

FACTORS INFLUENCING CUSTOMER BUYING DECISIONS – A CASE STUDY ON PURCHASING DECISION OF ORGANIC FOOD

Ch. Bala Raju

Associate Professor

CMR Technical Campus, Medchal (Dist)

bcaju@gmail.com

ABSTRACT

This study provides a preliminary analysis of the proposed theoretical model that defines organic food consumption. Demographic factors as age, education, income and presence of children in the family don't have a significant influence on buying frequency factor. Only gender factor appears to have a significant influence on consumption, women buying organic food more frequently than men. Variables like attitude, concern for health, environmental concern and knowledge about organic foods have a positive relationship with frequency of purchase. Results from this study provide information on consumer buying behavior of organic food, which can be used to contribute to the development of marketing strategies for organic food retailers. Further research should be extended based on this study to determine whether other factors influence the consumers' decision to purchase organic food. The contributions this paper brings to the organic food literature are multiple: the approached subject, the perspective used in analysis of ecological food consumer, the way in which the factors analyzed (demographic factors, attitude, health concern, environmental concern and knowledge about organic food) is influencing the purchase decision, the research methodology. The conclusions are interesting for both researchers and specialists that are working in this field. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

Keywords: organic food, organic food consumer, consumption, consumer behavior, factors

1.0 INTRODUCTION

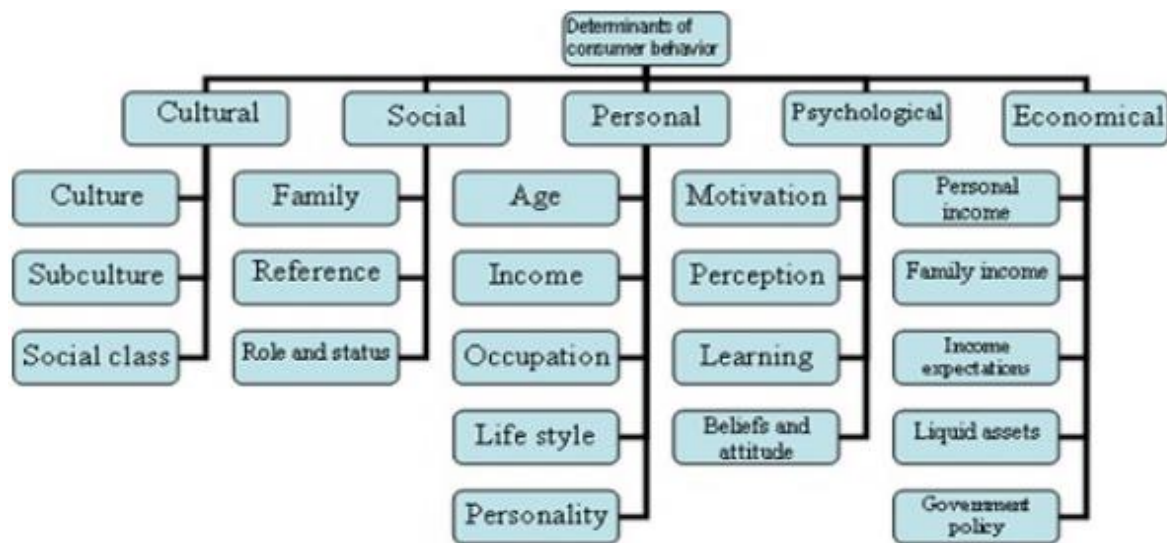
Shopper purchasing conduct alludes to the choice, buy and utilization of products and enterprises for the fulfillment of their needs. There are various procedures engaged with the buyer conduct. Numerous variables, specificities and qualities impact the person in what he is and the buyer in his basic leadership process, shopping propensities, acquiring conduct, the brands he purchases or the retailers he goes. A buy choice is the consequence of all of these

components. At first the purchaser attempts to discover what wares he might want to devour, at that point he chooses just those wares that guarantee more prominent utility. In the wake of choosing the products, the customer makes a gauge of the accessible cash which he can spend. In conclusion, the shopper investigates the common costs of wares and takes the choice about the items he ought to devour. In the interim, there are different elements affecting the buys of customer, for example, social, social, monetary, individual and mental.

