

Consumers' perceptions, consumption and preference on organic product: Malaysian perspective

(Persepsi, penggunaan dan kecenderungan pengguna terhadap produk organik: Perspektif rakyat Malaysia)

Rozhan Abu Dardak*, Ahmad Zairy Zainol Abidin* and Abu Kasim Ali*

Keywords: consumer, perception, consumption, preference, organic product

Abstract

A national survey involving 625 respondents was carried out to investigate consumers' perceptions, utilizations and preferences towards organic products in Malaysia. This study revealed that more than 90% of the respondents were aware and understood what organic product was all about. They associated organic products with free chemical, healthy foods and were natural. Most of them (93%) believed that organic products could be found in vegetables, followed by fruits (68%) and meats (17%). About 55% of the respondents have consumed organic foods; with more than half consumed them occasionally, while only 16% consumed at least once in a week. Factors that influenced respondents to consume organic products: a) perceived to be safe and good for health (83%), b) higher quality (42%), and c) contributed in the efforts to protect the environment. This study also revealed that the level of awareness among Malaysian consumers towards Malaysian Organic Scheme (SOM) was low. Supermarket was the most important marketing channel for organic products (72%), followed by specialty shop (53% – mostly for supplement products), and wet market (51%). The quality and freshness of products, the label and nutrient facts on the packaging and local products were factors considered important by consumers, while price was not a determining factor. Consumers were still willing to purchase organic products even if the price was 25% higher than the conventional one. Beyond this price, the willingness to purchase the products diminished.

Introduction

Consumer's interest on organic product has grown rapidly over the years as a result of increasing awareness towards quality and healthy life, especially following the various reports on food contaminated with chemicals. People have become increasingly apprehensive about the safety of the food they are eating. The demand for organic products has increased tremendously especially in developed countries

(Baker 2007). This trend has moved to developing countries including Malaysia. The increasing demand for organic products promised a great opportunity for companies to produce more organic products that suit consumers' need and want.

In general, the share of organic products in the world's food market is still low, but the trend is increasing (Baker 2007). The movement towards organic products is reflected by the

*Economic and Technology Management Research Centre, MARDI Headquarters, Serdang, P.O. Box 12301, 50774 Kuala Lumpur, Malaysia

E-mail: rozhan@mardi.gov.my

©Malaysian Agricultural Research and Development Institute 2009

increasing number of countries producing organic products, the increase in total sale and the growth rate of consumption per capita in many countries especially, the European countries and the United States of America.

At present, more than 120 countries grow organic crops. In terms of outputs, 39% are in the Oceania region followed by Europe (23%), Latin America (19%), and the Asian region (11%) (Baker 2007). According to Taiwan Food and Fertilizer Technology Centre Report (FTP), the retail sales of organic products have reached more than USD38.6 billion in 2006 and the market is expected to grow between 15–20% a year, to more than USD70 billion in 2010. In Asia, it is estimated that the market of organic products is valued at more than USD1 billion and mostly accounted by the Japanese market. The market of organic products is expanding to new emerging markets such as China, India, Korea, Singapore and Malaysia.

Research related to marketing organic products is relatively sparse and is concentrated in the Europe and the USA (Chinnici et al. 2002; Giovanni and Nucifora 2002). Some studies were reported in Australia and New Zealand (Behrarrrell and MacFie 1991; Lea and Worsley 2005; Bhaskaran et al. 2006). To our knowledge, study on marketing of organic products is still lacking in Asia as well as in Malaysia. Thus, this study aimed to fill the gap and contribute to the literature in the area of marketing of organic products.

Discussion in this paper is based on findings both from review of literature search as well as from a consumer study conducted in 2008. The literature part will dwell with a review of organic products in Malaysia; current perception, consumption, and the marketing of the products globally. On the other hand, primary survey results would measure various quantitative and qualitative parameters related to the marketing and market of organic products in Malaysia. Consequently, the general purpose

of this study was to understand the market situation of organic products in Malaysian market. Specifically the objectives of this paper are to investigate Malaysian consumers' perception, consumption and their preferences towards organic products and, to examine market potential of organic products in Malaysia.

