

**FACTOR THAT INFLUENCE PURCHASE INTENTION OF
ORGANIC FOOD IN THAILAND**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2016**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**FACTOR THAT INFLUENCE PURCHASE INTENTION OF
ORGANIC FOOD IN THAILAND**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
on
May 8, 2016



.....
Mr. Phonthakorn Taychanavakul
Candidate

.....
Suparak Suriyankietkaew,
Ph.Ds.
Advisor

.....
Asst. Prof. Winai Wongsurawat,
Ph.D.
Chairperson

.....
Assoc. Prof. Annop Tanlamai,
Ph.D.
Dean
College of Management
Mahidol University

.....
Benjalux Sakunasingha,
D.B.A.
Committee member

ACKNOWLEDGEMENTS

The success and final outcome of this thematic paper required numerous of guidance and assistant, who I could, not have done this paper without all of them. Thus, I would like to use this space to express my thankful to all support.

Firstly, I would like to thank you to my professor Dr. Suparak Suriyankietkaew who give an opportunity and support me since the topic was created and always give the essential feedback. Thus, I gain a lot of new knowledge from this class, I have learnt the new experience from the topic, which benefit to my business. I would use this result and apply to my business in the future.

Secondly, I would like to thank you to my college at the same class who always help me working on this paper about questionnaire. Also, people who give an answer on my questionnaire and make it completed.

Last but not least, I would like to express my special thanks to my family who support throughout my study at CMMU. They are the main support on my business and also apart of my motivation to come out the great result with this paper.

Phonthakorn Taychanavakul

FACTOR THAT INFLUENCE PURCHASE INTENTION OF ORGANIC FOOD IN THAILAND

PHONTHAKORN TAYCHANAVAKUL 5749233

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: SUPARAK SURİYANKIETKAEW, Ph.Ds., ASST. PROF. WINAI WONGSURAWAT, Ph.D., BENJALUX SAKUNASINGHA, D.B.A.

ABSTRACT

As the cost of living and diet-related disease rise each year, people start to eat healthy and organic food in order to prevent those diet-related diseases such as obesity, cardiovascular diseases, cancers, and etc. Apart from that, consumers also play more attention on environmental impact from what they decide to purchase or consumer. Even the price tags on those healthy products and foods are quite high, people, especially those who earn high income, are willing to pay for them. In this paper, researcher would like to bring out the factors which influence purchasing decision of consumers who decide to select healthy and organic food when they shop.

There are 4 factors, price, concern for health, concern for environment, and availability, that have impact on purchase intention toward organic food according to many scholars and previous researches. Some of them is very important in the eyes of consumers, but has no correlation on purchase intention at all.

KEY WORDS: Organic Foo/ Concern for Health/ Price of Organic Food/ Concern on Environment/ Availability of Organic Food

31 pages

CONTENTS

| | Page |
|--|-------------|
| ACKNOWLEDGEMENTS | ii |
| ABSTRACT | iii |
| LIST OF TABLES | v |
| LIST OF FIGURES | vi |
| CHAPTER I INTRODUCTION | 1 |
| 1.1 The Research Question of This Study | 2 |
| 1.2 Study Purpose | 3 |
| 1.3 Scope of The Study And Framework | 3 |
| CHAPTER I LITERATURE REVIEW | 4 |
| 2.1 Income and Purchase Intention of Organic Food | 5 |
| 2.2 Concern for Health | 5 |
| 2.3 Environmental Concern | 6 |
| CHAPTER III RESEARCH METHODOLOGY | 7 |
| 3.1 Population and Sample Selection | 8 |
| 3.2 Research Instrument | 8 |
| 3.3 Data Collection Methods | 9 |
| 3.4 Statistic Analysis and Presentation | 9 |
| 3.5 Measurement Values | 10 |
| CHAPTER IV RESEARCH FINDINGS AND DISCUSSION | 12 |
| CHAPTER V CONCLUSIONS AND RECOMMENDATIONS | 26 |
| REFERENCES | 28 |
| BIOGRAPHY | 31 |

LIST OF TABLES

| Table | Page |
|---|-------------|
| 4.1 Respondents' Profile | 12 |
| 4.2 Factors Influencing Purchase Decision on Organic Food | 13 |
| 4.3 Where They Shop for Organic Food | 14 |
| 4.4 Prefer Organic Food even if the Price is Expensive | 14 |
| 4.5 Price of Organic Food are Higher than Conventional Food | 15 |
| 4.6 If the Price of Organic Food is not Expensive, I will Purchase It | 15 |
| 4.7 Price is the Major Factor which I Consider before Buying Food | 16 |
| 4.8 Concerning the Use of GMO on Food | 17 |
| 4.9 Concern about Pesticide Residues on Vegetables and Fruit | 17 |
| 4.10 Prefer to Consume Organic Food, because It is Good for health | 18 |
| 4.11 Prefer to purchase organic food, because it produced by environmental friendly process | 18 |
| 4.12 Prefer to purchase organic food, because I worry about environment | 19 |
| 4.13 Do not see any benefit to environment, even I choose to consume organic food | 19 |
| 4.14 Troublesome to find and purchase organic food near my place | 20 |
| 4.15 If available near my place, I will choose to purchase organic food | 21 |
| 4.16 Need to put my effort to search for organic food, so I decide not to purchase it | 21 |
| 4.17 Correlation between each factor toward purchase intention of organic food | 23 |
| 4.18 Model Summary | 23 |
| 4.19 The Impact of Each Variables toward Purchase Intention of Organic Food | 24 |
| 4.20 Correlation table between independent and dependent factors | 24 |

LIST OF FIGURES

| Figure | Page |
|--|------|
| 2.1 Framework of This Research | 6 |
| 4.1 Factors which Influence Consumers to Purchase Organic Food | 22 |



CHAPTER I

INTRODUCTION

Organic or healthy food category growth rate skyrocketed in the past few years in United States. Change in life style and increasing health awareness lead consumers to think about what they consume each day. Quah and Tan (2010) defined organic food as green product or a product produced in an environmentally friendly manner which is safer, because of little or no use of pesticides and herbicides. Those organic foods are considered to be more nutritious (Jolly, 1996). The growth rate of this category in United States was very impressive, 44% during 2004 to 2006, \$27.8 billion to \$40 billion (Quah and Tan, 2010). In United States, it's the fastest growing food category as well (Dettmann and Dimitri, 2010). The trend does not only occur in the West but East as well. Quah and Tan (2010) stated that in the case of Malaysia, once people become more and more educated about health and wellness related issues. They start to consider more food choices and their benefits, leading to 20% growth rate of organic food category each year.

