

Healthy Food through Health Care Segment in the Emerging Market of India: A Two Decade Review of the Attitude of Organic Food Consumers

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Abstract

The primary goal of this research is to comprehend the factors that have caused Indian consumers' attitudes regarding organic food to change and the characteristics of consumers in shaping those attitudes. The study aims to identify different consumer segments based on consumers' characteristics to help producers and marketers develop suitable marketing strategies to promote organic foods. The study is gleaned from secondary data that was gathered from many research papers that examined various facets of consumer behaviour in relation to organic foods. The analysis revealed Health care to be most important driving motivator affecting the purchase of organic products. Organic food acceptance can be boosted by pleading with consumers' well-being and offering health-related information. In this direction, the health care segment can be viewed as a viable market by organic food producers and vendors for the promotion of organic foods. The study examines the most critical motivators driving organic food purchasing decisions to assist marketers in developing appropriate marketing strategies for its promotion.

Key words: Consumer attitude, Organic Food, Marketing Strategies, Health care Segment

Paper type: Review Paper

Introduction

The world community has become more aware of environmental deterioration and the importance of high-quality food items during the previous two and a half decades. As health issues and biotic issues have become more prevalent, dietary preferences have been switching abruptly. Consequently, wholesome food items have made their way into global marketplaces, swiftly gaining share of market. The food businesses has responded to this trend by introducing a growing number of novel products with wellness assertions and branding that consumers choose for their invigorating attributes (**Annunziata & Paola, 2009**). Since organically cultivated foods are associated with a healthy, sustainable, and ecologically sensitive way of life, there has been an increase in interest in them among consumers all over the world (**Gotze et al, 2016**). All through the COVID 19 epidemic, organic food was in high demand because people believed it was healthier and better for immunity. However, as more people become aware of the benefits of organic food, demand for it continues to grow.

Research Objectives

This study looks into the factors that led to a change in Indian consumers' opinions toward organic food as well as to identify the characteristics of consumers in shaping those attitudes. The existing research is therefore undertaken in two ways: one, to review and synthesize the study of the factors that have influenced Indian consumers' attitudes toward organic foods, and two, to identify the organic consumer's characteristics for marketers to identify different consumer segments and develop suitable marketing strategies accordingly.

Methodology

To address the aforementioned objectives, the authors conducted a thorough review of the relevant literature available in the form of research articles and review papers focusing in particular on research over the past 20 years (2001 – 2021) shedding light on the numerous causes behind the shift in customers' perceptions of organic food as well as the demographic characteristics of organic food consumers. We used the following scholarly databases to conduct a thorough research: Web of Science, Scopus, Science Direct and Research gate using pre-defined keywords like "organic food", "consumer attitude towards organic food", "demand for organic food" and "organic food consumer characteristics". Research on related areas such as natural food, sustainable consumption was not covered. Given that the aim of this study was to synthesise the results of prior studies, the current review should be regarded as a narrative review.

Literature and theory

In the literature, the terms "local," "fresh," "pure," "natural", "healthy", "traditional," "rustic," "Green," "Eco-friendly," "Sustainable," "Pahadi," "old fashioned" etc. are used to describe organic food. Different definitions have been given by relevant authorities and different people for organic food. The term organic food refers to, "Product of a farming system which avoids the use of synthetic fertilizers, pesticides, growth promoters and additives" (**Kouba, 2003**). In the words of **United States Department of Agriculture (USDA)**, "certified organic foods are grown and processed according to federal guidelines, including those that address soil quality, animal raising practices, pest control, weed control, and the use of additives". As part of the Government of India's National Program for Organic Production, testing institutions certified by the Agricultural and Processed Food Products Export Development Authority (APEDA) provide certification (NPOP). There are 25 authorized certifying agencies in India that inspect and certify organic food requirements. Organic food growers must be assessed annually by certification

authorities. Certified organic food growers receive a trade mark/organic emblem from these approved certifying authorities.

Market Situation for Organic Foods Worldwide

One of the agricultural sectors with the strongest growth rates worldwide is organic food. Organic food demand has risen steadily over the last few decades, rising from 3.4 percent of total food sales in 2010 to 5.7 percent (USD 105.5 billion) in 2018 (**Britwum et al, 2021**). In 2015, the worldwide organic food market was worth USD 81.6 billion; in 2016, it was worth USD 89.7 billion; in 2017, it was worth USD 97 billion; and in 2018, it was worth USD 105.5 billion (**Gumber & Rana, 2021**). In 2020, the market for organic food was estimated to be worth USD 177.14 billion, and by 2026, it is expected to be worth USD 553.87 billion with a CAGR of 21% during the projected period (2022-2026) (**Techsci research, 2021**). The major markets for organic food products are in the United States (US), Germany, and France (**Tandon et al, 2020**).

