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PERCEPTIONS OF RETAILERS TOWARDS MARKETING OF ORGANIC FOOD PRODUCTS- AN EMPIRICAL STUDY

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ABSTRACT

This research investigates the views of retailers on the marketing of organic food items in Belagavi City, Karnataka, with specific reference to important factors contributing to their perception and readiness to market them. Based on a sample of 120 retailers from different store formats, the study uses Structural Equation Modelling to test 5 hypothesized relationships. Results show that profitability ($\beta=0.275$, $p=0.001$), perceived health advantage ($\beta=0.349$, $p<0.001$), and retailer experience ($\beta=0.279$, $p=0.001$) all significantly influence positive attitudes, while product knowledge has no significant influence ($\beta=0.009$, $p=0.916$). Notably, retailers' perception is a strong predictor of willingness to recommend organic products ($\beta=0.595$, $p<0.001$) with large effect size ($f^2=0.549$). The measurement model has high reliability (Cronbach's $\alpha>0.90$) and validity (AVE >0.76). The structural model accounts for 55.5% of variance in perception ($R^2=0.555$) and 35.4% in willingness to promote ($R^2=0.354$). The results imply that economic feasibility and health positioning are more important than basic awareness in influencing retailer involvement with organic products. The research offers practitioners and policymakers useful insights for building focused strategies highlighting profitability and health advantage while overcoming experiential obstacles. Regional comparisons and online marketing dynamics could be subjects of further organic food retailing studies to pursue.

KEYWORDS: Organic food marketing, Retailer Perception, Structural Equation Modelling, Health Benefits, Profitability

INTRODUCTION

The international food sector has experienced a remarkable change in consumer interests during the last two decades, with a greater focus on health, sustainability, and environmental awareness. Of all the emerging trends, the demand for organic foods has assumed breathtaking pace due to heightened

awareness of the ill effects of conventional farming procedures based extensively on synthetic pesticides, chemical fertilizers, and genetically modified organisms. Organic produce, which is defined by its natural growing patterns, devoid of chemical additives, has become a health-conscious consumer's go-to option for better nutrition and reduced exposure to harmful chemicals (Grace, Emimol et al., 2023). The increase in the consumption of organic food is not a flash-in-the-pan fad but an indication of deeper cultural shifts, where people are becoming more conscious of their food choices and their eventual effect on individual health and environmental harmony.

The history of organic food products has its roots in early agricultural movements that called for chemical-free agriculture, but it was not until the late 20th century that organic food shifted from a niche market to mainstream commodity. Once considered a high-end commodity that was available only in specialist health shops or farmers' markets, organic goods now form part of mainstream retailing, including supermarkets and the internet (Bezawada & Pauwels, 2013). Such penetration has been facilitated by shifting consumer behavior, where organic food is no longer perceived as an elitist alternative but just a viable option for a wider range of consumers. Studies indicate that millennials, more than any other group, are spearheading this shift towards ethical consumption and sustainability in consumer buying behavior (Molinillo et al., 2020). Increasing acceptance of organic foods also arises from growing concerns over food security, with most reports citing pesticide residues on conventionally grown foods, thereby forcing consumers towards organics (Kantamaturapoj & Marshall, 2020).

In a time characterized by hybrid food habits—wherein consumers balance traditional food with modern, processed foods—organic foods play a big role in making living healthier. Today's consumer is caught between convenience and nutrition, with the result being a growing urge for food that is green and wholesome. Organic food satisfies this desire with offerings that are chemical-free as well as support sustainable agriculture (Gumber & Rana, 2021). Research shows that organic food is associated by consumers with numerous health advantages like increased immunity, reduced risk of chronic diseases, and improved nutrition in general (Tan et al., 2022). However, despite the benefits, adoption of organic food is not without its problems. Price sensitivity continues to be a key challenge with organic products usually being more expensive than conventional alternatives because organic production is more costly (Hwang & Chung, 2019). Inconsistent availability and limited consumer knowledge in some areas also act as deterrents for adoption.

