

CUSTOMER PERCEPTION AND SATISFACTION TOWARDS ORGANIC PRODUCTS IN CHENNAI

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ABSTRACT

Consumer preference for organic products have significantly changed as a result of growing knowledge of environmental sustainability and health issues. The purpose of this study is to investigate Chennai consumer's perceptions and levels of satisfaction with organic products. It looks into important elements that affect customer attitudes, including availability, quality, price sensitivity, environmental awareness, and health consciousness. The study also assesses how satisfied consumers are with organic products availability, quality, and price. Using a sample of 120 respondents from various locations in Chennai. Although the majority of customers see organic products satisfaction and perception based on availability and price. The report ends with suggestions for merchants and legislators to improve the shopping experience for organic product customers by giving product in high availability and in less price so that every customer will be satisfied with organic product in cities like Chennai.

KEYWORDS: Consumer, organic products, satisfaction, price, environment etc.,

INTRODUCTION

Organic products are goods produced through farming practices that avoid the use of synthetic fertilizers, chemical pesticides, genetically modified organisms (GMOs), antibiotics, and artificial additives. These products include a wide range of items such as fruits, vegetables, grains, dairy, meat, packaged foods, and personal care items like soaps and cosmetics. Organic farming emphasizes sustainable agricultural methods, biodiversity, soil health, and ecological balance. It promotes the use of natural fertilizers like compost and manure, and pest control methods such as crop rotation and biological pest management.

In recent days, demand for organic products were high due to health conscious, environmental awareness. Due to high chemicals in daily use products leading to many health issues like cancer, skin problems, hair fall, obesity so people purchasing organic products to keep them healthier. Demand for organic products in India has been steadily increasing, particularly in urban areas such as Chennai, as health awareness and lifestyle changes have spread.

CHARACTERISTICS OF ORGANIC PRODUCTS

- Free from harmful chemicals and synthetic additives.
- Grown using environmentally friendly practices.
- Often fresher and perceived as healthier than conventional products.
- Certified by regulatory bodies (e.g., India Organic, USDA Organic, etc.) to ensure authenticity.

BENEFITS OF ORGANIC PRODUCTS

1. HEALTH BENEFITS:

Organic products were free from chemicals so which give nutrients and high health to consumers.

2. ENVIRONMENTAL BENEFITS:

When making organic products, they only utilize raw materials that degrade easily and no chemicals, which do not harm the soil and reduce land pollution, air pollution, and water pollution. It will also consume less water, helping society save water.

3. ANIMAL WELFARE:

Animals were raised in natural condition and feed only which is organic and natural so animals will be healthy and products taken from animals also will become organic.

MARKETING OF ORGANIC PRODUCTS

Organic products are frequently promoted to consumers who are concerned about their health, the environment, urban professionals, and high-end lifestyle groups. Customers that appreciate sustainability and are prepared to pay more for organic options are becoming more prevalent in places like Chennai.

1.PRODUCT POSITIONING:

Organic products are positioned by marketers as nutrient-dense, natural, safe, and environmentally beneficial. Frequently, the messaging emphasizes environmental stewardship, purity, and wellness.

2.BRANDING AND PACKAGING:

Earthy colors, eco-symbols, recyclable materials, and unambiguous certifications (such as India Organic, FSSAI, and USDA) are commonly used in the packaging of organic products. Authenticity is reinforced and trust is increased through effective branding.

3.APPROACH

TO

PRICING:

Due to more expensive production techniques and certification procedures, organic products are typically more expensive than conventional ones. However, marketing tactics frequently highlight the long-term ecological and health benefits to support the premium.

4.DISTRIBUTION CHANNELS:

A combination of digital channels (e-commerce, organic product websites, social media) and conventional retail outlets (supermarkets, organic stores) promote the marketing of organic

products. In cities like Chennai, internet marketing is essential for connecting with tech-savvy customers.

OBJECTIVES OF THE STUDY

1. To identify the factors influencing customer perception of organic products
2. To evaluate satisfaction level of customers of organic products

STATEMENT OF THE PROBLEM

Consumer preferences have clearly shifted in recent years toward items that are healthier and more ecologically friendly. In India, especially in big cities like Chennai, organic products which are grown without the use of artificial chemicals, genetically modified organisms, or additives have become more and more popular. But even with greater awareness, the organic industry still has to contend with a number of issues, including higher costs, restricted supply, and doubts over certification and authenticity.

