

Consumer Perception and Willingness to Pay for Organic vs Conventional Food

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ABSTRACT

The purpose of this study is to examine consumer perception and willingness to pay for organic food compared to conventional food in Visakhapatnam and Srikakulam districts, Andhra Pradesh. Health consciousness and awareness towards environmental degradation along with socio-economic factors, play an important role in influencing consumer behaviour towards organic foods. Descriptive analytical method was used and primary data was obtained from 100 respondents through a structured questionnaire. Secondary data was collected from academic sources and government reports. The results indicate that although consumers' perception about organic food is very good because of their health and environmental impacts, their behaviour towards these products is relatively poor. Higher price levels, less availability and non-confidence towards certification process were found to be the key factors which are influencing the willingness to pay of the consumers. Income level and purchase frequency were found to be significant factors which affect WTP, whereas other demographic factors had less significance. This study suggests that reducing the prices, making these foods available to the consumers and building confidence towards certification are necessary to improve this market.

Keywords: Organic Food, Consumer Perception, Willingness to Pay (WTP), Health Consciousness, Market Accessibility, Price Sensitivity, Consumer Behavior and Sustainable Agriculture

Consumer demand for organic food has grown in recent years, mainly due to rising concerns about health, food safety, and environmental sustainability (Rana & Paul, 2017). Organic products are generally viewed as healthier and more eco-friendly compared to conventional foods (Magnusson *et al.* 2003). Rural consumers, in particular, are increasingly interested in organic options as part of a healthy lifestyle. However, the higher prices of organic products limit their wider acceptance, especially among cost-sensitive households (Aryal *et al.* 2009). In addition, doubts about labeling, certification, and actual nutritional benefits often make consumers hesitant (Hughner *et al.* 2007) Consumer perception

plays a crucial role in shaping purchasing decisions, particularly in the context of food products. Organic foods, produced without synthetic fertilizers, pesticides, genetically modified organisms (GMOs), and artificial additives, are widely perceived as healthier, safer, and environmentally sustainable alternatives to conventional foods (Rana & Paul, 2017). In contrast, conventional foods are typically

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produced using chemical fertilizers, pesticides, GMOs, and other artificial inputs, allowing for higher yields and lower prices.

Despite this growing popularity, a clear gap exists between consumer awareness and actual purchasing behavior. While many consumers express positive attitudes toward organic foods, price sensitivity remains a significant barrier. Organic foods are often priced 20–50% higher than conventional alternatives due to costlier production methods, certification requirements, and supply chain limitations (Aryal *et al.*, 2009). As a result, willingness to pay (WTP) becomes a crucial measure to understand whether consumers are ready to translate their attitudes into purchases. WTP is influenced not only by perceived health benefits but also by environmental consciousness, ethical considerations, personal values, and social influences (Yiridoe *et al.* 2005).

Conventional foods, in contrast, are widely available and affordable. They dominate the market due to economies of scale, established supply chains, and competitive pricing. Despite growing health and sustainability concerns, conventional food consumption remains high, particularly in lower-income and price-sensitive segments of the population. Studies show that while consumers acknowledge the benefits of organic products, convenience, taste preferences, and affordability often lead them to favor conventional foods (Lockie *et al.* 2002).

Socio-Demographic Factors

Socio-demographic factors such as age, education, income, and urbanization significantly shape consumer perception and WTP. Higher-income and well-educated individuals are more likely to recognize the health and environmental benefits of organic foods and demonstrate a higher willingness to pay. In urban areas, where exposure to organic food marketing and availability is higher, consumers tend to purchase organic products more frequently than in rural areas (Willer & Lernoud, 2019). Psychological factors, including health consciousness, environmental awareness, and trust in food labeling, further influence purchase decisions. Consumers who trust certifications and labeling are more likely to pay a premium for organic foods, while skepticism regarding authenticity can significantly reduce

