003; Durham and Andrade, 2005; Padel and Foster, 2005) but actually the health attitudes are more influence than environment toward purchasing organic food. However, Durham and Andrade (2005) were found that environment is more influence than health in USA consumers' decision to purchase organic food. On the other hand, some studies have showed that organic foods are produces in the locally also will influences decision making among consumers to purchase organic food (Torjusen et al., 2001; Padel and Foster, 2005; and Onyango et al., 2006).

Essoussi and Zahaf (2009) were suggested that consumers are like to looking for the labelling and certification to recognize the organic food when consumption. In their study had showed that consumers have highlighted the difference between organically grown and processed. They will refer the labels to know the ingredients of organic food. Through the certification does make the consumers more trust about organic food because they are not clearly about the process of organic food. So, the farmers have to go through to get their products certified.

## 2. 5 Consumers Attitude, Belief, and Intention

The society has mention and using the attitude with several meanings. So, attitude can be defined as “ a mentality of readiness organised through experience, exerting a directive or dynamic influence upon the individual’s response to all objects and situations with which is related”. Attitude can be influenced by external effects and it can settlement of consumer needs with optional. Nowadays, because of have many marketing strategy to determine the consumer portfolio, many companies have do the survey about the change in consumer attitude. Attitude cannot forecast that what kind of consumer behaviour will be in the future. (Chisnall, 1995)

According to Blackwell et al. (2001), attitude will affect the purchasing a product and choosing decision. How the marketing strategy and advertisement are influencing people can be determined by the attitude measurement. Also, the measuring consumers’ attitude can be forecast the demand of new product in the market.

Squires, Juric and Cornwell (2001) were suggested that different countries have different attitudes toward purchasing organic food. So, the exporters of organic food should not think that other country’s consumers have same perception and understanding about organic food as own country’s consumers. The consumers will considering that organic food is healthy than conventionally foods and they will identify themselves with purchasing organic foods regardless market type. The organic consumers are concerned in environment benefit of organic food with production and marketing. This can make a special demand on marketer and exporter to select the growers, communicate with buyers, and educate them. Furthermore, environment <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>

practices will add some information about characteristic of growing and processing methods about environmental, and it can increase the competitive advantage in the market with organic industry and environment record. The finding also shows that have some part of consumers not always readily accessible because availability and prices of organic food can be dramatically between seasons. So, different season also will influence the consumers to purchasing organic food.

According to Saba and Messina (2003), Italian consumers are tend to positive attitudes toward purchasing organic products because they were consider that organic fruit and vegetables were healthy, environmentally friendly and nutrition than conventionally foods. The relative between belief toward organic foods and outcome evaluation can become a prediction of attitudes. Besides, in Saba and Messina's finding was show that beliefs towards cost can be affect on the attitude. Thøgersen's (2007a) study is in line with Saba and Messina. He was beliefs that healthy, environmentally and nutrition will strongly influence the attitudes toward purchasing organic tomato. He also added that attitudes towards organic foods is depend on beliefs about provide a high contribution.

In the Chen's (2007) study was show that when the consumer's attitude toward organic food is positive, then the attitude of purchasing organic food will become positive. Accordingly, the consumer is more likely to have intention to purchase organic foods in the markets. On the other hand,

Gracia and Magistris (2007) were commented that the intention of

purchasing organic products will positively influence the behavioural of

purchasing. That means the consumers are likely to buy larger quantities of <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>

organic products if they are more willingness in purchasing products. The purchasing of organic food is closely related with consumer's preference. Generally, intention to purchase organic food is depend on attitudes and knowledge of the products. But in the purchasing of organic products are depend on attitudes towards health, environmentally friendly and knowledge of product. In other word, consumers who are believe the contribution of organic foods will more likely to purchase the organic foods. Also, consumers who are possessed of widely knowledge about the organic products will more likely to purchase.

The motive to purchasing is consumer attitudes towards organic products because consumers have more intention to purchase than environment attitudes. In the finding was show that the consumers who are believe that organic foods will provide a healthy and high quality than conventional foods will more intention to purchase organic foods. Also, the consumers who are involved on environmental practices and concerned about environment damage will be increasing willingness to buy organic foods. Moreover, consumers who have knowledge about organic foods will deliver a positive attitude toward organic food because they understand that organic foods are healthy and high quality. To increase consumers' knowledge is very importance for the demand of organic foods because it can influence someone attitude and decision to buy a product. (Magistris and Gracia, 2008)

In Michaelidou and Hassan's (2009) study had found that ethical lifestyle can be drive the intention to purchase organic products. Consumer's ethical and environmental concern and character in ethical behaviour have an effect on attitude and intention purchasing toward organic products. Besides, <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>

increasing concerned about ethical consume and environmental among consumers can be bring an impact on food consumption and demand for organic foods.

