

Evaluating purchase behavior of Millennials and identifying primary drivers for purchase of organic food: A Literature Review

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Abstract

This paper is written to and synthesizes research on organic food consumers' attitudes and select primary drivers identified with the help of published literature for the purchase of organic food in the last 20 years, including the previous 30 months of the COVID-19 pandemic.

Several themes reflect that consumers encounter various drivers and barriers when purchasing organic food. The review of these studies indicates that there is no major shift in primary drivers during a pandemic, which remains the same as Health motives, Food safety, certification, and environmental concern. Fear for life emerged significant driver in the COVID-19 pandemic, but its effect varies significantly in different countries and food categories. Price premium, availability, and lack of trust in the product and organic food supply chain remain key barriers.

A pandemic like COVID -19 has dramatically affected the attitude of consumers towards their health and healthy food choices, in which organic food is considered a preferred choice across the demography, including Millennials. Immunity is a new driver associated with organic food in CIVID -19 period, though there is no agreement over it.

The organic food industry, policymakers, and various stakeholders can understand the attitude and motive variations to formulate a strategy to engage **millennials in the** long term.

A limited study was done in India to understand consumer behavior regarding purchase decisions of organic food products. This paper attempts to review studies related to the purchase behavior of organic food products and provide inference and direction for future research.

Keywords: Millennials, attitude, purchase drivers, Organic Food, belief

1. Introduction

Organic food draws the attention of consumers worldwide, including in India. Being a credence food, it evokes mixed responses from most consumers regarding the final buying decision.

The global market for organic food products was valued at Euro 106.4 billion (U.S. Dollar 120.23 billion) in 2019 as per FiBL-IFOAM 2021 report. There are 187 countries with ongoing organic activities, with per capita consumption of organic foods at 14 Euros, with the highest 344 euros in Denmark. In 2019, retail sales were concentrated in North America (44.7 billion euros) with Germany (12.0 billion euros) followed by France (11.3 euros). Within Asia, Japan and

South Korea were the most important consumer markets. Countries that have the highest share of organic products in the food products market are in European Union (E.U.), such as Denmark (9.7%), Luxembourg (8.6%), and Switzerland (8.4%). Jose (2019).

However, now significant new developments are taking place in India with organic food sales estimated to be USD 820 million in 2020, a significant increase from a mere USD 200 million in 2018 (Desai,2021)

According to the 2018 Ernst & Young Indian Organic Market report, organic markets in India are primarily spread across the food and beverages, health and wellness, beauty and personal care, and textile industries. The organic food segment has the highest growth, followed by textile, beauty, and personal care. The current Indian domestic market is estimated at INR40,000 million, which is likely to increase by INR100,000 million — INR120,000 million by 2020 with a similar increase in exports.

Though India has the highest number of organic producers with large acreage of land under organic production, domestic consumption is still at an early stage. Demand for organic food is driven mainly by metropolitans with high-income groups and per capita Consumption of one Euro (Assocham & Ernst & Young,2018).

Though a high level of awareness exists, it does not necessarily translate into actual purchases in India. Even though India has the world's most significant number of farmers and is the 09th biggest organic food player, it still has less than 1% consumption. This may be due to India's limited knowledge, availability, or price factor besides their attitude and primary drivers for organic food purchase.

Although the COVID pandemic is still in different stages in the world, including in India, initial studies in China indicated that the severity of the COVID pandemic has a significant positive impact on the purchase intention of organic food(Wang et al., 2021).

As an initial effect of a pandemic, the market share of the USA and E.U. are shrinking compared to developing markets like China, India, Brazil, and Indonesia. Consumers turn to organic as they look for nutrition, wellness, and personal health. (FiBL,2021). No similar reported study in the Indian context so far.

The pandemic has also triggered specific changes in choices and behaviors associated with many aspects of life, including how consumers perceive food, wellness products in general, organic and natural foods, and herbal products in particular.

This study is a literature review undertaken to understand the purchase behavior of Millennials and identify primary drivers for purchasing organic food pre-COVID pandemic and during an ongoing pandemic.

2 Methodology

The current study is focused on reviewing and incorporating research associated with organic food consumers' attitudes, identifying why consumers will buy or fail to buy organic food, and also studying early trends of the pandemic's impact on organic food purchase.

In the last 20 years, the organic food segment has grown manifold, the same trend in the scope of this research area. However, it is essential to know what has already been understood in the past to identify future research areas.