Market Situation for Organic Foods in India

Indian people started purchasing more organic products as a preventive health measure after the pandemic in 2020, marking the start of a paradigm shift in the country. This change in mentality is expected to drive the organic food industry forward. Due to rising health consciousness, **the expert market research** predicted that the organic food market in India would reach USD 849.5 million in 2020. The industry is anticipated to continue growing at a CAGR of 20.5% between 2022 and 2027. The industry is expected to be worth USD 2601 million by 2026. As per the available statistics of **APEDA**, as of March 31, 2021, the entire region covered under organic certification (as defined by the National Programme for Organic Production) was 4339184.93 ha (2020-21). India is the world's leading exporter of organic tea, basmati rice, and cotton. As of 2020, India ranks first in terms of the overall number of producers and placed eighth with regard to organic agricultural land (**Tandon et al; 2020**). These data demonstrate the potential of the Indian organic food market as well as the importance of knowing organic food consumers.

Reasons for the shift in consumer's attitude towards organic food – A literature review

There has been extensive research done on consumers' intentions to buy organic foods. **Paul & Rana (2012)** constructed a conceptual structure demonstrating the corresponding significance of considerations like health advantages, environmental consciousness, accessibility, and freshness as determinants of organic food purchase intent. The needs of contemporary consumers have been met by Organic food causing a shift in consumer perception (**Rana & Paul, 2017**). The study of **Rana & Paul (2020); Melovic et al (2020)** found that Health concerns are a major driving force behind the desire to consume organic food. Because of their great nutritional value, there is a big demand for organic food in both the domestic and global markets. Organic food has more antioxidants than meals produced using conventional methods, making them healthier. A number of studies have found health consciousness (**Deliana, 2012; Sangkumchaliang & Huang, 2012; Tariq et al., 2019; Dangi et al., 2020; Zanolli & Naspetti, 2002; Tandon et al, 2020; Iqbal 2015; Tariq et al, 2019;**) ecological considerations (**Deliana, 2012; Sangkumchaliang & Huang, 2012; Tariq et al., 2019; Dangi et al., 2020; Iqbal, 2015**) as the primary factor to affect consumer's attitude towards buying organic food. **Rana & Paul (2020)** on the basis of their study also created a new theoretical framework that identifies health consciousness and environmental protection as the two most important motivations for purchasing organic foods. Certification of quality and safety has been found to be the main driver of flourishing demand for organic food (**Tariq et al. 2019**). As a result of the increasing number

of food-related scandals in many countries; people adjudge food safety as an imperative and basic value (**Annunziata et al., 2018**). They believe that common food is the most hazardous. They expect that modern food system must deliver food that is risk-free and safe. Therefore regarding food safety, people trust certification symbols and labels (**Gumber & Rana, 2021**). People who care about the environment and animal welfare have more positive attitudes of organic food (**Honkanen et al. 2006**). Offering ecologically responsible products means easing consumer concerns about pesticides, synthetic fertilisers, and synthetic chemicals while simultaneously safeguarding our ecology (Deliana, 2012). The key incentives for choosing organic foods are undeniably health, product quality, and avoiding natural environmental damage; however, Priorities have historically placed the health component first (**Rana & Paul, 2020**). In addition to anxieties about health, quality, and the ecology, consumers prefer organic food for many additional reasons. In the past ten years, people have grown increasingly aware of the following additional positive effects of eating organic foods. Another individualized factor that affects opinions about organic food is consumer knowledge. An important factor in the success of organic foods is the degree of consumer comprehension of them (**Pastek et al, 2018; Thøgersen et al., 2010**). The ability of consumers to differentiate between conventional and organic foods was also aided by their knowledge of organic foods. Following education about the differences, consumers learned that organic food was healthier. Word-of-mouth and other people's recommendations are what built the organic food market.

People's perceptions of organic food are heavily influenced by subjective norms (such as those held by friends, family, and others) (**Pastek et al., 2018**). People are more likely to purchase organic foods if they perceive that others who matter to them think organic items are good (**Teng & Wang, 2015**). The preservation of social and cultural significance is found to be an additional ground for purchasing organic food. People love to uphold their long established dietary practices. The analysis of **Gumber & Rana, 2021** suggested that Organic food has a long history in India and helps to preserve its cultural legacy. Upper class consumers spend more on organic food because they think it will help them advance socially. These consumers are attracted to organic food due to its premium price, media exposure, and marketing endeavours (**Hill & lynchehaun, 2002**). These consumers want to stand out from the crowd by including organic cuisine in their meals. According to some studies, an important aspect of organic food's quality is its flavor. Consumer prefers organic food not just due to its health and ecology concerns but also because consumer like the way it tastes. They are willing to pay more for it because of the flavor's authenticity (**Hill & lychehann, 2002; Gumber & Rana, 2021**).

