



Perception and buying behaviour of consumers towards FPOs food products in Tamil Nadu

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In India, agriculture is the major occupation of most of the people and 80% of farmers are marginal and small land holding category. These farmers face several constraints related to weather uncertainties, involvement of market intermediaries, inadequate assets and resources, lack of market knowledge and information, and less awareness about new technologies (Sawairam 2015). So, in order to overcome these problems Indian government formed the high power committee under the chairmanship of Alagh on 1st November 1999. Based on the suggestions of the committee, the government formulated legislation for conversion of existing cooperatives into companies (Alagh *et al.* 2000).

Now a day's people are more concerned about their health. Hence, they buy high quality, organic and traditionally prepared food products which are an advantage for FPOs (Farmer producer organizations). Procurement of produce from the farmers occurs at reasonable price while compared to other open markets (Gokul *et al.* 2019). Consumers give high concern to their health and wellbeing unless they consult the doctor and consider specific health benefits and medicinal qualities of tea before purchase. Many consumers purchase organic tea once in a month which represent their positive attitude. Customers in metropolitan cities have high purchasing power to pay premium prices for organic food products for a healthy life. Most of the FPOs have been involved in the production of high quality and traditionally prepared food products and some of them sell through their own retail outlets. But most of the people have no awareness about FPOs retail outlets. Therefore, FPOs should pay attention in promoting their products and increasing the retail outlets for attracting the consumers and increasing the sales.

FPOs mainly focus on producing tradition-based food

products like cold pressed oil, value added products of millets, unpolished rice and other grocery items. To have long run success in FPOs, it is necessary to build royal consumers and meet consumer's satisfaction. Consumer's perception over price and quality are most significant factors because they determine the consumers buying behaviour. Considering these aspects that drive the success of the FPOs, a study was undertaken to analyze the consumer perception and various factors that influence the consumer preference towards food products of FPOs.

The present study was carried out in Coimbatore, Erode and Namakkal district of Tamil Nadu. Based on the highest sales of food products through their own retail stores, two FPOs from each district and 20 customers each from FPOs retail outlets were selected randomly. Thus, a total of 120 customers were selected for primary data collection. Personal interview method was used to collect data in the retail store using a pretested interview schedule. For identifying the

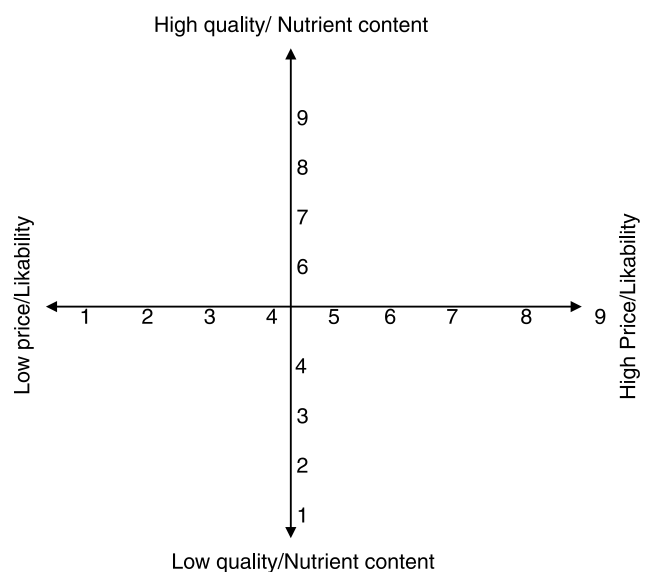


Fig 1 Perception Mapping.

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consumer perception about the price, quality, likability and nutrition content of the food products of FPOs, perception mapping was used (Fig 1). The respondents were asked to mark the attributes from 1–9, where 1 indicated “low” rating of the attribute, 5 indicated “medium” of the attribute and 9 indicated “high” rating of the attribute. Factors which influenced the consumer preferences towards food products of FPOs were analysed using Garrett ranking technique (Garrett and Woodworth 1969).

Consumer perception about food products of FPOs: Perception was the process by which people chose, organised and interpreted sensations, i.e. the immediate response of sensory receptors to basic stimuli such as light, colour, odour, texture and sound (Kapoor and Madichie 2012). The farmers perceived that the FPO provided several services to the farmers to improve the profits (Gokul *et al.* 2019, 2020). The quality of the product was determined by price, brand, physical cues, origin, type of distribution channel and packaging of the product (Agyekum *et al.* 2015). Hence, perception mapping was drawn on five food products with high sales in FPOs retail stores with the mean score of price, quality, likability and nutrient content attributes. It was drawn for price vs quality and likability vs nutrient content of the food products and the mean score of four attributes (Table 1).

Consumers felt that oil and snacks were priced high when compared with other products such as jaggery and sugar, millet, millet flour. In terms of quality, jaggery and sugar, followed by oil and snacks were scored higher by the respondents (Fig 2, 3). Oil, jaggery and sugar, and snacks showed relatively high level of likability. Jaggery and sugar, oil and snacks were felt with high nutrient content compared with other products of FPOs.

