

Chapter 6

Consumer Perception of Purchasing Organic Foods: A Case Study of Online Consumer Behavior

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ABSTRACT

The aim of this study is to identify the consumer perception of buying the organic foods online in Malaysia. Consumer perception is typically affected by the variables such as purchase intention, price, health consciousness, organic certification and labeling, consumer knowledge, availability, and environmental concern. This study attempts to identify the relationship and linearity between the dependent and independent variables. Survey questionnaire was targeted to 200 online consumers aged between 18 to 65 years old who buy organic foods. The results indicate a significant positive relationship between price, health consciousness, organic certification and labeling, consumer knowledge, availability, and environmental concern and the purchase of organic food. It shows that purchase intention is linearly related to price, health consciousness, availability, and environmental concern.

ORGANIC FOOD MARKET

Organic food refers to food that meets the strict standards of the National Health Security in supervision, production, storage and distribution (Cheng, 2014). Organic food comprises a wide range of products such as fruits and vegetables, nuts, grains, liquors and beverages, poultry, eggs and dairy products (Lu, et al., 2012). Organic farming system does not use chemical fertilisers, pesticides, herbicides and growth hormones. Organic meat, eggs-and-dairy-products are obtained from animals-that-are raised by organic crops without antibiotics and growth hormones (Dickieson & Arkus, 2009). The food is not permitted to go through irradiation process and is excluded from solvents, stabilisers and additional ingredients (Albala & Allen, 2007).

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Consumer Perception of Purchasing Organic Foods

The global consumption of organic food has increased intensely over the years. According to International Federation of Organic Agriculture Movements (IFOAM) annual report 2017, global organic food sales was approximately 89.7 billion in 2016. This is due to consumers becoming more concern about their health, environment and harmful chemicals present in conventional food. More consumers are getting attracted to the health effects or benefits that organic food offers to human beings and its positive effects on the environment (Yin, et al., 2010). Likewise, global consumption of organic food grows substantially owing to the rise in income and improvements in living standards (Dettmann & Dimitri, 2009). Consumers purchase organic food more to upgrade their standards of living when their purchasing power increases. Besides, there is an increase in the awareness of organic food among consumers in Malaysia recently where consumers are exposed to the health effects of organic fruits and vegetables and environmental benefits by consuming organic food (Vazifehdoust, et al., 2013). However, the demand of organic food is relatively low in Malaysia (Hassan, et al., 2015).

ONLINE PURCHASE OF ORGANIC FOOD

The technology advancement particularly after the launch of various internet services and the widespread of using smart phones, it is easier for internet users to perform their online shopping. According to Internet World Stats (2015), internet users marked up to 3,366,261,156 which is 46.4% of the world population. Statistics shows that 40% of these internet users had bought products online via desktop, mobile, tablet or other online devices (Peyper, Liesl, 2015). Euromonitor International survey indicated that Malaysian online shoppers were sophisticated and spent an average of RM 2,461 per person. On top of that, the online shopping market in Malaysia was expected to grow at an accelerated pace from RM842 million in 2011 and to exceed RM1.9 billion by 2016. Today, 70% of Malaysians do online shopping at least once a month (Ahmad, Sharina & Rosli, Jamny, 2015). Marketing Magazine (2014) indicated that Malaysians ranked among the nation of world top online shoppers. Malaysian were more open to online shopping and ecommerce compared to other nations. eCommerceMILO (2014) surveyed 626 Malaysia online users, 91% of them had experienced online shopping with 49% of these online shoppers spent on food and beverages. This has created a business opportunity for marketers where interaction can be performed online, thus eliminating the traditional brick and mortar and effectively reducing the cost of business setup.

Organic food industry is very competitive throughout the world nowadays. To sharpen the marketing advantages, marketers have begun to provide extra services to customers beyond physical distances. Shopping malls provide delivery services for homes and offices. Online shopping is slowly becoming a trend of purchasing worldwide. It possesses great advantages and benefits to the consumers and the retailers. With online shopping, customers merely order organic food online via internet device, and waiting for the organic food to be delivered at their doorsteps.

CONSUMER PERCEPTION OF ORGANIC FOOD

Consumer intention to purchase a good is defined as consumer willingness to purchase certain goods or services (Mirabi, et al., 2015). Consumers more likely to perform a particular behaviour when they have strong intention towards the behaviour. This also applies in the case of purchasing organic food.

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