Once people start to have more disposable income, they are willing to spend more on what they are currently using or have. Food is one of the largest regular expenses which occupies around 12.8% of overall spending in United States (Bureau of Labor Statistics, 2014), which is the third biggest share; tailing only housing and transportation. The data also suggests that people are spending more when they can on what can nurture or improve their overall health condition. Due to this point, 80% of marketers, those who responded surveys, are expected to increase their marketing spending heavily in the near future (Environmental Leader LLC, 2009) to promote the benefit of organic products and inch up their market share.

In 2013, Thailand exported approximately \$3.1 billion worth of organic products to the rest of the world (The Nation, 2014), and the ministry expects the figure will rise around 10% each year until 2020. In term of plantation area, Thailand had approximately 314,000 rai or 50,000 hectares. The total area rose by 13.9% coming to previous year record. From this figure, it can be viewed that more and more farmers

are expanding and focusing in this area, following ministry's guideline and policy. The overall global value of organic products was \$63.8 billion in 2012. The biggest market for organic trading was United States, \$22.59 billion, following by Germany, \$7.04 billion, France, Canada, and then United Kingdom. From these stating figures, it is clear that organic food category is too big for all companies to pass up and deny joining the race of competition.

Survey conducted by Nelson in 1991 stated that approximately 80% of Thai people who like to consume vegetable show interest to purchase pesticide-free vegetable, because they have negative perception regarding pesticide and concern over chemical residues in vegetables (Nelson, 1991). According to NFI (2014), Thai people consumed around 83,348 million baht worth of organic foods, and this figure is set to rise further. The most popular categories are free of cholesterol and fat food and low sugar food. The report also states that Thai people pay more attention and concern more about what they consume and its effect to their bodies and environment.

Hughner et al. (2007) cited health, nutrition, food safety, and environmental concern are reasons why many consumers may decide to purchase and consume organic foods. Apart from this, Kareklas, Carlson, and Muehling (2014) also reaffirmed similar point as well. Their research suggested that perception of consumers, belief that organic food is healthier than conventional food and produce more environmentally friendly, can determine the purchase intention of consumers positively. Do Thai people consume organic foods because of those reasons? This research is to find out the factors which influence Thai consumers to purchase and to consumer organic foods.

1.1 The Research Question of This Study

What are factors which can influence consumers' purchase intention toward organic food among Thai people? How important of those factors toward purchase intention?

1.2 Study Purpose

To understand the perception of those who choose to consume organic foods more than conventional foods and magnitude of each factors toward their judgments.

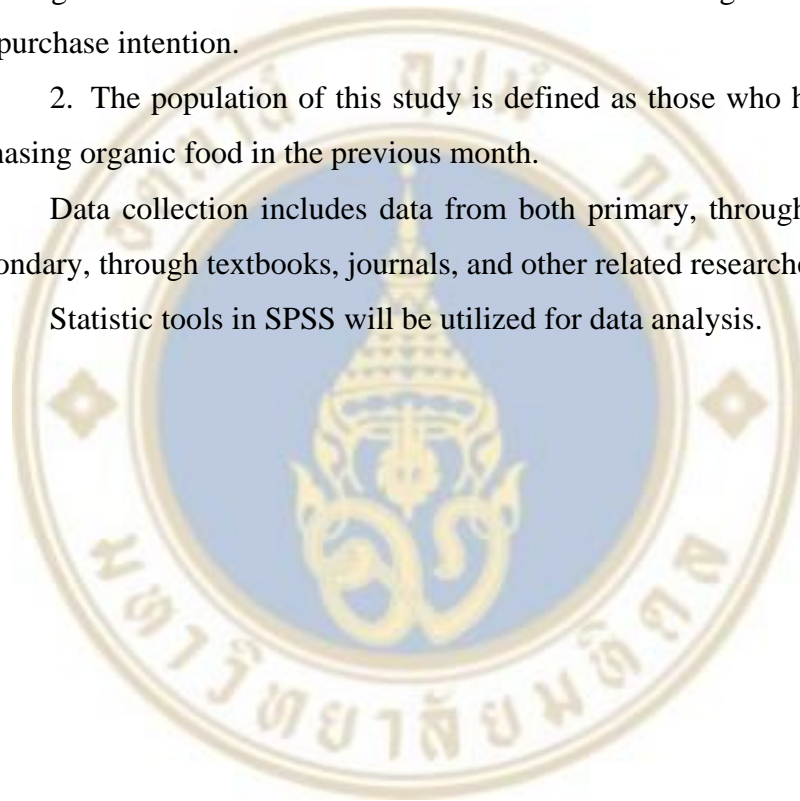
1.3 Scope of The Study And Framework

1. This research focuses on factors which influence Thai consumers to consume organic foods rather than conventional food and magnitude of each factor toward purchase intention.

2. The population of this study is defined as those who have experiences in purchasing organic food in the previous month.

Data collection includes data from both primary, through questionnaires, and secondary, through textbooks, journals, and other related researches, data.

Statistic tools in SPSS will be utilized for data analysis.



CHAPTER II

LITERATURE REVIEW

Since 1961, Thai government has heavily promoted industrial and export-oriented agriculture. From that point onward, farmers seek various ways to improve their crops yield and maximize the output of crops of each land by the use of chemical fertilizers and pesticide (UNDP, 2007). Due to this point, use of those hazardous products has been on the rise, and it also led to another issues; health hazards and environmental issues. Since then, government started to shift the focus to sustainable farming to reduce those risks and improve health of Thai people (Sangkumchaliang and Huang, 2012). From this fact, it is clear that organic or sustainable farming is on the rise because of government's support and encouragement and demand from consumers.

