

Marketing Strategies and Customers' Perception Towards Organic Products: A Study with Reference to North Coastal Andhra Pradesh

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Abstract

This study explores consumer perceptions and marketing effectiveness for organic food in North Coastal Andhra Pradesh (Srikakulam, Vizianagaram, Visakhapatnam) using data from 300 respondents. Results show consumers value organic products mainly for health and environmental benefits, with mixed views on quality and safety. Key purchase drivers include product quality, accessibility, and trust-based promotions like peer recommendations, while price and traditional advertising are less influential. The study recommends focused policies and marketing strategies to boost awareness, accessibility, and adoption of organic foods in semi-urban and rural areas.

Keywords: Organic products, consumer behaviour, marketing strategies

1.Introduction

Organic products have gained significant global traction in recent years, driven by increasing concerns over health, food safety, and the sustainability of agricultural practices. Consumers are becoming more conscious of the harmful effects of synthetic chemicals, genetically modified organisms, and intensive farming methods on human health and the environment (Yadav & Pathak, 2016; Hughner et al., 2007). As a result, there has been a notable shift towards organic food consumption, particularly in urban markets where health-conscious consumers are willing to pay premium prices for perceived quality and safety.

In India, the organic market is still in its nascent stages but is experiencing rapid growth, supported by policy incentives, increased availability, and growing health awareness among consumers (APEDA, 2022). According to the Research Institute of Organic Agriculture (FiBL) and IFOAM (2021), India holds a prominent position in terms of the number of organic producers globally, yet domestic consumption remains relatively low compared to production and export volumes. The organic sector is primarily concentrated in urban metropolitan areas,

with limited penetration in semi-urban and rural regions due to infrastructural, informational, and perceptual barriers (Bhatt & Bhatt, 2015).

North Coastal Andhra Pradesh, comprising the districts of Srikakulam, Vizianagaram, and Visakhapatnam, represents a region with significant agricultural potential and a growing consumer base. However, the organic market in this region is still emerging. Limited consumer awareness, inconsistent supply chains, and insufficient promotional activities hinder the growth of organic product adoption (Rao & Suresh, 2019). Furthermore, while rural and semi-urban populations may express interest in health and environmental issues, price sensitivity and lack of certified organic products often act as deterrents.

This study aims to evaluate the effectiveness of marketing strategies employed by organic product sellers and producers in North Coastal Andhra and to explore consumer perceptions, preferences, and barriers related to organic consumption in the region. By identifying gaps and opportunities in current practices, the study intends to provide policy and practical recommendations for enhancing the adoption of organic products in semi-urban and rural contexts.

2. Objectives of the Study

1. To examine the impact of product, price, place, and promotional strategies on consumer behaviour towards organic products.
2. To analyse Perception of Respondents on the Health, Safety, Quality, and Environmental Benefits of Organic Food Products.
3. To make recommendations and suggestions for promotion of organic products.

3. Methodology

This study is based on primary data collected from 300 respondents using structured questionnaires on a five-point Likert scale. The respondents were selected using stratified random sampling from urban, semi-urban, and rural areas of North Coastal Andhra Pradesh. Statistical analyses were performed using SPSS, including correlation analysis, and multiple regression.

4. Analysis and Discussion

The analysis and discussion section presents a detailed examination of the primary data collected from respondents regarding their perceptions and influencing factors in choosing

organic food products. This section aims to interpret consumer attitudes toward organic food in terms of health, safety, quality, and environmental benefits, along with an exploration of the key drivers shaping consumer choices through the lens of the 4Ps of marketing—Product, Price, Place, and Promotion. By employing a structured Likert scale-based approach, the study uncovers both the strengths and gaps in consumer awareness, preferences, and behavioral patterns. This analytical discussion not only highlights the prevailing trends but also identifies areas requiring strategic interventions for enhancing consumer acceptance and demand for organic products. The findings serve as a foundation for formulating recommendations to producers, marketers, and policymakers to improve market outreach, consumer education, and sustainable food practices.

5. Respondents Perception on Organic Food Products

The table 1 presents the perceptions respondents across four key statements (Q1 to Q4) related to organic food products. The responses are categorized into five levels: *Strongly Disagree*, *Disagree*, *Neutral*, *Agree*, and *Strongly Agree*.