Organic products in Malaysia

The development of organic agriculture in Malaysia is considered in the infancy stage but it is developing very fast. At present, this industry is estimated to be worth more than RM800 million (Siti Nor Bayaah and Nurita 2007). The total of land area planted with organic crops has increased from 130 ha in 2001 to more than 2,400 ha in 2007 (DOA 2009).

The rapid growth of organic product development in Malaysia is influenced by the high demand from local markets. However, the high demand for organic products cannot be met by the local suppliers. Thus, the organic market is dominated by imported products, largely from Australia, New Zealand and Thailand for fresh products; China for grains, and USA and European countries for processed foods. It is estimated that between 60–90% of Malaysian organic products are imported, with the main imported fresh organic products are vegetables and fruits; while the processed foods are mainly cereal, beverages and grains.

The production and certification of organic products are monitored by the Department of Agriculture. This department has established its National Organic Standard (MS1529) which is equivalent to the international standard and named Malaysian Organic Scheme or 'Skim Organik Malaysia' (SOM). The certification of SOM is free of charge and farmers are encouraged to participate in this programme. Presently, more than 70 farmers have SOM accreditation to produce organic products for local as well as export markets.

Organic product has been considered as a new industry that contributes to the economic growth and also a new source of wealth for Malaysian farmers. The production of organic products has become a new strategy for Malaysian agricultural sector to sustain its competitive advantages. It is timely for Malaysian government to review its organic farming policy and change its paradigm to ensure that organic industry becomes the engine of growth for agricultural sector.

Perception on organic products

Different people have different perception towards organic products. The perception on these products is also associated with the culture, lifestyle and the market environment at which these products are marketed. The perception on organic product is determined by how people think about this product, what words they associate this product with, and what is their expectation from them.

The word 'organic' invokes a variety of images, attitudes and beliefs for consumer (Barry 2002). The most common words associated with organic products are: 'food without chemicals', food that is 'not intensively' produced and the crops that are grown in 'natural' environment (Davies et al. 1995; Makatouni 2002). Raab and Grobe (2005) reported that in the United States, 'chemical-free' is the most associated word for organic products, followed by 'natural' or 'home grown', 'healthier' and 'earth friendly'.

However, in some cases, the organic product is also perceived differently. Some consumers have classified organic product as a niche and has high values (Jonas and Roosen 2005). They are perceived as branded products and imply a high quality image and because of this image, they are sold at the specialty shop, command price premium and purchased by small segment of consumers who are categorized as the middle and upper income group (Giovanni and Nucifora 2002).

Contradictorily, there are also people who perceived organic product negatively. Some findings revealed that consumers associated organic product with expensive goods, lack of trust or lack of credibility, whether the product is produced according to the standards (Raab and Grobe 2005). Organic product is also perceived as bad in taste, has an abnormal shape, small in size and not attractive (Baker 2007). People are sceptical whether organic products really have a positive effect on their health and quality of life. As a result, some customers are not willing to pay the higher price of organic products.

Consumption of organic products

The last decade witnessed a significant movement in the consumption patterns, from conventional to organic products. Organic products have steadily become more popular as public were more concerned about their health. In many countries, the consumption of organic products has been reported to increase tremendously, and this is reflected by the growing interest on quality foods (Chinnici et al. 2002); increased awareness of the importance of a healthy diet (Giovanni and Nucifora 2002) and has better taste than the conventional products (Radman 2005). Some consumers purchase organic products, mainly for health reasons because they contain no chemicals and the products are suitable for children consumption (Makatouni 2002).

The marketing aspects of organic products

The main issue of marketing organic products is related to its supply chain. Organic products are bound with the standard procedures including the production, packaging, labelling, transporting, storage, distribution channel and pricing. It requires special attention and good management practices. The production of organic products is monitored by the country's certifying body that is usually affiliated with international

certifying authority. This is related to good agricultural practices in which the farm's procedural practice is fully implemented and monitored by the authority. The enforcement of good agricultural practices facilitates the marketing of organic products in the international arena (Stefanic et al. 2001)

The marketing of organic products is influenced by the element of trust among consumers, producers and sellers. The consumers are confident that the products really complied with the standard and are produced according to the standards. They are also confident that the producers and the sellers are bound with the production and business ethic and all information related to the organic products is revealed in the product label.