Retailers, manufacturers, and legislators must understand how people view organic products and how satisfied they are with them in Chennai, where consumers come from a variety of social and economic backgrounds. Some consumers may still have doubts about the worth and legitimacy of organic labeling, even when they are strongly driven by health and environmental concerns. Customer satisfaction with quality, affordability, accessibility, and brand trust also has a big impact on their loyalty and purchasing behavior. To determine the main factors driving and impeding the market for organic products, it is crucial to look at Chennai consumers' perceptions and satisfaction levels. In addition to providing insights that may aid in enhancing product offers, marketing tactics, and the general customer experience, this study seeks to close the knowledge gap regarding consumer sentiments.

REVIEW OF LITERATURE

Kanchana, K., & Kannan, V. (2024) examines consumer attitudes and preferences in Chennai, the majority of consumers favor organic products for health-related reasons. Price and availability continue to be obstacles to regular purchases, according to the study.

Aruna, J., & Sankar, C. (2024) tells that millennials' purchasing patterns and come to the conclusion that social media, sustainability issues, and lifestyle trends have a big impact on this group. Ethical sourcing and environmentally friendly packaging are equally important to millennials.

Magesh, R., & Rajeswari, M. (2024) informs that importance of certification and labeling in fostering customer trust is emphasized in this research. According to the study, when organic products are verified by a reputable organization, people are more likely to buy them.

Amudha, K., & Thaiyalnayaki, M. (2024) assesses how personal involvement and marketing influence consumer purchase patterns. It finds that advertisements, influencer endorsements, and in-store promotions significantly increase consumer interest in organic products.

Sangeetha, R., & Geetha, A. (2024) investigates how product labeling affects consumer perception. It shows that labels with words like “100% organic” or eco-certification logos lead to a higher perceived value and increase the likelihood of purchase.

Deepthi, M., & Sreeya, B. (2020) focuses on consumer awareness in Chennai. It finds that while many customers are aware of organic products, they lack knowledge about certification standards and are confused by misleading marketing.

HYPOTHESIS

H01- There is no relationship between Health consciousness significantly influences customer perception of organic products in Chennai.

H02- There is no relationship between income and customer satisfaction of organic products in Chennai.

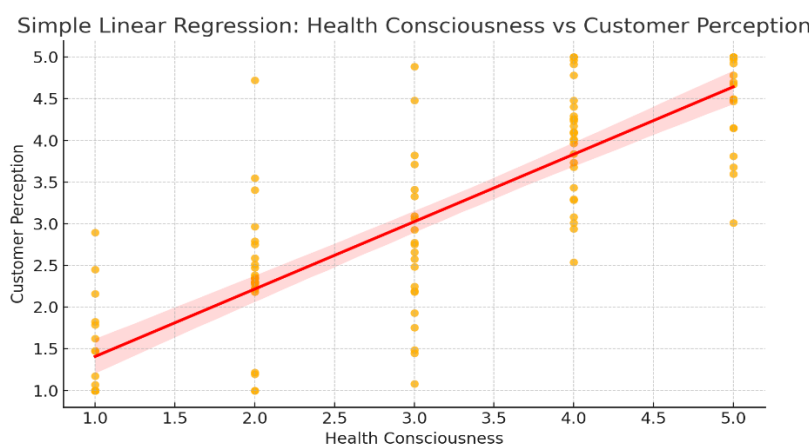
DATA ANALYSIS AND FINDINGS

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	58	48.30%
	Female	60	50.00%
	Others	2	1.70%
Age Group	18–25	32	26.70%
	26–35	46	38.30%
	36–45	26	21.70%
	46+	16	13.30%
Education	Undergraduate	30	25.00%
	Postgraduate	56	46.70%
	Professional/Other	34	28.30%
Monthly Income	< ₹20,000	24	20.00%
	₹20,000–₹40,000	40	33.30%
	₹40,000–₹60,000	30	25.00%
	> ₹60,000	26	21.70%

