

Effect of Organic Product Label on the Consumer Perception

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ABSTRACT

In the organic market which is saturated in nature, the organic food consumption is seen to be growing to a considerable level. With such a prevalence, the market share for organic products has been seen to be increasing. The main element for the successful growth of the organic sector is the optimistic image which most of the consumers attribute to the organic products. Such an optimistic image is created through the labels possessed in the organic products. In this regard, the current study explores the influence of organic product label over the consumer perception regarding the organic products. The respondents of the study are the consumers of organic products in Chennai. They have been selected through simple random sampling as the respondents of the study. The size of the sample is 100 and the instrument for data collection is questionnaire. Regression has been adopted for data collection. Findings of the study reveal that product label strongly influence on consumer perception towards organic products.

Keywords-- Organic Products, Product Label, Consumer Perception

promoting consumption patterns which are sustainable in nature (Horne, 2009).

Many studies had been done in this regard and most of the studies describe that the eco-labels are an effective for connecting the consumers with the ecological products. Most of the consumers of present times go through the packaging details in the product. Labels provide them the proof of the ecological origin of the product and also the production process which is environment friendly.

Customer Perception

The term customer perception has been defined as the phenomenon through which individuals select, organize and interpret the stimuli to a coherent and meaningful aspect. Many consumers possess a better opinion regarding the organic products and have the idea that such products are good both for the human beings and for the environment.

Effect of Organic Labelling on Consumer Perceptions

Organic label is an indicator that the product has been given the certifications of organic standards. Eco-label has got the information like the certification body's name and the standards that are adopted in its production (e.g. EU 2092/91). For the consumers who are informed, such a label acts like a guide. Eco-labels of the products create highly positive emotions within an individual. Several studies had proved the fact that eco-labels of products influence the perception of consumers with respect to organic products and the present study proves the fact that such an effect is constant irrespective of the assessment context.

I. INTRODUCTION

Organic products are the ones which are utilized for the manufacture of raw material to produce organic food products. Such products are labelled to be organic and is followed by the term "bio" which is the identification code given by the control organization (CZ KEZ) to determine the products to be organic.

All-time increasing demand of the consumers for the products of sustainable nature has forced the companies in promoting strategies of green marketing and to implement production methods of sustainable nature (Cronin et al., 2011). To be precise, the term eco-label describes that a company is engaged in production methods which are environment-sensitive. Such eco-labels are generally affixed and placed over the products. The idea of such a practice is to give the customers the related information regarding the products and also informing them regarding the production method and the ecological effect of such a method. As per the statements of Bruce & Laroiya (2007), the consumers get ready to pay premium price for the product if they begin valuing those labels over the products. The eco-labels have got a major role to play for

II. STATEMENT OF PROBLEM

Production methods have turned as filled with chemicals and artificial fertilizers. The end product is highly filled with chemical residues. This ultimately affects the health of the environment as well as the humans. Hence, there is a need for the production methods which proves to be healthy for the environment and the human beings.

III. OBJECTIVES

The main purpose of the study is to identify the effect of the product label over the consumer perception, with reference to the organic products.

IV. NEED FOR THE STUDY

It becomes highly important to make the consumers and marketers aware of the health hazards of the production methods done with the usage of chemicals. This can be done only through the studies and researches done in this regard. The present study has been done to explore the effect of organic product label on the perception of people and to make them aware that eco-labels contain the actual information regarding the organic production method followed in production.

V. REVIEW OF LITERATURE

Drexler, Denis et al., (2017) examined the impact of the organic food labels over the consumer perception. The aim of the study was to exhibit the perceptions of the consumers about the organic product labelling. The authors had tried to explore if the perceptions were varied for male and female consumers. Two groups of consumers (59 in control group and 88 in experimental group) were exposed to different types of food labels with labelling of organic product (experimental) and without organic labelling (control). Findings showed the significance of organic labels with the help of eye-tracking data as well as additional in-depth interviews were held for discovering the significance of labelling for the participants. On the basis of eye-tracking data, it was explored that more perception was held for brand of the products, elements of graphics and claims of organic labelling possessing extra details like flavor and quantity were also essential. Additional in-depth interviews explored that labelling of products regarding origin was significant or many customers. On the basis of gender, not much of high difference was explored regarding the perception towards the organic product labelling. Most of the consumers expressed the opinion that organic products are purchased by them on occasional basis.

