

# **DETERMINANTS OF ORGANIC FOOD PURCHASE INTENTION AMONG MALAYSIAN CONSUMERS**

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**Abstract:** Recent report revealed that the demand for organic food in Malaysia was small and most of the organic products in the market were imported. This has made it difficult for the local organic food producers to market their products to the local consumers. Hence, this paper aims to identify the factors influencing intention to purchase organic food among Malaysian consumers which are acceptability, affordability, awareness and consumer innovativeness. Data were collected from 100 respondents from an East Coast state in Malaysia using convenience sampling. Subsequently, the data were analysed using SPSS. The multiple regression analysis result shows that acceptability and awareness were found to be significantly related to organic food purchase intention, explaining 53.1% of the variance. On the other hand, affordability and consumer innovativeness were not significant. Finally, the similar and contradict findings to the present study are discussed as well as marketing strategies for local organic food producers and marketers to ensure consumers' acceptance and awareness are also highlighted.

**Keywords:** Acceptability, Affordability, Awareness, Organic Food, Purchase Intention

## **1. Introduction**

### **1.1. Background of the study**

Organic food industry has become one of the leading niche industries and contributes to the Malaysia's economic expansion. This situation has been proven by referring to Department of Statistics Quarter 1 2019 report which stated that Malaysia per capita food consumption grew from 5.8% in 2018 to 8.3% in first quarter of 2019 (Department of Statistics, 2019). Fundamentally, organic food can be defined as the product that uses a farming system which avoids from using the man-made fertilizers, pesticides, growth regulators and livestock feed additives. Meanwhile, irradiation and the use of genetically modified organisms (GMOs) or products that produced from or by GMOs are generally prohibited by organic food legislation. Basically, organic food is consumed by consumers who are considered more health conscious and they also afford to buy it even its price is quite expensive.

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Organic food consumers will choose the high-quality food that contains organic ingredients which they believe is safer than processed food. In relation, Malaysian consumers are becoming well educated on their eating habits that can eventually influence their health, resulting them to consume organic fruits and vegetables (See & Mansori, 2012). However, Euromonitor International (2019) reported that the demand on organic food in Malaysia was low due to the high price of organic food, thus it is considered very expensive for most Malaysian consumers until now. In Malaysia, organic food remains a niche market, but then it is slowly growing. Furthermore, the local Malaysian organic food industry is still in small scale as more than 60% of organic food products are imported from other countries. It is because most of the organic food products are sold domestically, while some are exported to Singapore (Somasundram, Razali, & Santhirasegaram, 2016). The same point has been highlighted in an article in The Star newspaper (Lee, 2017) which reported that the demand for organic food in Malaysia was not that big yet and most of the products in the market were imported. This circumstance has made it difficult for the local organic food producers to market their products to the local consumers. Hence, this paper aims to examine the factors influencing intention to purchase organic food among Malaysian consumers.

## **2. Literature review**

### **2.1. Purchase Intention**

Purchase intention can be described as the willingness of a customer to buy a certain product or a certain service (Ahmad, 2010). In this study, purchase intention is proposed as dependent variable that is also an antecedent by several external and internal factors. By relying on the Theory of Planned Behaviour (TPB), it refers to the concept of behaviour and it plays an important role to influence human behaviour (Ajzen, 1991). Furthermore, TPB is also used to examine human behaviour that is led by three aspects. Firstly, it is behavioural belief that can be defined as beliefs towards expected consequences of behaviour. The next aspect is normative belief which is considered as beliefs towards normative expectations of others, and the third aspect is control belief, which is beliefs towards the existence of issues that can enable performance of behaviour (Ajzen, 1991). From that perspective, the researcher found that the theory of TPB is one of the significant underlying theories in order to investigate consumers' intention in purchasing organic food product. As a result, the theory of TPB has been chosen as the theoretical model to examine the consumer purchase intention on organic food product among Malaysian consumers.

### **2.2. Acceptability**

Acceptability refers to something that is considered to be socially fit or being accepted within the realm of what is appropriate, or something that is tolerable but not necessarily desired (Ahmad, 2010). Consumer acceptance towards any product is based on several dimensions including the quality, reliability and safety that they get when they buy the product relatively with the cost incurred. Based on the Theory of Planned Behaviour (TPB) by Ajzen (1991), it is explained that consumer value is one of the elements on acceptability as it can create a positive attitude towards behaviour and motivate a consumer to purchase it. Therefore, from this perspective, it is believed that consumers who possess good knowledge of organic food are more likely to choose organic food product while in the situation where consumers have lack of knowledge and information about organic food production, it has become barriers for them to purchase organic food product, especially in developing countries (Roitner-Schobesberger, Darnhofer, Somsook, & Vogl, 2010). Hence, it is posited that:

*H1 - Acceptability positively influences purchase intention.*

### **2.3. Affordability**

Affordability is defined as something that a consumer will afford to get with a certain price value (Ahmad, 2010). Affordability is related to the economic changes as when the price goes down, a

consumer will afford to buy more. Thus, it can increasingly create demand. Consumers are really concerned on money as when they need to spend more to buy certain product that costs high prices like organic food. The most important characteristic of quality aspects that are given attention by consumers are credence values such as healthiness, environmental friendliness, animal welfare and sensory value including taste and freshness (Gan, Chang, Tran, & Cohen, 2016). The consideration of customer toward the environmental well-being may drive them to purchase an organic product. However, the high prices of organic food products may limit their ability to buy those products. Thus, it is posited that:

*H2 - Affordability positively influences purchase intention.*

## **2.4 Awareness**

Awareness refers to the consumer consciousness towards the products (Ahmad, 2010). It is one of the significant elements in consumer attitude and behaviour as when they have knowledge toward specific product, they are more aware with the existence of the product. Hence, it is important to ensure that consumers being given enough information about the product and they know how to get the product. Significantly, the information that being given must be completely delivered to the consumers as they can easily interpret and understand it well. Nevertheless, consumers cannot recognize whether the foods are conventionally or organically produced, unless they are being informed and organic labels on packaging are expected to promote organic products to be purchased by consumers. Furthermore, distrust in organic certified label also indicates a reason on why consumers are reluctant to buy organic food product that is offered (Krystallis & Chryssohoidis, 2005). Consumer intention to purchase organic food product actually depends on their knowledge and perception toward organic foods attributes which are associated with health, environment, animal welfare and sensory appeal. Hence, it is posited that:

*H3 - Awareness positively influences purchase intention.*

## **2.5 Consumer Innovativeness**

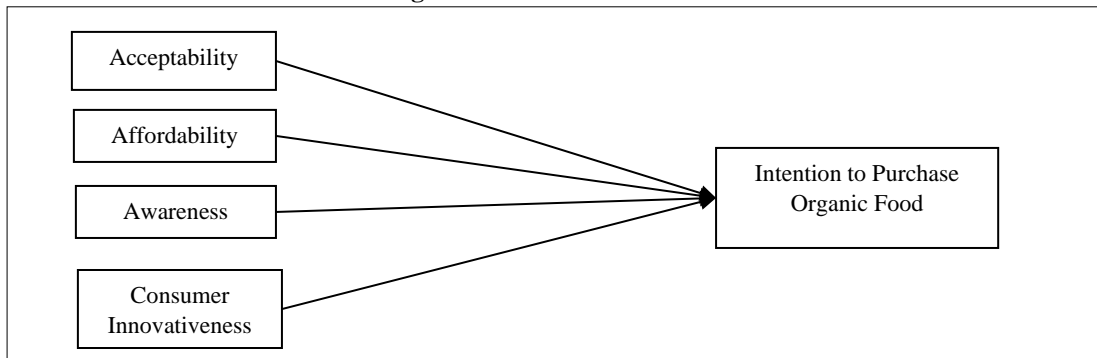
Innovativeness can be described as an inclination to innovate or introduce something new or different characterized products (See & Mansori, 2012). Innovativeness can be considered as one of the important concepts since it adopts with new ideas, goods or services that play a very significant role in consumer behaviour context. Innovativeness also being influenced by the personality construct whether it is greater or lesser since most of the consumers adopt a new product at a time. The attitude towards organic food product may be obtained from the sensory attributes such as taste, freshness, visual appeal and packaging (Ahmad, 2010). Meticulously, muslim consumers are keen on consuming only halal-products. According to a study on consumer behaviour in Malaysia, Lada, Harvey Tanakinjal and Amin (2009) found that consumer innovativeness is vital when it comes to marketing of halal products which include organic food. Thus, it is posited that:

*H4 - Consumer innovativeness positively influences purchase intention*

### 3. Research framework

Figure 1 illustrates the research framework of this study.

**Figure 1: Research Framework**



Source: See and Mansori (2012)

### 4. Research Methodology

The process of analysing the result from this study stems from the 5-points Likert scale measurement in questionnaire design purposely to test factors influencing intention to purchase organic food among Malaysian consumer based on four independent variables which are acceptability, affordability, awareness and consumer innovativeness. A total of 130 questionnaires being distributed online using Google Forms. The online questionnaires were distributed to respondents in an East Coast state in Malaysia using convenience sampling method via their e-mails which are identified earlier. Convenience sampling is the most economical and convenient method to intercept people during conducting a survey (Sekaran & Bougie, 2013). Therefore, the researcher used the convenience sampling as the sampling technique. This study has precedently identified the target population of consumers who generally have purchasing power ranging from 18 years old and above. The returned questionnaires were initially screened for usability and reliability which finally 100 responses were found to be complete and valid for data analysis using Statistical Program for Social Science (SPSS) software.

