

An Overview of Malaysia's Retail Organic Foods Market and Its Consumption Behavior

Harniyati Hussin

Graduate School of Business, Universiti Sains Malaysia, 11800,
USM Penang, Malaysia and Faculty of Business & Management,
Universiti Teknologi Mara, 78000, Alor Gajah, Melaka, Malaysia

Nabsiah Abdul Wahid

Graduate School of Business,
Universiti Sains Malaysia, 11800, USM Penang, Malaysia

ABSTRACT

Growing global awareness of health and environmental sustainability has significantly increased the demand for organic foods, a trend gaining traction in Malaysia. This research provides a comprehensive overview of consumer consumption patterns and purchase intentions for organic foods in Malaysia's retail sector, identifying key factors influencing their choices. The study examines Malaysia's broader food retail landscape, focusing on the growing organic segment and its evolving consumption patterns. It also explores the organic food market, considering domestic production and the availability of imported goods that shape consumer choices and market growth. The study offers practical insights into consumer decision-making within the retail food market by examining consumption behavior, such as purchase intentions. The review uncovers critical insights into the organic food market, including its size, rising demand and consumption trends, government and retailer initiatives, and the demographic profiles of consumers who purchase or intend to purchase organic foods. These findings contribute to existing research on organic food consumption in Malaysia and provide valuable guidance for policymakers, government agencies, and retailers aiming to enhance the adoption of organic foods in the Malaysian retail sector.

Keywords: Retail, Organic Foods, Purchase Intention, Malaysia.

INTRODUCTION

There has been a substantial increase in worldwide demand for organic food in recent years, propelled by increased consumer knowledge of health and environmental issues [1]. This global trend is mirrored in Malaysia, where organic food consumption has grown steadily, reflecting similar concerns for health and sustainability where people are more aware of the health consequences of their dietary selections and the ecological effects of conventional agriculture [2]. Organic foods, cultivated without synthetic chemicals like pesticides, herbicides, and fertilizers, are seen as a healthier and more sustainable option compared to conventionally farmed food products [3]. The shifting of consumer attitudes has facilitated the growth of the organic food retail sector in Malaysia, offering both opportunities and challenges for retailers.

In Malaysia, the organic food sector is rather nascent relative to Western nations; however, it is expanding rapidly [4]. Urbanization, increasing income levels, and enhanced access to information have significantly influenced the purchase behaviors of Malaysian consumers [5]. As the population grows increasingly health-conscious and ecologically informed, the demand for organic products has surged markedly. Organic food retailers are leveraging evolving consumer tastes by providing a diverse array of organic items, encompassing fresh produce and processed meals, through both brick-and-mortar establishments and online platforms. While large retail chains and specialty stores have been observed to add organic products to their inventory, which has made these products more accessible to a wider audience [6], in Malaysia, the retailers are facing several obstacles, including inefficiencies in their supply chains and competition from conventional food stores [2]. For instance, inadequate infrastructure and distribution channels make it challenging for organic products to reach a broader audience. Furthermore, higher costs associated with organic farming also limit price competitiveness [2]. These challenges impede their capacity to satisfy the rising consumers' demand for retail organic food as well as capitalize on the growing interest in organic foods in the marketplace. As a result, the market remains somewhat niche, with only a small percentage of the population consistently purchasing organic foods, despite the apparent growth [7].

For the organic food industry to flourish, there is an urgent need for both Malaysia's retailers and policymakers to understand the elements that influence consumers' behavior, such as their purchase intention. Understanding purchase intention, defined as the likelihood of consumers to choose organic foods based on their cognitive, emotional, and behavioral attitudes (e.g., through preferences, beliefs, and perceived value of the item), is crucial for developing effective marketing strategies [8]. In the context of organic food, Hussin & Abdul Wahid [9] described how consumers' purchase intention is frequently shaped by a blend of cognitive, emotional, and behavioral variables. Cognitive variables, including consumers' understanding of organic goods and their perceived quality, significantly influence intent sentiments. Affective elements, such as customers' emotional happiness and belief in organic food certifications, furthermore, affect their purchasing willingness. Finally, behavioral variables, including previous purchasing experiences and the store atmosphere, also influence the overall inclination to purchase organic goods. Cognitive factors, such as knowledge of organic products, combined with affective aspects like trust in certification and previous behavioral experiences, play an integral role in shaping consumer choices [10]. In addition, Helga et al. [10] identified price sensitivity, access to organic goods, and understanding of organic agricultural processes as critical factors influencing the decision-making process of Malaysian consumers.

This study provides an overview of the Malaysian retail organic food market, exploring consumer behavior and purchase intentions. It aims to offer insights for academics, policymakers, and marketers to better understand the drivers behind the growing demand for organic foods in Malaysia.

LITERATURE REVIEW

Retail Market in Malaysia

A review of the literature identifies the Malaysian organic food retail sector as unique due to its cultural and economic background, whereby consumer behavior is shaped by global trends and local customs [11]. In 2023, the Malaysian retail industry accounted for 8.6 percent of the country's GDP [12]. This industry has employed nearly 2.8 million people, representing 13

percent of the working population of Malaysia, and produced a revenue of RM1,321.7 billion (USD 313.07 billion) [13]. While these figures indicate the importance of the retail industry towards Malaysia's economy, since 2018, the retail sector has been on a downward trend. For instance, The Malay Mail [14] reported on the closures of several malls and retailers in 2018, which contributed to the declining trend. Starting January 2018 to January 2020, sales growth slumped from 10.409% to 6.941% [15]. The industry suffered a negative growth rate of 30.9 per cent in retail sales for the second quarter of 2020 (2Q20) compared to the same period last year. The latest performance in 2020 is considered the worst quarterly outcome in the history of the retail industry in the region. Since the middle of March 2020, the retail sector has turned into a catastrophe with the introduction of the Movement Control Order (MCO) due to the world disease pandemic COVID-19. According to Retail Group Malaysia's (RGM) Malaysia Retail Industry Report September 2020, the latest quarterly result was within market expectations as members of the Malaysia Retailers Association (MRA) predicted a 28.8 percent decline in growth rate in 2Q20. As the MCO (RMCO) was extended until the end of the year 2020 due to continued stringent social distancing measures, shopping centers and retailers found that they were not able to operate at full capacity compared to the pre-COVID-19 period. According to Kathy [16], the national lockdown affected the retail performance of all retail subsectors during 2Q20, with double-digit negative quarterly results except for the supermarket and hypermarket subsectors that posted a negative growth rate of 14 percent despite opening during the entire lockdown period. These scenarios undoubtedly may affect the future growth and survival of Malaysia's retail sector.