The distribution channels play important roles in the marketing of organic products. It implies how organic products are distributed and reached the consumers. The past studies revealed that one of the biggest challenges in marketing organic products is the distribution channels (Millock et al. 2007).

In general, the price of organic products is higher than the conventional one. Price is one of the biggest obstacles in marketing organic products (Radman 2005) and the barrier between the consumers and the sellers (Kontogeorgos and Semos 2008). The higher price is resulted from the higher cost of production, especially labour cost and the loss of income or the opportunity cost when farmers convert their conventional farms to organic farms (Stefanic et al. 2001). However, consumers are always comparing the price they have paid and the value of the products. Consumers are willing to pay for the products if they believe that the value is higher than the price; and vice versa.

Gender is also used to distinguish whether men or women have different views on organic food preferences. Women's preferences in food purchasing are particularly interesting since they do most of the household food shopping. A study in Thailand found that women are more

important consumers than men (Roitner-Schobesberber et al. 2007). This finding is consistent with the market scenario in Croatia (Radman 2005). Age, education and income are also important in determining the consumers of organic foods. The young, educated and high-income consumers buy organic products regularly and become important consumers (Benjamin et al. 2007).

Methodology

To understand consumers' perception, consumption and preferences towards organic products, a primary survey was carried out in April to June 2008 involving 625 respondents. The survey was conducted in six towns, to represent six regions of Malaysia: the Northern, Southern, Eastern and Central of Peninsular Malaysia; Sabah and Sarawak. These regions shall represent different segment of consumers. For example, the central region comprising big cities within the Klang Valley represents consumers with relatively higher income, well educated and stable occupation. On the other hand, the eastern region is always associated with traditional and conservative consumers.

The convenience sampling technique was employed in this study. Respondents were mainly customers of shopping malls and wet markets that sell organic products. The customers were intercepted randomly and invited to take part in the study. They were given a self-administered questionnaire and requested to complete it. If they encountered difficulty to complete the questionnaire, an enumerator would provide assistance.

The data was analysed using Statistical tool SPSS version 15. Several analyses were carried out, in which it includes ANOVA, correlation between independent and dependent variables and factor analysis. This analysis aims to understand the relationship between socio-economic profiles of respondents and their understanding towards organic concept, their perception, consumption and purchasing behavioural

on organic products. Factor analysis was carried out to describe variability among the observed variables. It attempts to discover the pattern of relationships among the variables understudied: factors that influence customers when they make decision to purchase organic products.

Results and discussion

Demographic profiles

The respondents of this study depict the racial composition of Malaysia. There were 63% Malay respondents, followed by Chinese (24%), other ethnic groups (12%)

Table 1. Demographic profile

Respondent	N	Percentage
Race		
Malay	394	63.0
Chinese	150	24.0
Indian	6	1.0
Other races	75	12.0
Gender		
Men	353	56.5
Women	272	43.5
Education		
Secondary school and below	312	49.0
College and University	313	51.0
Household family (average)	5.1	63.0
Household income		
<RM1000	165	26.4
RM1001–RM2000	146	23.4
RM2001–RM3000	133	21.3
>RM3000	142	22.7
Age		
Below 20 years	39	6.3
21–40 years	368	59.0
40–60 years	205	32.9
61 years and above	12	1.8

and Indian (1%). The high proportion of other ethnic groups was due to respondents from East Malaysia (Sarawak and Sabah). The proportion of men was 56.5% and the age distribution was biased towards individuals in their twenties and forties (59%). The education level among respondents was balance in which almost half of them obtained their diploma or degree, while another half completed their secondary education. The average household size was 5.1, indicating the relatively small size of Malaysian household family. In terms of income distribution, there was an equal division among respondents, with 26.4% was below RM1,000 a month, while 22.7% was above RM3,000 level (*Table 1*).

Perception

In Malaysia, the market for organic products is relatively in the embryonic stage. However, this study revealed that a great majority of the respondents (>90%) knew about the products. In general, they were aware and understood the benefits of organic products, but some of them were still sceptical and refused to purchase or consume the products. The respondents were asked about their perception towards organic products, and the results of their answers were as shown in *Table 2*.