An increasing of demand from consumers for food safety and higher quality produce make organic food an interesting and undeniable option. Up until this point, there have been many studies conducted by various researchers, mostly in the West (Onyango, Hallman, and Bel-lows, 2007; Gracia and Magistris, 2007; Makatouni, 2002; Squires, Juric, and Cornwell, 2001; Briz and Ward, 2009; Essoussi and Zahaf, 2008; Storstad and Bjorkhaug, 2003; Shepherd, Magnusson, and Sjoden, 2005; Batte et al., 2007). They found out that many factors which may influence purchase decision of consumers. Those factors are concern for one health, environmental concern and protection, pesticides, nutrition concern, chemical residue in food, and etc. From those factors, Tsakiridou et al. (2008) cited that health and environmental concerns are the major factors which influence purchase intention positively

Surveys conducted by Nelson in 1991 also stated another interest point. They cited that typical consumers of organic foods for many countries, including Thai people, are those who are well-educated, from middle or upper income group, and mostly female. So it can be concluded that income and education are quite important from what Nelson has found. And most of customers are female rather than male (Nelson, 1991).

Essoussi and Zahaf (2008) pointed out that family or children presented in family are a significant factor which impact purchase intention greatly. Especially children's age, they found out that the higher the age of children, the lower the propensity to buy organic food. Other researchers, Gracia and Magistris (2007), found out another factor, education, which impacts purchase intention positively as well. They stated that the higher the level of education, the more likely they will prefer to consume organic food. So it can be concluded that education and family member, children, have positive impact on purchase intention of organic food.

2.1 Income and Purchase Intention of Organic Food

Cranfield and Magnusson (2003) cited that income is another important factor which impact purchase intention. Wealthier households are more likely to spend on organic food. What they found out does make sense, because those who have tight budget will not be able to afford the premium price of organic food. So income has an effect on purchase intention of organic food positively as well.

2.2 Concern for Health

Dumea (2012) defined concern for health as a motivation or intention to improve one health. This factor seems to be the most important reason why consumers decide to purchase and consume organic products. Due to this strong intention or protect oneself, one is willing to give up or sacrifice money, time, and effort in order to consume organic food (Hoffman and Schlicht, 2013). So it can be concluded from previous literatures that concern for one health is the most important factor which motivate consumers to consume organic foods, even though, the price of those products are higher than conventional foods.

2.3 Environmental Concern

Consumers concern about ecology will impact directly with their willingness to purchase organic foods (Dumea, 2012). Comparing to health concern, this factor although is not the most important one, but has a significant impact or effect on organic food purchase intention (Kristensen and Grunert, 1991; Tregear et al., 1994). Dumea (2012) also explained the reason why it has positive impact on purchase intention. Because organic food is produce by environmental-friendly production and processing, so those who express concern for an environment are very likely will purchase organic products. From these above statements, it can be that those who concern about ecology and what they consume get produced will prefer to purchase and consume organic foods.

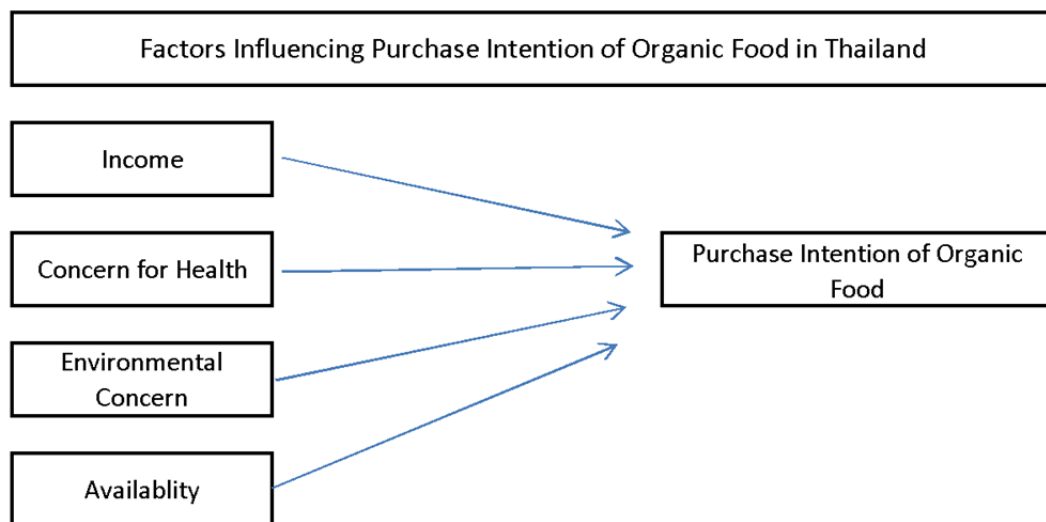


Figure 2.1 Framework of This Research

CHAPTER III

RESEARCH METHODOLOGY

This research is conducted to provide a better picture and understanding of organic food market in Thailand in relationship to each important factor which affect purchase intention of consumers. The organic food market is selected to be a case study, because it is one of an emerging trend in Thailand which catches attention from both consumers and companies really fast. Although, this field is quite new in Thailand, but it is align with what Thai government has been promoting, sustainable farming.

At the moment, many big companies are rushing to grab a piece of market share and expand their customer base. In order to attract customers' attention and influence their purchase decision, marketers need to understand which factor has an impact on customers' minds first. Due to this point, this research is set to uncover magnitude of each factors presented from previous chapter.

To evaluate the magnitude of each factor toward organic food and purchase intention, casual study will be utilized as a method to carry out this research. Mcdaniel and Gates (2013) stated that casual study will be implemented when researchers would like to know whether changing the value of one variable, independent factor, has an impact or effect toward another variable, dependent factor or not. In order to apply this method, data collected from questionnaires is crucial. So questionnaire will be utilized as a mean of collecting data. Questionnaire was defined as a set of questions design especially to gather needed information to provide information to accomplish research objective (Mcdaniel and Gates, 2013).

3.1 Population and Sample Selection

Mcdaniel and Gates (2013) described population as entire population which has information needed by researcher to meet the research objective. In order to define the population of interest, screening question is needed in order to screen out those who are not match with our questionnaire or do not have needed information. If the population of interest is not defined correctly, it can lead to ineffective or misleading result during data analyzing process. After defining population of interest, sampling method needs to be adopted, because it will take infinite time and vast amount of resources to collect information from whole population, unless the number of total population is small enough. Therefore, researchers need to choose a subset of those who are in the population of interest to conduct a research and extract information from them.

