

## **EVALUATING PRE AND POST COVID 19 ORGANIC FOOD INDUSTRY: A CONCEPTUAL FRAMEWORK OF CONSUMERS PERCEPTION IN INDIA**

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### **ABSTRACT**

The Covid 19 pandemic situation made it clear that we need a strong immunity to survive such hazardous situations. Thus, there is a need for the consumers to think of a healthier alternative to conventional farming. This paper studies and explores the organic food products shifting demand pre and post covid 19 in Indian context.

This paper reviews previous manuscripts, formal reports, books related to the organic food industry. The reviewed studies in this paper are mostly from India. The paper outlines a conceptual framework for pre and post COVID buying behaviour of organic foods. The data is mostly collected from several Indian Government websites and international organizations such as Agricultural and Processed Food Products Export Development Authority (APEDA), International Federation of Organic Agriculture Movements. Exploratory research was undertaken after analysing various research studies, journals, and governmental websites. The factors are classified into 2 categories based on time (pre and post covid) and area under certified organic process status.

The results show that there has been a tremendous rise in the area/ region under the certified organic process post covid. It is found that post COVID, eco labels or organic certifications is the most important aspect for buying organic food as it adds the trust factor followed by awareness, knowledge, environmental impact and health concerns and price.

Organic food production is the best proposal for all stakeholders - environment, farmers, and consumers. Concern for health and environmental awareness are identified as most impactful influences on respondents' intentions to buy organic foods. Thus,

Eco labelling along with organic certification and eco-friendly claims improves customer trust that may have a favourable influence towards buyers' approach for the purchase of organic products.

The research paper is distinctive by examining the secondary data available from the authentic government websites. With the help of the findings of this research paper, marketing mix strategies can be adopted by the Marketing consultants and/or organic food producers by considering the factors that impact the customers buying decisions towards organic food in India

**Keywords** – Organic food, Consumers buying behaviour, pre and post Covid 19, Organic food certification

### **Introduction & Conceptual Background**

The ways of agriculture by farmers were almost natural and organic when there was less population in India. This kind of farming, when passed from one generation of farmers to another, could not satiate the needs of the rapidly growing population (Abdelgawwad & Mohamed, 2013)

To fulfil this growing demand of food due to the rising population of India, the farmers widely adopted the scientific interventions in the process of agriculture during the period of Green revolution (Dholakia & Shukul, 2012). This revolution boosted the food grain production but unfortunately along with the rise of produce it also gave rise to high usage of synthetic pesticides and fertilizers causing adverse effects to the environment and human wellbeing. Today, consumers are ever more aware about organic and inorganic products, resulting in more conscious decisions towards buying organic products. This is because during COVID 19 pandemic conditions were more threatening towards the health and well-being of people and thus, today's consumers are more inclined towards Organic foods.

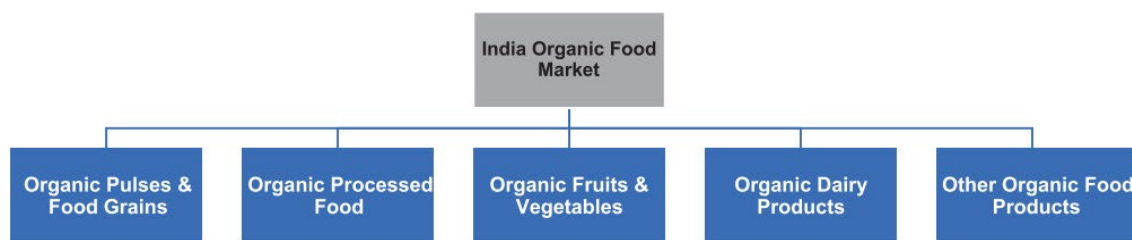
Thus, Covid 19 Pandemic forced the consumers to take interest in more naturally produced foods and their inclination for buying organic foods gave rise to corporate interest in organic and green marketing with

advancement in marketing strategies. Such emerging marketing trends made customers seek full knowledge regarding these foods before buying them. (Manaloor, 2016)