The perception towards organic products seemed to be mixed among Malaysian consumers (*Table 2*). Some of them were positive while the others were negative. The respondents associated organic products with food devoid of chemicals (90%), products that were good for health

Table 2. Consumers' perception towards organic products

Statement	No of respondent (N)	Yes (%)	No (%)
The products are natural	620	53.9	46.1
Crops/livestock without chemicals and antibiotics	618	65.8	34.2
Product contains low chemical	624	90.8	9.2
The taste of the food is bad	610	5.5	94.5
The taste is not different from the conventional one	622	4.0	96.0
The taste is better than the conventional one	620	30.0	70.0
The product's features are not attractive	619	3.0	97.0
The product is good for health	623	62.7	37.3

(63%) and were natural (54%). Consumers were very concerned with their health and organic products seemed to be the alternative that could improve their quality of life. This finding also showed that more than 90% of the respondents perceived that the taste of organic products was not bad, and not better than the conventional one.

Information on organic products

As the commercial organic products were considered new to Malaysian consumers, they seek information from various media channels. Consumers seek information mostly from reading materials such as books, magazines, newspapers and brochures (75%), followed by electronic media such as television and radio (56%), words of mouth (26%), the internet (25%) and, seminars and conferences (16%). These media had, in one way or another influenced the consumers to purchase the organic products. Hence, these media were the best communication tools for firms to connect their products with the customers.

Consumption of organic products

Based on this study, in general, around 53.8% of people in Malaysia have consumed organic products at least once in the past six months. The findings indicated that vegetables were the most consumed, followed by fruits, food supplements and lastly, meat. The consumption of these products was consistent with their availability in the markets. From the surveys conducted at the supermarkets, almost all supermarkets sell vegetables, fruits and processed organic products. On the other hand, only a few supermarkets sell organic meat. In other words, the consumption of organic products in Malaysia is influenced by the availability of the products in the markets.

The result of this study also showed that the motivation to consume organic products is mainly because of health consideration. Consumers are health conscious and organic products are the

alternative products that can improve their quality of life. The other reason for consumers to consume organic products was that they perceived the products are of higher quality, contain no chemicals and thus safe to be consumed.

There was no significant difference between man and woman consuming organic products. There was also no significant difference between single and married respondents, indicating that organic products were consumed by single people as well family. However, in terms of age level, there was significant difference between younger and older respondents, in which organic products were consumed mostly by people of age between 20–40 years old. On the other hand, respondents below 20 years old and above 61 years old were the fewer users of organic products (*Table 3*).

These findings also indicated that the consumption of organic products was a family affair. In other words, these findings denote that the volume of products purchased is for family consumption. From the marketing perspectives, these findings have provided beneficial information on the potential customers, the size of packaging and the target of customers when they are strategising their marketing promotions. For example, the sufficient amount of the packaging of organic products is one serving for a family of 3–5 people.

Intention to purchase organic products

In general, organic products were purchased on the desire to obtain safe food (57%), while less than 15% of the respondents made the purchase based on impulse. The products purchased were mostly vegetables (93%), followed by fruits (68%), and processed products. Organic vegetables and fruits were the most widely available in the markets. In other words, the availability of these products has influenced the consumers to purchase and consume them.

On the other hand, the study found that the lack of organic meat in the market had contributed to lesser purchase of this food.

Table 3. The consumers of organic products

Variable	Number of respondents	The user of organic products (%)	Significance between group
Sex			
Man	353	54.90	ns
Woman	272	52.40	
Total	625	53.80	
Marital status			
Single	153	63.60	ns
Married	414	74.30	
Total	567		
Group age (years)			
Below 20	39	46.20	*
20–40	368	54.7	
41–60	205	54.4	
Above 61	12	41.7	
Total	624	53.8	
Highest education level			
Secondary school	312	72.5	ns
Diploma and higher	310	70.5	
Total	622		
Household income			
<RM1000	165	77.9	ns
RM1001–RM2000	146	64.6	
RM2001–RM3000	133	72.0	
>RM3000	142	71.1	
Race			
Malay	394	43.5	ns
Chinese	150	46.6	
Indian	6	41.2	

*Significant at $p < 0.10$

As organic product is new to Malaysian markets, most of the meat products are imported and the price is very much higher than the conventional one. The higher price has become a great barrier for meat product to be sold in Malaysian markets.