Malaysian Food Retail Market and Organic Foods Industry

The retail sector in Malaysia is categorized into two (2) segments, namely, products and distribution channels. The components of the products segment include food and beverages (F&B), personal and household care, apparel, footwear and accessories, furniture, toys, hobbies, electronic and household appliances, and other products, while the distribution channels segment is represented by supermarkets and hypermarkets, convenience stores, department stores, specialty stores, online, and other distribution channels. Organic food falls under the products segment within the food and beverages category. According to Hussin and Abdul Wahid's [9] review, Malaysia's organic food is lucrative, with consumption demand estimated at RM20 million per year and a growth rate of 12.4% annually. It is considered one of Malaysia's economic growth drivers for the service sector.

The food and beverages category has been contributing a major share of the market revenue in the retail sectors in Malaysia. The United States Department of Agriculture (USDA) in their Retail Foods Report 2022 (using data derived from the Department of Statistics Malaysia) has identified that the food and beverage sector in Malaysia demonstrated a noteworthy contribution of 11.8 percent, equivalent to USD 1.7 billion, towards the overall wholesale sales value of USD 14 billion during the period of January to April in the year 2022. This was accompanied by an impressive growth of 11.5 percent as compared to the corresponding time frame of 2021. The data of the Malaysian food and grocery retail market shows that this segment had total revenues of USD 53.3 billion in 2020, representing a compound annual growth rate (CAGR) of 9% between 2016 and 2020 and is expected to reach USD 76.75 billion in 2025 (Figure 1). The importance of this F&B market is very much helped by the fact that Malaysian consumers are now observed to display interest in organic products, particularly

since the last decade [17]. Mainly, their concern is focused on nutrition, health, food quality, food safety, sustainability, and environmental practices, as per other customers worldwide.

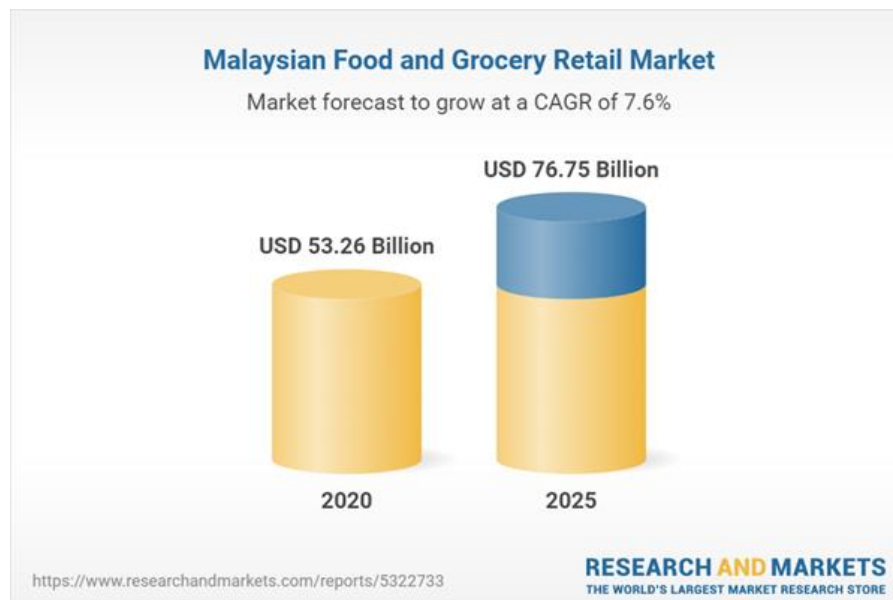


Figure 1: Malaysia Food and Grocery Retail Market in Malaysia (2020 & 2025)

Source: Research and Markets. Retrieved from <https://www.researchandmarkets.com/reports/5322733/food-and-grocery-retail-in-malaysia-market>

The positive perception and consumption of organic products among Malaysians indicate that it has the potential for a bigger market. Acknowledging the potential of organic foods in F&B, the government has taken appropriate action to help the industry grow. An example is the incorporation of organic food farming trends in Malaysia's Agrofood Policy (NAP 2011-2020). Recently, the government launched Malaysia's National Agrofood Policy 2021-2030 (NAP 2.0) which is drafted to drive the development and modernisation of agrofood and food security in Malaysia [18]. The NAP 2.0 aims to establish a sustainable, resilient, and technology-driven agro-food sector to drive economic growth as a way to enhance the well-being of the people and prioritize food security and nutrition. As to creating a healthier and more prosperous future for all, this policy, which aligns with Industrial Revolution 4.0 (IR4.0) and Sustainable Development Goals (SDGs) 2030 (Goals 3: Good Health and Well-Being) and relies on contemporary technology and sustainable development, has been implemented to promote the modernization of the agro-food sector. It is intended to ensure that this sector remains pertinent and caters to the aspirations of the Shared Prosperity Vision 2030.

Purchase Intention

Purchase intention refers to the possibility or willingness of a buyer to purchase a specific product or service. It is a significant psychological concept in the field of consumer behavior, and it reflects the cognitive and emotional decision-making process that an individual goes through before making a purchase [19]. Researchers and marketers emphasize purchase intention since it frequently acts as a strong indicator of future buying behavior [20]. In consumer behavior research, identifying the drivers of purchase intention helps businesses develop targeted marketing strategies to influence consumer decisions. It enables researchers to comprehend the influence of several factors, including attitudes, subjective norms, and

perceived behavioral control, on consumer intentions and subsequent behaviors [19]. Similar to Ajzen (1991) [19], according to Morwitz [21], a consumer's intention to purchase may be influenced by a number of different elements, such as the perceived value of the product, attitudes towards the object, personal beliefs, and certain external influences like social norms. In short, investigating purchase intention would provide researchers with better knowledge of the decision-making processes that consumers go through that influence their real purchasing behavior.