Although a majority of the current literature targets consumer behavior and choices, that of retailers in influencing the market for organic food is at least as important but still not fully developed. Retailers serve as a bridge between producers and customers, driving buying decisions via product positioning, pricing, and promotions (Suman et al., 2023). Their own views on organic food marketing are essential to comprehend marketplace interactions, as they have direct access to consumer demand, supply chain issues, and profitability as factors. The willingness of the retailers to carry organic foods, their price systems, along with their advertising strategies have profound effects on the affordability and reach

of organic foods end consumers (Bezawada & Pauwels, 2013). Certain research indicates that retailers can promote consumer confidence and increase sales by effectively conveying the advantages of organic products through store promotions and transparent labeling (Dan & Jitea, 2024). However, retailers also face challenges of maintaining supplies at a steady level, managing rising shelf costs, and competing with conventional products that fill retail spaces. Understanding these perspectives is important to developing strategies that can expand the market for organic foods but can also address realistic constraints experienced by retailers.

Organic food business in India has been growing steadily, with government policies, growing health awareness, and a growing middle class with rising disposable incomes contributing to this growth. Government policies promoting sustainable agriculture and organic certification have been the support Karnataka has received in being among the top states in the promotion of organic farming (K M Suman et al., 2023). Despite this, regional variations concerning market penetration exist, with cities having higher demand than rural regions. Belagavi City, which is rapidly urbanizing in Karnataka state, is a case worth studying due to its combination of age-old farm-based practices and new-age retail trends. The increasing population of health-conscious citizens in the city, combined with the accessibility of local organic markets as well as conventional supermarkets, presents an excellent environment to study retailers' outlook on organic food marketing. Despite this potential, there is limited empirical research focusing on Belagavi's organic food retail sector, creating a gap in understanding how local retailers perceive and respond to the growing demand for organic products.

This research thus attempts to investigate retailers' opinions regarding organic food product marketing within Belagavi City, shedding light on the challenges they encounter, the strategies they adopt, and their general opinion regarding the future of the organic food industry. Through investigations into aspects such as consumer demand, prices, supply chain management, and promotional activities, this research hopes to contribute toward the larger body of knowledge on organic food retailing in India. The conclusions will not only contribute to retailers fine-tuning their marketing strategies but will also inform policymakers and organic food manufacturers on how to devise strategies to increase market penetration and accessibility by consumers. As the world continues to shift towards sustainable consumption, knowledge of the patterns of organic food retailing at the local level is pivotal to promoting a healthier and sustainable food system.

2. Significance of the study:

In the fast-changing food retailing environment of the present day, organic foods have become a vital sector fuelled by rising health awareness, eco-sensitivity, and shifting consumer needs. This study is significant in that it is attempting to uncover retailers' thinking about promoting organic food items, which is still an under researched area despite mounting demand for organic food. It is imperative to know how retailers view and strategize selling organic food, as they are the very link between producers and buyers and control purchases through assortment, price, and promotion (Bezawada &

Pauwels, 2013). Retailers drive market trends, but their problems, such as supply chain limitations, pricing methods, and consumers' need for education, are usually ignored by studies. Through exploration of these dimensions, this research gives useful insights that can increase the availability of organic food, increase retail profitability, and help increase sustainable consumption.

