

The Impact of Price Sensitivity and Availability on Organic Purchase Decisions

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Abstract

Sustainability is the key to success in eco-sensitive marketplaces. The study explores the influence of price sensitivity and product availability on consumer purchase decisions regarding organic products. As consumer awareness of health, environment, and sustainability grows, organic products have gained popularity, yet price and availability remain crucial barriers. Using a structured questionnaire administered to 200 respondents across Mumbai, the study employs correlation and ANOVA tests to examine the relationship between consumer sensitivity, product accessibility, and purchase frequency. The results reveal that while consumers exhibit positive attitudes toward organic products, high price sensitivity negatively affects purchase behaviour. Availability significantly moderates this relationship, suggesting that easier access can mitigate price concerns. The findings highlight the importance of strategic pricing, improved retail penetration, and educational marketing in enhancing organic product adoption.

Keywords: Sustainability, Organic products, price sensitivity, availability, consumer purchase decision, ANOVA, correlation, Mumbai

1. Introduction

The global shift toward sustainable consumption has propelled organic products into mainstream consumer markets. Over the last two decades, organic food and personal care items once restricted to niche health-conscious groups have gained widespread acceptance due to growing awareness about environmental sustainability, chemical-free cultivation, and the perceived health benefits associated with organic alternatives. Despite this surge in interest, actual purchase behaviour in the organic segment remains far from uniform. Two of the most important determinants influencing whether consumers ultimately choose organic options are price sensitivity and availability. While consumers frequently express positive attitudes toward organic goods, their actual buying decisions often get constrained by high price premiums and irregular availability across retail channels. Thus, understanding how price and availability shape consumer choices is essential for retailers, policymakers, organic certifying bodies, and marketers in developing economies like India, where the organic market is emerging at a rapid pace yet faces structural barriers. Organic products typically command a substantial price premium compared to their conventional counterparts. This premium arises from higher production costs, labour-intensive agricultural practices, certification expenses, and relatively limited economies of scale. For many price-sensitive households especially in developing nations. This price difference becomes a major deterrent. Even consumers who are environmentally conscious or health-oriented may hesitate to buy organic products regularly due to budget constraints. Price sensitivity, therefore, plays a crucial role in determining whether favourable attitudes translate

into actual purchase behaviour. A large proportion of consumers may fall into what researchers call the “attitude–behaviour gap,” a phenomenon where individuals express strong concern for health and sustainability yet do not make corresponding purchase decisions because organic products are perceived as expensive luxuries. As economic pressures intensify, price considerations become even more dominant, compelling consumers to prioritize affordability over sustainability (Yadav & Pathak, 2016). Availability, on the other hand, functions as a critical facilitator or barrier in the organic purchase process. In many regions, particularly semi-urban and rural markets, organic products are not consistently accessible across retail formats. Limited shelf space in supermarkets, scarcity of certified organic shops, and irregular supply chains often restrict consumers’ exposure to organic alternatives. If the desired organic product is not easily available, consumers naturally default to conventional substitutes that are readily accessible. Furthermore, lack of availability does not merely affect actual purchase behaviour; it also influences consumer perceptions about reliability and trustworthiness. When consumers seldom see organic products in stores, they may assume that the market for organics is unstable or that organic certification is unreliable. In this way, availability becomes both a practical and psychological determinant of consumer buying behaviour.

In emerging markets, including India, availability challenges are compounded by infrastructural inefficiencies, distribution gaps, and fragmented supply networks between organic producers and retailers. Unlike conventional products that benefit from well-established logistics systems, organic goods often depend on smaller producers and regional distributors, making consistent stocking difficult. Moreover, the perishability of organic foods increases logistical costs and complicates supply management, which in turn contributes to higher prices creating a cyclical relationship between availability and price. When availability is low, prices remain high due to limited competition. When prices remain high, demand does not increase enough to motivate retailers to stock organic products more widely. Understanding this interaction is crucial for designing interventions that make organic goods more accessible and affordable. In addition to price and availability, several internal and external factors influence the overall decision-making process in the organic market. Internal psychological factors such as perceived value, quality consciousness, risk perception, trust in certification, and health motivation shape consumers’ willingness to pay a premium. External factors—including marketing communication, brand image, social influence, and retail environment—affect how aware consumers are of organic products and where they choose to purchase them. However, even when these internal and external cues are favourable, the consumer journey encounters friction if price and availability do not align with expectations. For many consumers, price and availability serve as “gatekeeper” variables constraints that must be satisfied before any other factor can influence the decision.