Five variables were measured in this research; acceptability, affordability, awareness, consumer innovativeness and purchase intention. The measurement items were adopted from different sources to meet the purpose of the study. The items for purchase intention, acceptability and awareness were adapted from See and Mansori (2012) whereas affordability were adapted from See and Mansori (2012) and Gan et al. (2016). Meanwhile, the measurement items for consumer innovativeness were adapted from See and Mansori (2012), Rezai, Teng, Mohamed and Shamsudin (2012) as well as Gan et al. (2016). All items were measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

### 5. Results

The demographic makeup of the sample was composed of 27 (27%) men and 73 (73%) woman. 66% of the sample were from 18 years old until 25 years old, 16% were at the age of 26 until 35 years old and 18% were above 36 years old. 70 (70%) were single and 30 (30%) were married. The educational level revealed that 2% of the respondents were of master's level, 40% bachelor's degree, 28% diploma level and 30% SPM level. 2% of the sample has income level more than RM5000, 10% has income level from RM3000 to RM5000, 26% has RM1000 to RM3000 and 62% has less than RM 1000.

**Table 1: Cronbach's Alpha Statistics**

Variables	Cronbach's Alpha	No of items
Acceptability	0.774	4
Affordability	0.779	5
Awareness	0.724	5
Consumer Innovativeness	0.664	4
Intention to Purchase Organic Food	0.762	5

Reliability analysis was ensured by Cronbach's alpha values which were at the acceptable cut-off level of 0.70 (Sekaran & Bougie, 2013) as shown in Table 1.

Table 2 summarizes the result of multiple regression analysis. The result shows that acceptability and awareness are significant with the significant value below 0.05 ( $p < 0.05$ ). Acceptability highly influences the intention to purchase organic food with *beta* value of 0.563, followed by awareness (*beta* value = 0.236). On top of that, the multiple regression analysis also reveals that the research model of this study is able to explain 53.1% of the intention to purchase organic food.

**Table 2: Summary Results of Multiple Regression Analysis**

Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficient Beta	t	Sig.
(Constant)	.694	.360		1.925	.057
Acceptability	.574	.104	.563	5.509	.000
Affordability	.077	.096	.077	.801	.425
Awareness	.257	.102	.236	2.514	.014
Consumer Innovativeness	-.090	.114	-.080	-.786	.434

Note:  $R^2 = 53.1$

Table 3 depicts the hypothesis results of this study. Out of the four hypotheses derived for this study, only two are supported, which are H1 and H3.

**Table 3: Hypothesis Results**

Hypothesis - Statement	Significance	Results
H1 - Acceptability positively influences purchase intention	0.000	Supported
H2 - Affordability positively influences purchase intention	0.425	Not supported
H3 - Awareness positively influences purchase intention	0.014	Supported
H4 - Consumer Innovativeness positively influences purchase intention	0.434	Not supported

## 6. Discussion

The objective of this research is to examine the relationship between acceptability, affordability, awareness and consumer innovativeness with the intention to purchase organic food among consumers. From the results, acceptability and awareness are the most important factors that influence purchase intention. These results echo the arguments and findings of several past studies. Based on a research by See and Mansori (2012), it is stated that acceptability and awareness are the important factors that can influence consumers' purchase intention towards organic food. Apart from that Ronteltap, Van Trijp, and Renes (2009) found that the awareness aspect is one of the main factors that can influence consumers' purchase intention. On the contrary, Wong, Tan and Lim (2019) discovered that awareness does not have a positive relationship with organic food purchase intention among consumers in Klang Valley.

In this study, the remaining two independent variables which are affordability and consumer innovativeness have no relationship with the intention to purchase organic food. As for the affordability aspect, it is not significant as the higher price of organic food over those of conventional foods is one of the factors that hinders consumers' purchase intention, while the lower price or reasonable price of organic foods will definitely increase consumers' purchase intention (Aryal, Chaudhary, Pandit, & Sharma, 2009). However, affordability was found to be a positive and significant factor which influences consumers' willingness to pay for organic food (Wong et al., 2019). The researchers argued that consumers in Klang Valley were concerned on the money spent for the organic products. In such a way if the quality of the organic products is good, then it was worthwhile to buy them. This finding is completely different compared to the result of the present study. A probable reason for this would be due to the fact that respondents in this research hailed from an East Coast state which is a less developed one compared to Klang Valley. Therefore, they could not afford to buy organic food which was usually sold at much higher prices, regardless of its abundance benefits.

## 7. Conclusion

In conclusion, this study shows that there are two independent variables, which are acceptability and awareness that significantly influence the purchase intention towards the organic food. On the other hand, the remaining two independent variables, which are affordability and consumer innovativeness, have no relationship towards the purchase intention of organic food among consumers. To put it in a nutshell, every local organic food producer should constantly improve their marketing strategies so as to ensure that consumers accept and aware of organic food products in the local markets. Such strategies would be like doing more promotions in traditional media as well as social media platforms. Moreover, organic food producers and marketers should also offer various kinds of organic products with affordable price in order to increase acceptance and awareness among consumers.

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