Several steps were used in selecting the literature to be reviewed. First, we conducted a broad, interdisciplinary search for topics related to organic food, especially in the last 20 years; hundreds of citations published from 2000 onward were screened. Following Hart (1998) review guidelines, we narrowed the focus to studies published in government publications, academic books, and scientific journals identifying consumers' feelings, beliefs, and behavior toward organic food purchases. We used keywords like Indian Millennials, organic food consumers, health motives, trust, certification, food involvement, food neophobia, food models, social influence, COVID 19, and lifestyle disease to download around 193 research papers, 26 Masters or Ph.D. thesis from various scholars across the globe, mainly through Google scholar, Science Direct, Scopus indexed journals, Sodhganga, and University libraries and repositories.

We selected 96 research work relevant for this literature review and identified 30 relevant sources which were most relevant to the scope of the study.

3 Literature review :

3.1 Overview of Organic Food Consumers

The word organic has different meanings in different cultures, contexts, geography, and age group (Hughner et al.,2007). While consumers can correlate and are primarily aware that

'organic' means free from pesticides and herbicides, there is confusion if they are GMO or non-GMO, wild produce alone, or cultivated.

Several terms are used to refer to organic foods, such as "natural," "local," "fresh," and "pure" (Rana and Paul, 2017). Consumers perceive organic food as natural and reinforce health motives (Michaelidou and Hassan, 2008).

The National Organic Standards Board of the U.S. Department of Agriculture (USDA) established a national standard for the term "organic," in which organic food was defined as "food produced without the use of synthetic fertilizers and pesticides, genetic engineering, growth hormones, irradiation, and antibiotics."

3.2 Millennials

Millennials have often been defined in different literature, the events that define their lives (such as globalization, rapid technological advancement, and increasing demographic diversity). Millennials expect good news and have been encouraged to believe in themselves and tend to be selfish, impatient, narcissistic, hedonistic, and willing to work hard and put in extra efforts for immediate rewards and praise (Alexander and Sysko, 2012).

Molinillo et al. (2020) carried out a study in Brazil and Spain. The study found that Product characteristics and consumer concerns improve millennials' health consciousness and increase their social consciousness. Asphat and Manilall (2016) identified price, quality, convenience, availability, trust, and performance as the main sectional attributes influencing Millennial consumers' choice of organic products

3.3 Exploratory research -Organic food consumer attitude and driver

Review of various studies of last 20 years on the organic food consumers, attitude, purchase intentions, drivers, and barriers, carried out. These studies were conducted in different countries with different ages, incomes, and education groups. Few themes transcended the time, country, customer, type of organic food items, and demography (Rana and Paul 2017, Jose, 2019, Kumari 2019). These themes are listed below for further research by scholars and consideration of marketing and distribution companies. Table 01 below consumer purchase driver and barriers as key themes divided into drivers and barriers separately

Table 01: Consumer Purchase Drivers and Barriers**I. Consumer Purchase Drivers**

Theme	Description
Theme 01	Health motives, Health awareness, immunity
Theme 02	Fear for life and effect of pandemic.
Theme 03	Food safety.
Theme 04	Product certification
Theme 05	Environmental Concerns

II. Consumer Purchase Barriers

Theme	Description
Theme 06	Price premium
Theme 07	Availability near home or locally/ convenience
Theme 08	Lack of trust in organic food companies

Consumer Purchase Drivers**Theme 01: Health Motives, Health Awareness, Immunity boosting.**

Studies conducted in the past find health to be a significant reason for purchase intentions for Organic food (Rana and Paul (2017). Consumption of organic food was found to reduce the risk of type 2 diabetes in children and adults in the USA(John et al. 2020). It has been noticed that diet, food, and digestive function played a crucial role in maintaining and boosting immunity during the COVID-19 period in Bosnia (Muharem et al., 2020).

In some of the recent works of literature, organic food and its association with immunity were reported though no conclusion could be established. Jeevananda et al.(2022) found consumers inclined toward organic food due to health beliefs although no direct correlation with immunity could be established. Though a study by Robin et al. (2020) found organic and healthy food was perceived as having a positive impact on immunity-boost, data was non-conclusive.

Theme 02- Fear for life/ effect of pandemic

Fear for life has been studied extensively, and its association has been established (Jose, 2019, Kumari 2019).

COVID-19 has further added to the fear of Indian and global consumers. In general, Consuming natural and herbal products has increased in this period.

Post declaration of COVID-19, as a pandemic by the World Health Organization in March 2020, its widespread effect was noticed worldwide. Pandemics affected all walks of life; consumption patterns of food also changed. Studies in Turkey indicated that food preference for fresh or organic food increased (Guney et al., 2021). Growing awareness and importance of sustainable food (organic food) was noticed in France during the pandemic (Lucile et al. 2020).

Theme 03- Food Safety.