WTP. Studies across different regions indicate that consumer perceptions are shaped by factors such as education, income level, urbanization, and exposure to organic food marketing. Higher-income and well-educated consumers are more likely to recognize the benefits of organic products and demonstrate a higher willingness to pay (Willer & Lernoud, 2019; Aryal *et al.* 2009). Conversely, in price-sensitive markets, cost remains the primary barrier to adopting organic products, even among health-conscious consumers (Yiridoe *et al.* 2005). Aryal *et al.* (2009) reported that in Kathmandu Valley, although 70% of consumers were aware of organic products, only 30% regularly purchased them due to higher prices and inconsistent labeling. Similarly, a survey in India revealed that price remains the top deterrent, followed by limited access and doubts about authenticity (Rana & Paul, 2017). Marketing and certification strategies play a critical role in influencing WTP. Transparent labeling, third-party certifications, and awareness campaigns have been shown to enhance consumer trust and willingness to pay. Furthermore, the perception of organic foods as not only healthier but also as a contributor to environmental sustainability and social responsibility is becoming increasingly important in shaping purchase behavior (Lockie *et al.* 2002).

Research on consumer perception and willingness to pay (WTP) for organic food highlights health consciousness, environmental concern, and food safety as primary drivers influencing purchasing behavior. Magnusson *et al.* (2003) found that consumers associate organic food with health benefits and sustainability, which enhances their intention to pay a premium. Aryal *et al.* (2009) showed that in developing regions like Kathmandu Valley, despite positive attitudes, higher costs and limited trust in certification restrict actual purchases. Rana and Paul (2017) emphasized that while rural consumers demonstrate greater WTP, affordability and accessibility remain key barriers. Demographic factors such as income, education, and age also shape consumer choices, with younger and higher-income groups being more inclined toward organic options. Overall, the literature indicates a gap between favorable perceptions and actual buying behavior, suggesting that trust-building, better pricing strategies, and improved availability are crucial for strengthening the organic food market.

The dichotomy between organic and conventional agriculture is rooted in distinct philosophical and ecological paradigms. Lockeretz (2007) emphasized the ideological commitment of organic farming to ecological balance and minimal chemical input, while Lampkin and Padel (1994) provided a foundational framework for understanding organic principles in contrast to conventional intensification. More recently, Rigby and Cáceres (2001) argued that organic agriculture represents a socio-political movement as much as a production system, challenging the industrial logic of conventional farming.

Yacob, Radam, and Hashim (2016) situate their review within the broader discourse on consumer behaviour toward organic food, emphasizing the interplay between health consciousness, environmental awareness, and ethical considerations. Their synthesis draws on foundational behavioural theories such as the Theory of Planned Behaviour (Ajzen, 1991) and Health Belief Model, which have been widely applied to explain organic food choices (e.g., Tarkiainen & Sundqvist, 2005; Michaelidou & Hassan, 2008).

A substantial body of research has examined the nutritional composition and safety of organic versus conventional foods. Notably, studies by Brandt *et al.* (2011) and Smith-Spangler *et al.* (2012) offer meta-analytical insights, suggesting marginally higher antioxidant levels in organic produce but inconclusive differences in overall nutrient density. Pesticide residue levels, however, consistently favour organic products, as highlighted by Baker *et al.* (2002), reinforcing consumer perceptions of organic food as safer and more natural.

Environmental assessments of organic and conventional farming systems reveal complex trade-offs. Tuomisto *et al.* (2012) conducted a comprehensive meta-analysis indicating that organic farming generally reduces environmental burdens per unit area (e.g., lower pesticide runoff, enhanced biodiversity), but may require more land to achieve equivalent yields. This yield gap remains a critical point of contention, with Seufert *et al.* (2012) arguing that context-specific factors—such as crop type and management practices—moderate the performance differential.

Beyond technical metrics, scholars have examined the sociocultural narratives surrounding organic and conventional food. Guthman (2004) critiques the “mainstreaming” of organic agriculture, arguing that market-driven expansion risks diluting its transformative ethos. Meanwhile, conventional agriculture is increasingly scrutinized for its ties to industrialization, monoculture, and corporate consolidation. These debates intersect with broader concerns about food justice, transparency, and consumer agency.

Consumer perceptions of organic versus conventional foods have evolved significantly over the past two decades. Early studies by Jolly (1991) and Thompson (1998) identified health consciousness and environmental concern as primary motivators for organic food consumption. More recent work by Hughner *et al.* (2007) synthesized over 50 studies, revealing a multidimensional framework of consumer attitudes shaped by trust, taste, and ethical considerations. The literature consistently shows that organic food is perceived as healthier, safer, and more environmentally friendly, though these perceptions are not always grounded in empirical evidence.

