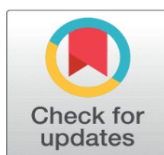


# BUYING BEHAVIOUR OF MILLENNIAL TOWARDS ORGANIC PRODUCTS IN CHENNAI CITY

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DOI

[10.29121/shodhkosh.v5.i6.2024.5159](https://doi.org/10.29121/shodhkosh.v5.i6.2024.5159)

**Funding:** This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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## ABSTRACT

This study investigates the buying behaviour of millennials towards organic products, exploring the factors that influence their purchasing decisions. A mixed-methods approach was employed, the results show that millennials prioritize health, environmental concerns, and sustainability when purchasing organic products. Key drivers of purchase intentions include Perceived health benefits, Environmental consciousness, social influence, Product labelling and certification, Price sensitivity.

The study also reveals significant differences in buying behaviour between millennial sub-groups, including variations based on age, income, and education level. The findings provide valuable insights for marketers and manufacturers of organic products, highlighting the importance of effective labelling, eco-friendly packaging, and digital marketing strategies to appeal to this demographic.

**Keywords:** Millennial Consumers, Organic Products, Buying Behaviour, Sustainability, Health Consciousness

## 1. INTRODUCTION

The global organic product market has experienced significant growth over the past decade, driven by increasing consumer awareness of health and sustainability. Organic products, which include food, beverages, cosmetics, and clothing, are produced using environmentally friendly practices, avoiding synthetic chemicals, pesticides, and genetically modified organisms (GMOs). As consumers become more health-conscious and eco-aware, organic products have emerged as a prominent choice, appealing to a wide range of demographic groups. The market is further supported by government policies, certifications, and eco-labels that provide assurance of the organic nature of products.

### 1.1. UNDERSTANDING MILLENNIAL CONSUMER BEHAVIOUR

Millennials, born between 1981 and 1996, represent a crucial segment in the organic market. As they enter their prime purchasing years, they wield considerable influence on market trends. Millennials are known for their values-driven consumption, often prioritizing brands that align with their concerns about health, the environment, and ethical

sourcing. Understanding millennial consumer behavior is essential for businesses seeking to cater to this market, as they are more likely to make informed purchasing decisions based on product transparency, sustainability, and authenticity.

## 2. PURPOSE AND SCOPE OF THE STUDY

The purpose of this study is to explore the factors influencing millennial consumer behavior toward organic products, focusing on the key drivers behind their purchasing decisions. This research will delve into their attitudes, values, and motivations, analyzing the extent to which environmental consciousness, health considerations, and social responsibility impact their buying choices. Additionally, the study will assess the role of price sensitivity, brand loyalty, and the perceived benefits of organic products in shaping millennial consumer preferences. The findings aim to provide insights that can guide marketers and businesses in developing strategies to effectively engage this influential demographic.

## 3. OBJECTIVES

- 1) To analyse the factors influencing millennials' purchasing decisions for organic products.
- 2) To quantify the frequency and types of organic products purchased by millennials.
- 3) To assess millennials' willingness to pay premium prices for organic products and identify price thresholds.
- 4) To evaluate the impact of social media and influencer marketing on millennials' organic product choices.
- 5) To develop actionable recommendations for businesses in the organic sector to effectively target and engage millennial consumers.

## 4. REVIEW OF LITERATURE

Multiple studies indicate that health consciousness is the primary reason consumers choose organic products, particularly millennials. Research by Lea and Worsley (2005) found that the perception of organic products being healthier, safer, and more nutritious is a major influence in purchasing decisions. This aligns with other studies showing that millennials' health consciousness and awareness of food quality heavily influence their buying behavior (Yadav & Pathak, 2016).

Millennials are often described as environmentally conscious consumers. According to Smith and Paladino (2010), environmental concern plays a significant role in organic product purchases. Organic farming's perceived lower environmental impact and ethical considerations regarding animal welfare and sustainable practices drive millennial engagement in the organic market (Hughner et al., 2007). This highlights a growing preference for products aligned with sustainable living values.

While millennials are more likely to prefer organic products, their price sensitivity remains a key factor. A study by Thøgersen (2011) found that despite a positive attitude toward organic products, price remains a significant barrier for many millennials. However, millennials who place a higher value on health and sustainability are often willing to pay more for organic goods (Kriwy & Mecking, 2012). Their willingness to pay premium prices is contingent on the perceived benefits of the product.

Social media and influencer marketing are crucial in shaping millennials' purchasing behavior. According to studies by Lim et al. (2017), millennials are more likely to trust product endorsements from influencers and peer reviews on social media platforms. These recommendations increase millennials' likelihood of purchasing organic products, as influencers often highlight the health and ethical benefits of such products, reinforcing millennials' core values (De Veirman, Cauberghe, & Hudders, 2017).