Purchase Intention in the Context of Organic Food

In the context of organic foods, purchase intention is used to measure the degree to which customers are motivated to buy organic products based on their beliefs about the health advantages, environmental benefits, and ethical concerns associated with organic foods [21]. Examining purchase intention in organic food markets is essential, as it provides an understanding of the determinants that influence consumers to choose organic goods over conventional ones, including environmental awareness, health consciousness, and perceived quality [23].

Understanding purchase intention in the context of organic food requires an examination of several elements that impact consumer behavior. A recent study indicates that numerous significant variables influence consumers' desire to purchase organic products, which include health consciousness, consumer knowledge and awareness, subjective norms or social influences, and price sensitivity. Consumers are predominantly motivated by their health when selecting organic foods. Recent research has confirmed that health consciousness continues to be a substantial factor in the consumption of organic food [24]. This is supported by Siwar et al. [25], who recently discovered that health consciousness is the strongest motivator for Malaysian consumers to consume organic food. Furthermore, they indicated that consumers who routinely ingested health supplements were more inclined to opt for organic food over conventional food. Research indicates the substantial impact of health concerns, as numerous consumers perceive organic purchases as an investment in their long-term health, which favorably impacts their purchasing decisions [3].

The awareness and knowledge of consumers about organic food products has a major impact on their desire to purchase [23]. Customers who are well-informed about the advantages of organic products typically exhibit greater purchase intent. Knowledge of organic products significantly influences consumer perceptions and purchase intentions. Several studies have demonstrated the significance of educating customers about the advantages of purchasing organic products. Consumers who possess a better understanding of the advantages of organic products and organic farming practices and cultivation are more likely to demonstrate stronger purchase intentions [26]. Besides, previous research has shown that when people are more aware of environmental issues, they are more likely to buy and be interested in goods that are better for the environment and have new eco-labels on them [27, 28, 29]. Li et al. [30] also claimed that the level of consumer awareness can have a direct influence on the number of people who intend to purchase organic goods.

Subjective norms, or social influences, are another factor that affects consumer purchase intention towards organic food products. The term "subjective norms" refers to the social pressure that an individual perceives to be exerted on them by important individuals (such as

family, friends, or societal groupings) to engage in or refrain from particular behaviors [19]. Consumers are frequently influenced by the expectations of their peers, including family, friends, and broader societal pressures [31]. According to Zagata [32], ancestors and companions are the main sources of societal influence on the consumption and preference for organic food, whereas co-workers have less of an impact. In the organic food context, customers' purchasing intentions are significantly influenced by the subjective norms that they consider to be important. When individuals perceive that significant people in their lives, such as members of their family, friends, or influential social circles, are in favor of purchasing organic goods, they are more likely to align their behavior with the expectations that they have associated with this behavior. Furthermore, the degree to which subjective norms dominate their decision-making will be influenced by the degree to which they are motivated to comply with these social pressures. Consumer behavior is significantly influenced by social influences and subjective norms, particularly in more collectivist cultures like Malaysia, where societal expectations significantly influence decision-making. The impact of social norms can be substantial, even if consumers are oblivious to it [33] or perceive it to be insignificant [34]. This is supported by the Cialdini and Jacobson [35] study, which found strong support for the major influence of social norms on sustainable food choice in a review of previous studies.

One of the main reasons organic foods are not widely adopted is their price. Potential consumers may be discouraged by the higher cost of organic products, particularly in price-sensitive markets [36]. Price sensitivity is the extent to which changes in a product's price influence the purchase decisions of customers [37, 38]. Higher price sensitivity signifies that even a minor price change will significantly influence customers' purchasing behavior and decision-making [39, 40]. In the food product market, customers frequently perceive organic food as premium-priced items that have greater advantages than conventional meals. Despite the higher price charges, it is reported that a small number of consumers are still prepared to pay a premium for the perceived environmental and health advantages of organic foods. For instance, a study from Ghali-Zinoubi and Toukabri [41], and Hwang & Chung (2019) [42] revealed a significant direct link between price and consumers' intention to buy organic food. However, research has yielded inconsistent findings regarding the influence of price on purchase intentions. While certain studies emphasize its significance, others contend that it is not always a determining factor.

The Role of Retailers in Shaping Purchase Intention

Retailers have a significant role in shaping consumers' purchase intentions, particularly in the organic food industry, where consumers are frequently affected by a variety of variables such as product quality, price perception, in-store experience, and marketing communications. Retailers' initiatives, such as improving the shopping experience, fostering trust via transparency, and providing competitive pricing, play an important role in moulding organic food customers' purchasing behaviors. The shopping experience significantly influences purchasing intentions, including the physical surroundings [43]. Retailers that provide personalized customer service, inform consumers about the advantages of organic goods, and establish a cohesive shopping experience (both online and offline) can cultivate enhanced consumer trust and loyalty. Recent research indicates that a carefully designed in-store atmosphere might elevate consumers' views of product quality and augment their propensity to purchase [44]. Hence, by enhancing their store layouts, product presentations, and atmosphere, they may cultivate a more attractive and trustworthy purchasing experience.

Additionally, retailers are accountable for communicating the advantages of organic foods to consumers. Consumer trust can be improved, and purchase intentions can be influenced by clear and transparent communication, particularly in the context of organic certifications, health benefits, and environmental sustainability [46]. Retailers who offer educational content or promotional campaigns that emphasize the benefits and authenticity of organic products can mitigate consumer scepticism [47]. The utilization of digital marketing and social media also has enabled retailers to establish a connection with consumers and indirectly may create awareness and encourage customer engagement with organic foods [46].

Price is frequently perceived as a major barrier to the purchase of organic foods, as they are generally more costly than those that are conventional. Nevertheless, retailers may mitigate this challenge by implementing dynamic pricing strategies and providing incentives, such as reductions, promotions, or loyalty programs, that encourage the purchase of organic food [47]. Certain studies indicate that consumers are more inclined to pay a premium for organic products when they perceive value in terms of sustainability, quality, and health benefits [3]. Anisimova, Sultan, & Mavondo [48] examine how customers' perceptions of superior quality and sustainability associated with organic goods rationalize the price premium. It is suggested that when customers acknowledge the broader benefits, they exhibit a greater willingness to pay a premium for such products. Hence, retailers that frame organic products as valuable investments in individual and environmental health can redirect consumer attention from price considerations alone.