#### Organic foods

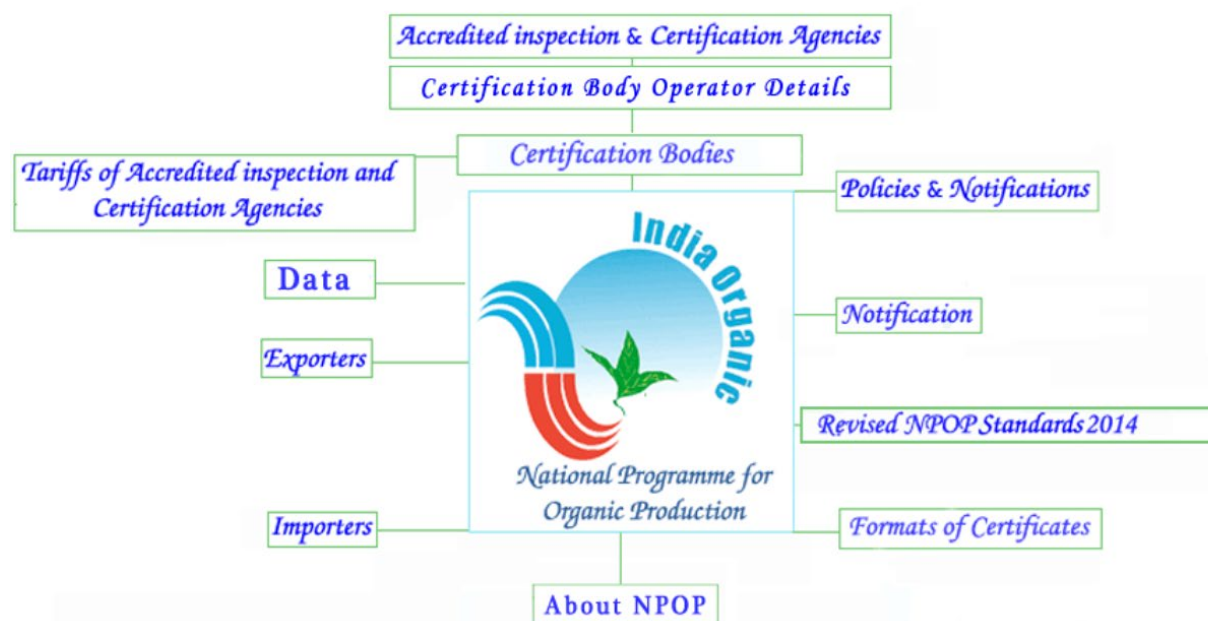
The produce which are cultivated naturally using eco-friendly manure with a great social and environmental responsibility without harming the quality of the soil by preserving its regenerative capacity. This system of soil management delivers nourishing food which when consumed provides resilience towards the diseases. (Singh & Verma, 2017)

Due to the agricultural climatic conditions in India, the soil here has a lot of potential to grow numerous organic products which is extremely beneficial to human wellbeing.



**Figure – 1** the Indian Organic food market has a huge variety of produce such as Organic pulses and food grains, processed food, organic vegetables and fruits, dairy products etc.

Launched in 2001, National Programme for Organic Production (NPOP) is the first such enterprise by the Indian Government for the value declaration under the Ministry of Commerce and Industry.



**Figure – 2** This National program encompasses the authorisation of certification organizations, set guidelines for organic production, marketing and promotion of organic farming etc. This NPOP scheme for production and accreditation was carried out in India.

#### Literature Review

“COVID-19,” a contagious infection, also called Coronavirus found in Wuhan, China at the end of 2019 transformed into one of the biggest challenges in the history of mankind around the globe in March 2020. This resulted in one of the biggest global economic strikes that evaluated reduction in various industries in the world but brought in enormous growth prospects in the organic food industry from 25% to 100% in 2020. Due to more

chances of the survival of healthy individuals, people recognized immunity as their only solution for coronavirus (Agriculture Market Research Reports, n.d.). Thus, to meet the expectations of the customers who are more than ever aware about the products they are consuming, has forced the organic market players to innovate ways that shall convince the buyers to purchase the organic food products.

In India, the online retailers witnessed 100% growth in their sales. (Chaturvedi, Anamika; Rashid, Chand, Rahman & Mujibur (2021)

During and post pandemic it was noted all over in India, majority of the organic food companies like NCR Indiaorganic.com, North Indian retail chain modern bazaar, pure & eco India, Rajasthan Natural and organic, Gujarat Saurian organic experienced rise in their demand around 25 to 30%. As the population now understands the value of nutritive food, this led the Indian market to motivate the consumer to improve their food choices from inorganic to organic food. The data generated after COVID-19 concerning the Indian organic food market by ASSOCHAM shows an increase from 40, 000 million to 10,000–1,20,000 million in 2020-2021 (ASSOCHAM, Knowledge Architect of India, 2023).