Among the most compelling reasons why this research remains relevant in today's time is because there has been growing consumer movement towards organic products due to heightened awareness of environmental sustainability and health. Modern consumers are well aware of the dangers of pesticides, chemical additives, and genetically modified foods and hence are opting for safer, chemical-free food options (Anghelcev et al., 2020). Yet, this emerging trend fails to be reflected in uneven organic food penetration, especially in developing countries such as India. Retailers frequently grapple with ensuring consistent supply, dealing with increased costs, and persuading price-conscious consumers of the long-term value of organic food (Rizzo et al., 2024). This research bridges these loopholes by scrutinizing retailers' approaches in Belagavi City, providing real-world solutions to enhance market access and consumer acceptance. In that organic retailing remains in its growth stage in most areas, knowing the views of the retailers will assist in filling the gap between demand and supply so that organic foods can break free from niche market consumption and become mainstream. The study's other key point is that it addresses how promotional efforts and retailers' perception play an important role in affecting organic food consumption behavior. "Retailer perception in marketing relates to how retailers evaluate brands, products, and related marketing activities. This perception affects decision-making and subsequently impacts product selection, pricing, promotions, and support for the brand. For manufacturers and brands, understanding retailer perception is critical when trying to enhance their sales and distribution (Singh (2017))". Studies have shown that how organic foods are promoted—on health grounds, environmentally, or on ethical grounds—affects consumers significantly (Anghelcev et al., 2020). Retailers who best convey the worth of organic food in the form of easy-to-understand labels, in-store marketing, and online advertising can increase consumers' trust and sales (Bhat et al., 2024). Yet, several retailers, particularly in smaller towns like Belagavi, do not have the resources or expertise to implement such strategies well. This study aims to unveil the most effective marketing strategies adopted by retailers to provide a best-practice template that can be emulated by others. It further examines how regional and cultural elements influence purchasing decisions, allowing retailers to tailor their strategy to local tastes and shopping habits (Alshammari, 2020). By doing so, the study is making an additional contribution to the overall discussion of organic food marketing in that it offers actionable advice to retailers on how to boost their competitiveness in an expanding health-focused market.

The economic significance of the research adds to its importance. Retailing of organic food is not just a health trend but a successful business as well. The research shows that organic assortment and price management by retailers strategically can result in higher profitability (Bezawada & Pauwels, 2013). Still, numerous small and medium-sized retailers are reluctant to stock organic products because of

perceived risk, e.g., reduced shelf turnover and increased operational expenses (Dimitri & Oberholtzer, 2009). This research tackles these issues by evaluating successful models of retailing, pinpointing ways to source inexpensively, and proposing pricing strategies that are both affordable and profitable. In addition, as governments and global organizations encourage organic farming as a component of sustainable development efforts, those retailers who are aligned with these programs are rewarded with policymaker support and public goodwill (Dr. Boinwad et al., 2024). By projecting the profitability of organic food retailing, this research invites more firms to venture into the business, thus improving market access for organic producers and consumers.

Ultimately, this research is meaningful for policymakers and agricultural stakeholders who seek to advance organic farming and sustainable food systems. India, possessing a large agricultural base, has vast potential to establish itself as a world leader in organic food production. But without a strong retail infrastructure, farmers may not have stable markets for their organic foods (Rizzo et al., 2024). Policymakers can thus develop effective support mechanisms, including subsidies for organic retailers, enhanced supply chain logistics, and consumer education campaigns, by learning about retailers' challenges and opportunities. The results from Belagavi City can act as a microcosm for other such urban and semi-urban markets across India, providing scalable solutions to increase organic food distribution. In addition, as organic product demand worldwide grows, research like this helps position India as an international organic food market competitor.

Overall, this research is important to both retailers and consumers, producers, and policymakers with an interest in the organic food market. By studying retailers' viewpoints, it offers a comprehensive picture of market processes, determines points of growth restriction, and presents ways to eliminate them. In a time when sustainable consumption is not an option but an imperative, this study has a vital role in creating a healthier, eco-friendlier food retail sector. The findings created will guide stakeholders through the intricacies of organic food promotion, with the organic product benefits being made known to the masses while supporting economic and environmental sustainability.