2. Background of Study

The concept of price sensitivity reflects the degree to which changes in price affect a consumer’s willingness to purchase a product. The highly price-sensitive consumers carefully evaluate value for money and often compare organic options with conventional alternatives based on cost-benefit perceptions. For such consumers, even a slight increase in price may discourage purchase. Conversely, non-price-sensitive consumers, who prioritize health benefits, environmental impact, or ethical considerations, may remain willing to pay premium prices. Price sensitivity is strongly influenced by demographic and socio-economic variables such as income level, age, family size, occupation, and education. For instance, higher-income consumers are generally less price sensitive and more inclined to purchase organic goods for health and lifestyle reasons, whereas low-income groups tend to opt for conventional alternatives because they emphasise affordability and quantity. Availability plays a similarly multifaceted role. It encompasses physical availability in retail locations, temporal availability (continuous stock), and informational availability (consumer awareness about where organic products can be purchased). The ease with which consumers can find organic products in their routine shopping environments exerts a significant influence on buying behaviour. When organic goods are conveniently available at supermarkets, local grocery stores, online platforms, and speciality outlets, consumers find it easier to incorporate them into their consumption patterns. Conversely, when

availability is inconsistent, consumers may perceive organic goods as “special occasion” or “supplementary” products rather than routine necessities.

Another dimension of availability relates to regional disparities in distribution. Urban centres like Mumbai, Delhi, and Bengaluru have seen rapid expansion of organic retail chains and supermarket sections dedicated to organic products. However, smaller towns and semi-urban areas often suffer from a lack of organic outlets, forcing interested consumers either to travel long distances or to settle for conventional goods. The uneven availability of organic products across geographical zones further complicates consumer decision-making and creates inequality in access to healthier and more sustainable alternatives.

3. Rationale of Study

The role of online retail channels and e-commerce platforms has become increasingly important in addressing availability challenges. E-commerce businesses have made organic products more accessible to a wider audience by enabling doorstep delivery, subscription models, and price comparison tools. However, issues related to trust, authenticity, delivery charges, and product quality continue to hinder online organic shopping. Many consumers remain sceptical about whether online organic products are genuinely certified or whether the descriptions provided accurately reflect the product’s true attributes. Thus, although digital availability presents a promising avenue, it is not without challenges that influence consumer purchase decisions. Understanding price sensitivity and availability is especially relevant in the context of India, where organic consumption is still at a growth stage and is heavily influenced by socio-economic realities. The Indian consumer base is highly diverse, fragmented across income groups, educational backgrounds, cultural preferences, and lifestyle patterns. While awareness about health and sustainability is rising especially among millennials, urban professionals, and educated homemakers price consciousness continues to dominate household decision-making. The purchasing power varies significantly across regions, and organic products often remain out of reach for lower-income and middle-income consumers. Thus, the price premium of organic goods becomes a central obstacle that restricts market expansion. Additionally, India’s organic sector faces supply-side constraints, including inconsistent production volumes, reliance on seasonal crops, absence of unified certification, and inadequate supply chain infrastructure. These issues affect availability, causing fluctuations in stock and making it difficult for consumers to develop consistent buying habits. The limited presence of certified organic brands in mainstream retail spaces also restricts consumer exposure. Therefore, both price and availability interact in complex ways, shaping the overall trajectory of organic consumption in the country.