The products which have the ability to maintain, preserve, protect and promote the originality and sustainability of the natural resources such as air, water and soil are typically called environment friendly, ecological products or sustainable products ("The New Rules of Green Marketing. Strategies, Tools, and Inspiration for Sustainable Branding," 2012). Whereas the products that can be reused or that which utilises little contaminated materials such as plastic and pesticides but do not have a great impact on harming the environment and the social wellbeing of human are the other elements of organic products (Chen and Chai, 2010).

A lot of environmental problems can be resolved using green products. In the recent trend of civilisation, particularly in a developing economy like India which includes changing lifestyles notably an increasing number of affluent people, it has become utmost critical to nurture and consciously practice environmentally responsible consumption behaviours such as buying organic food to reduce the direct and indirect impact of individual consumption decision on environmental degradation. This would result in better and more informed decisions not only for restoring the environment but also for maintaining wellbeing in Human health (Sulaiman and Djerman, 2017). Kumar. (2021) says that the harmful environment instigated by toxic substances that are utilised in our day-to-day life especially in what we consume has increased the consciousness of today's consumers. Thus, the companies are taking extremely informed decisions about their packaging, use of fertilizers, techniques for disposing their wastes etc. Such an accountable attitude towards the environment by all the stakeholders shall result in prolonged benefits for everyone around the planet. Similarly, according to Kim and Seock (2019), this thoughtfulness has changed the vision of many businesses, leading to increased ecological habits and training in today's modern times.

To influence the customers to purchase organic food is the initial stage for establishing the demand in the Organic food market. The customer's approach crucially influences the customer's intentions to buy the green products consistently. This intent towards buying green products strongly predicts the green purchasing behaviour which implies a positive influence of a customer towards buying organic produce.

The growth of the Indian organic food market is extremely evident from the data observed from the official government websites. The rising number of health-conscious consumers is the prime element driving the demand of the Indian Organic food market as the Indian consumers have begun to pay more attention towards the nutrient content and the quality of the food they consume, thereby resulting in flourishing demand in the Indian market. Additionally, other attributes such as robust commercial development, expansion, and growing revenue the customers expenses on physical condition and fitness products and services have grown drastically. The concrete support from the government of India has also catalysed the growth in the Indian Organic food market. By offering financial aids such as National Food Security Mission (NFSM), National Mission for Sustainable Agriculture (NMSA), Rashtriya Krishi Vikas Yojana (RKVY) etc. to the Indian farmers who wants to adopt organic farming; The Government of India is firmly supporting the Organic food industry.

As per the recent research report by IMARC Group, titled "India Organic Food Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2022-2027," the organic food market of India is likely to demonstrate a CAGR of 25.25% in the time period of 2022-2027. These items are mostly manufactured with non-practice growth hormones, synthetic pesticides, insecticides, preservatives, and genetically modified organisms (GMOs). This practice gives chemical-free and fresh produce to the consumers and also promotes reduced pollution, enhanced soil potency, and lessening the soil wearing down. Such traditional ways utilize recycled resources that

additionally aids in promoting biological stability. (<https://www.imarcgroup.com/smart-agriculture-market>, 2023)

### Methodology

The study collects data pertinent to the Organic food market through the authorized secondary sources. To enhance the study of this paper a lot of official databases like Web of science, Research gate, Science direct etc. were explored with the help of predefined keywords like Consumption of organic food, consumer buying behaviour towards organic food, organic farming etc. published tentatively from past 10 years i.e 2011-2022. The data is also sourced from Indian Government ministries websites along with few International Organisation to elevate the research quality of the paper. Jaivik Bharat, Agricultural and Processed Food Products Export Development Authority (APEDA) , FSSAI, International Federation of Organic Agriculture Movements to name a few.

The published work from the last decade (2011-2022) that included papers, manuscripts, government reports and authentic internet articles that have good enough potential were classified and incorporated in this research paper. In recent years there has been a lot of growth in the awareness and popularity Organic food market; the internet technology plays a major role in facilitating information about the changing consumer preferences.

With the use of the title of the paper, abstract of the paper, scope and limitations were observed and only the relevant studies were carefully examined and analysed for this research paper.