METHODOLOGY

The methodology for this research is based on a systematic literature review approach since the goal of the review is to synthesize the existing body of knowledge concerning consumer behavior (including intention) toward organic foods, with a specific focus on the Malaysian retail sector. This method is ideal because it allows for the identification of trends, gaps, and key factors that shape consumer behavior and the market landscape.

The literature review incorporates various sources. The first source is academic journals (peer-reviewed articles from databases such as ScienceDirect, Scopus, and Google Scholar) that focus on consumer behavior, organic food markets, and retail strategies in the Malaysian context. The second source comes from industry reports, such as reports from market research firms, government bodies, and agricultural agencies, which provide data on organic food consumption trends. The last source is existing government policies, i.e., documents that are related to initiatives by the Malaysian government (e.g., the Malaysian Organic Scheme (SOM)) that impact organic agriculture and consumer confidence in organic products. While the study tries hard to get hold of articles published within the last 10 years to capture recent trends in organic food consumption, previous studies are still utilized since it is not easy to get much information on Malaysia's consumption behavior of organic food. Thus, any research that discusses factors such as health consciousness, environmental awareness, purchase intention, and price sensitivity as they relate to organic food consumption is included in the data collection for review. Articles or reports that do not directly address consumer behavior or retail trends and studies outside the context of Malaysia are excluded from this study.

Content analysis is used as the main analysis for the review. This method allows researchers to analyze data from past studies in journals, reports and policy documents to identify how the

organic food retail market in Malaysia has evolved and how government and retailer initiatives have impacted consumer choices. The analysis also emphasizes consumers' demographic focus found in studies that discuss the demographics of organic food consumers in Malaysia, as this is crucial for understanding the market structure. The synthesis of the findings is expected to provide a comprehensive narrative that highlights the state and landscape of Malaysia's retail organic food market, the key drivers of organic food consumption and purchase intention (e.g., health concerns, environmental motivations, etc.), identifies government support and retail initiatives that have influenced the availability and accessibility of organic foods in Malaysia, and the demographic profiles of consumers who are most likely to purchase organic foods.

A limitation of the systematic literature review is that the findings come from secondary data, which means that it lacks primary data (the study does not involve direct consumer surveys or interviews), so the conclusions are based only on existing literature, which may not fully reflect the latest shifts in consumer behavior.

FINDINGS AND DISCUSSION

From the literature review, it is found that the food retail sector in Malaysia is indeed experiencing significant growth, driven by changing consumer preferences and an increasing focus on health and sustainability.

Market Size

Two key points, namely, the overall food retail sector and organic food market, were found to be important indicators of the market size of the retail organic food in this country. From the review, it is found that the Malaysian retail food market which was valued at approximately RM 40.57 billion (about USD 9.68 billion) in 2021 was also projected to grow at a compound annual growth rate (CAGR) of around 7.6% until 2026, while the organic food segment is also witnessing robust growth within this sector. For instance, the number of farms certified with MyOrganic has increased to 138, with a total area of 1,276 hectares, compared to 2002, when only 581 hectares of vegetable farms were accredited with SOM [49].

It is important to note that an understanding of the overall food retail sector and the organic food market size for stakeholders, particularly retailers and government, is essential for several reasons. Firstly, the size of the overall food retail sector serves as a critical economic indicator. It reflects consumer spending patterns, economic health, and the overall demand for food products within the country. A growing food retail sector typically indicates increasing consumer confidence and purchasing power, which are vital for stimulating economic growth [50].

Secondly, knowledge about the overall food retail sector and market size will help to indicate the market potential for organic products in the country. The organic food market's size provides insights into consumer preferences and trends. As more consumers shift towards healthier and environmentally sustainable choices, the growth of the organic food market indicates a potential for new business opportunities within the retail sector. Retailers can leverage this trend to cater to health-conscious consumers by expanding their organic product offerings [51].

Thirdly, the understanding of the growth of the organic food market is closely linked to rising health and environmental concerns among consumers. As consumers become more aware of the health benefits of organic foods—such as reduced pesticide exposure—and the environmental impacts of conventional agriculture, they are more likely to prioritize organic products in their purchasing decisions. This shift can encourage more retailers to invest in organic options, further expanding the market [52].

Lastly, the trends observed in the overall food retail sector and organic food market can influence policymakers to make relevant policies for players in the industry. A growing organic food market may prompt the government to implement supportive policies, such as subsidies for organic farmers or campaigns to promote organic consumption, which can help further develop the sector [53].

Trend in Organic Food Consumption Behavior - Intend to Purchase and Repurchase

While exact statistics on organic food consumption in Malaysia can vary depending on the source and the year of study, several key data points are available to help illustrate the landscape of retail organic food consumption. Although this study has provided a few statistics in the earlier parts of the article, Research and Markets [54] has reported a statistic that identifies the Malaysian organic food market reaching a value of RM 350 million (approximately USD 83 million) in 2020, with a projected growth rate of around 10% annually over the next five years. According to this report, the increased demand is driven by growing consumer awareness about the health benefits of organic products and environmental sustainability.

From the review, the rising trend among consumers in organic food consumption behavior including purchase and intention to purchase has been found to be attributed to a few driving factors. The first is increased consumer awareness and demand. To date, there has been a marked increase in awareness of the benefits of organic foods among Malaysian consumers. Studies indicate that health consciousness and environmental concerns are significant drivers of this trend. Consumers are increasingly motivated by the desire for healthier, pesticide-free food options [1, 52, 55]. A 2018 survey by the Malaysian Organic Scheme (MOS) further indicated that about 51% of Malaysian consumers were aware of organic food labels, and 31% of them regularly purchased organic products. Health and safety concerns were identified as the primary motivators for choosing organic foods. In addition, Euromonitor International (2021) [56] reported that about 17% of Malaysian households regularly purchase organic food items, especially among urban and higher-income families. Most organic products are purchased through supermarkets, specialty stores, and e-commerce platforms.