The gender distribution of responders is about equal, with females (50%) slightly outnumbering males 48.3%. A tiny minority of respondents 1.7% identified as "Others," demonstrating an inclusive approach to gender categorization. The largest proportion of respondents 38.3% are

between the ages of 26 and 35, implying that the majority are young adults in the early stages of their careers or higher education. The second-largest category is 18-25 are 26.7%, which could include students or early career professionals. The 36-45 are 21.7% and 46+ are 13.3% age categories are underrepresented, indicating lesser participation among older people. A considerable proportion of responders 46.7% possess postgraduate degrees, indicating a well-educated group. 28.3% are in the Professional/Other category, which can include diplomas, technical education, or certificates, demonstrating a range of educational backgrounds. Undergraduates account for 25% of the population, reflecting a sizable proportion of people who are currently in school or working in entry-level jobs. The majority of respondents 33.3% earn between ₹20,000-₹40,000, indicating a middle-income level. With 25% earning between ₹40,000-₹60,000 and 21.7% earning more than ₹60,000, nearly half of respondents are in the higher income category. A significant 20% earn less than ₹20,000, showing the participation of lower-income groups including students and entry-level professionals.

Coefficient	Estimate	Std. Error	t-value	p-value
Intercept (β_0)	1.8817	0.234	8.03	<0.001
Health Consciousness (β_1)	0.4477	0.058	7.72	<0.001



The regression shows a **positive and statistically significant** relationship between **health consciousness** and **customer perception**. The **coefficient ($\beta_1 = 0.4477$)** means that for every 1-unit increase in health consciousness, the customer perception score increases by approximately **0.45 points**. The **p-value < 0.001**, which is much less than the common significance level of 0.05.

This means the result is **statistically significant**, and we **reject the null hypothesis and accept that there is** relationship between Health consciousness significantly influences customer perception of organic products in Chennai. The intercept value ($\beta_0 = 1.88$) suggests that when health consciousness is at the lowest value (theoretical 0), the average perception score would be about 1.88.

Income Group	Mean Satisfaction	Std. Deviation	Respondents
< ₹20,000	3.16	0.53	24
₹20,000–₹40,000	3.57	0.37	40
₹40,000–₹60,000	3.86	0.31	30
> ₹60,000	3.98	0.32	26

Statistic	Value
F-Statistic	22.904
p-Value	0

The p-value is 0.0000, which is significantly less than 0.05. This means we reject the null hypothesis and accept that there is relationship between income and customer satisfaction of organic products in Chennai. There is a statistically significant difference in customer satisfaction based on income. Higher income groups (₹40,000–₹60,000 and > ₹60,000) reported greater satisfaction with organic products. Lower income groups (especially < ₹20,000) had relatively lower satisfaction, possibly due to price sensitivity, affordability, or limited access to organic products.

CONCLUSION

Consumers in Chennai are increasingly aware of the benefits of organic products, particularly their health and environmental advantages. A significant portion of respondents expressed **trust in organic labels** and showed preference for organic food over conventional alternatives. The perception is largely driven by **health consciousness**, indicating a shift in urban consumer behavior toward sustainable and health-oriented consumption. The regression analysis clearly shows a strong and statistically significant relationship between health consciousness and perception of organic products. This implies that the more aware a customer is about personal and environmental health, the more positively they perceive organic products. Health education and awareness campaigns can therefore play a critical role in enhancing perception and market growth. The ANOVA test confirms that monthly income is a significant factor

affecting satisfaction. Higher income groups reported greater satisfaction, likely due to better affordability and access to high-quality organic products. Conversely, lower-income consumers were less satisfied, possibly due to price barriers, availability issues, or limited variety. Organic product marketers and retailers need to segment their market based on income and health orientation. Strategies such as tiered pricing, smaller packaging, and value bundles can help appeal to price-sensitive customers. Government and industry bodies can support the sector by promoting subsidies, certification awareness, and urban organic markets to boost trust and reach. Despite the growing preference, accessibility and affordability remain key challenges, especially for middle and lower-income groups. Brands that bridge this gap by offering reasonably priced and easily available organic products stand to gain wider acceptance and loyalty. The study concludes that **customer perception and satisfaction toward organic products in Chennai is generally positive**, with significant influence from **health consciousness and income levels**. To sustain and expand this market, businesses must focus on: **Health-driven messaging, Inclusive pricing strategies, Improved product accessibility, Consumer trust through certification and quality assurance**. With the right mix of awareness and affordability, the organic product market in Chennai holds **strong potential for growth and long-term customer loyalty**.

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