Additionally, few findings were manually added after a clear understanding of the sources established from the collected information from potential manuscripts, research articles and various official websites.

### Objectives of the study

1. To evaluate the pre and post Covid 19 buying behaviour of the consumers towards Organic foods in India.
2. The factors that affect the buying intentions of the consumers towards organic foods in India.
3. To recommend future guidelines for the benefit of all the stakeholders in the organic food industry.

### Conceptual Framework & Discussions

Factors influencing consumer purchase behaviour before the Covid 19 can be classified into four categories: Socio -demographics, level of awareness, Health concern and Environmental concern. The impact of socio-demographic, level of awareness, and health concern was found to be more pronounced compared to environmental factors while the price sensitivity was always an obstacle for the purchase intention. These many components help us to come up with a pre Covid conceptual model (Figure 3) (Basha., 2015).

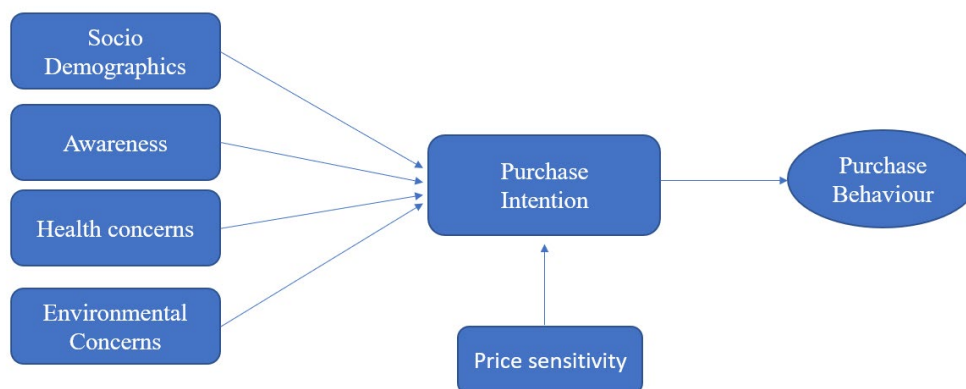


Figure – 3: Conceptual model Pre Covid 19

The factors Post Covid 19 that influence consumers could allow the stakeholders to investigate the many crucial elements that may impact on the organic food marketing industry. Socio -demographics, awareness, health concern, eco-labelling and trust are supposed to be highly noteworthy issues that impact the consumer buying behaviour of organic food. (Figure 4). The price sensitivity factor remains one of the most significant elements in the conceptual model. The research post covid 19 basically outlines that the concern for health is more prominent over environmental concern. This refers to the fact that shoppers get more inspired by their own attributes over other philanthropic factors such as environmental or social concerns. This implies that the organic food industry

is steered by the apparent advantages of organic food to be the healthier option for the consumers and naturally eco-friendly too (Kalra, Shivani & Dixit, Dr & Lyall, Dr. (2021).