The growth of e-commerce is another driver noted by the literature. In this case, the COVID-19 pandemic is identified as a contributing factor for accelerating the growth of online grocery shopping, including organic products in the country. The convenience of e-commerce platforms has made it easier for consumers to access organic food, contributing to its rising popularity. According to Ting and Ahmad's (2021) [57] study, the COVID-19 pandemic has accelerated the growth of online organic food sales in Malaysia. Supermarkets and online retailers such as Lazada and Shopee saw a significant increase in organic product sales in 2020-2021, with online grocery platforms reporting up to 25% of their organic food sales.

The third driver is government support and certification. From the review, it is found that the Malaysian government has been promoting organic agriculture through many initiatives including the Malaysian Organic Scheme (SOM) and through subsidies provision to farmers for organic certification. Rezai et al.'s (2013) [58] study found that government-led certification programs such as SOM have played a pivotal role in encouraging Malaysian consumers to choose organic products. The visibility of certification labels helps consumers differentiate genuine organic products from conventional ones, enhancing trust and the likelihood of repurchase. Furthermore, the Malaysian government's efforts to raise awareness of organic agriculture through campaigns and workshops have also contributed to growing consumer demand for organic products. Many consumers are more confident in the authenticity of organic products when they are assured of proper certification and government backing.

The last driver identified from the review is initiatives by retailers to promote organic food in their outlets. Supermarkets and specialty stores have become crucial in promoting organic food by allocating more shelf space to organic products and implementing marketing strategies to raise consumer awareness. Examples of retailers' initiatives to promote organic food in their outlets and how the retailers in Malaysia have contributed to this trend have been supported by the literature. For instance, Jaya Grocer and Village Grocer, two well-known supermarket chains in Malaysia, have significantly expanded their offerings of organic food products by allocating specific sections or aisles exclusively for organic products, which increases product visibility and makes it easier for consumers to find them. This aligns with the findings of Teng et al. [59], which note that strategic placement of organic foods in stores has a positive effect on consumer purchase behavior. By giving organic products more prominent shelf space, retailers actively encourage consumers to explore and purchase them.

Other retailers, such as AEON and Tesco (now rebranded as Lotus), have shown their initiatives to promote organic food by implementing in-store and digital marketing campaigns that educate consumers about the health and environmental benefits of organic foods. These campaigns often include pamphlets, in-store tastings, and dedicated organic food sections. As noted by Yin et al. [60], educating consumers through these campaigns helps dispel misconceptions about organic foods and builds consumer trust, ultimately influencing purchase decisions.

It is observed that some retailers promote certified organic products more heavily in their outlets, using labelling and certification as marketing tools. Giant Hypermarket and Cold Storage, for example, are retailers that display certification labels (such as the Malaysian Organic Scheme) prominently on organic products, which reassures consumers of product authenticity. According to Rezai, Teng, and Mohamed [58], the clear display of certification labels in stores enhances consumer confidence and trust and increases the likelihood of purchasing organic products.

Partnerships with organic producers are also another example of initiatives taken by retailers in Malaysia to promote organic food consumption. Some of them were found to partner directly with organic farmers or brands to stock exclusive products and run joint promotions. Ben's Independent Grocer, for example, is known for offering locally produced organic products and supporting Malaysian organic farmers through in-store promotions and online marketing. The importance of this effort is highlighted by Yusoff et al. [61] in their study, stating that retailer

partnerships with organic producers have created mutually beneficial relationships that ensure a steady supply of organic products while promoting local organic agriculture to consumers.

Retail Organic Food Consumer Demographics in Malaysia

In terms of the demographic profile of organic food consumers, Rezai, Teng, and Mohamed's [58] study identified that the consumer base for organic foods in Malaysia is predominantly urban, educated, and falls within the middle-to-high-income bracket. This profile reflects the global trend in organic food consumption, where individuals with higher disposable incomes and education levels are more likely to purchase organic products due to their awareness of the health and environmental benefits.

The profile of urban consumers in organic food consumption in Malaysia may be due to the fact that the food availability is largely concentrated in urban areas such as Kuala Lumpur and Penang. Urban consumers have better access to supermarkets and specialty stores offering organic products, which contributes to higher consumption rates in these regions. Urban dwellers also tend to be more exposed to health and environmental awareness campaigns, both through media and local events, making them more inclined to adopt organic products into their daily diets.

The profile also indicates the importance of the age group, as Rezai et al.'s (2013) [51] study found that nearly 70% of organic food consumers are aged between 25 and 45 years. This age group is particularly important because consumers are often at a life stage where health and wellness become a priority. Many within this group are either starting families or are already parents, which further motivates their purchase of organic products due to concerns about providing healthier food options for their households. This finding aligns with other recent research, such as Kaur, Manjit, and Bhati [62], which also indicates that younger professionals and parents are more likely to prioritize organic products for health reasons.

In terms of education level, higher levels of education are found to be a significant factor, as more educated consumers tend to have better access to information regarding the health and environmental benefits of organic products. Rezai et al. [58] emphasize that consumers with tertiary education are more likely to understand the implications of pesticides, GMOs, and other conventional farming methods, making them more selective about what they consume. Similarly, Paul and Rana [63] point out that educated consumers are more aware of food safety issues, which drives their preference for organic foods over conventional alternatives.

Another important demographic profile of organic food consumers is shown through their income bracket. As Rezai and colleagues highlight, organic food consumers are typically middle-to-high-income earners. This is consistent with recent findings by Kushwah et al. [28], which indicate that organic food prices are often higher than those of conventional foods, making them more accessible to individuals with greater disposable income. Rezai et al. [58] also found that higher-income earners are willing to pay a premium for organic products because they prioritize health and quality over price. This aligns with research by Shafie and Rennie [52], which confirms that price sensitivity is a significant barrier for low-income consumers in Malaysia.

