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ijirset@gmail.com

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Consumer Perception and Adoption of Organic Farming Products: A Study in Hyderabad City

Aluri Gurucharan, Dr. D. Kishore Kumar

Student, Department of MBA, CMR Technical Campus, Hyderabad, India.

Associate Professor, CMR Technical Campus, Kandlakoya, Medchal, Telangana, India

ABSTRACT: Organic farming has emerged as a critical sustainable agricultural practice globally, driven by concerns over environmental degradation and health risks associated with conventional farming. This form of agriculture avoids synthetic fertilizers and pesticides, focusing instead on natural methods like crop rotation and composting to ensure soil health and biodiversity. In India, the organic farming sector is expanding, supported by government initiatives and increasing consumer awareness regarding food safety and nutritional value. This study investigates consumer perception, preference, and awareness of organic products in Hyderabad City, Telangana.

Using a descriptive research design, the study surveys 406 individuals using a structured questionnaire. The sample comprises a diverse demographic mix, including variations in gender, age, education, and income. The research examines the influence of these demographic variables on consumer perception and buying behavior. Key hypotheses tested include the significance of consumer perception levels, the impact of demographics on perception, the association between education and awareness, and the influence of factors like health and price on purchase decisions.

Data analysis performed using SPSS includes descriptive statistics, one-sample t-tests, ANOVA, and Chi-Square tests. The findings reveal a strong positive perception of organic products, with 60.6% of respondents citing health as the primary factor influencing their purchase. Significant associations were found between demographics (gender, age, education, income) and perception variables. However, challenges such as availability (42.1%) and high prices (33.0%) remain significant barriers to widespread adoption. The study concludes that while there is high willingness to buy organic, addressing supply chain gaps and pricing strategies is essential for broader market penetration.

KEYWORDS: Organic Farming, Consumer Perception, Sustainable Agriculture, Health Awareness.

I. INTRODUCTION

The global agricultural landscape is undergoing a paradigm shift towards sustainability, with organic farming at the forefront of this transformation. Organic farming is defined as a production system that sustains the health of soils, ecosystems, and people, relying on ecological processes, biodiversity, and cycles adapted to local conditions rather than the use of inputs with adverse effects. It specifically excludes synthetic fertilizers, pesticides, and genetically modified organisms (GMOs). The movement has historical roots in traditional practices but gained modern momentum through pioneers like Sir Albert Howard in the 1920s and the establishment of standards like the US Organic Foods Production Act of 1990.

In the Indian context, organic farming is not merely a trend but a necessity driven by the adverse effects of the Green Revolution, such as soil degradation and chemical contamination of groundwater. India is now one of the world's largest producers of organic food, with a rapidly growing industry supported by policies like the National Program for Organic Production (NPOP) launched in 2000. The primary drivers for this shift in India include the desire for chemical-free food, environmental sustainability, and the economic viability for small-scale farmers who benefit from reduced input costs. However, the transition to organic farming faces hurdles. While it promises long-term environmental benefits like reduced greenhouse gas emissions and improved biodiversity, it often entails lower initial yields and higher operational costs compared to conventional farming. For consumers, the appeal lies in the perceived health benefits—organic produce is often richer in nutrients like Vitamin C and iron and free from harmful pesticide residues. Yet, availability and price remain critical barriers. This study focuses on Hyderabad City to understand the

local demand dynamics, consumer awareness, and the specific factors driving or inhibiting the purchase of organic produce in an urban Indian setting.

II. REVIEW OF LITERATURE

The literature on organic farming in India highlights a mix of significant potential and structural challenges. Narayanan notes that while India has diverse agro-climatic regions suitable for organic cultivation, the adoption rate remains low due to a lack of market linkages and government support. This view is supported by Roychowdhury et al., who emphasize that organic farming is a viable solution to the health and environmental risks posed by excessive chemical fertilizer use, yet it requires robust policy interventions to scale.

2.1. Consumer Perception and Health Studies by Soni et al. and Mamgain stress that the surge in organic food popularity is largely driven by health benefits, as organic produce is free from synthetic additives and antibiotics. This aligns with findings from Mukherjee et al., who identify organic farming as a vital pillar for ensuring public health and maintaining soil fertility in India. The perception of organic food as "healthier" and "safer" is a consistent theme across multiple studies, reinforcing the consumer behavior observed in the current research.

2.2. Economic and Demographic Factors Azam and Banumathi's research using a logistic regression model found that socio-demographic factors like education and age positively influence the adoption of organic farming practices. Similarly, Prasad's study on organic cotton farmers in Telangana revealed that most organic farmers are middle-aged with primary education and small landholdings, suggesting that demographic profiles play a crucial role in both adoption and consumption. On the economic front, Khadda suggests an integrated farming approach to balance food security needs with sustainable practices, acknowledging that organic farming alone may struggle to feed India's vast population without improved yields.

