Chapter 9 Propensity to Purchase Organic Food: An Integrative Model of Consumption Values in Malaysia

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ABSTRACT

Organic food is becoming popular among today's millennial consumers because of increased awareness of healthy lifestyles. Scholars and practitioners attempt to understand what drives consumers to purchase organic foods toward developing market domination strategies and tactics. Since organic food tends to be more expensive than non-organic, this study aims to analyze the impact of consumer values on their tendency to buy organic food. Consumption values are an important factor that could drive consumer behavior and their preferences for goods or services. Consumption values are defined in terms of the required benefits from the purchase and consumption of the preferred products. Sheth, Newman, and Gross defined consumption values in terms of practical, social, emotional, epistemic, and conditional values.

INTRODUCTION

Organic food is the fastest-growing market in the food industry in many countries (Dettman & Dimitri, 2010). According to Business Wire, the global organic fresh food market is poised to grow by USD62.23 billion during 2019-2023, progressing at a Compound Annual Growth Rate (CAGR) of almost 15% during the forecast period. The market is driven by the growth of organic farming worldwide. In addition, sustainable organic fresh food production is anticipated to impact the growth of the organic fresh food market positively. Also, economic growth, urbanization, globalization, and trade liberalization have

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significantly impacted consumers' food choices and preferences. The increasing consumers' demand for organic food products are mainly due to food safety concern (Hsu, Chang, & Lin, 2016; Wee, Ariff, Zakuan, & Tajuddin, 2014), health benefits (Mohamad, Rusdi, & Hashim, 2014), and environmental concern (Misra et al., 2020; Wang et al., 2020). Environmental degradation due to the use of chemicals in agriculture and individual consumption is a major public concern. Hence, green consumption is encouraged via the purchase of green food (Suki, 2016).

As social and political pressures increase, many firms have begun to adopt organic marketing strategies and promote their environmentally-friendly food as a source of strategic advantage. However, one of the biggest challenges companies face is influencing consumers to buy green food. Some consumers tend to equate organic food with a higher price. According to Bostan et al. (2019), the greatest challenges for organic food is to reduce the trade-off between productivity and long-term sustainability. Organic food can be defined as green food without any artificial fertilizers, pesticides, and additives in the process of production (Hansmann et al., 2020; Molinillo et al., 2020; Mohamad, Rushi, & Hashim, 2014). For food to be claimed organic, it has to be certified by an industrial body to ensure that the food is produced, stored, and processed without any artificial synthesized input and additives.

The United States is the highest producer of organic food (46%) while in Asia, China is the leading country (7%) (Saleki et al., 2019). However, in Malaysia, the organic concept and the development of organic food are still nascent (Saleki et al., 2019). Today, as consumers want to live a good life and a better quality of life, they start to consume organic food. As the number of consumers who are environmentally responsible is increasing, so is the number of organic food in the market. Facing imminent environmental degradation, the government of Malaysia is encouraging the public to go organic (Aziz et al., 2020). Consistently, the government has outlined strict environmental regulations and a regulatory framework for the conscious control of air quality and greenhouse gases in the country (i.e., Environmental Quality Act 1974) in an attempt to achieve sustainable development and improve the health of the population (Suki, 2016). Subsidies are also provided to promote the organic industry in Malaysia through the Malaysian organic certification program and the certification of farms according to the Malaysian standard MS1529:2001 (Tiraieyari, Hamzah, & Samah, 2014).

According to Somasundaram, Razali, and Santhirasegaram (2016), there has been an increase in the purchase of organic food in Malaysia. However, the value of local organic food is still low compared to imported organic food. More than 60 percent of organic food is imported, but it must bear a reliable 'certified organic' label from the source of the exporting countries. The demand for organic food in Malaysia is growing dramatically because of the changing healthy lifestyle that conventional food could not provide. Furthermore, currently, consumers are concerned with health and nutritious food and its effect on the environment, giving rise to a positive attitude and intention to consume organic food (Jeyakumar-Nathan et al., 2021; Katt & Meixner, 2020). According to Ghali and Hamdi (2015), the most common argument for consumers to purchase organic food is the concern for their health and preserving the environment. However, the propensity to purchase organic food in Malaysia still low. As such, this study is to investigate what could influence the Malaysian consumer's propensity to purchase organic food.

Most studies conducted in Malaysia on organic food considered the Theory of Planned Behavior (TPB) or Theory of Reasoned Action (TRA) in examining the purchasing behavior of consumers. However, studies that employed the Theory of Consumption Values (TCV) for green products are limited (Suki, 2016), especially for organic food. The use of TCV is relevant because an individual who appreciates and is concerned about something does not necessarily behave organically or purchase such a product. The gap between value and action is known as the 'value-action gap' (Zamani, Abdul-Talib & Ashari,

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