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Organic Food Consumption Among Urban Consumers: Preliminary Results

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Abstract

The consumption of organic food is on the rise due to increasing health consciousness among Malaysians regarding food intake, as well as to the growth of the organic agricultural sector in this country. Therefore, this study attempts to investigate Malaysian consumers' awareness and intention towards organic food consumption. A questionnaire survey was conducted for this study and the questionnaire was distributed to respondents in the townships of Shah Alam and Subang Jaya. Early results show respondents are highly aware of organic food, they find organic food to be good for their health as well as have the intention to purchase organic food products for their families.

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1. Introduction

Organic food product consumption is on the rise among consumers all over the world. This rising purchasing pattern is due to the heightened level of consumer awareness on food safety, and health concerns. In addition, increased responsibility towards our mother nature has also enticed people to change to organic food products. In Malaysia, organic food still remains a niche market, but one that is growing rapidly. The growing demand can be seen with the increase in the number of organic farming and producers. In 2001, for instance, only 131 hectares (ha)

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in Malaysia were organic farms. In the next five years, the land area for organic farms rapidly grew by 18 times to 2,367 ha, of which 962 ha are perhaps certified organic, as surveyed by the Swiss Research Institute of Organic Agriculture (FiBL) and the Foundation Ecology & Farming (SOEL), Germany, in 2007.

Due to the organic food product development, it is therefore important to identify the issues and challenges associated with the organic food product market in Malaysia. The South-East Asian Market for Organic Food & Drink in 2006 reported that market growth was restrained for organic food products in Malaysia due to low consumer awareness of organic foods. Today, even though the level of awareness has improved, Malaysians have not yet fully understood what organic foods are and how organic food products differ from conventional foods (Zeinab & Seyedeh, 2012). The understanding of organic foods is crucial in enhancing the level of awareness and purchase intention of customers. Hill and Lynchehaun (2002) agree with this fact due to their discovery that knowledge is a major element in affecting the decision to buy products that are organic. In summary, this paper examined Malaysian consumers' awareness and intention to purchase and consume organic food products, as well as the appropriate marketing strategies that could be adopted to increase the sale of organic products in the country.

1.1. Objectives of the study

Objective 1 : To determine the awareness of organic food products among Malaysian customers

Objective 2 : To determine the purchase intention of organic food products among Malaysian customers

2. Literature Review

2.1 Organic Food

Organic food was described as "food guaranteed to have been produced, stored, and processed without adding synthetic fertilizers and chemicals" (Lockie, et al., 2002). In addition, Chinnici, D'Amico, and Pecorino (2002) defined organic products as food which is cultivated via a process that is environmentally friendly. Furthermore, the National Organic Standards Board of the U.S. Department of Agriculture (USDA, 2008) also established a national standard for the term "organic". It is defined by how it cannot be made rather than how it can be made, must be produced without the use of sewer-sludge fertilizers, most synthetic fertilizers and pesticides, genetic engineering (biotechnology), growth hormones, irradiation and antibiotics. Products which are listed as organic are produced in line with standard rights in all areas of production and are awarded a certificate by an industrial body (Lyons, et al., 2001).

2.2 Awareness Towards Organic Food

Consumers worldwide are increasingly concerned about nutrition, health and the quality of their food (Gil et al., 2000). The awareness of health related issue has increased the organic food demand. Phuah et al., (2011) stated that an increase in the consumer awareness of the health and nutritious value of food has increased the demand for functional food, organic food, green food and natural food. With health related problems such as obesity, type 2 diabetes, and coronary heart diseases on the rise, consumers are becoming more aware of the effects of their eating habits and also with the increase in environmental awareness (Shaw, Shiu, & Clarke, 2000). Based on the Country Report (Consumer Foodservice in Malaysia), consumers are becoming increasingly aware of health related matters. Thus, the Malaysian government has developed a wide range of campaigns to instil the idea of health consciousness which have persuaded consumers to switch their preferences to healthier foods offered by several restaurants. As a result of these campaigns, many Malaysians have slowly begun to consume organic food products. Furthermore, the awareness towards environmental protection can also increase the organic food consumption. Also, studies by Werner and Alvensleben (2011) found a relationship between the amount of customers' concern for the environment and their motivation to buy products that are organic.

2.3 Purchase Intention On Organic Food Products

Purchase intention on organic food is explained by the Theory of Planned Behavior (TPB). Intention is the cognitive representation of a person's readiness to perform a given behavior, and it is considered to be the

immediate antecedent of behaviour. As such, TPB has been applied in the organic food product consumption from the attitudes and awareness towards organic product, subjective norms (e.g. green society or environmentally friendly society) and perceived behavioral control (e.g. Food Safety, Environmental Friendliness and Animal) (Puah et al, 2011). The attitude towards organic food products, whether it is favourable or unfavourable, is influenced by the customer's beliefs and awareness towards the concept of green foods which they acquired during their lifetime. Malaysian consumers are becoming more interested in environmentally friendly products, such as organic food, raising the demand against a limited supply (Ahmad & Juhdi, 2010).

