

The Attitude of Consumers toward the Willingness to Pay Extra Prices for the Organic Foods: Case of Generation Y in Algeria

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Abstract

Further to the present paper, the researcher aims to highlight the importance of consumer awareness among the use of organic products in Algerian markets. In this study, 95 persons of generation Y were selected to participate to an online survey in the February of 2021. As result, the most of respondents show a high awareness of paying the extra price for the purchase of organic foods.

Keywords: *Green food, Organic food, Green product, Green marketing, Algeria, Generation Y, Chi-square test.*

Introduction: The discussion of the benefits of green marketing is rising among the researchers in the previous decades, then, the consumers should be aware of the consumption of green products such as organic food. The major aim of this study is to examine the willingness of Algerian consumers in paying an extra price. In this subject. Therefore, the main question of this study is as follows:

Is generation Y willing to pay the extra prices for organic foods?

Research methodology: The researcher used both qualitative and quantitative approaches, the first one to define theoretical concepts such as green marketing, green product and green consumers. However, the quantitative approach is about the direction of the survey between 11 and 25 February 2020, among 95 respondents of generation Y, which means persons born between 1986 and 2002 as (Michael Solomon, et al, 2006) mentioned it.

In fact, this idea is supported by (Neil HOWE & William STRAUSS, 1992.) who suggested the following segmentation of generations:

- **The older generation:** all people born before or during World War II;
- **The baby-boom generation:** anyone born between 1946 and 1964;
- **Generation X:** Anyone born between 1965 and 1985;
- **Generation Y:** Anyone born between 1986 and 2002;
- **Generation Z:** Also called pre-adolescent, it includes people born from 2003.

Literature Review:

1. Green Marketing: We can find in the literature presents different definitions of Green Marketing The American Marketing Association (AMA) was the first one to define clearly the ecological marketing in the earliest 1970s as the study of positive and negative aspects of marketing activities on pollution, energy depletion, and non-energy resources depletion (HENION, Karl. KINNEAR, T, 1976, p. 1).

It should be said that the term of green marketing describes attempts by marketers to develop strategies that target environmental consumers (McDaniel, S. W., & Rylander, D. H., 1993, p. 4). Moreover, this concept is an holistic and responsible management process that identifies, anticipates, satisfies and fulfils stakeholder requirements, for a reasonable reward, that does not adversely affect human or natural environmental wellbeing (CHARTER, 1992, p. 394)

(Pride and Ferrell, 1993) stated that green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Green marketing is identified also as any marketing activity, related to a certain organization, aims at creating negative influence or removing negative influence for a certain product on environment (Stanton, William et al, 1997, p. 612).

(CHARTER, Martin & POLONSKY, Michael Jay, 1999) added the following definition: The marketing or promotion of a product based on its environmental performance or an improvement thereof. Besides, Green Marketing was identified as the movement which is directed towards organizations production of products responsible environmentally (KOTLER, Phillippe & Armstrong, Gary, 1999, p. 716).

Green marketing, also known as environmental marketing and responsible marketing, is the integration of value-creating change into the natural environment as well as consumers and society (Polonsky, 2011, p. 1311). In short, Green Marketing is about the incitation to use safe products which aren't harm for environment and well-being of humans in order to achieve the sustainable development.

Finally, (BOUKHEDIMI, 2021 e, p. 2) suggest that Green Marketing is the promotion of health and safety products obtained by the honest practices of factories in order to protect both of ecological environment and well-being of citizens (consumers, employers of factories and the rest of the society).

2. Green product: OTTMAN (1994) highlights that an environmentally or green product must have the following characteristics:

- 2.1 Must be manufactured with a minimum amount of raw materials and with recyclable raw material;
- 2.2 Must be manufactured with the utmost energy efficiency and with the least use of water;
- 2.3 Must be packed in lighter packaging;
- 2.4 Must provide higher durability and serve multiple purposes;
- 2.5 Is reusable;
- 2.6 Is biodegradable. So here green products refer to those which are eco-friendly and usage of green products does not harm the environment.

Indeed, many styles of analysis concerning inexperienced selling square measure enclosed in economics, the subsequent table shows with details the foremost papers that have the interest to resolve the matter of ancient selling, the primary comment to try and do, regardless to development of digital selling within the gift decade, the inexperienced selling is that the newest approach within the whole economy, and every one analysis were recently created,.

However, our study is the first which analyses the green marketing in Africa and Algeria in the same time, this confirms the originality of this paper. However, several studies were emerged in

Asia and Europe; in this subject, we expect that the research among the green marketing will be more interesting in the future. To be honest, the green products are more expensive than normal products; the increase of green customers will contribute to the reduction of safe product prices.