For this given research, the population of interest could be described as all Thai people who used to consume organic food and have experienced purchasing those foods before. The sample size, population subset for survey, for this group of population is 50 people.

3.2 Research Instrument

In order to capture the level of importance and attitude of respondents, questionnaire method will be implemented. Mcdaniel and Gates (2013) described questionnaire as a set of questions designed to gather information necessary to answer and to accomplish the goal or objective of the research. This questionnaire was designed and distributed through internet with total sample size of 50 respondents.

3.3 Data Collection Methods

Both primary and secondary data collection methods were implemented and carried out to support this research thoroughly.

1. Primary Data

Primary data is defined as a new data, either by observation, survey, interview, and/or experiment, gather and collect to solve the problem or research objective (Mcdaniel and Gates, 2013). As for this research, data is collected by non-probability sampling method through a Google doc survey, 50 sets altogether.

2. Secondary Data

Secondary data is defined as data that have been conducted, researched, analyzed, and recorded by some other researchers, and results are available for studying or solving problems at hand (Mcdaniel and Gates, 2013). Secondary data is very useful and has many advantages, such as, cost and time saving and may provide solutions to problems at hand.

In this study, researcher will adopt various sources of secondary data to collect necessary data. Articles, journals, and other relevant published books or literatures relating to purchase intention and organic food and consumer's behaviors will be adopted to search and to develop alternatives and solutions to conduct this research.

3.4 Statistic Analysis and Presentation

Various technique and statistic calculation will be used to analyze collected data. Those statistic tools are as followed:

1. Descriptive Statistic

It is the most efficient way to summarizing the characteristics of the data from respondents. It can provide a glimpse or reveal something about some certain characteristic of sample. It can measure central tendency, means, median, or mode, measure of dispersion, and provide or compare percentage and statistical tests as well (Mcdaniel and Gates, 2013). In this study, it has been used to compute and to provide frequency, percentage, mean or average, and standard deviation to give a researcher a broadly view of characteristic of the sample.

2. Quantitative Analysis

Gathered data will be given a code and input into SPSS to perform a quantitative analysis in order to test the hypothesis and find relationship between two variables. T test and F test at significant level of 95% and above will be utilized to conduct this research to compare the means. Not only that, Multiple Regression and Pearson Correlation test, 95% and above significant level, also be used to find correlation as well.

3.5 Measurement Values

In order to capture the level of agreement and disagreement from respondents, Likert scales will be implemented in the questionnaire. It is a non-comparative scaling technique and only measure one single statement at a time. This type of scale will allow respondents to express their feelings and attitude toward the concept under study (Mcdaniel and Gates, 2013).

In this research, 5 points scale will be adopted to capture the feeling of respondents, instead of 4 or 7 points scale. The reason of not choosing 4 points scale, when there is no midpoint or neutral, is that there is a high tendency that respondents will choose negative rating choices more than positive rating choices or sometimes respondents will try to answer positively because they try to be helpful to interviewer (Garland, 1991). From Nunnally and Bernstein (1994) research, it suggested that 7 points scale only a little better than 5 points scales. By having more choices for respondents to choose, it might also cause confusion as well. From this point, researcher will be used 5 points scale to carry out the questionnaire to capture attitude of 50 respondents. The measurement value of Likert scale will be computed as followed:

$$\begin{aligned} \text{Interval (I)} &= \text{Range (R)/Class(C)} \\ R &= \text{Highest score} - \text{Lowest score} = 5-1 = 4 \\ C &= \text{Interval scale} = 5 \\ \text{Interval (I)} &= (5-1)/5 = 0.8 \end{aligned}$$

To interpret above calculation:

Any score between 1.00 – 1.80 will be considered as least important

Any score between 1.81 – 2.61 will be considered as less important

Any score between 2.62 – 3.41 will be considered as moderate important

Any score between 3.41 – 4.22 will be considered as very important

Any score between 4.23 – 5.00 will be considered as most important



CHAPTER IV

RESEARCH FINDINGS AND DISCUSSION

SPSS was being utilized to analyze data statistically to understand and to make sense of how respondents view or feel toward each factor. Answers from respondents will be analyzed to answer the objective of this research. Profile of respondents will be listed in below table. After understanding who they are, their opinions toward each factor will be displayed.

Table 4.1 Respondents' Profile

| | | Count | Column N % |
|------------|-----------------------|-------|------------|
| gender | male | 21 | 42.0% |
| | female | 29 | 58.0% |
| age | 15 - 20 | 0 | 0.0% |
| | 21 - 25 | 13 | 26.0% |
| | 26 - 30 | 32 | 64.0% |
| | 31 - 35 | 5 | 10.0% |
| income | below 15000 | 5 | 10.0% |
| | between 15000 - 25000 | 14 | 28.0% |
| | 25001 - 35000 | 19 | 38.0% |
| | 35001 - 45000 | 3 | 6.0% |
| | above 45001 | 9 | 18.0% |
| education | high school | 1 | 2.0% |
| | Bachelors | 29 | 58.0% |
| | Masters | 19 | 38.0% |
| | Phd | 1 | 2.0% |
| occupation | Employee | 35 | 70.0% |
| | business owner | 7 | 14.0% |
| | government employee | 1 | 2.0% |
| | Student | 7 | 14.0% |

From the table above, most of our respondents are women, which are 58%, and most of them age between 26 to 30 years old or 64%. 38% of them earn monthly salary between 25,001 to 35,000 baht, which is slightly above average income of Thai people. Only 10% of total respondents earn below 15,000 baht each month. And the top tier who earn above 45,001 represent only 6% of total respondents. More than half or 58% of our respondents got Bachelor degree, and the another 40% of respondents hold degree higher than Bachelor. As for occupation, 70% of total respondents are working as employees in public sector. Only 14% of total respondents are doing their own business.

By asking respondents to rank each factor which is important to their judgment when they decide to purchase organic foods. Table below will summarize respondents' opinions.