Table 1
Perception of Respondents on the Health, Safety, Quality, and Environmental Benefits of Organic Food Products

Response	Q1	Q2	Q3	Q4
Strongly Disagree	29 (9.67%)	38 (12.67%)	40 (13.33%)	17 (5.67%)
Disagree	47 (15.67%)	53 (17.67%)	56 (18.67%)	31 (10.33%)
Neutral	69 (23.00%)	77 (25.67%)	83 (27.67%)	63 (21.00%)
Agree	91 (30.33%)	77 (25.67%)	69 (23.00%)	119 (39.67%)
Strongly Agree	64 (21.33%)	55 (18.33%)	52 (17.33%)	70 (23.33%)
Total	300 (100%)	300 (100%)	300 (100%)	300 (100%)

Source: Field Study

Note:

Q1: "Organic food products are healthier than conventional food because they are produced without preservatives or artificial colour."

Q2: "Organic farming is the most convincing way of food safety."

Q3: "Organic food products are of higher quality than conventional food."

Q4: "Organic farming can prevent the contamination and pollution of soil, air, water, and food supply."

The analysis of Table 1, which captures consumer perceptions on the health, safety, quality, and environmental benefits of organic food products among 300 respondents, reveals important insights. A majority (51.66%) of respondents agreed or strongly agreed that organic food is healthier than conventional food due to the absence of preservatives and artificial colours, indicating a generally positive perception of its health benefits. However, 23% remained neutral, suggesting that a significant portion of consumers may lack complete awareness or conviction regarding these advantages. Perceptions about food safety through organic farming were more divided—while 44% viewed organic farming as a convincing approach to ensuring food safety, 30.34% disagreed, and 25.67% were neutral. This highlights moderate trust and some uncertainty, possibly stemming from limited consumer understanding of how organic farming enhances food safety. Similarly, views on the quality of organic products were mixed. Only 40.33% of respondents agreed or strongly agreed that organic food is of higher quality, whereas 32% disagreed and 27.67% remained neutral. These results reflect a lack of clarity or consensus on what constitutes "quality" in the context of organic products, suggesting the need for better standardization and consumer education. In contrast, the strongest agreement was observed for the environmental benefits of organic farming, with 63% of respondents acknowledging its role in reducing pollution and preventing contamination of natural resources. This positive perception aligns with growing environmental consciousness and can be a key driver in promoting organic consumption. Overall, the data indicates that while health and environmental factors are well-recognized, there remains significant scope to improve consumer awareness and trust regarding the food safety and quality aspects of organic products through targeted education and transparent communication.

6. Influencing Factors in Choosing Organic Food Products

Table 2 presents the perception-based distribution of consumer responses regarding various factors influencing their choice of organic food products. The analysis is structured around the 4Ps of marketing—Product, Price, Place, and Promotion—each assessed using a five-point Likert scale.

Table 2
Perception-Based Distribution (%) of Influencing Factors in Choosing Organic Food Products

Factor	Statement	SDA	DA	N	A	SA
Product	I prefer organic food for its quality	1	1.7	4.3	48	45

	and health benefits.					
	Packaging and certification influence my choice.	1.3	3.3	8.7	47	39.7
Price	Organic food is worth the higher price due to benefits.	2	5.3	8	46	38.7
	I compare prices before choosing organic products.	1	2.3	5.3	49.7	41.7
Place	Organic products are available in my preferred locations.	2.7	6.3	9.7	49.7	31.6
	I prefer to buy from local or online stores.	1.3	2.7	6.7	53.3	36
Promotion	Advertisements influence my decision to buy.	3.7	7.3	13.7	50	25.3
	I rely on recommendations and reviews.	1.7	3.3	9	49	37

Source: Field study Note: SDA: Strongly Disagree, DA: Disagree, N:Neutral, A: Agree, SA: Strongly Agree

Product-Related Factors

An overwhelming 93% of respondents agreed or strongly agreed that health benefits and product quality drive their preference for organic food. Similarly, 86.7% acknowledged the importance of packaging and certification, suggesting that visible cues of authenticity and safety play a key role in consumer decision-making. These findings underline the central role of perceived value and trust in product attributes.