3. Conceptual Framework and Hypothesis Development

3.1 Knowledge of organic food products V/s Retailers' Perception

The attitude of retailers towards organic food products is likely to be shaped by their awareness of its benefits, production process, and preference by customers. The study illustrates that more information about organic food—its health qualities, environmental friendliness, and quality certification—gives rise to positive attitudes among stakeholders (Barua et al., 2023). For instance, findings from consumer behavior research identify that awareness of organic farming largely influences shopping decisions and therefore stores with higher awareness could view organic products as more marketable and feasible (Oliveira et al., 2024). Similarly, research from Salem District establishes that a higher level of educated individuals, including traders, is more disposed towards having a favorable attitude towards organic food since they understand its long-term benefits (Kumar & Dhanalakshmi, 2018).

Indeed, in Coimbatore, a student awareness study supports the above, with knowledge of organic products correlating with higher acceptance (Ambikapathy et al., 2023). Consumer research in Karnataka also indicates that those retailers who understand the value proposition of organic foods are more likely to stock and promote it effectively (Roopashree & Rizwana, 2024). Purchase intention studies also show that retailers' knowledge directly influences their confidence in selling organic food, since knowledgeable retailers can better address customer anxiety (Kamboj et al., 2023). Also, Polish demographic research confirms that awareness about organic food characteristics strengthens favorable attitudes of different social groups (Grzywińska-Rapca et al., 2025). Thus, it is possible to suppose that retailers who have more information on organic food will score it higher, impacting their marketing activities and investment incline towards this segment.

H1-Knowledge of the organic food products (KOFPP) has an significant positive effect on retailers' perception (RPOFP).

3.2 Perceived Health Benefits V/s Retailers' Perception

The attitude of retailers toward organic food items would largely be driven by their perception regarding the health properties of such items, as these are still the primary drivers of consumer preferences. Studies have established that those retailers familiar with organic foods being better nourished and less chemically contaminated also see them in a better light as products to be sold (Melovic et al., 2020). The proof from the distributors' and processors' perspective is that health consciousness remains a strong force shaping the development of the organic business, suggesting that the retailers shift their mindsets in line with such consumer drivers (Górska-Warsewicz et al., 2021). The growing consumer awareness of the perceived health risks of traditional food, including pesticide residue and added chemicals, further attests to the favorable attitudes of retailers when they become aware of these health differences (Srisathan & Naruetharadhol, 2025). Evidence in Vientiane shows that health is a key consideration for purchasing organics, therefore retailers who are responsive to these benefits can best capitalize on market opportunities (Poyearleng et al., 2019). The strategically important role of health attributes in moving environmentally conscious consumers further means that retailers who consider these benefits can formulate more effective marketing strategies (Ogunmola & Kumar, 2024). Thus, one can hypothesize that retailers that recognize greater health benefits of organic products will have more favorable attitudes towards their marketing and selling opportunities.

H2- Perceived health benefits (PHB) have an significant positive effect on the retailers' perception (RPOFP).

3.3 Profitability and Economic Feasibility V/s Retailers' Perception

Retailers' sentiments towards organic food items are naturally framed in terms of economic considerations, where profitability is a critical determinant of whether or not they will carry and promote the products. Evidence shows that retailers' demand expectations shape their merchandising

decisions and product category assortment plans (Eastman et al., 2010). The link between profitability and perception is highly evident in findings that illustrate the way retailers take organic products into account on their ability to enhance customer lifetime value and overall store performance (Kumar et al., 2006). In the developing world, feasibility tests ascertain that retailers would appreciate economic feasibility in launching new lines of products, signifying that adoption of organic food highly depends on its perceived cost sustainability (Singh & Sahu, 2022). Case studies of value-added agriculture also attest that economic feasibility has a substantial influence on the perceptions of owners regarding business success, as profitable business attracts more strategic focus (Clark, 2020). Taken together, these findings imply that if supermarkets perceive organic foods as economically feasible—with reasonable profit margins, reliable consumer demand, and reasonable operation costs—they will tend to develop positive attitudes toward their promotion and long-term shelf space. Therefore, it can be said that stores that associate organic food with high profitability and economic feasibility will develop more positive attitudes, leading to greater investment in this category of products.