Characteristics of Organic Food Consumers – Theoretical Contributions

Consumer characteristics include social and demographic factors (such as age, gender, ethnicity, education level, income, type of client, years of experience, location, etc.) and psychographics characteristic (such as lifestyle, personality, values, opinions, attitudes, interests and lifestyles etc.). Different Consumer attributes have been found associated with the purchase decision for organic food. Studies of **Xie et al, (2015); Iqbal (2015); Dettmann & Dimitri (2010)** revealed that higher levels of education, higher levels of incomes and that having small children in family increased the likelihood of purchasing organic food. They also added that organic consumers are generally older than non-buyers. Few studies have found that females have more positive attitude towards organic food and are more inclined to purchase organic foods than males, several studies have revealed that women are more likely than men to buy organic food because they have a

more favourable attitude regarding them (Nasir & Karakaya, 2014; Tung et al., 2012; Krystallis et al., 2008).

Deterrents in the Positioning of Organic Food: A Consumer's Perspective

The organic food market in developing economies like India has the potential to grow due to aspects like safety, nutritional value, and environmental friendliness. There are still some issues that are impeding the sector's progress. The high price is an important deterrent at the entry point into this market (O'Donovan & McCarthy, 2002; Ozguven, 2012). Another issue is availability (O'Donovan & McCarthy, 2002; Aryal et al., 2009). Organic food can only be found in specific stores but conventional products are available in every shop. Furthermore, because of the restricted and inconsistent supply of organic food, they do not receive it on time (Aryal et al., 2009). Organic farming and certification have been met with skepticism by consumers (Zander et al., 2015). As a result, there is a need that people must be convinced to buy organic food.

Discussion

Nutritional quality alone does not determine healthy food. It should be produced or obtained in a way that supports sustainable food systems. Our reliance on synthetic pesticides, fertilisers made from fossil fuels, antibiotics, and hormones, besides cheap-paid workers who are forced to work in hazardous circumstances, puts the environment and human health at risk. Organic agricultural practices can help provide sustainable food for a growing world population while also being both sustainable and beneficial to human and environmental health. After witnessing the deteriorating ecological conditions hurting both the agricultural sector and living organisms, policymakers, intellectuals, and sensitive individuals have acknowledged the need of organic production.

In the Present Study out of the analysis of the related studies highlighting various reasons and the consumers' characteristics that affect the demand for organic food, six segments of potential organic food consumers' market can be identified: Market segment for Health conscious consumers, Market segment for Senior Consumers, Market segment for Educated Class, Market segment for Females having kids, Market segment for Environmentalists and market segment for High salaried class people which can be positively targeted by marketers for developing new and profitable markets for organic food by positioning suitable marketing strategies for increasing organic food consumption within an integrated framework. When consumers evaluate food products, healthiness is an important quality feature (Annunziata & Paola; 2009). Additionally, the analysis of the literature revealed that the majority of research agreed with the notion that eating organic food results in a healthier diet. As a result, appealing to customers' health motivations and increasing health knowledge by providing health-related information will help organic food acceptance.

Conclusion and suggestions

People in India have strong religious convictions. Doctors are accorded a position equivalent to that of God in this context. Therefore, hospitals, medical pharmacies, Ayurveda, homoeopathic, and naturopathic centers, diet clinics, Healing centers (yoga, meditation, acupressure centers etc.) and similar related wellness establishments can be thought of as feasible marketplaces for the marketing of organic food. The promotion of organic foods will be successful in these places. These health care segments can support positive and successful word-of-mouth marketing of organic food. A workshop for dieticians and gym instructors should be planned so that they can persuade customers to eat a healthy organic diet. Yoga and meditation instructors could persuade customers that eating healthy foods provides psychological satisfaction and peace of mind, which

promotes spiritual progress and society's overall well-being. These persons are in direct contact with one other. These individuals have direct contact with health-conscious consumers. As a result, these individuals should be regarded as thought leaders. Dedicated employees in health care facilities around the world might implement policies and programmes to assist sustainable food systems by leveraging the leadership and knowledge of health segments. They can use their influence, spending capacity, funds, and additional assets to create sustainable food production systems that respect environmental nutrition principles while preserving and replenishing natural deposits, advancing communal equity and humane society, increasing nation's prosperity as well as providing for present and future food along with nutritional requirements.

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