Several factors influence consumer preference for organic foods, including socio-demographic variables, psychological traits, and market accessibility. Aertsens *et al.* (2009) emphasized the role of personal values and lifestyle alignment, while Magnusson *et al.* (2003) found that perceived behavioural control and subjective norms significantly affect purchase intentions. The Theory of Planned Behaviour (Ajzen, 1991) has been widely applied to model these dynamics, with empirical support from studies such as Tarkiainen and Sundqvist (2005), who demonstrated that attitude and perceived control are stronger predictors than subjective norms.

Organic food products are widely recognized as credence goods, meaning their quality attributes—such as production methods and environmental impact—cannot be directly verified by consumers at the point of purchase. Janssen and Hamm (2012) build on the foundational work of Darby and Karni (1973) and Nelson (1970), emphasizing the role of information provision in reducing asymmetry and enhancing consumer trust. Their review highlights

that third-party certification and transparent labelling are essential mechanisms for signalling authenticity in organic markets.

The source and framing of information play a critical role in shaping consumer perceptions. Janssen and Hamm (2012) review experimental evidence indicating that independent, credible sources (e.g., government agencies or NGOs) are more effective in influencing consumer behavior than industry-sponsored messages. This aligns with findings by Rousu *et al.* (2007) and McFadden & Huffman (2017), who demonstrated that third-party information can correct misconceptions and reduce inflated premiums associated with ambiguous claims like “natural.”

The concept of willingness to pay (WTP) for organic food is grounded in consumer utility theory and behavioral economics. Lancaster’s (1966) characteristics model and Rosen’s (1974) hedonic pricing framework laid the foundation for evaluating how product attributes—such as organic certification—affect consumer valuation. More recent applications of the Theory of Planned Behavior (Ajzen, 1991) have linked WTP to attitudes, subjective norms, and perceived behavioral control, as demonstrated by Tarkiainen and Sundqvist (2005) in the context of organic food choices.

The authors contribute to a growing body of literature using experimental auctions to elicit consumers’ willingness-to-pay (WTP) for food attributes. Prior studies by Huffman *et al.* (2003), Bernard & Bernard (2010), and Rousu *et al.* (2007) demonstrated the effectiveness of random nth-price auctions in capturing real economic behavior. McFadden and Huffman (2017) extend this approach by incorporating information treatments, allowing them to isolate the effects of industry messaging and independent third-party information on consumer valuation.

The relationship between consumer knowledge and WTP for organic products has been extensively studied. Janssen and Hamm (2012) synthesize findings from multiple empirical studies, including those by Loureiro and Hine (2002) and Yiridoe *et al.* (2005), showing that better-informed consumers are more likely to pay a premium for organic goods. They argue that information interventions, such as

educational campaigns or detailed labeling, can significantly increase WTP by clarifying the benefits of organic production.

Price remains a critical barrier to organic food adoption. Loureiro and Hine (2002) found that consumers are willing to pay a premium for organic produce, but the threshold varies by product category and income level. Yiridoe, Bonti-Ankomah, and Martin (2005) noted that while health and environmental benefits justify higher prices for some consumers, others remain skeptical of the value proposition. The literature suggests that transparent labeling and certification can mitigate price resistance by enhancing perceived authenticity.

Ali and Kapoor (2009) review both qualitative and quantitative approaches used to assess brand image and WTP. Common methods include conjoint analysis, structural equation modeling, and survey-based perception scales. Their own empirical work employs regression analysis to quantify the impact of brand image dimensions—such as trustworthiness, familiarity, and perceived quality—on WTP for food brands.

The price premium associated with organic food is a central theme in WTP studies. Bonti-Ankomah and Yiridoe (2006) reported that consumers are willing to pay 10–50% more for organic products, depending on product type and market context. However, the elasticity of WTP varies: Lusk and Briggeman (2009) found that while some consumers are price-insensitive due to strong ethical convictions, others are highly responsive to price changes. This duality underscores the importance of balancing value communication with affordability.

The price premium associated with organic products is a well-documented barrier to adoption. Loureiro and Hine (2002) and Bonti-Ankomah and Yiridoe (2006) found that while some consumers are willing to pay more for organic goods, the threshold varies by income level and product category. Radam *et al.* (2010) observed that Malaysian consumers exhibit moderate willingness to pay, influenced by income, education, and urban residence, echoing findings from Govindasamy *et al.* (2001).