Factors influencing the consumers buying behaviour towards FPOs food products: The most important factors influencing the consumers buying behaviour towards food products are quality and freshness of the products, a wide range of assortment, friendly and courteous service, speed of service, the cleanliness of the store, low price, easy orientation in the store, convenient opening hours of the store, proximity store and the possibility of self-selection of products (Gutkowska and Ozimek 2020). The products trait (quality, price, nutrient content, etc.) that influences the purchase of food products of FPO were ranked (Table 2).

The quality of the product (79.7) was found to be

Table 1 Mean score value of consumers perception about price, quality, likability and nutrient content

Product	Price	Quality	Likability	Nutrient content
Jaggery and sugar (n= 94)	6.0	8.2	8.0	8.5
Oil (n= 72)	8.8	8.5	8.9	8.1
Snacks (n= 64)	8.4	8.0	7.9	8.0
Millet (n= 60)	6.2	7.3	6.8	7.0
Millet flour (n= 49)	6.1	7.8	6.5	7.2

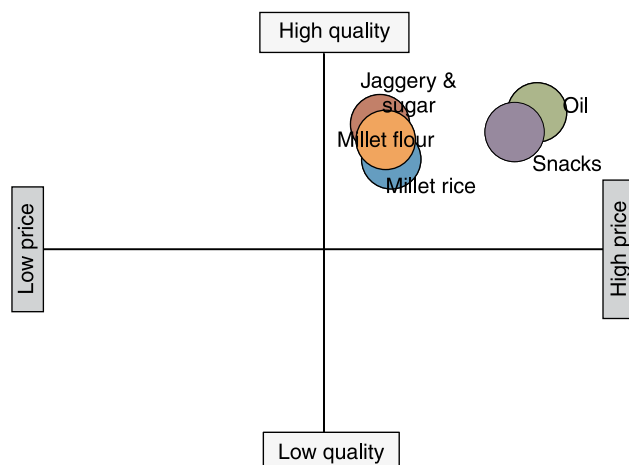


Fig 2 Perception mapping for price and quality.

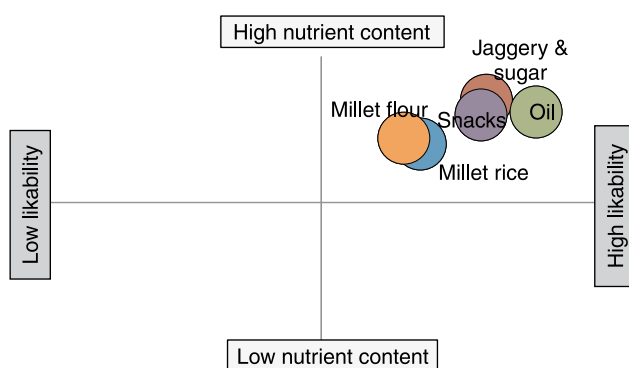


Fig 3 Perception mapping for likability and nutrient content.

amongst the important reasons that influenced the consumers buying behaviour towards food products of FPOs. Consumer purchase behaviour were influenced by the quality of the product (Gopiseti and Linganna 2017). No adulteration (68.08), high nutrient content (66.9) and no preservatives (65.8) were the major reasons to buy the food products from

Table 2 Product traits influencing the purchase of food products of FPO

Trait	Average	Rank
Better quality	79.74	1
No adulteration	68.08	2
High nutritional content	66.95	3
No preservatives	65.89	4
Hygiene of the store	54.08	5
Traditionally prepared	48.87	6
Ideal for children/elders	47.55	7
Good packaging	44.15	8
To support local farmers	44.05	9
Convenient for use	38.09	10
Guaranteed due to their label	36.59	11
Availability in required quantities	31.10	12
Reasonable pricing	24.70	13

FPOs retail store. Food adulteration had a negative impact on consumer purchasing decisions (Fakhlai *et al.* 2020). The factors such as traditionally prepared (48.87), ideal for children/elders (47.55), good packaging (44.15), support to local farmers (44.05) had medium level of influence on the purchase of food products from FPOs. Buying and consuming local food product is healthier and safer than consuming non-local alternatives (Steven 2013).

Consumers are willing to pay a premium price mainly to purchase better quality products (Alessandra 2014). Accordingly, the price of the product (24.7) was least ranked by the customers for buying the FPO's food products. Consumers buying intention towards food products were significantly influenced by quality of the products not by price and packaging of the product (Kar *et al.* 2018).

SUMMARY

The present study was carried out to map the perception of consumers and to identify the factors influencing the consumer buying behaviour towards the food products of FPOs in Tamil Nadu. The results concluded that majority of the respondents purchased jaggery and sugar, cold pressed oil, snacks and millets category from the retail shops of FPOs. The quality and nutrient content were major product traits influencing consumers for purchasing the FPO food products. Most of the consumers felt that the quality and price of the food products were high in FPOs retail stores compared with other retail stores. So, FPOs should target high income people with high purchasing power who appreciate quality. Local people were purchasing the FPOs food products anytime. FPOs can devise effective marketing strategies to attract new customers from local and non-local customers. Most of the people have no awareness about FPOs retail outlets. Therefore, FPOs should pay attention in promoting their products and increasing the retail outlets for attracting the consumers and increasing the sales.

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