Lastly, the profile of organic food consumers in Malaysia shows that they represent a group of health-conscious consumers. Most organic food consumers in Malaysia are health-conscious and prioritize health benefits when making purchase decisions. Rezai et al. [58] found that 78% of organic food consumers cited health concerns, such as avoiding pesticides and consuming nutrient-dense foods as the primary reason for purchasing organic products. This is echoed in the work of Nguyen et al. [64], which shows that health-conscious consumers are a significant market for organic foods as they seek products that contribute to a healthier lifestyle.

In sum, the demographic profile of organic food consumers in Malaysia is characterized by urban, educated, and relatively affluent individuals who prioritize health benefits in their purchasing decisions. This is supported by various studies, including Rezai, Teng, and Mohamed [58], Paul and Rana [63], Shafie and Rennie [52], Kaur, Manjit, and Bhati [62], Kushwah et al. [28], and Nguyen et al. [64], which provide critical insights into the characteristics of the Malaysian organic food consumer. These findings are consistent with global trends in organic food consumption, where higher education levels, greater income, and urbanization drive the market for organic products.

CONCLUSION

In conclusion, analyzing the overall food retail sector and the organic food market in Malaysia provides crucial insights into the economic trends, consumer behavior, health and environmental awareness, and potential policy directions to stakeholders. These factors collectively shape the landscape of the retail organic food market and influence its growth trajectory in the country. The food retail sector in Malaysia, particularly the organic food segment, is poised for growth, driven by changing consumer preferences towards healthier and sustainable food options. This growth is supported by increased awareness, the rise of e-commerce, and government initiatives aimed at promoting organic agriculture. The Malaysian government's proactive efforts in promoting organic agriculture through certification schemes like SOM and subsidies have significantly contributed to the growth of the organic food market. By providing consumers with assurance through certification and supporting farmers in organic production, these initiatives have built trust and expanded the availability of organic foods in the retail market.

The rising demand for organic foods in Malaysia reflects a wider transition towards healthier and more sustainable consumer behaviors, driven by increasing awareness of health and environmental issues. Although the organic food industry in Malaysia is a niche, it exhibits considerable development potential, especially as urbanization, rising income levels, and enhanced access to information influence consumer behavior. This study has emphasized the significance of comprehending purchasing intention as a crucial element in improving the organic food retail sector in Malaysia. The purchasing intentions of consumers of organic food are significantly influenced by retailers. By establishing a welcoming shopping environment, employing efficient marketing strategies, adopting competitive pricing, and cultivating trust via transparency, businesses may significantly impact consumer behavior. Retailers who embrace consumer-centric strategies may reap the benefits of greater sales and enduring client loyalty as the demand for organic products continues to rise. In summary, retailers who are seeking to improve their consumer engagement can derive valuable insights from understanding the factors that influence purchase intention. There is an urgent requirement for innovative strategies that are consistent with the cognitive, affective, and behavioral factors that influence

consumer decisions, as the demand for organic foods continues to increase. With the implementation of appropriate initiatives, Malaysia's organic food retail sector has the potential to flourish, thereby promoting environmental sustainability and public health.

This study has provided an overview of the Malaysian retail market, focusing on consumer behavior specifically in the context of organic food purchases (intention) within Malaysia's retail market, which is important for a geographically and culturally contextual study. in the consumers' purchase intention behavior of retail organic food. The exploration of consumer motives, behaviors, and trends in the organic food sector is believed to be very relevant to academics, policymakers, and retail marketers. The insight should provide organic food retailers, for instance, with useful information that they can utilize to refine their marketing strategies and address the changing preferences of Malaysian customers of the food.

References

- [1] Bazhan, M., Shafiei Sabet, F., & Borumandnia, N., *Factors affecting purchase intention of organic food products: Evidence from a developing nation context*. Food Science and Nutrition, 2024. <https://doi.org/10.1002/fsn3.4015>.
- [2] Jaffery, N. S. N., & Annuar, S. N. S., *Malaysia Consumers Green Purchasing Behaviour Towards Organic Products: A Review*. In Proceedings of the International Conference on Communication, Language, Education and Social Sciences (CLESS 2022), 2023. p. 205–212. Atlantis Press SARL. https://doi.org/10.2991/978-2-494069-61-9_20.
- [3] Rana, J. & Paul, J. *Consumer behavior and purchase intention for organic food: A review and research agenda*. Journal of Retailing and Consumer Services, 2017. 38: p. 157–165.
- [4] Abdullah, F. A., Saidi, S. F. S., Bakar, T. H. S. T. A., & Young, L. J., *The Level of Buying Behaviour Towards Organic Food Among Malaysian Consumers*. IOP Conference Series: Earth and Environmental Science, 2022. 1102(1). <https://doi.org/10.1088/1755-1315/1102/1/012051>.
- [5] Ali, T., & Ali, J., *Factors affecting consumers' willingness to pay for health and wellness food products*. Journal of Agriculture and Food Research, 2020. 2. <https://doi.org/10.1016/j.jafr.2020.100076>
- [6] Dettmann R. & Dimitri C. *Who's buying organic vegetables? Demographic characteristics of US consumers*. Journal of Food Distribution Research, 2007.16(1), 49–62.
- [7] Somasundram, C., Razali, Z., & Santhirasegaram, V. *A review on organic food production in Malaysia*. In Horticulturae, 2016. 2(3). MDPI Multidisciplinary Digital Publishing Institute. <https://doi.org/10.3390/horticulturae2030012>.
- [8] Qi, X., Mou, J., Meng, C., & Ploeger, A., *Factors Influencing Consumers' Organic Food Continuous Purchase Intentions during the Post-Pandemic Era: An Empirical Investigation in China*. Foods, 2023. 12(8). <https://doi.org/10.3390/foods12081636>
- [9] Hussin, H., & Abdul Wahid, N., *Conceptualizing Customer Experience in Organic Food Purchase Using Cognitive-Affective-Behavior Model*. Journal of Governance and Integrity, 2023. 6(2), p. 577–586. <https://doi.org/10.15282/jgi.6.2.2023.9732>
- [10] Helga, W., Bernhard, S., & Jan, T., *The world of organic agriculture: Statistics & emerging trends 2023* FiBL, 2023.
- [11] Khanna, S. V., *Emerging Trends of Global Marketing*. Recent Trends in Multidisciplinary Research and Development, 2024. 1, p. 83-91.