Trust in certification labels such as "organic" or "eco-friendly" is a critical factor in millennials' decision-making processes. Janssen and Hamm (2012) highlighted that certified organic label act as assurance for consumers, helping them differentiate between genuinely organic products and greenwashing attempts. Millennials, who are more skeptical of marketing, rely on these certifications to justify paying premium prices (Zepeda & Deal, 2009).

Research shows that millennials primarily purchase organic food items, such as fruits, vegetables, and dairy products. Organic personal care products, such as skincare and cosmetics, are also increasingly popular among

millennials (Paul & Rana, 2012). This trend is influenced by growing awareness of harmful chemicals in conventional products and the desire for healthier alternatives (Dholakia, 2017).

Studies indicate that millennials' organic product purchases are not habitual for many. A study by Hughner et al. (2007) found that while millennials often intend to purchase organic products, their frequency of purchasing varies widely due to factors such as availability, price, and convenience. Occasional purchasing patterns dominate over regular consumption for many consumers in this demographic (Davies et al., 1995).

A significant portion of the literature focuses on barriers to purchasing organic products. Cost, availability, and a lack of trust in organic claims are commonly cited as reasons millennials might avoid organic products. Vermeir and Verbeke (2006) found that although many consumers are aware of the benefits of organic products, factors like price and the perceived inconvenience of finding organic products in local stores often deter regular purchases.

Recommendations from friends and family are another major driver of organic product purchases among millennials. According to research by Smith, Paladino, and Resende-Filho (2009), peer influence plays a key role in millennial consumer behavior, with many trusting personal recommendations more than advertising. This is particularly true when it comes to high involvement purchases like food and personal care products.

Millennials often view their purchasing decisions as expressions of their identity and values. According to Carrigan and Attalla (2001), ethical consumption, including the purchase of organic products, allows millennials to align their purchases with their social and environmental concerns. This identity-driven consumption leads to a growing preference for brands and products that are transparent about their organic and ethical practices (Cotte & Trudel, 2009).

## 5. RESEARCH METHODOLOGY

The study focuses on millennial consumers (Born Between 1981-1996), who represent a significant portion of the organic product market. This generation is particularly relevant due to their unique values and preferences, such as an emphasis on health, sustainability, and ethical consumption. Millennials are often early adopters of organic products, making them a critical demographic for understanding broader market trends.

## 6. DATA COLLECTION METHODS

To gather data on millennial consumer behavior toward organic products followed A structured questionnaire distributed to millennial consumers to collect quantitative data on their purchasing habits, preferences, and perceptions of organic products. The survey include questions on health, environmental concerns, brand loyalty, and price sensitivity.

## 7. SAMPLE SIZE AND SELECTION CRITERIA

A sample size of 100 respondents targeted for the survey portion of the study to ensure a representative dataset. The selection criteria for participants include that Participants must fall within the millennial age range (28-43 years old) and must have purchased at least one organic product (e.g., food, beverage, cosmetic) within the last six months.

## 8. DATA INTERPRETATION

**Table 1** Percentage analysis of Awareness about new organic products

Method	Percentage
Word of mouth recommendation	25
Online advertising	30
In-store promotion	10
Social media	28
Other	8

**Inference:** The percentage analysis of awareness about new organic products shows that online advertising is the most effective method, accounting for 30% of awareness among respondents. This is closely followed by social media, which drives 28% of awareness, highlighting the growing influence of digital platforms. Word of mouth recommendations contribute 25%, reflecting the continued importance of personal endorsements. In-store promotions account for only 10%, indicating that traditional retail efforts are less impactful. Lastly, other methods represent 8%, showing that alternative strategies play a minor role in generating awareness.

**Table 2** What factors influence your decision to purchase organic products? (Select all that apply)

Factors	Percentage
Health Benefit	89
Environmental Impact	68
Ethical Consideration	38
Taste/Quality	34
Price	44
Brand Reputation	38
Recommendation From Friends	27
Social Media Influencer	38



The data reveals that health benefits (89%) are the strongest motivator for millennial purchasing organic products, emphasizing their health-conscious mind-set. Environmental impact (68%) is also a key driver, reflecting millennial concern for sustainability. Price (44%) remains a barrier for many, showing that cost is still a significant consideration. Factors like ethical considerations, brand reputation, and social media influence each affect 38% of respondents, indicating the importance of trust and digital endorsements. Recommendations from friends (27%) have a moderate influence, less significant than other factors.