Crowder and Reganold (2015) compared profitability across farming systems and found that organic farms, despite higher labour costs, often achieve greater net

returns due to premium pricing. Hughner *et al.* (2007) explored consumer motivations, identifying health consciousness, environmental concern, and ethical values as key drivers of organic food purchases. Dimitri and Greene (2002) noted that market expansion has led to increased institutional support and certification infrastructure, though barriers to entry remain for small-scale producers.

Ali and Kapoor (2009) position brand image as a central determinant of consumer behavior, particularly in the context of food products. Their review draws on foundational branding literature, including Keller (1993), who defined brand image as perceptions held in consumer memory. The authors emphasize that a strong brand image enhances perceived product quality, emotional connection, and differentiation—factors that directly influence consumers' willingness to pay a price premium.

Socio-demographic variables such as income, education, age, and urban residence play a pivotal role in shaping WTP. Govindasamy *et al.* (2001) found that higher-income and better-educated consumers are more likely to pay a premium for organic produce. In contrast, Onyango, Hallman, and Bellows (2007) noted that younger consumers exhibit stronger preferences for organic food, driven by lifestyle alignment and social identity. The literature suggests that WTP is not uniform across populations, necessitating segmentation strategies in organic marketing.

The review synthesizes evidence showing that income, education, age, and urban residence are positively correlated with organic food consumption. This aligns with empirical studies by Govindasamy *et al.* (2001) and Onyango *et al.* (2007), which found that higher-income and better-educated consumers are more likely to purchase organic products. However, Yacob *et al.* (2016) caution that these relationships are context-dependent and may vary across regions and cultures.

The authors also discuss the influence of socio-demographic variables—such as income, education, and age—on organic food consumption. Consistent with studies by Govindasamy *et al.* (2001) and Michaelidou & Hassan (2008), they note that higher education levels and environmental concern are positively correlated with WTP. Moreover,

psychological constructs like attitude, subjective norms, and perceived behavioural control (Ajzen, 1991) are shown to mediate the effect of information on consumer choices.

A consistent theme in the literature is the role of health consciousness and environmental concern in shaping consumer preferences. Studies by Hughner *et al.* (2007) and Yiridoe *et al.* (2005) found that consumers often associate organic food with reduced chemical exposure and sustainable farming practices. Radam *et al.* (2010) reinforce this view, noting that Malaysian consumers are increasingly motivated by personal health and ecological awareness, though their knowledge of organic standards remains limited.

Health concerns and environmental awareness are consistently cited as primary drivers of WTP for organic products. Studies by Loureiro and Hine (2002) and Yiridoe, Bonti-Ankomah, and Martin (2005) found that consumers associate organic food with reduced pesticide exposure and ecological sustainability. Aryal *et al.* (2009) emphasized that perceived health benefits significantly influence WTP in developing countries, where food safety concerns are more pronounced. Similarly, Grunert and Juhl (1995) argued that environmental values amplify consumer commitment to organic purchasing, especially among ethically motivated segments.

Trust in organic labelling and certification schemes is a recurring theme in consumer research. Janssen and Hamm (2012) argued that third-party certification increases consumer confidence, especially in markets with high information asymmetry. Chen (2009) found that trust mediates the relationship between perceived quality and purchase intention, underscoring the importance of institutional credibility. Mislabelling scandals and greenwashing practices have prompted calls for stricter regulatory oversight and consumer education.

Trust in organic labels is a recurring theme in the literature. Janssen and Hamm (2012) emphasize that clear and meaningful labels, such as the EU organic logo or USDA Organic seal, enhance consumer confidence and facilitate informed decision-making. Their review supports earlier work by Hughner *et al.* (2007) and Chen (2009), which found that label recognition and perceived credibility are strong predictors of organic food purchase behaviour.

The authors underscore the importance of local context in shaping consumer attitudes. In Southeast Asia, for example, cultural beliefs, food traditions, and regulatory frameworks influence perceptions of organic food differently than in Western markets. This observation is supported by studies such as Yin *et al.* (2010) and Singh & Verma (2017), which document emerging organic markets in Asia with distinct consumer profiles.