- [12] Siddharta, A. *Share of retail trade to the gross domestic products (GDP) in Malaysia from 2015 to 2023*. 2024. Retrieved from; <https://www.statista.com/statistics/1459755/malaysia-share-of-retail-trade-to-the-gdp>
- [13] Siddharta, A. *Number of people employed in the wholesale and retail trade industry in Malaysia from 2018 to 2023*. April 2024. Retrieved from; <https://www.statista.com/statistics/809713/annual-employment-in-the-retail-trade-industry-malaysia/>
- [14] The Malay Mail, *Malls facing meltdown as glut continues*. March 2018. Retrieved from; <https://www.malaymail.com/news/malaysia/2018/03/14/malls-facing-meltdown-as-glut-continues/1597735>
- [15] CEIC Data, *Malaysia Retail Sales Growth 2014-2023*. Retrieved from; <https://www.ceicdata.com/en/indicator/malaysia/retail-sales-growth>
- [16] Kathy, B., *Malls, department stores and supermarkets still affected by the on-going pandemic*. The News Strait Times (NST). March 2021. Retrieved from; <https://www.nst.com.my/property/2021/03/672489/malls-department-stores-and-supermarkets-still-affected-going-pandemic>
- [17] Abu Dardak, R., Zairy Zainol Abidin, A., & Kasim Ali, A., *Consumers' perceptions, consumption and preference on organic product: Malaysian perspective*. In Economic and Technology Management Review, 2009. Vol. 4, p. 95-107.
- [18] The Sun, *National Agrofood Policy (NAP) 2.0 boost country's pineapple industry*. 2021. Retrieved from; <https://thesun.my/malaysia-news/national-agrofood-policy-20-boosts-country-s-pineapple-industry-FC8523610>
- [19] Ajzen, I., *The theory of planned behavior*. Organizational Behavior and Human Decision Processes, 1991. 50(2), p. 179-211.
- [20] Fishbein, M. & Ajzen, I., *Belief, Attitude, Intention and Behavior: an Introduction to Theory and Research*. 1977.
- [21] Morwitz, V. G., *Consumers' purchase intentions and their behavior*. Foundations and Trends® in Marketing, 2014. 7(3), p. 181-230.
- [22] Chekima, B., Syed Khalid Wafa, S. A. W., & Igau, O. A., *Do consumers' attitudes, subjective norms, and perceived behavioral control predict organic food purchase intention?* Journal of Cleaner Production, 2020. 248, p. 119-146.
- [23] Yadav, R., & Pathak, G. S., *Intention to purchase organic food among young consumers: Evidences from a developing nation*. Appetite, 2016. 96, p. 122-128.
- [24] Jaafar, N. A. A., Sulaiman, N., Shamsul, A. Z. B., & Sabran, M. R., *A Systematic Review of 10 Years of Empirical Studies on Organic Food Consumption among Malaysian Consumers Development of Malaysian Nutritious Food Variety Indicator as a Tool for Dietary Adequacy Assessment of Urban Lower Income Household in Malaysia*. Malaysian Journal of Consumer and Family Economics, 2021. 25(1), p. 111-134. <https://doi.org/10.6084/m9.figshare.13701499>
- [25] Siwar, S. A. C., Ferdous Alam, A. S. A., Talib, B. A., Chamhuri, N., & Idris, N. D. M., *Determinants of Willingness to Pay Towards Malaysian Organic Food*. 2019. 7(6), p. 5.
- [26] Chhabra, N., Sharma, A., Joshi, R., Begum, F. N., & Aarthi Agnihothri, V., *Predicting the Buying Intention of Organic Food with The Association of Theory of Planned Behaviour*. Journal of Survey in Fisheries Sciences, 2023. 10(2), p. 798-807.

- [27] Kamboj, S., Matharu, M., & Gupta, M., *Examining consumer purchase intention towards organic food: An empirical study*. *Cleaner and Responsible Consumption*, 2023. 9. <https://doi.org/10.1016/j.clrc.2023.10012>
- [28] Kushwah, S., Dhir, A., & Sagar, M., *Understanding consumer resistance to the consumption of organic food*. *Journal of Retailing and Consumer Services*, 2019. 47, p. 157-169.
- [29] Aertsens, J., Mondelaers, K., Verbeke, W., Buysse, J. & Van Huylenbroeck, G., *The influence of subjective and objective knowledge on attitude, motivations, and consumption of organic food*. *British Food Journal*, 2011. 113(11): p. 1353-1378.
- [30] Li, L., Wang, Z., Li, Y., & Liao, A., *Consumer innovativeness and organic food adoption: the mediation effects of consumer knowledge and attitudes*. *Sustain. Prod. Consum.* 2021. 28, p. 1465–1474. <https://doi.org/10.1016/j.spc.2021.08.022>.
- [31] Aqilah, N., Jaafar, A., Sulaiman, N., & Redzwan, M., *A Systematic Review of 10 Years of Empirical Studies on Organic Food Consumption among Malaysian Consumers*. 2021.
- [32] Zagata, L., *Consumers' Beliefs and Behavioral Intentions Towards Organic Food: Evidence from the Czech Republic*. *Appetite*, 2012. 59(1): p. 81–89. doi:10.1016/j.appet.2012.03.023
- [33] Christie, C.D. & Chen, F.S., *Vegetarian or meat? Food choice modelling of main dishes occurs outside of awareness*. *Appetite*, 2018. 121: p. 50–54. <https://doi.org/10.1016/j.appet.2017.10.036>
- [34] Nolan, J. M., Schultz, P. W., Cialdini, R. B., Goldstein, N. J., & Griskevicius, V., *Normative social influence is under detected*. *Pers. Soc. Psychol. Bull.* 2008, 34 (7): p. 913–923. <https://doi.org/10.1177/0146167208316691>.
- [35] Cialdini, R.B. & Jacobson, R.P., *Influences of social norms on climate change-related behaviors*. *Current Opinion Behavior Science*, 2021. 42: p. 1–8. <https://doi.org/10.1016/j.cobeha.2021.01.005>.
- [36] Wang, J., Pham, T. L., & Dang, V. T., *Environmental consciousness and organic food purchase intention: A moderated mediation model of perceived food quality and price sensitivity*. *International Journal of Environmental Research and Public Health*, 2020. 17(3). <https://doi.org/10.3390/ijerph17030850>
- [37] Zepeda, L. & Deal, D., *Organic and local food consumer behavior: Alphabet theory*. *International Journal of Consumer Studies*, 2009. 33: p. 697–705.
- [38] Han, S., Gupta, S., & Lehmann, D. R., *Consumer price sensitivity and price thresholds*. *Journal of Retail*, 77, 2001. p. 435–456.
- [39] Kotler, P.T. & Armstrong, G., *Principles of Marketing*; Pearson. New York, NY, USA. 2018.
- [40] Wakefield, K.L. & Inman, J.J., *Situational price sensitivity: The role of consumption occasion, social context and income*. *J. Retail*, 2003. 79: p. 199–212.
- [41] Ghali-Zinoubi, Z. & Toukabri, M., *The antecedents of the consumer purchase intention: Sensitivity to price and involvement in organic product: Moderating role of product regional identity*. *Trends Food Sci. Technology*, 2019. 90: p. 175–179.
- [42] Hwang, J. & Chung, J., *What drives consumers to certain retailers for organic food purchase: The role of fit for consumers' retailer store preference*. *Journal of Retail Consumer Service*, 2019. 47: p. 293–306.
- [43] Triantafillidou, A., Siomkos, G., & Papafilippaki, E., *The effects of retail store characteristics on in-store leisure shopping experience*. *International Journal of Retail and Distribution Management*, 2017, 45(10): p. 1034–1060. <https://doi.org/10.1108/IJRDM-07-2016-0121>