To fully understand consumer behaviour toward organic products, it is essential to examine the psychological mechanisms that underlie price perception and availability perception. Consumers often associate higher prices with better quality, greater purity, and higher nutritional value. This cognitive bias sometimes works to the advantage of organic marketers; however, when prices exceed the threshold of perceived affordability, it works against purchase decisions. Availability perception is equally critical. When consumers frequently encounter organic products in their routine shopping environments, they begin to perceive them as normal and trustworthy. When availability is rare, organic products are perceived as exclusive or inconvenient, discouraging repeat purchases. Furthermore, the attitude–behaviour gap remains a persistent challenge in organic consumption. Many consumers express positive attitudes toward environmental sustainability, ethical farming practices, and healthy lifestyles, yet their actual purchasing behaviour does not consistently reflect these values. This gap often arises because price and availability act as practical constraints, preventing values from translating into action. As a result, even the most motivated consumers may fail to incorporate organic products into their everyday consumption habits (Schleenbecker & Hamm, 2013). Examining the impact of price sensitivity and availability on organic purchase decisions also requires an understanding of the broader socio-cultural environment. In India, cultural traditions, dietary habits, and family preferences strongly influence food choices. When organic products align with traditional values such as purity, healthfulness, and naturalness—interest in organics increases. However, when

these products are not readily available in forms that suit local preferences or are significantly more expensive, cultural acceptance does not translate into purchase decisions.

Another important dimension relates to consumer trust. Trust in organic certification labels, government regulations, quality assurance mechanisms, and brand reputation significantly influences purchase decisions. In markets where certification processes are perceived as weak or inconsistent, consumers tend to be more price sensitive because they hesitate to pay a premium for products whose authenticity they doubt. Availability also affects trust—frequent and reliable availability enhances credibility, whereas sporadic presence creates doubt. Thus, trust acts as an underlying factor linking price sensitivity and availability with actual consumption behaviour. The interaction between price sensitivity and availability forms the core focus of this study. These two variables jointly determine the ease with which consumers can adopt organic products into their lifestyle. High price sensitivity reduces willingness to pay premium rates, while low availability restricts access and weakens the perception of reliability. When both factors act simultaneously, they create significant barriers that slow down market growth. Conversely, when prices become competitive and availability increases, consumer adoption accelerates, and organic markets expand more rapidly.

Understanding the influence of price sensitivity and availability is not only academically relevant but also essential for designing effective marketing strategies and policy interventions. Retailers can use insights from this study to develop targeted pricing strategies, promotional offers, membership models, and value-based packaging to reduce perceived price barriers. Policymakers can create supportive frameworks that reduce certification costs, enhance logistics infrastructure, and promote organic farming to improve availability. Manufacturers and brands can invest in transparent labelling practices and supply chain innovations that increase availability while maintaining affordability. Ultimately, this study aims to provide a deeper understanding of how consumers balance their desire for healthier, environmentally friendly products with the realities of price and access. By exploring the interplay between price sensitivity and availability, the research seeks to uncover the barriers that prevent consumers from shifting toward more sustainable consumption patterns and to recommend strategies that enable market expansion.

4. Review of Literature

The studies by (Hu et al., 2024) examined that price sensitivity operates as a key psychological and economic filter in organic purchasing, shaping not only consumers' attitudes but also their intention to consume organic food and their willingness to pay a premium. Empirical modeling in an emerging-market setting shows that higher price sensitivity significantly explains variance in organic consumption intention, and it also carries downstream effects on premium price acceptance, suggesting that even value-driven consumers may moderate their organic choices when the perceived price–value equation is unfavourable.

According to Kamboj et al. (2023), the availability-related conditions such as convenience, ease of access, and reliable presence across purchase points significantly strengthen consumers' intention to buy organic food. In particular, empirical work suggests that availability is not merely an operational issue but a behavioural determinant: when organic options are perceived as easy to find and purchase, consumers translate positive beliefs into higher purchase intention more effectively. This supports the view that improving distribution density and reducing search effort can meaningfully increase organic adoption, especially in routine grocery decision-making. More integrated research demonstrates that price and availability jointly shape organic purchase intention, with their effects often interacting in practical settings (Carrión Bósquez et al., 2023). Evidence on university millennials shows that organic purchase intention is meaningfully influenced by both price and availability, implying that affordable pricing signals alone may not convert into purchase if products are hard to locate, and similarly, wide availability may underperform if consumers perceive the price premium as unjustified. This stream of literature strengthens the argument for a combined strategy pricing architecture aligned with target segments alongside systematic retail and online availability to improve organic purchase decisions.