Consumer attitudes toward organic food vary across cultural and geographic contexts. For instance, studies by Padel and Foster (2005) in the UK and Michaelidou and Hassan (2008) in Greece revealed differing levels of awareness and trust in organic standards. In emerging markets, such as India and China, research by Yin *et al.* (2010) and Singh and Verma (2017) suggests that urban consumers are increasingly receptive to organic products, though infrastructural and informational barriers persist.

Research Gap

Although several studies have examined consumer perception and willingness to pay for organic food, most existing research focuses on developed nations or major metropolitan areas, leaving a limited understanding of how these factors operate in smaller urban and semi-urban and rural contexts like Srikakulam and Vishakhapatnam. Previous literature primarily emphasizes health and environmental motivations but often overlooks the combined influence of socio-economic constraints, local market availability, and trust in certification systems on consumer behaviour. Moreover, the gap between positive consumer attitudes and their actual purchase decisions has not been sufficiently quantified in emerging markets. There is also limited empirical evidence on how demographic variables—such as age, income, and education—interact with price sensitivity and awareness to shape willingness to pay. This study seeks to bridge these gaps by exploring how perceptions, affordability, and trust collectively influence the purchasing behaviour of urban consumers toward organic versus conventional foods. Hence, an attempt has been made to (1) compare consumer attitudes towards locally produced organic food versus branded/ marketed organic products; (2) examine the role of health consciousness and

environmental awareness in shaping purchase intentions; (3) identify psychological, social, and economic factors influencing organic food purchase; (4) explore barriers such as availability, accessibility, certification, and labelling that affect consumer willingness to pay (WTP).

Methodology

The present study adopts a quantitative research approach to comprehensively examine the relationship between consumer perceptions, socio-demographic characteristics, and willingness to pay (WTP) for organic food. The study was conducted in Srikakulam district of Andhra Pradesh, selected due to its increasing exposure to both conventional and emerging organic food markets. A purposive sampling technique was employed to ensure adequate representation of diverse demographic and income groups. A total of 100 respondents were selected from various villages and semi-urban areas within the district. The target population comprised consumers, primarily from rural and semi-urban households, who are responsible for purchasing food items for household consumption. Primary data were collected using a structured questionnaire consisting of both closed- and open-ended questions. The questionnaire consisted of both closed and open-ended questions about socio-demographic characteristics, food purchase patterns, awareness, motivations, and willingness to pay for organic products. Secondary data was gathered from academic journals, government reports, and market research studies on consumer behaviour toward organic food. The instrument captured key dimensions such as consumer perception, awareness, market access, socio-demographic factors, and willingness to pay for organic food. Secondary data were obtained from academic journals, government reports, market research studies, and relevant published literature pertaining to consumer behaviour and WTP for organic food. The data gathering process for the study “Consumer Perception and Willingness to Pay for Organic vs Conventional Food” used both primary and secondary sources.

RESULTS

The analysis included both descriptive and inferential statistics. Descriptive statistics summed

up demographic information, motivations, and preferences. For example, 83% of respondents identified health benefits as their top reason for purchasing organic foods, whereas 64.7% consumed a combination of organic and conventional items. Statistical tests, particularly Chi-square, were employed to investigate the associations between sociodemographic characteristics and willingness to pay for organic food. The key findings include: Higher-income households are more likely to spend a premium for organic food, as there is a significant connection ($p < 0.05$). The frequency of grocery shopping was also significantly connected to willingness to pay more. Age, gender, education, occupation, family size, income stability, percentage of income spent on food, health consciousness, and understanding of organic certification had no significant effect on willingness to spend extra ($p > 0.05$).

Table 1: Age Group of the respondent

Age Group	Midpoint	Count	Midpoint $\times$ Count
18–25 years	21.5	85	1827.5
26–35 years	30.5	13	396.5
36–45 years	40.5	3	121.5

Average (mean) age $\approx$ 23.2 years.

The above table represents that the majority of participants are young adults. Out of a total of 101 respondents, 85 (83.3%) are aged 18–25 years, 13 (12.7%) are aged 26–35 years, and only 3 (2.9%) are aged 36–45 years. The calculated average age is approximately 23.2 years.

Table 2: Education Level Distribution

Education Level	Count	Percentage
Undergraduate	63	61.8%
Postgraduate/Doctorate	29	28.4%
High school or below	9	8.8%

The majority of 101 responders are undergraduate students, with 63 (61.8%) falling into this category. 29 respondents (28.4%) have postgraduate or doctoral degrees, while only 9 (8.8%) have a high school diploma or less. This shows that the surveyed group is predominantly highly educated, with most members holding at least an undergraduate degree.