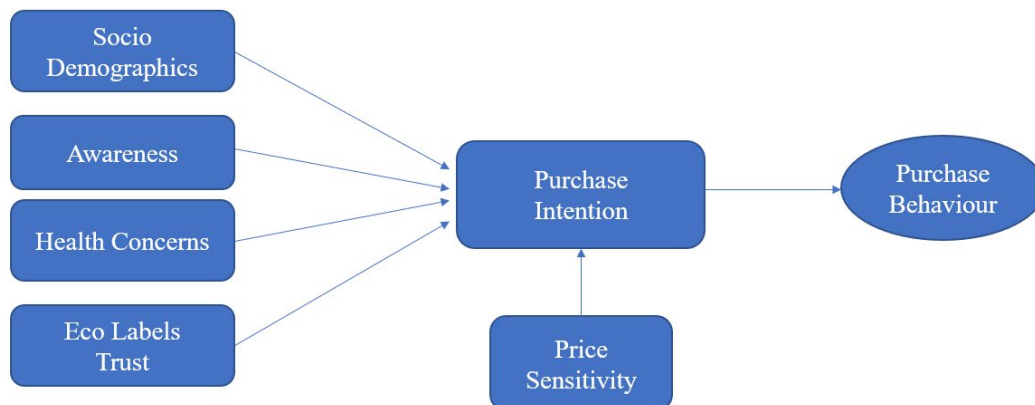


Figure – 4: Conceptual model Post Covid 19

To lessen the information ambiguity, organic consumers must seek out trustworthy, authentic information, which is highlighted by the necessity of knowledge and awareness. Therefore, it is crucial for the development of the organic food business that customers are more informed about eco labels on organic products. Price, however, could be a barrier to turning an organic food purchase intention into an actual one. One of the key methods to address these issues is the certification of organic foods and eco-labels (Dangi, Neeraj, Gupta, Sandeep Narula, Sapna (2020). As consumers increasingly demand and seek out information about the product's quality requirements, manufacturing method, and ingredients, the importance of eco-labels grows. Eco-labels encourage trust and sustainability by increasing customer confidence in organic food, which will benefit organic consumers who frequently believe organic food to be of a higher calibre. As demonstrated in (Figure 5), where the x axis is area in ha and the y axis is the year, this has caused a large increase in the area covered by the Organic food certification procedure post-Covid 19.

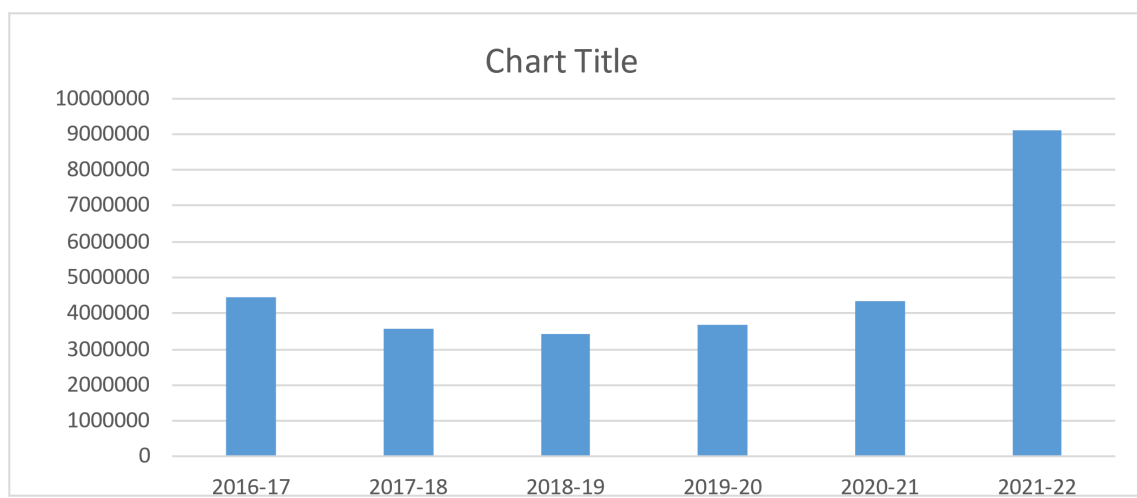


Figure – 5 (Source: APEDA, 2021)

### Conclusion & Policy Implications

The primary goal of this study is to compare consumers' actual purchasing patterns for organic food items before and after COVID 19. The study begins by examining the pre- and post-COVID 19 elements affecting consumers' perceptions of organic foods. Second, the study clarifies the influencing elements and attitudes that have an impact on consumers' intentions to buy organic food.

The study's findings have ramifications for producers of organic goods, merchants, and organisations in charge of overseeing the market. It is necessary to establish a suitable approach in light of consumers' worries about health, safety, and eco-labels. By ensuring customer pleasure and delight and paying particular attention to price



sensitivity so that a larger number of populations can afford the same, regulations developed for the organic food business should address customers' awareness and knowledge of organic food items.

### Future Guidelines

1. It is obvious that the expanding steps taken by the Government of India to encourage organic agricultural methods among farmers are driving the demand for organic foods in the Indian economy.
2. Though the Government should aid and give subsidies to farmers who are transitioning to organic farming in a timely manner through several government programmes, such as the National Food Security Mission (NFSM), Mission for Integrated Development, National Mission for Sustainable Agriculture (NMSA), and Rashtriya Krishi Vikas Yojana (RKVY).
3. Expos and food festivals should be organised by public and private groups to give aspiring organic food entrepreneurs a platform to interact with customers and retailers, resulting in countless growth prospects for new entrants.
4. Another important aspect of India's total market growth is the significant rise in foreign direct investment (FDI) in the food processing industry.

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