Table 4.2 Factors Influencing Purchase Decision on Organic Food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid Price | 17 | 34.0 | 34.0 | 34.0 |
| Concern for health | 24 | 48.0 | 48.0 | 82.0 |
| Concern for environment | 2 | 4.0 | 4.0 | 86.0 |
| Availability | 7 | 14.0 | 14.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

From above table, it is quite clear that respondents choose to purchase and to consume organic foods, because of concerning for health, 48% of total respondents. Price is another important factor when they need to decide to purchase organic food. Availability and concerning for environment are not that much important in respondents' eyes. This is very similar to what Dumea (2012) has found. Concerning for one health is the most important factor or reason to purchase and to consume organic food.

It's quite surprise as well that concerning for an environment is not important at all in respondents' eyes. Only two people or 4% of total respondents rate this factor as important reason for them to purchase organic food. It may interpret that Thai people or this group of respondents do not care much about environment or do

not understand or know the effect of organic food on environment or how friendly it is to environment.

Table 4.3 Where They Shop for Organic Food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Valid supermarket | 39 | 78.0 | 78.0 | 78.0 |
| organic shop | 6 | 12.0 | 12.0 | 90.0 |
| convenient stores | 5 | 10.0 | 10.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

From the above table 4.3, it seems like supermarket is the location which respondents choose to shop for their organic food the most. 78% of total respondents choose to shop their organic food at supermarket. Shopping for organic food at organic shop and convenient stores represent only 22%. They reason why they choose to shop at supermarket and not other places is still unknown and worth to investigate further. They might not know that organic foods are available in those places or near their places.

To understand how respondents perceive or think about each factor, they will be divided into each section; price, concern for health, concern for environment, and availability. Firstly, price factor will be discussed in detail.

Table 4.4 Prefer Organic Food even if the Price is Expensive

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 2 | 4.0 | 4.0 | 4.0 |
| disagree | 1 | 2.0 | 2.0 | 6.0 |
| neutral | 20 | 40.0 | 40.0 | 46.0 |
| agree | 22 | 44.0 | 44.0 | 90.0 |
| strongly agree | 5 | 10.0 | 10.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

44% of total respondents express that they are agree with the statement. It seems like they prefer to purchase organic food even though the price of those foods are higher than conventional one. Another 10% of respondents are strongly agree with the statement. So it can be concluded that 54% or more than half of total respondents are willing to purchase organic food regardless of price. Another big group of respondents, 40%, express neutral toward statement.

When asking respondents about the price of organic food whether it is higher than conventional food or not. Their answers are quite similar to each other or point toward the same direction. Their answers, according to table 4.5 below, 44% of total respondents agree with the statement, and another 42% of total respondents strongly agree with it. So altogether, 86% of respondents perceive that the price of organic food is higher than conventional food.

As for this statement, there is significant different between male and female. Female tends to perceive or think that price of organic food is more expensive than conventional food. On the other hand, male does not think that way.

Table 4.5 Price of Organic Food are Higher than Conventional Food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Valid disagree | 2 | 4.0 | 4.0 | 4.0 |
| neutral | 5 | 10.0 | 10.0 | 14.0 |
| agree | 22 | 44.0 | 44.0 | 58.0 |
| strongly agree | 21 | 42.0 | 42.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

Table 4.6 If the Price of Organic Food is not Expensive, I will Purchase It

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 1 | 2.0 | 2.0 | 2.0 |
| disagree | 6 | 12.0 | 12.0 | 14.0 |
| neutral | 4 | 8.0 | 8.0 | 22.0 |
| agree | 19 | 38.0 | 38.0 | 60.0 |
| strongly agree | 20 | 40.0 | 40.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

Respondents also agree on this point to some certain extent. If the price of organic food is not more expensive than conventional food, respondents will choose to purchase and to consume it rather than conventional food. 78% of total respondents express that they are either agree or strongly agree with the statement. And they will purchase organic food rather than conventional one if the price of organic food is not that expensive, while the other 14% of respondents do not agree with it. There is also significant different between male and female for this statement. Female also expresses that if the price of organic food is not that expensive, they will purchase it. On the other hand, male does not think much about it.

Table 4.7 Price is the Major Factor which I Consider before Buying Food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Valid disagree | 2 | 4.0 | 4.0 | 4.0 |
| neutral | 21 | 42.0 | 42.0 | 46.0 |
| agree | 16 | 32.0 | 32.0 | 78.0 |
| strongly agree | 11 | 22.0 | 22.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

According to the above table, it seems the answers of respondents are quite mix. Almost half or 42% of respondents express that they are either agree or disagree with the statement. On the other hand, another 54% of respondents agree with the statement that the price is the major factor which can influence them when they need to shop for their food. There is no significant different between age, gender, education, and income for this case.

Table 4.8 Concerning the Use of GMO on Food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 4 | 8.0 | 8.0 | 8.0 |
| disagree | 3 | 6.0 | 6.0 | 14.0 |
| neutral | 16 | 32.0 | 32.0 | 46.0 |
| agree | 19 | 38.0 | 38.0 | 84.0 |
| strongly agree | 8 | 16.0 | 16.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

According to table 4.8, more than half or 54% of total respondents express their worry or concern about the use of GMO on their food. While another 14% of respondents do not worry or concern much about GMO.

Table 4.9 Concern about Pesticide Residues on Vegetables and Fruit

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 1 | 2.0 | 2.0 | 2.0 |
| disagree | 3 | 6.0 | 6.0 | 8.0 |
| neutral | 13 | 26.0 | 26.0 | 34.0 |
| agree | 20 | 40.0 | 40.0 | 74.0 |
| strongly agree | 13 | 26.0 | 26.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

By asking respondents whether they care or concern about the fruit or vegetable they eat have any pesticide left or not, about 56% of respondents agree with this. Only 8% express that they do not care or worry about this issue.

Table 4.10 Prefer to Consume Organic Food, because It is Good for health

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Valid disagree | 2 | 4.0 | 4.0 | 4.0 |
| neutral | 9 | 18.0 | 18.0 | 22.0 |
| agree | 21 | 42.0 | 42.0 | 64.0 |
| strongly agree | 18 | 36.0 | 36.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

When asking respondents about organic food whether is good for health or not, 78% of respondents agree or strongly agree with the statement. It indicates that they prefer to consume organic food, because it is good for their health. Only 22% of respondents do not agree with this. In this case, there is no significant different between male and female from their preferences. The mean of respondents' answers for this question is 4.1, which is quite high. It also indicates that respondents rate this factor as important one.