Magnusson et al. (2003) explored the connection between consumer perception of organic food and the influence of health consciousness and pricing barriers. The study found that although consumers recognized the nutritional and environmental advantages of organic products, the high price point significantly reduced their willingness to purchase. Price sensitivity was identified as a major psychological deterrent, especially among middle-income groups who compared organic and conventional products primarily on cost. The researchers concluded that health motivation alone is insufficient to drive consistent buying behaviour when consumers perceive organic goods as luxury commodities. They recommended that retailers and policymakers introduce value-based pricing strategies and provide transparent labelling to justify the premium. The study also emphasized that trust and product authenticity can moderate price sensitivity, as consumers are more likely to pay a premium when assured of genuine quality. Thus, Magnusson et al. underscored the need for price rationalization and awareness campaigns to convert positive attitudes into sustained purchase behaviour.

Paul and Rana (2012) conducted an in-depth analysis of green consumer behaviour in emerging economies, focusing on India's evolving organic food market. Their research revealed that while environmental and ethical awareness among Indian consumers was growing, affordability remained a major obstacle to organic adoption. The authors identified a clear gap between consumer intention and actual purchase behaviour, attributing it to high prices and inconsistent product availability. The study also proposed that socio-demographic factors such as income, education, and lifestyle moderate price sensitivity levels. Younger, educated consumers showed higher purchase intentions despite price concerns, driven by long-term health motivations. Paul and Rana suggested that marketers should adopt hybrid pricing strategies, offer discounts, and strengthen supply chains to enhance availability. They emphasized that reducing price barriers and improving access could convert potential buyers into regular consumers. Their findings remain critical for developing markets like India, where economic diversity influences the elasticity of demand for organic goods.

Hughner et al. (2007) analyzed organic food consumption behaviour through a socio-cultural lens, identifying trust, information availability, and supply chain accessibility as decisive factors. The study compiled multiple case analyses to reveal that consumer scepticism about authenticity often interacts with accessibility issues, leading to inconsistent purchasing patterns. The research concluded that transparency, certifications, and educational marketing campaigns could mitigate both availability and price-related barriers. By improving supply reliability and consumer confidence, brands can foster habitual purchase behaviour. The authors further suggested that small-scale organic producers collaborate with mainstream retailers to enhance visibility and reduce logistical costs, which could, in turn, lower prices.

Schleenbecker and Hamm (2013) examined consumer perceptions regarding the higher prices of organic products and their willingness to pay. Through a meta-analysis of European studies, they found that while many consumers associate organic labels with superior quality and environmental responsibility. When organic products were readily available in local supermarkets and carried recognizable certification labels, consumers exhibited lower price sensitivity. Conversely, limited availability and lack of credible labeling increased hesitation.

Yadav and Pathak (2016) applied the Theory of Planned Behaviour (TPB) to investigate factors influencing young consumers' intentions to purchase organic food in India. Their empirical study, based on a survey of 400 respondents, highlighted that while attitudes and subjective norms significantly influenced intentions, situational factors like price sensitivity and availability acted as practical constraints. The study demonstrated that behavioural control reflecting the ease or difficulty of buying organic products was a key determinant of purchase frequency. Price sensitivity reduced perceived behavioural control, thereby weakening purchase intention.

5. Research Methodology

A. Objectives of Study

- To analyse the impact of price sensitivity on consumer purchase decisions relating to organic products
- To examine the influence of product availability on the purchase frequency of organic products
- To assess the combined effect of price sensitivity and availability on organic buying behaviour

Hypotheses: There is no significant relationship between price sensitivity and purchase decisions of organic products.