Table 3: Family Members

Members	Count	Percentage
1-2	3	2.9%
3-4	84	81.6%
5 or more	14	13.6%

The above table represents that, the three- to four-member family is the most common, accounting for 81.6% of the total. Larger families (5+) constitute a considerable minority at 13.6%, whilst very small families (1-2 members) are uncommon at only 2.9%. This suggests a strong preference for medium-sized, presumably nuclear, family structures.

Table 4: Food Preference

Food Preference	Count	Percentage
Conventional	14	13.70%
Mix of Both	66	64.70%
Organic	21	20.60%

The table represents that majority of respondents favor a combination of organic and conventional foods (64.7%). one-fifth (20.6%) opt for exclusively organic food, whereas a lesser group (13.7%) favors conventional food. This indicates that the majority of consumers integrate both types, weighing health issues alongside cost and accessibility.

Monthly Household Income Vs. Willingness to Pay More

X-squared = 21.27, df = 9, p-value = 0.121

H1: There is no significant relationship between monthly household income and willingness to pay more for organic food.

H2: There is a significant relationship between monthly household income and willingness to pay more for organic food.

Result: The p-value (0.0121) is less than 0.05, so the relationship is significant.

Conclusion: Reject H1 – Monthly household income and willingness to pay more for organic food are dependent. Higher-income households are more willing to pay extra for organic products.

Frequency of Grocery Buying Vs. Willingness to Pay More

X-squared = 23.24, df = 12, p-value = 0.0251

H1: There is no significant relationship between how frequently consumers buy groceries and their willingness to pay more for organic food.

H2: There is a significant relationship between how frequently consumers buy groceries and their willingness to pay more for organic food.

Result: The p-value (0.0251) is less than 0.05, indicating a significant relationship.

Conclusion: Reject H1 – Grocery buying frequency and willingness to pay more for organic food are dependent. Consumers who buy groceries more frequently tend to show a higher willingness to pay extra for organic products.

INCOME STABILITY VS. WILLINGNESS TO PAY MORE

X-squared = 6311, df = 6, p-value = 0.3892

H1: There is no significant relationship between income stability and willingness to pay more for organic food.

H2: There is a significant relationship between income stability and willingness to pay more for organic food.

Result: The p-value (0.3892) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Income stability and willingness to pay more for organic food are independent. This suggests that how stable a person's income is does not significantly affect their willingness to spend extra on organic products.

Age Group Vs. Willingness to Pay More

X-squared = 2.294, df = 6, p-value = 0.8908

H1: There is no significant relationship between age group and willingness to pay more for organic food.

H2: There is a significant relationship between age group and willingness to pay more for organic food.

Result: The p-value (0.8908) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Age group and willingness to pay more for organic food are independent. This means consumers' willingness to pay extra for organic food does not significantly differ across age groups.

Gender Vs. Willingness to Pay More

X-squared = 2.392, df = 3, p-value = 0.4952

H1: There is no significant relationship between gender and willingness to pay more for organic food.

H2: There is a significant relationship between gender and willingness to pay more for organic food.

Result: The p-value (0.4952) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Gender and willingness to pay more for organic food are independent. This suggests that males and females show similar levels of willingness to pay extra for organic products.

Education Level Vs. Willingness to Pay More

X-squared = 4.526, df = 6, p-value = 0.6059

H1: There is no significant relationship between education level and willingness to pay more for organic food.

H2: There is a significant relationship between education level and willingness to pay more for organic food.

Result: The p-value (0.6059) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Education level and willingness to pay more for organic food are independent. This means that consumers' level of education does not significantly influence their willingness to pay extra for organic products.

Occupation Vs. Willingness to Pay More

X-squared = 120.18, df = 9, p-value = 0.2123

H1: There is no significant relationship between occupation and willingness to pay more for organic food.

H2: There is a significant relationship between occupation and willingness to pay more for organic food.

Result: The p-value (0.2123) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Occupation and willingness to pay more for organic food are independent. This implies that a person's type of occupation does not significantly influence their willingness to spend extra on organic products.