Table 4.11 Prefer to purchase organic food, because it produced by environmental friendly process

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 1 | 2.0 | 2.0 | 2.0 |
| disagree | 6 | 12.0 | 12.0 | 14.0 |
| neutral | 15 | 30.0 | 30.0 | 44.0 |
| agree | 22 | 44.0 | 44.0 | 88.0 |
| strongly agree | 6 | 12.0 | 12.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

When asking respondents about their concern on environment, 56% of respondents agree that organic food is produced by environmental friendly process. So they prefer to purchase and to consume it. On the other hand, another 14% of respondents do not prefer to consume organic food, because of concern for environment.

Table 4.12 Prefer to purchase organic food, because I worry about environment

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 1 | 2.0 | 2.0 | 2.0 |
| disagree | 10 | 20.0 | 20.0 | 22.0 |
| neutral | 22 | 44.0 | 44.0 | 66.0 |
| agree | 14 | 28.0 | 28.0 | 94.0 |
| strongly agree | 3 | 6.0 | 6.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

From the data from table above, respondents' answers are quite mix. They either disagree or agree with the statement. 22% of total respondents disagree with this, while the other 34% of respondents agree. Those who express as neutral represent almost half of 44% of total respondents. So it seem like environmental concern is not the major factor which they consider when they decide to purchase for organic food.

To answer why respondents think or perceive like this, table 4.13 below can provide the answer. About 52% of respondents agree with the statement. So it can be interpreted that they do not see any benefit of organic food toward environment. They might not know exactly how organic food can benefit or help to preserve environment.

Table 4.13 Do not see any benefit to environment, even I choose to consume organic food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 5 | 10.0 | 10.0 | 10.0 |
| disagree | 5 | 10.0 | 10.0 | 20.0 |
| neutral | 14 | 28.0 | 28.0 | 48.0 |
| agree | 26 | 52.0 | 52.0 | 52.0 |
| Total | 50 | 100.0 | 100.0 | |

In the next section, availability of organic food factor will be analyzed to see whether it is important factor in the eyes of respondents or not.

Table 4.14 Troublesome to find and purchase organic food near my place

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 2 | 4.0 | 4.0 | 4.0 |
| disagree | 8 | 16.0 | 16.0 | 20.0 |
| neutral | 10 | 20.0 | 20.0 | 40.0 |
| agree | 22 | 44.0 | 44.0 | 84.0 |
| strongly agree | 8 | 16.0 | 16.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

From the table above, about 60% of total respondents agree with the statement that it is quite hard and troublesome for them to find organic food near their places. Since most of respondents choose to shop for their organic food in supermarket according to table 4.3. So it can be interpreted that many of them do not live close to supermarket, and they need to travel to get it. Another 20% of respondents do not feel that it is quite troublesome to find organic food near their place.

To check whether location to shop for organic food is really important factor which can influence purchase decision or not, table 4.15 can describe respondents' answers. About 58% of respondents agree with this statement. And only 10% of respondents do not agree with this. So it can be interpreted that if organic food is available near or people do not find it is troublesome, they will purchase organic food rather than conventional one.

Table 4.15 If available near my place, I will choose to purchase organic food

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Valid disagree | 5 | 10.0 | 10.0 | 10.0 |
| neutral | 16 | 32.0 | 32.0 | 42.0 |
| agree | 19 | 38.0 | 38.0 | 80.0 |
| strongly agree | 10 | 20.0 | 20.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

Table 4.16 Need to put my effort to search for organic food, so I decide not to purchase it

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 2 | 4.0 | 4.0 | 4.0 |
| disagree | 16 | 32.0 | 32.0 | 36.0 |
| neutral | 14 | 28.0 | 28.0 | 64.0 |
| agree | 12 | 24.0 | 24.0 | 88.0 |
| strongly agree | 6 | 12.0 | 12.0 | 100.0 |
| Total | 50 | 100.0 | 100.0 | |

By asking respondents whether they need to put effort to search for organic food, so they decide not to purchase it or not, their answers are quite mix in this case as well. About 36% express that they disagree, and they do not need to put any effort. On the other hand, another 36% of them also agree on the statement. So respondents might decide not to purchase any organic food since they know it is not available near their place, instead of using their effort to find one.

To summarize respondents' answers, the following figure will display how respondents express their opinion toward each factor.

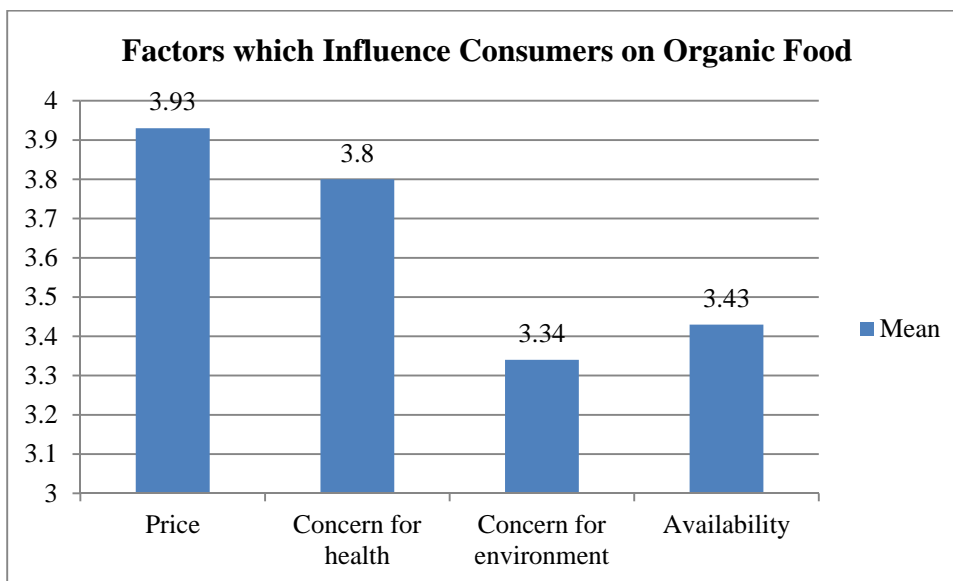


Figure 4.1 Factors which Influence Consumers to Purchase Organic Food

From respondents' point of views, it seems like price is the most important factor which has an effect on purchase intention of organic food. The mean of price is 3.93, and mean of concern for health, 2nd highest, is 3.8, and mean for availability, 3rd highest, is 3.43. According to how we interpret mean in chapter 3, anything above 3.41 will be considered as most important. Due to this point, price, concern for health, and availability can be considered most important factor which can influence consumers, according to respondents' opinions. As for concern for environment, it seems like respondents considered this factor to be moderate important to them.