3. Research Methodology

A questionnaire was designed as the measurement instrument for this study. The questionnaire was divided into five sections: Sections A, B, C, D, and E. The target population was residents living in the vicinity of the townships of Subang Jaya and Shah Alam. Convenience sampling was used and 100 usable questionnaires were compiled. Section A consisted of questions on basic information on organic food product consumption. Meanwhile, Section B consisted of questions on customer awareness of organic food products.. Next, Section C consisted of questions on purchase intention on Organic Food Product. Section D then consisted of 20 questions on the 4P's; promotion, product, price and place. Finally, Section E is related to the respondents' demographic profile information. The 5–point Likert type scale was used in Sections B, C and D of the questionnaire, and anchored by “Strongly Agree” (5); “Agree” (4); “Neutral” (3); “Disagree” (2); “Strongly Disagree” (1).

The data was collected in late April and May 2012. Two supermarkets in Shah Alam and one organic food restaurant in Subang Jaya were selected for the distribution of the questionnaire to 250 customers. The sample is mostly convenience sample, i.e. customers were approached randomly. Although there is no way of knowing if those included are representative of the overall population, the survey is still expected to give a first overview of relevant issues and to allow to derive insights into the perception of organic food products by consumers in urban cities. The collected data were summarized using descriptive statistics.

4. Research Results

Table I illustrates the demographic profile of respondents. There were 54 female respondents and 46 male respondents in this study (46 percent), hence making a total of 100 respondents. In terms of race, a majority of the respondents are Malays (73 percent), followed by Chinese (14 percent) and Indians (13 percent). A majority of the respondents (62 percent) were from the younger age group (21-30 years of age) while the 41 – 50 years old made up 29 percent of the respondents. In terms of job employment, most of the respondents were in the areas of management, corporate and professional industries. With respect to the income levels, the highest percentage was 35.0% for those earning a monthly income between RM 2001 and RM 3000, whereas the smallest percentage was those with a monthly income of less than RM 1000 with only 17.0 percent.

The respondents were also asked to choose the type of organic food products they frequently buy. A list with 10 types of organic food products were given to the respondents. The list included sauces, seasoning, bread/cereals, pasta/noodles, beans/grains, spices, beverages, snacks/treats, vegetables/fruits and meat/poultry. 36 respondents say they bought mostly vegetables and fruits followed by breads and cereals (23 respondents). The next most frequently bought item was organic meat and poultry (20 respondents).

The respondents were presented with statements and asked if they disagreed or agreed with the statements (Table 2). The survey shows respondents are aware that organic food products have nutritional value and that organic food products are good for health. Almost 81% of respondents agree with the statement 'organic food products do not contain any chemicals' and 72% agree that 'eating organic food products does not give any side effects to one's health'. This suggests that consumers are aware of the benefits of organic food. In addition, this group of respondents was from the 21 to 40 years of age and thus may have been exposed to information regarding organic food products through media or family and friends.

Table 1. Demographic Profile of Respondents

Variable	Number of respondents(N=100)	Percentage (%)
Gender		
Male	46	46.0
Female	54	54.0
Age		
under 20 years	6	6.0
21-30 years	62	62.0
31-40 years	29	29.0
41-50 years	3	3.0
50 years above	0	0
Race		
Malay	73	73.0
Chinese	14	14.0
Indian	13	13.0
Other	0	0
Religion		
Muslim	73	73.0
Christian	14	15.0
Buddhist	13	6.0
Marital Status		
Married	46	46.0
Single	52	52.0
Divorced	2	2.0
Job Field		
Management	53	53.0
Corporate	18	18.0
Professional	14	14.0
Student	15	15.0
Income		
Less than RM1000	17	17.0
RM1000 - RM2000	24	24.0
RM2001-RM3000	35	35.0
More than RM3000	24	24.0

A total of 37 per cent of the respondents stated that they would pay a higher price for organic food while 32 per cent stated they would rather buy organic food even though it was expensive. This may reflect that consumers in urban areas would pay more for organic food products and would purchase them even if it was more expensive than conventional food because they know the health benefits of organic food products. As most of the respondents for this study are Muslim Malays most of them said they would purchase the organic food products if there was a Halal logo. Thus, this suggests that Muslim consumers do purchase organic food and are particular about what they eat and buy.