Factors Influencing Consumer Buying Behaviour

The consumer behaviour or buyer behaviour is influenced by several factors or forces. They are:

1. Internal or Psychological factors
2. Social factors
3. Cultural factors
4. Economic factors
5. Personal factors.

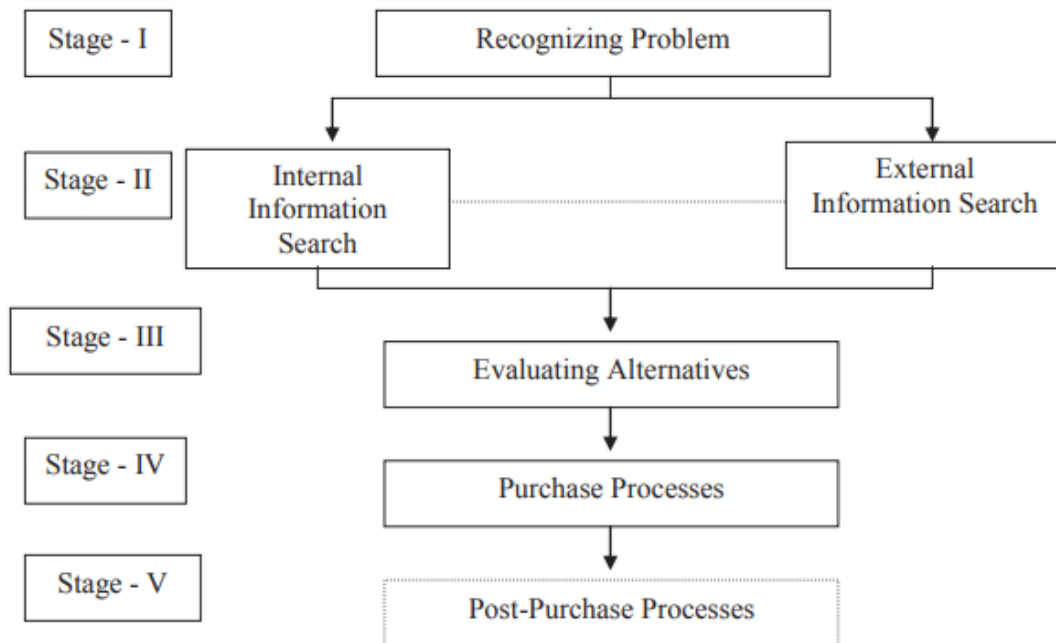


There are five questions that support any understanding of consumer behaviour.

- i) Who is the market and what is the extent of their power with regard to the organisation?
- ii) What do they buy?
- iii) Why do they buy?
- iv) Who is involved in the buying?
- v) How do they buy?
- vi) When do they buy?
- vii) Where do they buy?

2.0 CONSUMER BUYING DECISION PROCESS

The stages a buyer passes through in making choices about which products and services to buy are the purchase decision process. This process has the five stages shown in Figure 3.3. People engaged in extended problem solving usually go through all the stages of this decision process, whereas those engaged in limited problem solving and routinized response behaviour may omit some stages.



The Consumer Decision Making Process

3.0 LITERATURE REVIEW

Kotler and Mantrala (1985) express that the bigger the hole among desire and execution, the more noteworthy the purchaser's disappointment and they demonstrate that a few customers amplify the hole when the item isn't immaculate and they are very disappointed; others limit the hole and are less fulfilled.

Bruner (1987) out that among the customers, there is by all accounts two distinct needs or issue acknowledgment styles. A few customers are genuine state types, who see that they have an issue when an item neglects to perform acceptably. Interestingly, different shoppers are wanted state type, for whom the longing for something new may trigger the choice procedure.

Peterson, Balasubramanian and Bronnenberg (1997) conjecture that from the get-go in the twenty first century customers will buy sustenance and other essential family needs by

means of in-home TV PC frameworks. The customer will pick in the wake of survey brands and costs on the screen. Along these lines, the obtaining procedure itself may change drastically in the coming decades.

4.0 METHODOLOGY

To achieve the assumed objectives we used quantitative research. It is a very effective and useful as it involves obtaining rigorous, accurate and statistically representative data. The advantage of quantitative research is that it's providing the ability to collect data that accurately describe reality and can provide a basis for generalized models

Description of variables

From the scientific papers in this field we extracted the variables that influence consumption of organic food: demographics, attitudes, concern for health, environmental concerns and knowledge about organic food.

The theoretical model proposed

The theoretical model shows hypothetical links between demographic factors, attitude, concern for health, environmental concerns, knowledge about organic food and the frequency of buying ecological products.

Research design

The research method used was the online survey. The instrument used was the structured questionnaire.

Questionnaire description

Part 1 is identifying organic food buyers and non-buyers, and their consumer behavior. Part 2 of the questionnaire consists of 20 statements, developed in a previous research, which assesses consumer attitudes towards organic food. In Part 3, there are 10 statements that measure health concerns that have been adapted from a research conducted and corroborated with statements used in another study. Part 4 of the questionnaire contains 8 statements. These are statements found in the study and statements used in a research project to measure environmental concern. In the 5th part, there are 10 true or false statements to test the knowledge on organic food. These questions were developed based on the information available on the website of the Ministry of Agriculture and Rural Development (www.madr.ro) on organic farming and organic food. Finally, in the 6th part, there has been collected information on demographic characteristics of respondents.

5.0 RESULTS

Sample structure

From a total of 110 questionnaires applied, we extracted demographic data about the respondents. To summarize respondent answers, there was extracted the information about each variable from the database.