In general, organic products were purchased by the main ethnic groups in Malaysia: the Malays, Chinese, Indians, Sabahans and Sarawakians. However, within the ethnic group, the percentage of people from Sabah and Sarawak purchasing organic products were higher than the others. Nevertheless, this study revealed that the Chinese were the important customers (Figure 1).

Figure 1 shows that in general around half of the three main ethnic groups in Malaysia purchased organic products.

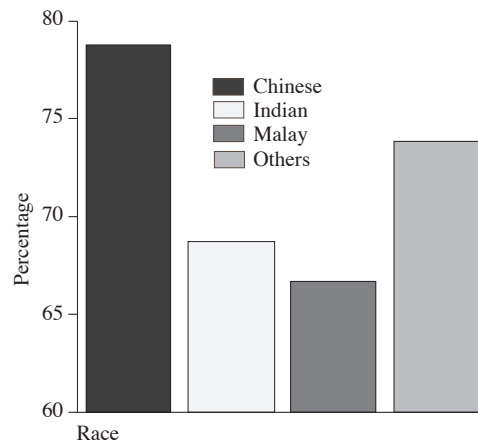


Figure 1. The customers of organic products

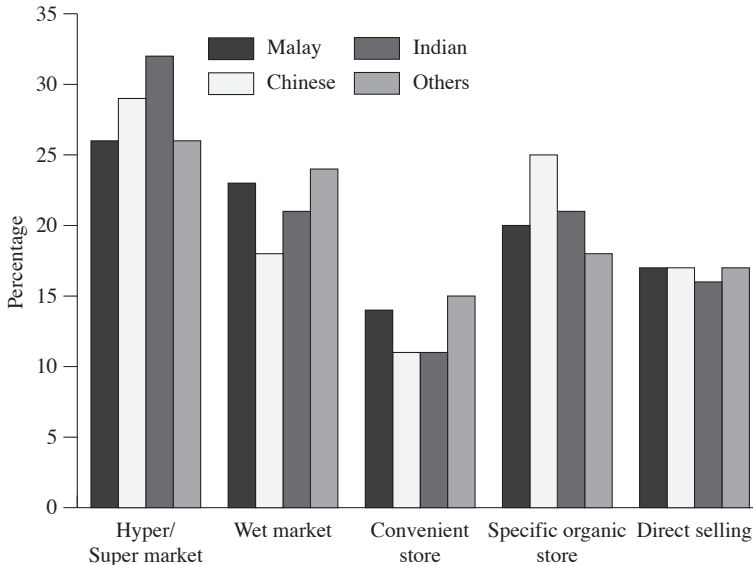


Figure 2. Marketing channels for organic products

However, there is no significant difference between ethnic group in purchasing organic vegetables and fruits (Chi-square 3.565, $df = 3, p < 0.312$) (Figure 2). The difference between them is in terms of purchasing and using food supplement. The finding showed that the Chinese community purchased and consumed food supplements more than the Malays and the Indians.

The Chinese also purchased organic products more frequently than the other races. However, the contribution of the Malays cannot be denied as the number of users are increasing every year. Thus, promotion and awareness programmes should be enhanced and carried out continuously. The promotion activities are important because this study revealed that people made decision to purchase organic products because they were influenced by promotions and advertisement in the media. Information on the benefits of consuming organic products for health and environment should be published in newspapers and electronic media.

Normally, organic products are identified by its brand or product label. Producers use their own company's brand

or label to indicate that their products are of organic origin. Producers of products from SOM certificated farms, use SOM label as an addition to their own label or brand. The SOM label is a certification from Malaysian government that the products have been produced according to the international standard procedure. In general, all organic products sold in the supermarkets use company's brand or product label.

This study revealed that consumers were quite particular with the organic label. This was indicated by their unwillingness to purchase products without organic label. The majority of the consumers only bought product with organic label; either it was a private or certified label. Unfortunately, this study also found that more than 40% of the respondents did not recognize the Malaysian Organic Certification (SOM – Scheme Organic Malaysia). Additionally, more than 66% have never heard about this scheme, especially those who were from outside the central region. In other words, this label did not add extra value to the existing organic products brand or label.