Price-Related Factors

Despite higher costs, 84.7% of respondents felt the price of organic food is justified by its benefits. Even more striking is that 91.4% compare prices, showing that while consumers appreciate the value proposition, they remain cost-conscious and rational in their choices. This duality—value-seeking and price-sensitivity—means that marketers must not only justify premium pricing through communication of benefits but also offer competitive price points and visible promotions to facilitate trial and loyalty.

Place-Related Factors

A significant 81.3% agreed that organic products are available at preferred locations, and 89.3% preferred to shop locally or online. These numbers highlight the importance of convenience and access. Consumers value not just the product but also the ease of obtaining it. The data reflects a shift toward multi-channel retailing, where local outlets and digital platforms co-exist. For suppliers, this suggests the need to diversify distribution strategies and ensure consistent availability in mainstream retail as well as e-commerce.

Promotion-Related Factors

Only 25.3% strongly agreed that advertisements influence their decisions, indicating limited effectiveness of traditional promotion in this context. In contrast, 86.1% of respondents were influenced by reviews and recommendations, showing the superiority of word-of-mouth and peer trust over mass media. This suggests a marketing approach that focuses on authentic engagement, customer testimonials, influencer marketing, and digital word-of-mouth campaigns. It also reflects a broader consumer trend: decision-making based on collective experience rather than brand messaging.

Overall, the most dominant drivers of consumer choice are product quality, health benefits, and accessibility. Price remains a critical aspect, requiring strategic pricing and transparency.

Promotional efforts must shift from traditional advertising to trust-based communication such as customer reviews, peer influence, and experiential storytelling. The findings suggest a well-informed but value-conscious consumer, who makes choices based on both rational evaluations (price, accessibility) and emotional appeals (health, trust, sustainability).

7. Correlations Between Product, Price, Place, and Promotion Factors

Table 3
Pearson Correlation Matrix (N = 300)

Variables	Correlation (r)	p-value	Significance
Product – Price	0.121	0.0733	Not significant
Product – Place	0.317	0	Significant at 0.01
Product – Promotion	0.335	0	Significant at 0.01
Price – Place	0.129	0.0561	Not significant
Price – Promotion	0.145	0.0316	Significant at 0.05
Place – Promotion	0.334	0	Significant at 0.01

Notably, there is a moderate and statistically significant positive correlation between product and place ($r = 0.317, p < 0.01$), and between product and promotion ($r = 0.335, p < 0.01$). This indicates that consumers who value the quality and health benefits of organic products are also likely to be influenced by the product's availability and promotional efforts such as advertisements and recommendations. Additionally, a strong association is observed between place and promotion ($r = 0.334, p < 0.01$), suggesting that promotional strategies are more effective when organic products are easily accessible. On the other hand, correlations involving the price factor are comparatively weaker. While the price–promotion relationship shows a significant but weak correlation ($r = 0.145, p < 0.05$), the correlations between product–price ($r = 0.121, p = 0.0733$) and price–place ($r = 0.129, p = 0.0561$) are not statistically significant, implying that pricing concerns may not be strongly aligned with other influencing factors. Overall, the results emphasize the importance of product quality, availability, and promotion in shaping consumer behaviour toward organic food, whereas the role of price appears to be relatively less influential in this context.

8. Conclusion and Policy Recommendations

The study reveals a strong consumer preference for organic foods in North Coastal Andhra Pradesh, primarily driven by health consciousness and environmental concerns. However, awareness around food safety and product quality remains ambiguous, indicating a need for better consumer education. Key factors influencing purchases include product trust,

certification, accessibility, and peer recommendations, while pricing influences buying decisions especially in semi-urban and rural areas.

Building on these findings, the study recommends region-specific consumer awareness campaigns to clarify the benefits and safety of organic products. Strengthening certification and transparent labeling will help build consumer trust. Supporting local organic markets and integrating e-commerce platforms can improve accessibility, particularly in underserved areas. Financial incentives and technical support for farmers transitioning to organic practices are essential to ensure steady supply and affordability. Additionally, leveraging peer-based promotions and influencer networks can enhance trust and awareness, especially through social media and community outreach. Integrating organic promotion into public health and agricultural programs can reinforce long-term behavior change. Finally, ongoing monitoring and evaluation of consumer trends and marketing effectiveness will ensure these strategies remain relevant and impactful, driving greater adoption of organic products across the region.

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