In the next part, correlation between each factor and purchase intention will be analyzed and shown by using correlation and multiple regression method in SPSS.

Table 4.17 Correlation between each factor toward purchase intention of organic food

| | | Purchase Intention | Concern for health | Concern for environment | availability |
|---------------------|-------------------------|--------------------|--------------------|-------------------------|--------------|
| Pearson Correlation | Purchase intention | 1.000 | .359** | .389** | .424** |
| | Concern for health | .359** | 1.000 | .195 | .317** |
| | Concern for environment | .389** | .195 | 1.000 | .126 |
| | availability | .424** | .317** | .126 | 1.000 |
| Sig. (1-tailed) | Purchase intention | . | .005 | .003 | .001 |
| | Concern for health | .005 | . | .087 | .012 |
| | Concern for environment | .003 | .087 | . | .191 |
| | availability | .001 | .012 | .191 | . |
| N | Purchase intention | 50 | 50 | 50 | 50 |
| | Concern for health | 50 | 50 | 50 | 50 |
| | Concern for environment | 50 | 50 | 50 | 50 |
| | availability | 50 | 50 | 50 | 50 |

** . Correlation is significant at the 0.01 level

As for price, there is no correlation between itself and purchase intention, so researcher cut it out from the model. Toward purchase intention, there are only three factors which have correlation, significant level less than 0.05, toward purchase intention. There are concern for health, concern for environment, and availability. Fromm the above table, availability is the factor which has the highest correlation with purchase intention. It can be indicated that if the organic food is available near their places, it can lead them to shop for organic food rather than conventional food.

Table 4.18 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .602 ^a | .363 | .306 | .71581 |

a. Predictors: (Constant), availability, price, concern for environment, concern for health

b. Dependent Variable: Purchase intention

Table 4.19 The Impact of Each Variables toward Purchase Intention of Organic Food

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 13.122 | 4 | 3.281 | 6.403 | .000 ^b |
| | Residual | 23.058 | 45 | .512 | | |
| | Total | 36.180 | 49 | | | |

a. Dependent Variable: Purchase intention

b. Predictors: (Constant), availability, price, concern for environment, concern for health

Table 4.20 Correlation table between independent and dependent factors

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | .741 | .798 | | .928 | .358 |
| price | -.112 | .169 | -.085 | -.663 | .511 |
| Concern for health | .199 | .160 | .172 | 1.249 | .218 |
| Concern for environment | .385 | .137 | .363 | 2.812 | .007 |
| availability | .315 | .137 | .295 | 2.300 | .026 |

a. Dependent Variable: Purchase intention

From the above table, it seems like all three factors can predict about 30.6% of purchase intention toward organic food. It showed that there is significant differences (Sig. = 0.00) between all three factors with purchase intention. All three factors also show positive standardized coefficients (Beta) of 0.359, 0.494, and 0.424.

To influence customer's purchase intention toward organic food, it seems like producers need to put organic food near those who want to buy, because availability has strongest correlation toward purchase intention. If producer wants to attract female as their target, then they need to promote that the price of organic food is not expensive or the benefit of eating organic food, because female tends to perceive that the price of organic food is high. If producer wants to attract male, then price is not a major factor for them to purchase.

To summarize what researcher has found so far, it seem like concern for health is the major reason they choose to consume organic food. However, the factor that has strongest correlation toward purchase intention is not concerning for one health, but availability of organic food near them. Right now, most people choose to shop for their organic food in supermarket. If producers can place organic food near them more, it can influence them to purchase and to consume organic food more.



CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

Food represents the one of the biggest spending for most people. It ranks as third place according to survey in the United States. Due to this point, it represents one of the biggest market which many people eye to take a share. Organic food is one of the fastest growing trends in the food category. Now many are trying to ride along the trend, because many people care for their health and environment more and more. Although it is one of the new segments in the food market and grow approximately 20% each year, many producers and manufacturers are competing really hard to edge up their market share.

From various researches in the past, it seems like price, concern for one health, concern for environment, and availability are the major factors which can influence consumers' purchase intention. According to Dumea (2012), it seems like concerning for one health is the major reason people choose to consumer organic food. Price is another reason which can influence purchase intention of organic food, because all of organic food is more expensive than conventional food. So people need to have high income in order to be able to purchase organic food.

According to analyzed data in chapter 4, it seems like many people rate concerning for one health is the major reason they choose to purchase and to consumer organic food similar to what other researchers have found. Apart from that, price and availability also rank as 2nd and 3rd most important reason why they choose to purchase organic food. On the other hand, it seems like female is more reluctant to purchase organic food rather than male, because they think that the price of organic food is higher than conventional one. However, price has no correlation or relationship with purchase intention that much.

According to multiple regression model, availability, concern for health, and concern for environment have correlation with purchase intention. All three of them can use to predict purchase intention, approximately 30.6%. From this research, researcher would like to recommend producer or organic food seller that location is the most important factor. Most people choose to purchase organic food in supermarket. If it is available near their places, they will choose to purchase more of organic food. So placing organic food in convenient stores or a shop near residential area will help to overcome this issue. Then marketer needs to promote the benefit of consuming organic food toward one health, then comparing the price of organic food and conventional food there. So consumers can compare the benefit and price on the spot. As for pricing strategy, if marketer is targeting female, they need to lower their price to match conventional food, because female tends to think that price of organic food is too high. If marketer is targeting male, price is not a major issue here.