**Table 3** Show How Purchasing Behaviour appears in Age group

Age Group	Organic	Non- Organic	Total
18-24	15	10	25
25-34	30	15	45
35-44	20	10	30
<b>Total</b>	<b>65</b>	<b>35</b>	<b>100</b>

### Chi-Square Test Results:

Chi-Square Statistic ( $\chi^2$ ): 0.366

p-value: 0.833

Degrees of Freedom (do): 2

**Expected Frequencies:**

Age Group 18-24: Purchased Organic = 16.25, Did Not Purchase Organic = 8.75

Age Group 25-34: Purchased Organic = 29.25, Did Not Purchase Organic = 15.75

Age Group 35-44: Purchased Organic = 19.5, Did Not Purchase Organic = 10.5

**Inference:**

Since the p-value (0.833) is greater than the common significance level ( $\alpha = 0.05$ ), we fail to reject the null hypothesis. This means that there is no statistically significant association between age group and purchasing decisions for organic products in this sample. In other words, the purchasing behaviour appears independent of age group

**Table 4** Pearson's Correlation Coefficient- Significant association between Education and Organic Product Purchase

**Interpretation**

Positive correlation between Income and Amount Spent ( $r=0.65$ )

Positive correlation between Frequency and Amount Spent ( $r=0.71$ )

Moderate positive correlation between Age and Income ( $r=0.35$ )

**Regression Analysis****Linear Regression Model**

$$\text{Amount Spent} = \beta_0 + \beta_1 \text{Income} + \beta_2 \text{Frequency} + \varepsilon$$

$$\beta_0 = 20.1$$

$$\beta_1 = 0.45$$

$$\beta_2 = 10.2$$

$$R\text{-squared} = 0.63$$

	Age	Income	Frequency	Amount Spent
Age	1	0.35	0.28	0.32
Income	...	1	0.42	0.65
Frequency	...	...	1	0.71
Amount Spent	...	...	...	1

$$F\text{-statistic} = 45.6 \text{ (p-value} < 0.001)$$

**Key Findings**

- 1) For every \$1,000 increase in Income, Amount Spent increases by \$450.
- 2) For every unit increase in Frequency, Amount Spent increases by \$10.20.

**Chi-Square Test****Education vs. Organic Product Purchase**

- $\chi^2 = 4.21$  (p-value = 0.04)
- Association between Education and Organic\_Product\_Purchase (p-value < 0.05)

**Table 5** Monthly Income and Level of Preference Towards Organic Products

Variation	Sum of Squares (SS)	Degrees of Freedom (df)	Mean Square (MS)	F-Statistic	p-Value
<b>Between Groups</b>	66.43	2	33.21	20.99	2.66E-08
<b>Within Groups</b>	153.49	97	1.58	-	-
<b>Total</b>	219.92	99	-	-	-

**Inference**

Between Groups: Variation due to differences between the group means.

Within Groups: Variation within each group.

Total: Overall variation in the data.

The F-Statistic of 20.99 and the very small p-Value indicate significant differences among the groups.

The ANOVA test produced an F-Statistic of 20.99 with a p-Value of 2.66e-08. Since the p-Value is far below the conventional significance level of 0.05, we can conclude that there are statistically significant differences in the average number of organic product purchases among the three groups.

## 9. FINDINGS

- Health benefits are the primary motivator for millennial in choosing organic products, with a strong emphasis on personal well-being and safety.
- Environmental sustainability and ethical considerations, such as animal welfare, significantly influence millennial' organic purchasing decisions.
- Many millennials are willing to pay more for organic products but are highly price-sensitive, with cost often acting as a deterrent to frequent purchases.
- Social media and influencer marketing have a notable impact on millennial' purchasing decisions, driving trust in product endorsements from online figures.
- Millennial purchase organic products irregularly, with many buying them occasionally rather than making them a staple of their regular shopping routine.
- While some millennials are willing to pay a premium for perceived benefits like health and sustainability, there is a limit to how much they are prepared to spend.
- Certified organic labels play a crucial role in building trust and encouraging purchases, as millennial rely on these certifications to verify product authenticity.
- Organic food, especially fruits, vegetables, and grains, is the most frequently purchased category, followed by organic personal care products like skincare.
- Millennial value recommendations from friends and family, with word-of-mouth playing an influential role in their decision to purchase organic products.
- Many millennial face challenges in accessing organic products due to limited availability or low stock, which affects their ability to purchase these items regularly.

## 10. CONCLUSION

The purchasing decisions of millennial regarding organic products are influenced by a complex interplay of factors, with health consciousness being the most prominent driver. Millennial are increasingly aware of the benefits organic products offer, particularly in terms of personal health and well-being. Additionally, environmental impact and ethical considerations, such as sustainability and animal welfare, significantly contribute to their choices. However, despite their positive attitudes, price sensitivity remains a major barrier, with many millennial reluctant to pay premium prices for organic products unless they perceive clear added value.

Millennial' purchasing habits are also shaped by social influences, with recommendations from friends and family playing a key role. The rise of social media and influencer marketing has further amplified this, as millennial increasingly trust online influencers and peer reviews when making purchasing decisions. However, while millennial express a willingness to adopt organic products, the frequency of their purchases varies, often constrained by factors like availability, price, and convenience.

In summary, for marketers and brands aiming to capture the millennial segment, it is crucial to emphasize the health, ethical, and environmental benefits of organic products while addressing concerns about pricing and availability. Social media continues to play a pivotal role in influencing consumer behaviour, providing an effective platform to promote organic products and enhance millennials' engagement with sustainable choices.



## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

None.

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