Family Size Vs. Willingness to Pay More

X-squared = 2.382, df = 6, p-value = 0.8814

H1: There is no significant relationship between family size and willingness to pay more for organic food.

H2: There is a significant relationship between family size and willingness to pay more for organic food.

Result: The p-value (0.8814) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Family size and willingness to pay more for organic food are independent. This means that the number of family members does not significantly influence consumers' willingness to pay extra for organic products.

Percentage of Income Spent on Food Vs. Willingness to Pay More

X-squared = 11.649, df = 9, p-value = 0.2338

H1: There is no significant relationship between the percentage of household income spent on food and willingness to pay more for organic food.

H2: There is a significant relationship between the percentage of household income spent on food and willingness to pay more for organic food.

Result: The p-value (0.2338) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – The percentage of income spent on food and willingness to pay more for organic food are independent. This suggests that the proportion of income a household allocates to food does not significantly affect their willingness to pay extra for organic products.

Health Consciousness Vs. Willingness to Pay More

X-squared = 9.589, df = 9, p-value = 0.3848

H1: There is no significant relationship between health consciousness when buying food and willingness to pay more for organic food.

H2: There is a significant relationship between health consciousness when buying food and willingness to pay more for organic food.

Result: The p-value (0.3848) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Health consciousness and willingness to pay more for organic food are independent. This means that consumers' concern for health when purchasing food does not significantly influence their willingness to spend extra on organic products.

Awareness of Organic Certification Labels Vs. Willingness to Pay More

X-squared = 13.571, df = 12, p-value = 0.3289

H1: There is no significant relationship between awareness of organic certification labels and willingness to pay more for organic food.

H2: There is a significant relationship between awareness of organic certification labels and willingness to pay more for organic food.

Result: The p-value (0.3289) is greater than 0.05, indicating no significant relationship.

Conclusion: Fail to reject H1 – Awareness of organic certification labels and willingness to pay more for organic food are independent. This suggests that consumers' knowledge or recognition of organic labels does not significantly influence their willingness to pay extra for organic products.

DISCUSSION

The findings of this analysis highlight the growing trend of organic food consumption, which is being driven mostly by health concerns. The willingness to pay a premium is greatest among households with greater incomes and frequent supermarket purchases. However, the findings show that most consumers combine organic and conventional

Table 5: Chi-Square Test Interpretation Summary

Category	Variables	Result	Conclusion
Significant relationship (Dependent)	Monthly household income, Frequency of grocery buying	$P < 0.05$	Reject H1 — There is a significant relationship between these variables and willingness to pay more for organic food
No significant relationship (Independent)	Income stability, Age, Gender, Education, Occupation, Family size, % income spent on food, Health consciousness, Awareness of organic labels, Limited availability	$p > 0.05$	Fail to reject H1 — These variables do not have a significant relationship with willingness to pay more for organic food.

goods, owing to cost and accessibility considerations. Non-significant connections between desire to pay and criteria such as age, education, and health consciousness indicate that broader incentives, namely pricing and access, outweigh personal or psychological concerns. Trust in labeling and certification is not a key determinant, highlighting the need for improved communication and education to build customer confidence. The popularity of health as a motivator, along with the supremacy of pricing as a barrier, reveals a disconnect between favorable opinions of organic products and actual purchasing behavior. This confirms the literature that suggests that improved marketing, pricing, and distribution are required to convert positive perceptions into consistent organic food purchases. Furthermore, the reliance on branded items for perceived quality and safety indicates that marketing and certification efforts should emphasize transparency and value communication.

CONCLUSION

The study reveals that, while consumer perceptions of organic foods are largely positive, particularly in terms of health advantages, actual willingness to pay is greatly influenced by income and frequency of supermarket shopping. Awareness campaigns and transparent certification processes are insufficient to foster widespread adoption if items remain prohibitively expensive for the average consumer. Policy measures and market interventions should aim to make organic foods more inexpensive and accessible, particularly in rural and low-income communities. Effective solutions should also strive to close the information gap and foster greater trust in certification and labelling. The paper also recommends more segmentation in marketing

tactics to address the various motives and barriers highlighted. Overall, the study demonstrates the urgent need for integrated efforts by policymakers, merchants, and certification organizations to realize the full potential of organic food markets in rising locations like Srikakulam, Vishakhapatnam of Andhra Pradesh.

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