3. Green Price: The price is the barrier in the purchase of green products UK Department for Environment, Food and Rural Affairs in its survey conducted in 2007 found that, Price is the largest barrier to Green Marketing. It was found that from the survey that, consumers perceive the benefit green goods is small as compared to the premium they pay for it as compared to the conventional products. Consumers also likely find it difficult to ascertain the environmental performance or Green claims of a product. UK Department for Environment.

4. Green consumers: (Elkington, 1994, p. 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Moreover, (Jill Meredith Ginsberg & Paul N. Bloom, 2004) rumored that it exist 5 classes as Roper Starch Worldwide identifies on their survey. However, (BOUKHEDIMI, 2021 e, p. 4) has added another class per recent survey concerning inexperienced client in Algeria (BOUKHEDIMI & SEDIKI, 2021).

4.1 True Blue-Green: This group is ideal, especially with their high interest in environmental and healthcare issues. They always contribute to a wide range of pro-environmental activities, like attending environmental seminars, giving a donation to preserve the ecologic environment, besides, they have high socio-economic status (Education: "Masters & Ph.D.", Economic: High-income level and professional level). Then, most of them are managers, engineers, doctors. They avoid shopping for product that aren't created by environmentally friendly firms.

4.2 Greenback Greens: They share the same characters of True blue Greens (high-income level, awareness about green products) but they are less aware of environmental causes compared to the first category, it means they do not contribute/ directly to the awareness of others, but they finance organizations and association that care of healthcare and ecological issues.

4.3 Sprouts: They are less aware than the Greenback Greens and True Blue Greens and they do not prefer to purchase green products despite their high-income level, so the education level is the main characteristic for this category. For example, they just have some awareness such assets on environmental seminars or buy sometimes green products.

4.4 Grouzers: These persons are not involved in pro-environmental behaviors and events in general, because they think that they are not concerned by the ecological issues, and it is the responsibility of companies and governments, especially, their income level is down (most of them are employees and retirees). They participate only in the recycling operation by participating in the collection of empty bottles, just to avoid the penalties imposed by the authorities.

4.5 Basic Browns: This group avoids categorically to be involved in environmental problems, and they do not blame others persons for environmental issue as the pollution, shortly, they do not make any things to save their environment. It is real that they have a low-income level, but they haven't ignored that environmental impact soon or later in their well-being.

4.6 Anti- Green Customer: It must be stated that a new type of green customers was added which have a high-income level, but they want not to purchase these safe products, besides, they do not

care about ecological and healthcare issues, that's why (BOUKHEDIMI & SEDIKI, 2021) choose to call them an anti-green customer.

Results and discussion:

Beyond discussing the subject of this article, it is important to take an overview of previous studies on Green Marketing in Algeria, first of all, (BOUKHEDIMI, 2021 b)¹ found that there is no relationship between the Gender of Algerian customers and it's insisting to purchase green products.

Besides, it should be state that the ability to pay more across green products in Algerian food's markets are not belongs only to men gender, even women can be considered as green customers. (BOUKHEDIMI, 2021 d)² In addition, there is no relationship between the age and ability to pay of Algerian customers to pay an extra price toward green products. in other words, any Age category is concerned by the consumption or purchase of healthy products (BOUKHEDIMI, 2021 c)³

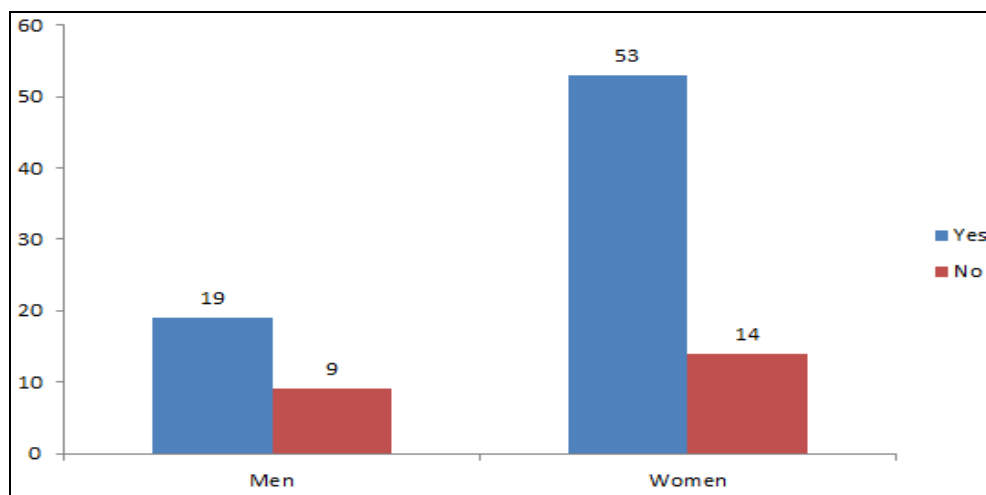
Finally, 82 % of youth respondents are aware toward green products and the rest (18%) are not considered as green customers. (BOUKHEDIMI, 2021 a)⁴

Reliability test:

It is important to check Cronbach Alpha coefficient in order to ensure the reliability of the items used in the survey. In the present study, the reliability coefficient is near closed to **0.605**.