2.3. Barriers to Adoption Despite the benefits, challenges persist. Bhardwaj and Manisha point out that while organic farming offers economic advantages in pest control, it requires significant government support through subsidies and training to be widely adoptable. Hazarika et al. discuss the skepticism among scientists regarding yield sufficiency, noting that lower yields and limited organic inputs are major constraints. Sipiläinen and Lansink's study on Finnish dairy farms adds a temporal dimension, noting that it takes about 6-7 years for organic farms to reach the technical efficiency of conventional ones, indicating a steep learning curve.

2.4. Research Problem

While organic farming is recognized for its health and environmental benefits, it is often perceived as a "luxury" rather than a necessity, leading to inconsistent demand and supply gaps. There is a lack of localized data regarding consumer awareness and the specific barriers preventing widespread adoption in semi-urban areas like Hyderabad City. Understanding the specific demographic drivers and the weight of factors like health versus price is crucial for forecasting supply for local startups and promoting sustainable consumption patterns.

III. OBJECTIVES

1. To study consumer preference towards organic produce in Hyderabad City.
2. To explore the factors affecting the purchasing of organic produce in Hyderabad City.

IV. HYPOTHESES

1. **H1:** There is no significant level of consumer perception towards organic products in Hyderabad City.
2. **H2:** There is no significant difference in consumer perception towards organic products in Hyderabad City with respect to various demographics (Gender, Age, Education, Income, Occupation).

V. RESEARCH METHODOLOGY

5.1. Research Design and Sampling The study employs a survey approach using a structured questionnaire to collect primary data from residents of Hyderabad City, specifically Dwarakamaynagar colony. The sample size determined for the study is 406 respondents. The sampling method targeted a diverse group to ensure representation across different demographic segments.

5.2. Data Collection and Analysis Primary data was gathered directly from respondents, while secondary data was sourced from books, journals, and magazines. The data was analyzed using statistical tools including ANOVA and One Sample T-Test to test the hypotheses. The study is limited by time and the exclusion of children and every household in the area.

VI. DATA ANALYSIS AND INTERPRETATION:

6.1. Demographic Profile The sample of 406 respondents consisted of 60.3% females and 39.7% males. The age distribution showed that the largest group was 35-40 years (27.1%), followed by 20-25 years (23.9%). Educationally, nearly half (47.5%) were graduates. Income-wise, the majority (56.7%) earned below 1 Lakh annually, indicating a lower-middle-income demographic. Occupationally, private employees (35.5%) and homemakers (24.9%) formed the bulk of the sample.

6.2. Consumer Preferences and Health A significant 65.8% of respondents reported having health issues like BP, Thyroid, or Diabetes, which correlates with the finding that "Health" (60.6%) is the primary factor influencing organic purchases. Vegetables were the most preferred organic product (36.0%), followed by fruits (22.2%).

6.3. Hypothesis Testing

- **H1 (Perception Level):** One-sample t-tests showed statistically significant results ($p < .000$) for all perception variables (e.g., "Organic Products are Healthy", "Willingness to Spend Extra"). The mean differences were significant, leading to the rejection of the null hypothesis. Consumers have a strong, distinct perception of organic products.
- **H2 (Demographics vs. Perception):**
 - **Gender:** ANOVA tests revealed significant differences ($p < .001$) between males and females regarding their perception of organic products across all tested variables.
 - **Age:** Significant differences ($p < .000$) were found among age groups concerning willingness to pay and consumption habits.
 - **Education & Income:** Both variables showed highly significant differences ($p < .000$) in how different groups perceive and consume organic products.
 - **Conclusion for H2:** The null hypothesis is rejected. Demographics significantly influence consumer perception.

6.4. Association Analysis

- **Education vs. Awareness:** Chi-Square tests ($p = .000$) indicated a strong significant association between education levels and awareness of organic produce availability.
- **Gender vs. Influencing Factors:** No significant association ($p = .907$) was found between gender and the factors influencing purchase decisions (Health, Friends, Trend), suggesting these motivators are universal across genders.

VII. RESULTS AND DISCUSSION

The study confirms that health awareness is the primary driver for organic food consumption in Hyderabad City.

- **Positive Perception:** There is a high mean score (4.24) for the belief that organic products are healthy and a strong willingness to pay extra for them. This indicates that despite the "luxury" tag, consumers prioritize health.
- **Demographic Influence:** The data conclusively proves that age, gender, education, and income levels significantly shape consumer behavior. For instance, higher education correlates with better awareness, likely driving the demand among graduates.
- **Barriers:** "Availability" (42.1%) and "Price" (33.0%) are the biggest hurdles. This suggests a supply chain gap where demand exists, but access is limited or too costly for the majority who are in the lower income bracket.
- **Market Potential:** With 36% of respondents preferring organic vegetables and a general high willingness to buy from local stores, there is a clear market opportunity for local organic startups if they can address the price-availability matrix.

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