- [44] Gundala, R. R., & Singh, A., *What motivates consumers to buy organic foods? Results of an empirical study in the United States*. PLoS ONE, 2021. 16(9). <https://doi.org/10.1371/journal.pone.0257288>
- [45] Garcia-Gallego, A. & Georgantzis, N., *Good and bad increases in ecological awareness: Environmental differentiation revisited*. Strategic Behavior and the Environment, 2011. 1: p. 71
- [46] Sruitson, L., & Arun Fred, N., *Advanced Framework to Analyze the Impact of Digital Marketing on Online Purchase Intention with Respect to Organic Food Products*. Aureole, VX(XV), 2023. P. 37–45. www.aureoleonline.in
- [47] Latip, M. S. A., Tumin, S. A., & May, R. Y. Y., *Antecedents of organic food purchase intention: Does it moderated by the receptivity to green communication?* Journal of Sustainability Science and Management, 2023. 18(6): p. 41–57. <https://doi.org/10.46754/jssm.2023.06.004>.
- [48] Anisimova, T., Sultan, P., & Mavondo, F. T., *Price–quality perceptions in the organic food consumption context: Testing a moderated mediation model*. Journal of Retailing and Consumer Services, 2019. 51: p. 391-398.
- [49] Department of Agriculture Malaysia, *Skim Pensijilan Organik Malaysia – Senarai Penerima Sijil (Sah)*. 2023. Retrieved from; <https://www.doa.gov.my/index.php/pages/view/377>
- [50] Khairunnisa, A., & Anis, S., *The impact of consumer income on food retail sector growth: Evidence from Malaysia*. Journal of Economic Studies, 2021.
- [51] Rezai, G., Teng, P. K., & Mohamed, Z., *Consumers' awareness and consumption intention towards green foods: A case of Klang Valley, Malaysia*. International Food Research Journal, 2013. 20(2): p. 791-797.
- [52] Shafie, F. A., & Rennie, D., *Consumer perceptions towards organic food in Malaysia*. Journal of Social Sciences, 2012. 8(3): p. 35-42.
- [53] Mohamad, N., & Aziz, N. A., *Sustainable development and organic food consumption: A Malaysian perspective*. Sustainability, 2020. 12(12): p. 5205.
- [54] Research and Markets. *Malaysia Organic Food Market: Growth, Trends, and Forecasts*, 2020.
- [55] Hu, T., Al Mamun, A., Reza, M. N. H., Wu, M., & Yang, Q., *Examining consumers' willingness to pay premium price for organic food*. Humanities and Social Sciences Communications, 2024. 11(1). <https://doi.org/10.1057/s41599-024-03789-6>
- [56] Euromonitor International. *The Future of Organic Food in Malaysia*. 2021.
- [57] Ting, C. H., & Ahmad, S., *Impact of e-commerce on organic food sales in Malaysia post-pandemic*. Journal of Southeast Asian Studies, 2021.
- [58] Rezai, G., Teng, P. K., & Mohamed, Z., *Consumers' awareness and consumption intention towards green foods: A case of Klang Valley, Malaysia*. International Food Research Journal, 2013. 20(2): p. 791-797.
- [59] Teng, P. K., Rezai, G., & Mohamed, Z., *Consumer acceptance of green food in Malaysia*. Malaysian Journal of Consumer Studies, 2015. 11(1): p. 19-36.
- [60] Yin, S. J., Moorthy, K., & Abdul-Rahman, A., *Factors influencing green purchase intention in Malaysia: A perspective of green awareness*. Sustainability, 2020. 12(12): p. 4824.
- [61] Yusoff, N. F. A., Shariff, S. M., & Mohamad, N. H. N., *Retailers' role in promoting local organic food: A Malaysian perspective*. Journal of Retailing and Consumer Services, 2021. 58: p. 102285.

- [62] Kaur, Manjit, and Bhati, S., *Demographics and organic food consumption: Insights from Malaysia*. *Journal of Consumer Studies*, 2018. 12(3): p. 134-145.
- [63] Paul, J., & Rana, J., *Consumer behavior and purchase intention for organic food: A review and research agenda*. *Journal of Retailing and Consumer Services*, 2012. 19(4): p. 525-536
- [64] Nguyen, T. N., Lobo, A., & Nguyen, B. K., *Young consumers' organic food purchase behavior: The role of personalization, gender, and education*. *Journal of Retailing and Consumer Services*, 2019. 51: p. 266-274.