The consumption model of buyers

We can conclude by saying that the majority of respondents declared that in the past, they had spent amounts between 51 and 200 RON on organic food purchase each month. They will spend similar amounts in the future, every month, for purchasing organic food products, most responds confirming they'll continue to spend between 51 and 200 RON. Most buyers, or 35.5%, said they bought processed products. Organic foods are purchased from supermarkets by most respondents. Most buyers are willing to buy organic food when their price is 25% higher than the price of conventional products.

Attitude towards organic food

In general, respondents have a favorable attitude towards organic food (Medium - 3.24) and buyers' group has a more favorable attitude (Medium - 3.45) than the group of all respondents

Health concern

On health concern, the overall average value is 3.20, which suggests that the respondents have a fair amount of interest on this topic. The item that states "I always avoid eating unhealthy snacks" has the highest average value (3.99) followed by the items "I am concerned there are harmful chemicals in food" (3.65) and, "I always try to have a balanced diet" (3.62), reflecting the increased concern for health, safety and for a balanced diet of the population.

Environmental Concern

The overall average value on this topic is 3.40, which indicates a degree of moderate to high environmental concern. We note that most respondents are concerned about saving energy (4.13), but they are not used to donate things they no longer need (2.49).

Knowledge about organic food

An overall average score of 4.97 indicates a medium level of knowledge about organic food.

Variables that influence purchase frequency

Among the studied demographic characteristics, only the gender aspect has proved to be an important factor influencing the frequency of buying organic food. Linear regression was used to indicate the link between factors like attitude, concern for health and for the environment, knowledge and buying frequency. Results of the statistical analysis showed that

the independent variables attitude, concern for health, environmental concern and knowledge are good predictors for the dependent variable (frequency of buying).

Simplified model analysis

The strongest correlations between the dependent variable and independent variables purchasing frequency are: attitude (0.877), health concerns (.872), environmental (.888) and knowledge (.586).

Decision in choosing pet retailer

The researcher divided how respondents who make decisions in using either product or service from a pet retailer into 7 groups, including near the house, in a shopping mall, has a good reputation, provides a good service, provides a good product, offers a good price, and others. Table 1 shows frequency distribution by decision in choosing pet retailer.

Table 1 Decision in Choosing Pet Retailer of Respondents

Decision in choosing pet retailer	Frequency	Percent
Near the house	203	31.4
In a shopping mall	95	14.7
Has a good reputation	23	3.6
Provides a good service	54	8.4
Provides a good product	127	19.7
Offers a good price	138	21.4
Others	6	0.9
Total	646	100

The result from Table 1 shows that the majority of respondents decided to purchase either products or services from pet retailer for the reason that it is near the house (31.4%), offers a good price (21.4%), provides a good product (19.7%), in a shopping mall (14.7%), provides a good service (8.4%), has a good reputation (3.6%), and others (0.9%) respectively. For the other reasons that the respondents specified in the questionnaires were that they decided to purchase by accidentally when they just walked pass, the retailer provided unique products which were in a needing of their pets, or they had personal relationship with the shop owner.

Marketing Mix Factors that Influence Consumer Purchasing Decisions

The researcher defined the factors that influence the consumer purchasing decision according to marketing mix factors, which are product, price, place, and promotion, and then let the

respondents rate how they placed importance on each factor when needed to make a decision on which pet retailer would be selected as per the following classification:

Table 2 General Characteristics of Consumers' Purchasing Decisions

Purchasing Decision	Relative Degree
Variety of Product	Strongly agree
New Product	Agree
Quality of Product	Strongly agree
Quality of Service	Strongly agree
Variety of Service	Agree
Quality of Shop Staff	Agree
Good Price	Strongly agree
Good Location	Strongly agree
Car Parking	Agree
Hygiene of Place	Strongly agree
Discount	Agree
Premium	Agree
Advertisement	Agree

Table 2 illustrates that the respondents agreed that the marketing mix factors had an influence towards purchasing decisions. The majority of the total respondents gave importance to quality of product when needing to make a decision which pet retailer would be selected

6.0 CONCLUSION

A few factors contributed significantly to the development of organic food consumption and the corresponding market. These factors are divided into factors related to political aspects and to market factors. Among political aspects, we mention the development of the legislation and the development of a credible system involved in the control, certification and labeling of organic food. The market factors are divided into factors related to supply and factors from the demand field. From the review the scientific papers in this field we conclude that the main factors influencing the decision to purchase organic food are: demographics, attitudes, concern for health, environmental concerns and knowledge about organic food. Which are demographic factors, consumer's behavior factors and marketing mix factors, while the dependent variable is the consumers' purchasing decision in the Bangkok pet retailing business and the agreement level of factors influencing purchasing decisions? The

questionnaires were distributed to 400 consumers who have been using either products or services.

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