Consumers are concerned about food safety concerning the presence of additives, chemical products, and preservatives in foods. Food safety as a driver or motive is another extensively studied factor (Michaelidou and Hassan, 2008)

Product characteristics and consumer concerns improve millennials' health consciousness and increase their social consciousness (Molinillo et al., 2020). Food safety, besides knowledge, affects consumers' attitudes towards purchase behavior of organic food in Vietnam (Hoang et al.,2019).

Theme 04 Product Certification

Organic food certification is vital in developing and retaining trust in organic food worldwide, including in India. Various scholars have studied the impact of Organic food certifications in the form of labels. (Liu et al, 2019, Wang et al 2020)

One of the studies in China by Shijiu 2019 found that Chinese consumers generally preferred organic labels from developed countries (Like USDA, International organic certifiers).

Gumer (2018) found that consumers are slightly familiar with all the three selected certifying agencies.

Theme 05 Environmental Concerns

The definition of environmental concerns vary too much, however, was defined by Dunlap & Michelson, 2002), individuals will have the right attitude and intention to act pro-environmentally (Jose,2019). Both health and environmental motives were likely to influence organic consumers (Testa 2019).

Consumer Purchase Barriers

Theme 06- Price Premium

Consumer willingness to pay (WTP) for organic labels from different countries or certifiers was examined by Shijiu et al. (2019). They indicated that Chinese consumers preferred organic brands from developed countries (or the U.S. invested organic certificates). Consumers' assessment of organic labeled fruits in the context of willingness to pay a premium for fresh fruits with organic labels was studied by Lijia et al. (2019). Product characteristics and consumer concerns increased millennials' health consciousness, increasing their willingness to pay (Molinilloa , 2020).

Theme 07 - Availability near home or locally/ convenience

Felix (2020) found in South Africa that Price, quality, convenience, availability, trust, and performance influenced millennials' choice of organic food. Asphat and Manilall (2016) in South Africa conducted an in-depth interview which found that the willingness to pay by consumers was more associated with price, quality, convenience, and availability in Generation Y (millennials).

Theme 08 Lack of trust in organic food companies

Krittinee (2019) investigated Consumer Trust's importance in emerging the organic food product market. Other scholars also stressed the importance of trust and self-identity in the organic food buying intent (Carfora et al. 2018).

4 Discussion

There are many similarities between Indian and global organic food consumers regarding attitude, drivers, barriers, and organic food consumption patterns. However, we can also observe that results differ significantly between the developed and developing countries. Even within the Indian context, they differ among organic food segments, demography, and consumer groups. The difference could be due to values, beliefs, cultures, economic status, political and geographical differences, etc. The long history of India, with its vast knowledge of natural and organic food systems and skill levels, India is known to produce food from primary natural resources, which plays a vital role in driving its attitude and behavior toward organic food

Organic food stakeholders can take advantage of the new normal under pandemics to draw plans for retail strategies. The above literature review highlights several key factors and annotates the existing state of knowledge related to consumers' attitudes and buying behavior towards organic

food. Besides, it also highlights the general gaps in our understanding of organic food consumers and associated attitudes, drivers, and barriers. From a marketing viewpoint, several areas (listed under section 5 as future research needs) can be further explored. However, we have restricted our focus to suggesting a sustainable supply chain by taking a natural route, nudging stakeholders for future research on making organic food supply the main business.

5. Conclusion

Based on the extensive literature review over the past 20 years, various themes emerge as per our study. They indicate that consumers in India and other developing countries are eager to purchase organic food. This trend has accelerated during the COVID-19 pandemic due to the perceived benefit of organic food in keeping consumers healthy and boosting their immune systems.

Lack of trust in producers, less confidence in the certification agencies, and issues related to availability at affordable cost at the convenience of consumers, especially Millennials, is a challenge in India. However, it also offers an opportunity for all the organic food supply chain players.

The need to purchase organic food to improve the quality of life will have enormous implications for the business's retail, distribution, and marketing functions. Selection of Health motives under current Research work as variables and get further strengthened with consistent reference of this factor in empirical studies

A distributor or retailer involved in the organic food sector needs to understand consumers' attitudes and primary drivers of organic food purchases. They need to identify factors that drive consumers to buy organic food. These factors can be used for regular organic buyers' retention, increase occasional organic buyers' buying, and develop strategies to engage and promote organic food in the casual, organic food buying segment. Our findings may support plans under consideration or at the different stages by organic food producers, distributors, and retailers in India.

6 Limitations

This literature review was limited in terms of available resources during the COVID-19 pandemic (only 30 months) as against around 20 years of pre-COVID-19 pandemic data.

Further research may be required to study the validity of drivers and barriers even after COVID-19 pandemic-related fear subsides.

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