Supermarkets were the most important marketing channels for the purchase

of organic products (72%), followed by specialty shops (53% – mostly for supplement products), and wet markets (51%). The finding also indicated that supermarket is the important source to purchase organic products for all three ethnic groups; the Malays, Chinese and Indians.

Most of the supermarkets surveyed had placed the organic products at an ‘island’ (a specific place for organic products), and it helped consumers to find the products easily.

This study had also indicated the importance of selected criteria to consumers’ decision to purchase organic products. Understanding their decision making process is crucial for marketers to gauge the potential demand of organic products, and it provides some guidance on the product’s characteristics required by consumers. Factor analysis was carried out as a way to understand the relationship between the purchase and the factors that influence the decision to purchase organic products. The consumers’ preferences were indicated by their rating based on the five-point Likert scale, anchored by 1 as strongly not important and 5 as strongly important.

Table 4 shows the factors that influenced consumers when purchasing organic products. This study found that the three important components were health reason, promotion and products. Among

these components, health reason seemed to be the most important factor which was indicated by the higher factor loadings, in the range of 0.69 to 0.93. The consumers were concerned with their and family health. The organic products were perceived to be good for health and safe to be consumed.

These findings were consistent with study in Australia by Lea and Worsley (2005), who found that people purchased organic product because of health reason, the taste of the product and their concern towards environment; and the study by Roitner-Schobesberber et al. (2007) who revealed that Thai people purchased organic product because they perceived it as ‘safe food’, ‘good for environment’ and ‘hygienic’. In other words, these findings showed that in general, the factors that influenced consumers in purchasing organic product are consistent across the countries.

Advertisement and promotion were the second important factor that influenced consumers in purchasing organic products. Consumers obtained information on the products available in the markets and based on that information, they purchased the products. Furthermore, label of nutritional facts on the packaging was also important for companies to communicate and inform consumers about the positive things of their organic products. From the information on the packaging, consumers were well

Table 4. Factors that influenced consumers’ decision making in purchasing organic products

	Component (Factor loading)		
	Health reason	Promotion	Product
Family health	.929		
Own health	.911		
Safety	.871		
Natural	.704		
Freshness	.694		
Advertisement		.876	
Promotion		.833	
Packaging		.643	
Price			.789
Product feature			.747
International products			.537

informed of the benefits of organic products. As a result, they were influenced and purchase the products.

Contradictory to conventional products, price is not the determining factor for consumers in purchasing organic products. Respondents were asked to give their opinion on the price of organic products in the market. Based on the price of nine organic products available, this study revealed that 62% of the respondents considered that the price was reasonable, while 27% denoted the price was high. Consumers were also willing to purchase organic products even though the price was 25% higher than the conventional one. However, if the price went higher, they might reconsider the purchase of organic products. The comparison of prices between organic and conventional products in the Klang Valley is shown in *Table 5*.

Why people do not consume organic products?

The findings revealed that the main reason for consuming organic products was the price (43%), followed by the difficulty to purchase (the availability of the product) (37%). Some of the respondents did not even know what organic product was all about (30%). However, these people were ready and willing to purchase and consume

Table 5. The prices of organic and conventional products at Klang Valley (price on November 2008)

Product	Price (RM/kg)	
	Organic	Conventional
Tomato	12.60	4.90
Long bean	12.00	2.60
Brinjal	13.00	3.90
Cabbage	12.00	4.90
Japanese cucumber	12.60	5.90
Cucumber	8.50	2.90
Lettuce	8.50	2.90
Sweetcorn	12.80	6.90
Banana	3.50	1.00

Source: Observation at Supermarkets in Klang Valley

organic products if these barriers were overcome. The products that they were interested to purchase were vegetables, followed by fruits and food supplements. These findings indicated that there is a market potential for organic products in Malaysia. A new business opportunity for the local producers can thus be created.

Managerial implication and suggestions

Organic product is still new in the Malaysian food market. However, the majority of the consumers have positive perceptions towards them. They believe that this product has influenced their quality of life and at the same time created a least effect on the environment. The positive perception and consumption on organic products indicate the potential market and requires a special attention from the government as well as private sector.