In conclusion, people perceive that organic food is superior than conventional ones. Due to this point, many are willing to pay premium just to purchase and to consume organic food. In order for SMEs and individuals want to start selling organic food or promote its products. I would like to recommend place their products in convenient stores or any places near living area. Available is the most important factor for buyers. The easier they can find organic food near their place, the higher the chance they will decide to purchase. Now they have to go to supermarket in order to purchase organic food. It's quite troublesome for them.

Another recommendation is to place the organic food near any conventional food of the same type, so consumers can compare the price and quality of the products right away. If the price of organic food is not that expensive, comparing to conventional food next to them, they will decide to purchase organic food. Male tends to care less about pricing, comparing to female.

REFERENCES

- Batte M.T., Hooker N., Haab T.C., and Beaverson J. (2007). Putting their money where their mouths are: consumer willingness to pay for multi-ingredient, processed organic food products. *Food Policy*, 32: 145-159.
- Briz T., and Ward R.W. (2009). Consumer Awareness of Organic Products in Spain: An application of multinomial logit models. *Food Policy*, 34: 295-304.
- Bureau of labor Statistics. (2014). *Consumer Expenditures 2014*. Retrieved from <http://www.bls.gov/news.release/cesan.nr0.htm>
- Cranfield J. A., and Magnusson E. (2003). Canadian Consumers' Willingness-to-pay for Pesticide Free Food Products: An Ordered Probit Analysis. *International Food and Agribusiness Management Review*, 6(4): 14–30.
- Dettmann, R. L. and Dimitri, C. (2010). Who's Buying Organic Vegetables? Demographic Characteristics of U.S. Consumers. *Journal of Food Products Marketing*, 16(1): 79–91
- Dumea A. (2012). Factors Influencing Consumption of Organic Food in Romania. *The USV Annals of Economics and Public Administration*, 12(15): 107-113
- Environmental Leader LLC. (2009). *Green Marketing: What Works; What Doesn't: A Market Study of Practitioners*, Thetford Center, VT: Watershed.
- Essoussi L.H. and Zahaf M. (2008). Decision Making Process of Community Organic Food Consumers: an exploratory study. *Journal of Consumer Marketing*, 25(2): 95-104.
- Garland, R. (1991). The Mid-Point on a Rating Scale: Is it Desirable? *Marketing Bulletin*, 2: 66-70.
- Gracia A. and Magistris T. (2007). Organic Food Product Purchase Behaviour: a pilot study for urban consumers in the South of Italy. *Spanish Journal of Agricultural Research*, 5(4): 439-451.
- Grunert S.C., and Kristensen K. (1991). *On some factors influencing consumers' demand for organically grown foods*. In: R.N. Mayer (ed.), *Enhancing consumers' choice*, p 37–48.

- Hoffmann S. and Schlicht J. (2013), The impact of different types of concernment on the consumption of organic food. *International Journal of Consumer Studies*, 37: 625–633.
- Hughner, Shaw R., McDonagh P., Prothero A., Shultz C.J., and Stanton J. (2007). Who Are Organic Food Consumers? A Compilation and Review of Why People Purchase Organic Food. *Journal of Consumer Behaviour*, 6(2): 94–110.
- Jolly, D. A. (1996). Consumer Profiles of Buyers and Non Buyers of Organic Produce. In Organic '92: Proceedings of the Organic Farming Symposium, Asilomar, California. *University of California, Division of Agriculture & Natural Resources Publication*, 33(56): 121–126
- Kareklas I., Carlson J.R., and Muehling D.D. (2014). “I Eat Organic for My Benefit and Yours”: Egoistic and Altruistic Considerations for Purchasing Organic Food and Their Implications for Advertising Strategists. *Journal of Advertising*, 43(1): 18-32.
- Makatouni A. (2002). What Motives Consumers to Buy Organic Food in the UK? Results from a qualitative study. *British Food Journal*, 104(3): 345-352.
- Mcdaniel C. and Gates R. (2013). *Marketing Research*. Singapore: John Wiley & Sons Singapore Pte. Ltd.
- NELSON, J. (1991). *Marketing of Pesticide Free Vegetables in Bangkok*. Thesis (MsC). Asian Institute of Technology
- Nunnally J. and Bernstein I.H. (1994). *Psychometric Theory*. New York, NY: McGraw-Hill, Inc.
- Onyango B.M., Hallman W.K., and Bellows A.C. (2007). Purchasing organic food in US food systems: A study of attitudes and practice. *British Food Journal*, 109(5): 399-411.
- Pratruangkrai P. (2014, September 29). *Commerce Ministry determined to boost growth of Thai organic products sector*. The Nation. Retrieved from <http://www.nationmultimedia.com/business/Commerce-Ministry-determined-to-boost-growth-of-Th-30244330.html>
- Quan S. and Tan A.K.G. (2010). Consumer Purchase Decisions of Organic Food Products: An Ethnic Analysis. *Journal of International Consumer Marketing*, 22: 47 - 58

- Sangkumchaliang P. and Huang W. (2012). Consumers' Perceptions and Attitudes of Organic Food Products in Northern Thailand. *International Food and Argibusiness Management Review*, 15(1): 87-102.
- Shepherd R., Magnusson M., and Sjoden P. (2005). Determinants of consumer behavior related to organic foods. *Ambio*, 34(4): 353-359.
- Squires L., Juric B., and Cornwell T.B. (2001). Level of Market Development and Intensity of Organic Food Consumption: cross-cultural study of Danish and New Zealand consumers. *The Journal of Consumer Marketing*, 18(4): 392-409.
- Storstad O., and Bjorkhaug H. (2003). Foundations of production and consumption of organic food in Norway: Common attitudes among farmers and consumer? *Agriculture and Human Values*, 20: 151-163.
- Tregear A., Dent J. B., and McGregor M. J. (1994). The demand for organically-grown produce. *British Food Journal*, 96(4): 21
- Tsakiridou E., Boutsouki C., Zotos Y., and Mattas K. (2008). Attitudes and behaviour towards organic products: an exploratory study. *International Journal of Retail & Distribution Management*, 36(2): 158-175.
- United Nations Development Program. (2007). *Thailand Human Development Report 2007-Sufficiency and Economy and Human Development*. Bangkok: United Nations Development Program.