Kiss, Marietta et al., (2015) studied the impact of the organic labels over the perception of consumers. The study was done with reference to chocolates. One crucial element of success regarding the organic food sector is the optimistic image which many consumers hold regarding the organic products and such positive images include perceptions regarding health and the sensory features like taste, texture, smell etc. Many studies had explored the impact of the organic certification over the perceptions of the consumers regarding varied forms of products from several perspectives. The aim of the study was to expose the impact of the organic labels over the evaluations of customers with respect to chocolates in the light of its price, calorie content, healthiness, taste and fragrance. The study was conducted among 32 customers and the respondents were the university students. Findings showed that the organic labels had got the ability to change the perceptions of the consumers and assessment of the chocolates.

Bauer, Hans et al., (2013) explored the impacts of the Organic Labels over the private, local and Global brands. The authors had verified motives of purchasing

organic food. For the purpose of the study, in-depth interviews were held with the consumers. The study had been done with respect to the consumers of Germany. The purchase motives examined included food safety, environment friendliness, hedonism and healthiness. Also, the authors had shown through to experiments that Using organic labels affected the perceptions of the consumers regarding the private, local and global brand with reference to their main motives of purchase. It was also shown that the purchase intention and the willingness of the consumers to pay high price for the product were affected by the organic labelling.

Schouteten, Joachim et al., (2019) examined the effect of the organic labels over the emotional profiling and the flavor perception of the consumers. The authors had done a comparative study amidst home-use test and central location test. It is a prevailing fact that the organic products are healthy in nature, however, there is a common query if the organic labels affected the perception of the consumers regarding the emotional association and the specific sensory attributes. Hence, the aim of the research was to explore the effect of the organic labels over the sensory and emotional profiling and overall liking. CLT (central location test) was being participated by 76 respondents and HUT (home-use-test) was being participated by 75 respondents. Such tests were done to investigate the impact of the organic labeling on food products like juice, potato chips and yogurt. Findings showed that organic label led to high level of willingness to pay premium price and high overall liking.

Janssen, Meikeand Hamm, Ulrich (2010) studied the perception of the consumers regarding the labels and standards with reference to the organic products. The present study examined the way in which the consumers establish varied perceptions about the organic standards of varied labels. Discussions with focus groups revealed that very few consumers had the ability to name the differences amidst varied organic standards. Certain respondents differentiated amidst the higher standards of the association of the farmers and the low level of legal requirements.

VI. RESEARCH METHODOLOGY

The study has been done among the consumers of organic products in Chennai. The method of simple random sampling has been adopted for selecting the respondents of the study. The number of respondents is 100 and the data in the form of the responses from the consumers has been collected through questionnaire. Analysis of the collected data has been done through regression.

VII. ANALYSIS AND INTERPRETATION

Table 1: Regression analysis between product label and consumer perception
Model Summary

R	R Square	Adjusted R Square	F	P-Value
0.918(a)	0.843	833	83.274	0.000(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.424	.207		2.047	0.043
I like to use those foods which have assured labelling	.241	.049	.321	4.937	0.000
I trust food logo, labelling	.259	.043	.261	6.013	0.000
Information that appears on the label is clear	.039	.043	.038	.902	0.370
Labelling process is currently very well regulated	.048	.040	.093	1.201	0.233
Labelling supports the exercise of fundamental right for consumers	.172	.035	.322	4.869	0.000
The right to be informed before purchasing a product or service	.157	.035	.277	4.466	0.000

H₀₁: There is no relationship between product label and consumer perception

The R^2 value indicates how much of the total variation in the store loyalty, can be explained by the store image. In this case, 71% can be explained, which is very large. The Model summary table, reveals that our model's R^2 is extensively different from zero, $F = 52.763$, $p < 0.000$. This table indicates that the regression model predicts the store loyalty significantly well. Here, $p < 0.0005$, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the store loyalty. Hence, H_01 is rejected.

VIII. CONCLUSION

Organic products are the products which are manufactured through the techniques which agree to the organic farming standards that does not involve the usage of artificial fertilizers, livestock feed additives, growth regulators and pesticides. Organic legislation prohibits the usage of genetically modified organisms and irradiation. All these facts have resulted in the increase in the organic product consumption from the previous decade with the

deemed environment-friendly, health and nutritional features. As per the current study, it has been proved that the organic labels in products impose an optimistic effect over the perception of the consumers. Findings of the study reveal that product label Strongly influence on consumer perception towards organic products.

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