## **2. 6 Consumer motivation**

According to Makatouni (2002), the perception of consumer about organic food is they can achieve the values through the health factor, even though the environment and animal welfare also consider being important for themselves and their families. But the health factor is the main motivation for purchasing organic food. In the Makatouni's study, animal and human lives have a high related with each other. Because the animal's life can be has an impact on human health. Besides, the in study also show that environment is an issues that always mentioned by people. The consumers believe that protecting the environment can be also protecting themselves and families. Because they want to live in a " healthy" planet and they belief that destroy the environment will affect human healthy.

Tsakiridou et al. (2006) had commented that the strong motivating factors in organic food consumption are environment and health concerns. The consumers are believe that the organics are healthy and think consume the organic is a way to protect the environment. On the other hand, Squires, Juris and Cornwell (2001) were confirmed that the environment and health concerns are important in influencing the intention to purchase organic food. Besides, in the study also had mentioned that the consumers who are more consider their healthy and strongly associated with diet will more likely to be heavy organic food consumers. In their study, the health concern will not influence the decision of consumer to purchase more or less organic food. In <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>

addition, the previous research had not enough persuasion that organic food is more nutritious. But in the Magnusson et al. (2003) study show that health concern is a good predictor of the purchasing than environment concern. Their study also commented that the egoistic motives are better predictors than altruistic motives to purchase organic food.

In Zanolli et al. (2004) research had mentioned that health, environment protection and animal welfare are motivation toward purchasing organic food. Most of the consumers are preventing and treating illness, so, they will avoid the chemical food in their life. They will take less addictive, pesticide, and more vitamin and mineral content of organic food to protect their healthy. Besides, majority of consumers are raising concerns about environment but not the main reason as health. When different consumers are considered, environment concerns are very strongly expressed in consuming organic food. Moreover, different countries have different understanding about animal welfare. Most of western countries agree that the second value after health is animal welfare and it also can be a motivation for purchasing organic food. Zanolli et al. also had suggested that the organic products which are buying by Swiss consumers have related with animal welfare because they feel responsible from the animal on the farm.

But in the Chen's (2007) study was show a different result with previous researches which declared that health-related and environment are commonly motives for purchasing organic foods. In Taiwan, the health factor will not become a motive on the consumers to purchase organic food. But the environmental protection motive can contribute to the consumers to purchase organic food. This situation can be explained that the consumers  
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have relied on medicines to get dietary supplements to maintain their health. The dietary supplements should be approved by the health authorities to qualify for it and the scientific evidence will support health care effect. Even though health-related motive cannot be beneficial to their attitude toward organic food but they concern about environment protection food choice motive in daily foods. Because of economic progress and led them increase the awareness of environmental protection. They are always concern about environmental protection problem because organic product is perceived less damaging to environment than conventionally foods.

Gracia and Magistris (2008) were suggested that the Italian consumers have high value of the health and environmental benefits of organic foods and high probability to buy the organic foods. However, the perception of health benefit more influences the possibility of purchasing organic food than environmental. Moreover, the environment benefit more influence the intention to consumption but health benefit not have any influence toward organic food consumption. On the other hand, the perception of quality will influence the probability of regular consumer to consume the organic food. That is to say, the consumers are strong believed that organic products are high quality than conventional one have a higher probability of regular consumer of organic food.

Furthermore, the main motivator for purchasing organic food is health and secondly is environmental motives. Basically, organic food is more related with non-chemicals than nutritional benefits. Besides, in the study has show that motivates consumers is supporting local farmers and it is a social responsible behaviour. It is because the consumer and farmer are related <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>

with each other. Consumers are like find an easy way to consume organic food because they are more concern about food benefit. Also, they want to buy local products and ensure that it is high quality and also fresh and nutritious. (Essoussi and Zahaf, 2009)

Schobesberger et al. (2008) had commented that the three mainly motivation to consume organic food in Bangkok are health benefits, attractive of products and tasty products. In the previous studies had showed that health benefit is main motives for purchasing organic products. Through this study was substantiated that health facet is closely related with dregs from non natural chemicals in agriculture. Generally, organic products have a lower level of pesticide dregs. The principal element analysis enhance the health benefit is a motive and related between health concerns and worry about pesticide residues. On the other hand, the second important motive to consume the organic food in this study is consumer searching for new and fresh products. In Thailand has a high recommendation on organic foods, so, consumers are likely tend to purchase organic foods. The third motive is tasty of organic foods. This motive is in line with previous studies which most of the consumers are believe that tasty of organic food is better than conventionally food.

In Padel and Foster (2005) results substantiated that health benefit is important as a motive for purchasing organic food but it is not the only motive to influence the consumption. About the health could be observed through the personal experience with ill health, concern about eat healthy, and health promotion. There is more than one motive for purchasing organic food among most of consumers. In this study, “ food as enjoyment” and <https://assignbuster.com/independent-variable-and-dependent-variable-of-organic-products-marketing-essay/>



benevolent concern have been confirmed. The other drivers are environmental concern, animal welfare and “ political” motives.