From the government perspectives, the current policy on the production, standardization and marketing of organic products should be reviewed to suit the domestic and global demands. The present policy has targeted that by 2010, more than 20,000 hectares will be planted with organic crops, more than 5,000 farmers will be involved in organic farming and more than 100,000 tonnes organic vegetables and fruits will be produced (NAP 1998–2010).

The government should take the lead by identifying the suitable area, providing basic infrastructure such as farm road, irrigation system and providing incentives for farmers who are willing to transform from conventional to organic farming. Regarding the policies of production, the usage of inputs and the certification of organic product should be consistent with the international standard. This is important because only products that are complied with international standard are allowed to be exported, especially to European and Japanese markets; which are the two important markets for Malaysian organic products.

At the same time, educational programmes and information on organic products should be increased from time to time. Based on the finding of this study, reading materials are the most important source of information for organic products. People choose reading materials more than media electronics and verbal communications such as seminars/conferences and word of mouths. The firms should focus on this medium and take advantage of consumers' preference by publishing more and more reading materials on organic products. The information on organic products will educate and develop trust towards this product, and lead to increase in consumption. This is important as the more they trust the product the more they purchase and consume the products. The trust develops the confidence to use the products.

From the private sector perspective, the demand indicates the potential market for organic products. Two great findings of this study are that consumers preferred local manufactured products; and they are willing to pay as much as 25% higher than conventional products. These findings indicate the advantages of local products over the imported one; organic product is classified as a premium or niche products. Thus firms need to address consumers' preferences and offer products that fulfil their needs and wants. For example, consumers need fresh products more than processed one, prefer product's label or information on its packaging, and seek local product more than the imported one.

Conclusion

This paper analyses consumers' perception, consumption and preference towards organic products in Malaysian food markets. Organic product is relatively new to Malaysian consumers. However, majority of the consumers are aware and understood what constitutes organic products. The Malaysian consumers have a positive perception towards organic products. The vast

information on this product has educated Malaysian consumers with the benefits and advantages of consuming organic products. The organic products in the market are still under supplied and only certain products were offered in the markets. The lack of organic product in the market is one of the main barriers for these products to reach the consumers.

Organic products have a great market potential for domestic consumers, as well as for export markets. There has been increasing interest in the production as well as in the marketing of organic products. The number of supermarkets and grocery stores that sell these products have also shown a positive trend as a response to the higher demand from the consumers. Some supermarkets allocate a special place for organic products to be displayed and offer special information services for the consumers of organic products. This is in consistent with the principle of marketing organic products which is to create trust in consumers when they are consuming organic products which are safe, high quality and can enhance their health.

The analysis has surfaced the characteristics of organic products that are preferred by Malaysian consumers. When people decided to buy or consume organic products, it clearly involved a complex set of factors. These set of factors would determine their preferences and the type of products that they would buy from the markets. In other words, these preferences indicate the consumers' needs and want; and it has a strong correlation with the intention to buy organic products. On the other hand, these characteristics provide some indications to the marketers and the producers when they produce or market their products in domestic as well as for exports markets. This is because some characteristics are universal and relevant in other markets. People are looking for information that the products are of high quality and produced by renowned and trustworthy company.

The organic product is a new source of wealth to Malaysian economy. It can create a new competitive advantage in the agricultural sector as the competition in the conventional agricultural seems to be tense and challenging. Malaysia aims to increase its organic production for domestic and export markets. However, the success of establishing a new industry is not a short time effort. It demands comprehensive strategies and be implemented through collaboration from government, producers and marketers. Malaysia is strongly confident that the organic industry will succeed in the near future.

