Chapter 21
Consumer Purchasing Behaviour towards Organic Products in Thailand

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ABSTRACT

This study investigates the factors affecting consumers’ decisions to purchase organic products. A self-administered questionnaire was used to collect the data from consumers who are primary shoppers for their households at five retail stores in the Bangkok metropolitan area. Using psychological and socio-demographics variables, exploratory factor analysis and logistic regression was used to examine consumers’ decisions to purchase organic products. Results suggest that consumers who are knowledgeable about organic products often purchase groceries at natural/health food stores, are concerned about health and food safety, and are more likely to purchase organic products. In addition, middle-aged female consumers who are highly educated and in the high income group are more likely to be organic consumers. In contrast, households who often dine out or consume takeaway food are less likely to purchase organic products.

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1. INTRODUCTION

The rise of supply and demand for organic products is clearly apparent in developed economies, but is still in its infancy in developing economies. Although developing countries generally have small proportions of organic production and sales compared with the global aggregate volume of organic production, their share is expected to expand in the future. This can be attributed to increasing incomes, greater public awareness of health issues and trends, and increasing levels of education. In Asia, significant domestic organic markets are developing in China, Hong Kong, Malaysia, the Philippines, and Thailand (UNCTAD, 2004).

The general increase in concern with health, food safety, and growing environmental awareness contributes to an expanding demand for organic and environmentally friendly products in Thailand. However, there has been limited study of the domestic organic market in Thailand. One study conducted by the Green Net/Earth Net Foundation in 2006 reported the market for organic products has grown rapidly: the value of organic products distributed to all markets increased from 375 million Baht in 2003 to 920 million Baht in 2005, with the value of the domestic alone market at 494.5 million Baht. Furthermore, demand for organic products is forecast to increase at approximately 10 to 20 percent per annum (Eischen, Prasertsri, & Sirikeratikul, 2006).

However, the market share for organic products is still relatively small because there are major obstacles to increasing domestic demand. First, the market for organic products in Thailand is in an early stage of its development, and only a small group of consumers purchase organic products on a regular basis (Roitner-Schobesberger, 2006). Second, organic products have credence attributes such as superior taste, good animal welfare practices, and enhanced health and environmental sensitivity, but these are not been widely known or understood (Panyakul, 2003; Roitner-Schobesberger, 2006). Thus, consumers tend be unaware of these credence attributes when making the decision to purchase organic products. Unless they are fully informed about the particular attributes distinguishing organic products from conventional products, consumers’ preferences will remain the same, favouring less expensive, non-organic products, and the substitution effect may therefore not be realised (Giannakas, 2002; Panyakul, 2003; Roitner-Schobesberger, 2006).

In Thailand, several studies have examined consumers’ behaviour towards environmentally friendly products, but there has been little academic research on consumers’ purchasing behaviour with regard to organic products. A better understanding of the factors affecting these purchase decisions is essential for planning effective marketing strategies that will aid the development of the domestic organic products market. This study examines the underlying factors influencing consumers’ purchase decisions towards organic products in Thailand. It further investigates consumers’ general attitudes relating to health, food safety, ethics and environment factors, along with perceptions about organic products, in order to better understand consumers’ attitudes towards organic products.

2. FACTORS AFFECTING CONSUMERS’ DECISION TO PURCHASE ORGANIC PRODUCTS

Numerous studies on food consumption behaviour have established that consumers’ behaviour toward organic products is determined by both internal factors (such as health and environmental attitudes, food safety, ethics, environments, knowledge and lifestyle) and external ones (such as socio-economic and demographic characteristics). Schifferstein and Oude Ophuis (1998) discussed the health-related determinants of the consumption of organic products. They found that people who consume organic food tended to be health-conscious and were willing to purchase
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