In this subject, (Hulin, C, Netemeyer, R., and Cudeck, R., 2001) think that a value is accepted when ranging from 0.6 to 0.7. While 0.8 or more a very good level. However, values above 0.95 are not necessarily good, as they could be an indication of redundancy. In other hands, our coefficient is acceptable.

Figure.1 Results of survey



Source: Survey data

¹https://www.researchgate.net/publication/355808775_INSISTING_TO_BUY_GREEN_PRODUCTS_AND_GENDER_OF_CONSUMER_EMPIRICAL_STUDY_IN_ALGERIAN_FOOD_MARKET

²https://www.researchgate.net/publication/357239196_ANALYSE_OF_ABILITY_TO_PAY_EXTRA_PRICE_AND_GENDER_OF_CONSUMER_IN_ALGERIAN_FOOD_MARKET

³https://www.researchgate.net/publication/355808863_EXAMINATION_OF_ABILITY_TO_PAY_MORE_TO_BUY_GREEN_PRODUCTS_AND_THE_AGE_OF_CONSUMER_CASE_OF_ALGERIAN_FOOD_MARKET

⁴https://www.researchgate.net/publication/354909769_ANALYSE_OF_RELATIONSHIP_BETWEEN_YOUTH_AND_AWARENESS_OF_ALGERIAN_CUSTOMERS_TOWARD_GREEN_PRODUCTS

According to the figure above, 72 respondents replied that they pay an extra price in their purchase of organic foods. Moreover, the limit of this survey is the negative responses (23 persons). It means that the majority of respondents of (75.79 %) are greens consumers of generation Y. In specifics, the great part presented with the both of man and women genders are green consumers.

Per gender, the results show that 19 men said that they are ready to consume organic foods, and the rest of the respondents (09 persons) are not involved. Of the 67 women, 53 are able to purchase green foods.

In other terms, 67.85 % of men and 79.1 % of women have the willingness to pay more just for using organic foods.

It should be noted that many researchers use the words male-female in the analyses of the gender, but it is not true, because the words (male-female) refer to the biological aspects. However, when we use the terms of man and woman, we talk about respondents' economic and social status. In other hands, we need to use the duo of man-woman in the social sciences.

Furthermore, the respondents, in general, are aged 18 years and above, so the right calling to them is men and women.

Chi square test of independence:

The aim of the chi-square test of independence is to confirm or deny the existence of the relationship between two qualitative variables. In this study, the variables concerned by the chi-square test are the gender of consumer and its willingness to pay extra price toward organics foods.

We start with the null hypothesis that states that there is no statistically significant difference between the two items if $(\alpha) > 0.05$. The alternative hypothesis stipulates that the two items are depended if (α) is less than 0.05.

The asymptotic signification shows that the p value obtained is spastically significate (0.243), this value is superior to 0.05 (5%), which means that the variables are independents and the null hypothesis is true, so the alternative hypotheses is rejected in this case.

Moreover, even the majority of respondents (75.79 %) are aware about the consumption of green products; the size of the sample in this present study is very small compared to the full size of Algerian populations which is more than 30 million.

Conclusion:

To conclude, the present paper has suggested several definitions of Green Marketing then; the researcher presented the analysis of the willingness of particular generation (Y) of the Algerian consumer to pay additional prices which was illustrated further survey data. Moreover, it should be stated that the results which obtained and interpreted in this research confirm that the generation Y are affected by the green foods. However, their prices stop some consumers such as students and jobless citizens to use these products, but many of them received funds from their family members as: fathers, brothers, husbands as (BOUKHEDIMI, 2021 e) has reported on his study entitled: EXAMINATION OF THE CORRELATION BETWEEN TAKING INTO CONSIDERATION ECOLOGICAL AND HEALTHCARE FACTORS IN THE PURCHASE DECISION TOWARD THE ECONOMIC LEVEL OF CONSUMERS: CASE OF THE ALGERIAN FOOD MARKET.

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