References

- Baker, J. (2007). Marketing of organic products: Industry scenario and market potential. Paper presented at the Seminar of marketing organic products, 21 May 2007, Zaragoza, Spain. Organiser: Mediterranean Institute of Agriculture
- Barry, M. (2002). What does "organic" mean to today's consumer. *Natural Sensibility 3*
- Behrarrrell, B. and MacFie, J.H. (1991). Consumer attitude to organic foods. *British Food Journal 93*: 25–30
- Bhaskaran, S., Polonsky, M., Cary, J. and Shadwell, F. (2006). *British Food Journal 108*(8): 677–690
- Benjamin, M.O., William, K.H. and Anne, C.B. (2007). Purchasing organic food in US food systems: A study of attitudes and practice. *British Food Journal 109*(5): 400–403, 409
- Chinnici, G., D'Amico, M. and Pecorino, B. (2002). A multivariate statistical analysis on the consumers of organic products. *British Food Journal 104*(3/4/5): 187–199
- Davies, A., Titterington, A. and Cochrane, C. (1995). Who buys organic products: A profile of the purchasers of organic food in Northern Ireland. *British Food Journal 97*(10): 17–23
- DOA (2009). Statistic on organic production. Department of Agriculture, Malaysia
- Giovanni La Via and Antonio M.D. Nucifora (2002). The determinants of the price mark-up for organic fruit and the vegetable product in the European Union. *British Food Journal 104*(3/4/5): 334–335
- Jonas, A. and Roosen, J. (2005). Private labels for premium products – the example of organic food. *International Journal of Retail and Distribution Management 33*(8): 636–653
- Kontogeorgos, A. and Semos, A. (2008). Marketing aspects of quality assurance systems: The organic food sector case. *British Food Journal 110*(8): 829–839
- Lea, E. and Worsley, T. (2005). "Australians" organic food beliefs, demographics and values". *British Food Journal 11*: 855–869
- Makatouni, A.(2002). What motivates consumers to buy organic food in the UK?, Results from a qualitative study. *British Food Journal 104*(3/4/5): 345–346, 351
- Millock, K., Hansen, L.G., Wier, M. and Anderson, L.M. (2007). Willingness to pay for organic foods: A comparison between survey data and panel data from Denmark. CIRED, France
- Raab, C. and Grobe, D. (2005). Consumer knowledge and perceptions about organic food. *Journal of Extension 43*(4): 286–293
- Radman, M. (2005). Consumer consumption and perception of organic products in Croatia. *British Food Journal 107*(4): 263–273
- Roitner-Schobesberber, B., Darnhofer, I., Somsook, S. and Vogl, C.R. (2007). Consumer perceptions of organic foods in Bangkok, Thailand. *Food Policy 33*: 112–121
- Siti Nor Bayaah, A. and Nurita, J. (2007). Consumer's perception and purchase intentions towards organic food products: exploring the attitude among Malaysian consumers. Universiti Tun Abdul Razak, Malaysia
- Stefanic, I., Stefanic, E. and Haas, R. (2001). What the consumer really wants: organic food market in Croatia. *Die Bodenkultur 52*(4): 323–328

Abstrak

Kaji selidik peringkat nasional melibatkan 625 orang responden telah dijalankan dengan tujuan mengkaji persepsi, penggunaan dan kecenderungan pengguna di Malaysia terhadap produk organik. Lebih 90% responden mengenali dan memahami produk organik. Mereka mengaitkan produk organik dengan bebas bahan kimia, makanan kesihatan dan produk asli. Hampir keseluruhan responden (93%) percaya bahawa produk organik boleh diperolehi daripada sayuran, diikuti oleh buah-buahan (68%) dan daging (17%). Lebih kurang 55% responden menggunakan produk organik sekali-sekala, manakala hanya 16% sekali dalam seminggu. Faktor yang mempengaruhi pengguna menggunakan produk organik: a) persepsi yang produk ini selamat dan baik untuk kesihatan (83%), b) lebih berkualiti (42%) dan c) kepercayaan yang produk ini boleh menyumbang kepada penjagaan alam sekitar. Kajian ini juga mendedahkan yang kesedaran pengguna terhadap Skim Organik Malaysia yang diperkenalkan oleh Jabatan Pertanian adalah rendah, natijah daripada kemungkinan program yang dijalankan kurang berkesan. Pasar raya merupakan saluran pemasaran yang penting bagi produk organik (72%), diikuti oleh kedai khusus (53% – terutamanya bagi produk tambahan), dan pasar basah (51%). Pengguna juga cenderung membeli produk berkualiti dan segar, mempunyai maklumat dan fakta pemakanan pada bungkusan dan produk tempatan. Sementara itu, harga bukanlah faktor penentu yang mempengaruhi pembelian produk organik. Tahap kesediaan pengguna membeli produk organik adalah tidak melebihi 25% harga produk konvensional. Sekiranya harga produk organik melebihi aras ini, kecenderungan mereka membeli produk organik adalah berkurangan.