Table 2. Assessment of statements about organic food products in percent (n=100)

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	SD
Organic food products have more nutritional value than conventional food	0.0	2.0	15.0	36.0	47.0	4.28	0.792
Organic food product is good for health	0.0	2.0	10.0	33.0	55.0	4.41	0.753
Organic food product does not contain any chemicals	0.0	3.0	16.0	40.0	41.0	4.19	0.813
Organic food product does not have any side effects when eaten	0.0	6.0	22.0	37.0	35.0	4.01	0.904
Organic food consumption will help to protect the environment	0.0	2.0	19.0	31.0	48.0	4.25	0.833
I would search for organic food product information	3.0	8.0	34.0	38.0	17.0	3.58	0.966
I would pay a higher price for organic food product	11.0	18.0	34.0	25.0	12.0	3.09	1.164
I would buy organic food products to be consumed by my family	2.0	6.0	23.0	43.0	26.0	3.85	0.884
I would consume more if organic food products are readily available	3.0	3.0	24.0	38.0	32.0	3.93	0.947
I would buy organic food products because of its quality	0.0	1.0	15.0	39.0	45.0		
I would only buy organic food products with Halal logo	0.0	2.0	17.0	26.0	55.0		
I would rather buy organic food products even though it is expensive	18.0	17.0	33.0	15.0	17.0		

As this is preliminary results only four selected statements were used to determine the differences among male and female respondents and cross tabulation was used to analyze the data (see Table 3).

Table 3. Cross tabulation of selected statements

Statements		Male (46)	Female (54)
1)I would pay a higher price for organic food product	Strongly disagree	7 (15.2%)	4(7.4%)
	Disagree	7 (15.2%)	11 (20.4%)
	Neutral	17(37%)	17 (31.5%)
	Agree	11(23.9%)	14 (25.9%)
	Strongly agree	4(8.7%)	8 (14.8%)
2)I would search for organic food product information	Strongly disagree	2(4.3%)	1(1.9%)
	Disagree	7(15.2%)	1(1.9%)
	Neutral	16(34.8%)	18 (33.3%)
	Agree	13(28.3%)	25(46.3%)
	Strongly agree	8(17.4%)	9(1.7%)
3)Organic food consumption will help protect the environment	Strongly disagree	0	0
	Disagree	2(4.3%)	0(0%)
	Neutral	13 (28.3%)	6 (11.1%)
	Agree	10(21.7%)	21 (38.9%)
	Strongly agree	21(45.7%)	27 (50%)
4)Organic food is good for your health	Strongly disagree	0	0
	Disagree	1(2.2%)	1 (1.9%)
	Neutral	8(17.4%)	2 (3.7%)
	Agree	16(34.8%)	17 (31.5%)
	Strongly agree	21(45.7%)	34 (63%)

From Table 3, 32.6% of male respondents and 40.7% of female respondents either agree and strongly agreed to the statement "I would pay a higher price for organic product". This implies male and female respondents were willing to purchase organic food products if it was expensive. The next statement on searching for organic food product information, 45.7% of male respondents said they would search for information while 48% of female respondents also said they would do the same. For statement no:3, most of the male and female respondents said organic food consumption will help the environment (67.4% of male respondents and 88.9% of female respondents). Finally, 80.5% of male respondents and 94.5% of female respondents tend to agree that organic food was good for their health.

5. Discussion

The consumers of organic food products in the urban areas in the two cities tend to be older, and have a higher income level. This profile is similar to results from studies in western countries (Padel and Foster, 2005) and in a study found in northern Thailand (Posri et al., 2007) where consumers purchasing organic products were older and have a higher income.

This study found consumers are aware that organic food products was for health benefits, the products are chemical free resulting in no side effects and do not cause harm to persons consuming organic food products. This awareness may be related to the area the respondents are living as urban consumers could be exposed to more information and knowledge with regards to organic food products. Also, this study found a majority of the respondents are working professionals and they may want to consume organic foods as a means to help reduce their stress levels and maintain an energetic lifestyle as found in studies that said health benefits as a main motive for purchasing organic foods (Padel and Foster, 2005; Yiridoe et al., 2005).

Another factor mentioned in many studies on organic food is about price consumers are willing to pay. Indeed, this study found male and female respondents were willing to purchase organic food products even if it was priced higher. Both male and female respondents would source for information for their organic food purchase implying that respondents are concerned about the food they eat. In addition, as one of the cities where the survey was distributed is predominantly made up of Muslim residents, the Halal logo is an important factor to them. Another interesting factor is that Muslims are willing to consume organic food products and that retailers of organic food products must be aware of the Muslim segment in their marketing strategies.

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