## **2. 7 Consumer Identity**

The previous studies have identified a number of demographic variables that significantly influence the willingness to buy the organic products among the consumers. Most of the studies are based on postulated future behaviour rather than observed behaviour.

### **2. 7. 1 Gender**

According to Hofmann (2006), females have more responsibilities for health of family than male, so, most of the females will purchase the organic food and male will just purchase organic food based on taste. Also, the study had show that female think more about that organic food has better taste and high quality, and recognise organic food labels more than male. However, Stobbelaar et al. (2007) were suggested that female more concerned about health and health food. Have a high proportion of female than male hold positive attitudes toward purchasing organic food. In the Tsakiridou et al. (2006) study were showed that women are more agree that organic food is healthy than conventional food because most of them in families with children are in charge of the food supplies and more concern about nutritional value. Magnusson et al. (2001) study had found that the women tend to more belief about the characteristics of organic compare with conventional product, and have a strong intention to purchase organic product more than men.

In the previous studies were shows that most of the women were agree to purchase the organic food than men if organic foods are cheap and available. However in the Lea (2001) study was commented that the women have more concern about healthy and responsibility for family so basically assumed that women is a “ gatekeepers” increase the purchasing of organic foods with positive beliefs. Most of the women are accepted that organic food is healthier than conventional food and beliefs organic food has no pesticide residues and possess of more vitamin and minerals (Lea and Worsley, 2005). All the studies were agree that the mainly consumers are women because they will purchase more and more frequently than men. Davis et al. (1995) suggest that 41% of men would pay more compared to 44% of women.

## **2. 7. 2 Age**

There are some of the studies cannot find with obviously different between age groups. On the other hand, according to Latacz and Foster, (2007), the regular organic consumers are older and around 45 to 54 years old people who prefer more vegetables than others. In the same study was found that younger people like to spend more money to buy organics. The younger and older were showed less interest; however the people who are reaching 30 year old and have no children were show high interest toward the purchasing organic food.

Furthermore, in the Zanoli et al. (2004) study were suggested that the young people were show the negative attitude toward the organic food. But around 35 to 49 year old people is the most interested group toward purchasing organic food in the Finland. Besides, in the Italians was found that around 25  
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to 40 year old people is the most interested group and also 60 years old people can be considered in the purchase group.

Some of the authors have found a relation between age and consumption of organic food. But the results are always inconsistent. In the Geen and Firth (2006) study were found that the people who are willing to purchase organic foods tend to older than average population; while Arbindra et al. (2005) were showed that the older respondents were less interested to buy organic food than younger respondents. However, according to Magnusson et al. (2001), the young people around 18 to 25 year old have positive attitude toward organic food than older respondents.

According to Smith et al. (2008), the age of the household is mostly highly significant. The age below 40 years old have a positive attitude toward organic foods. Moreover, the older household around 65 years old have a negative attitude. This was showed that the younger consumers like to buy fresh product at a higher price than older consumers. Under the age of 40, they will more likely to purchase organic products than older respondents. Besides, Reicks et al. (1997) comment that the age factor does not to play an important role, the younger respondents have slightly more willing to buy because of their greater environmental consciousness. However, this willingness cannot translate into demand because of their lower purchasing power. On the other hand, younger was play an important role in family to influence purchasing organic food positively.

### **2. 7. 3 Income**

There are several studies have different result on income variable. Some studies were show that income has positive effect on organic food consumption. Also, some of studies comment that people who live in urban will consume more than rural people. According to Tsakiridou et al. (2006), consumers with a higher income status are less concern about organic product's appearance and will consume organic products whether poor visual quality. Besides, in the study also mention that not only higher income consumers believe organic to be better quality and taste, the low-income respondents also believe so.

Fotopoulos and Krystallis (2002) were commented that the income will become the mainly effect the quality of organic products purchase and not the general willingness to buy. However, the study also mentions that the higher incomes do not necessarily have high possibility of purchasing organic product. But lower income seems to be more stabilized buyers toward organic product. Smith et al. (2008) was suggested that higher income households willing to pay high price for organic products than lower income households. Besides, they also more likely to consume higher quality food products and shop at retail outlets.

Gracia and Magistris (2007) were commented that household income has some effects on organic food demand. Income has a positive impact on choosing organic food in Europe because higher income consumers are more likely to buy organic foods. Moreover, the study was show that income has positive effect on probability to purchase organic foods. Therefore, the

growth of the organic market is limited because lower income consumers are less interested to consume organic foods.

## **2. 7. 4 Education**

Most of the regular organic consumers are found to be high educated than occasional and non buyers. Organic consumers have more information about organic products. Moreover, the product knowledge and buying frequency have a positive relation. The study was found that higher educated consumers have better product knowledge (Zanoli et al., 2004). Tsakiridou et al. (2006) also had suggested that higher education consumers were satisfied with the quantity and quality of information available. The university graduates were strongly believe that have a better understanding about organic products and pro