Sampling Technique: Convenience sampling method was used due to time and accessibility constraints.

Sample Size and Space: 200 respondents from urban Mumbai (including consumers from supermarkets, organic outlets, and online shoppers).

6. Data Analysis and Interpretation

Table 1: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	88	44%
	Female	112	56%
Age	18–25	60	30%
	26–40	90	45%
	41–60	50	25%

Table 2: Awareness and Purchase Frequency

Awareness Level	% of Consumers
High	40%
Moderate	45%
Low	15%

Table 3: Correlation between Price Sensitivity and Purchase Decision

Variables	Conclusion
Correlation (r)	-0.61
Significance (p)	0.001
Price Sensitivity vs Purchase Decision	0.002

Interpretation: A strong negative correlation indicates that higher price sensitivity reduces the likelihood of purchase decisions for organic products.

Table 4: ANOVA for Availability and Purchase Frequency

Source	SS	df	MS	F	Sig.
Between Groups	24.32	2	12.16	5.42	0.006
Within Groups	442.18	197	2.24	-	-
Total	-	466.50	199	-	-

Interpretation: Since $p < 0.05$, availability has a significant effect on purchase frequency of organic products.

Table 5: Combined Effect (Two-Way ANOVA)

Factors	F	Sig.
Price Sensitivity	7.12	0.008
Availability	9.45	0.004
Interaction	4.33	0.015

Interpretation: Both price and availability significantly influence purchase decisions, with interaction effects showing that better availability can offset price concerns. Correlation analysis revealed a strong

negative relationship between price sensitivity and purchase decisions ($r = -0.61$, $p < 0.05$), indicating that consumers who are highly sensitive to price are less likely to purchase organic products. ANOVA results further demonstrated that availability has a statistically significant effect on purchase frequency ($p < 0.05$), confirming that easier access encourages higher consumption levels.

7. Findings of Study:

The statistical findings collectively indicate that while positive attitudes towards organic products exist, practical constraints significantly influence buying behaviour. High price sensitivity discourages regular purchases, particularly when consumers perceive organic products as premium or non-essential items. However, improved availability moderates this effect by reducing search costs, increasing convenience, and enhancing trust. When organic products are consistently available through mainstream retail and online channels, consumers are more willing to overlook price differences, thereby narrowing the attitude-behaviour gap.

8. Conclusion

The study concludes that both price sensitivity and availability play decisive roles in shaping organic purchase decisions. While consumers increasingly acknowledge the health and environmental benefits of organic products, their willingness to purchase regularly is hindered by high prices and limited accessibility. Statistical evidence confirms a negative correlation between price sensitivity and purchase behaviour and a significant effect of availability on buying frequency. Retailers and policymakers should thus work on reducing price disparities through subsidies, discounts, and local sourcing. Enhancing distribution channels and ensuring visibility in mainstream retail stores can bridge the intention-behaviour gap. Strategic partnerships between farmers, e-commerce platforms, and urban retailers can further ensure consistent supply and affordability.

9. Recommendations

1. Develop community-supported agriculture networks to reduce distribution costs.
2. Implement pricing strategies like combo offers and loyalty discounts.
3. Increase product placement in mainstream supermarkets and e-commerce platforms.
4. Promote awareness through educational campaigns emphasizing long-term health savings.
5. Strengthen government support for organic certification and farmer incentives.

10. Conclusion

All of the above discussion and data insights indicate that the organic purchase decisions are shaped by both economic and situational factors. Price sensitivity continues to act as a critical constraint, influencing consumers' willingness to pay and their evaluation of value derived from organic products. At the same time, consistent availability emerges as a decisive enabler that translates positive attitudes into actual purchase behavior. Importantly, evidence suggests that neither competitive pricing nor wide availability alone is sufficient to drive sustained organic consumption. A balanced approach that simultaneously addresses price perceptions and improves product accessibility is therefore essential. Such an integrated strategy holds significant implications for marketers, retailers, and policymakers aiming to expand the organic market.

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