H3- Profitability and economic feasibility (PEF) have an significantly influence retailers' perception (RPOFP).

3.4 Retailer experience, exposure V/s Retailers' Perception

Retailers' attitudes toward organic food products are also heavily shaped by their aggregate experience and exposure to the organic market. According to studies, retailers with a longer history of organic food sales accumulate more complex understandings of consumers' taste and market trends and have more favorable attitudes (Munshi et al., 2020). This corroborates research that familiarity with organic production methods and their benefits over conventional ones enhances the positive disposition of stakeholders (Yiridoe et al., 2005). In developing countries like India, retailers with greater exposure to organic consumption patterns exhibit greater ability to cope with market conditions and consumers' needs (Nautiyal & Lal, 2025). The connection between experience and perception is also seen in supply chain research, where experienced organic farmers with existing retailer relationships have improved mutual perception of market challenges and opportunities (Gajdić et al., 2021). Moreover, the exposure to food safety matters via media and market engagement has been found to moderate retailers' appreciation of organic products, such that those with greater exposure to such information exhibit enhanced appreciation for organic characteristics (Kamboj & Kishor, 2023). These results together indicate that retailers with higher levels of experience in managing organic products and exposure to organic market data form more positive views regarding their viability, consumer desirability, and future market prospects. The hypothesis thus predicts that higher levels of experience and exposure will be associated with better retailer perceptions of organic food items.

H4- Retailer experience and exposure (REE) positively affect retailers' perception (RPOFP).

3.5 Retailers' Perception V/s Willingness to promote organic food products

Such retailers' willingness to promote organic food products actively is basically defined by their basic perceptions regarding these food products' market prospects and consumer popularity. Research proves that retailers with positive perceptions for organic foods are more inclined to spend more on promotional activities, as positive perception results in greater confidence in product feasibility (Malissiova et al., 2022). Consumer demand trends research indicates that the perception of organic products by retailers has a direct bearing on their merchandising practices, where positive perceptions translate to better product placement and promotional activities (Chandrakala, 2024). The same is also substantiated through proof indicating how knowledge of consumers' willingness to pay a premium for organic food influences retailers' promotional behavior (Eyinade et al., 2021). The perceptual critical function is clearly also present in analyses of buying attitudes, where retailers aware of the increasing consumer demand for organic products show more interest in promoting products (Roy et al., 2022). Moreover, comparative advertising studies unveil the fact that positive attitudes retailers hold towards organic food's value proposition can be used to amplify the intention of consumers to pay premiums, thus strengthening the incentive for retailers to promote such products (Yu et al., 2022). Such findings together indicate that retailers' attitudes are a primary factor in determining their promotion efforts, with better perceptions encouraging greater readiness to invest in shelf space, advertising budgets, and sales efforts in organic food products. The hypothesis thus suggests that positive retailer attitudes will have a significant and positive impact on willingness to actively promote organic food items in their stores.

H5- Retailers' perception (RPOFP) significantly affects their willingness to promote organic food products (WPOFP).

4. Research Methodology:

This research uses the descriptive-analytical approach to study retailers' perceptions and marketing behavior of organic food in Belagavi City, Karnataka. 120 retailers from supermarkets, specialty stores, and Kirana shops were selected based on purposive sampling and their involvement with organic products. Primary data was gathered using structured questionnaires that measured perception (health benefits, demand), marketing strategies (pricing, promotion), and store profile. Secondary data were also complemented from industry reports and journals. For hypothesis testing, SEM analysis was utilized, with the inclusion of EFA for factor extraction, Fornell-Larcker criterion for discriminant validity, and path analysis to test relationships between variables such as retailer perception (independent) and promotion willingness (dependent). IPMA also established principal drivers of influence on organic food marketing. The research process guarantees extensive insight into the way retailer views affect organic food distribution within the region.

4. Analysis and Interpretation:

Table-1 Demographic Characteristics of Respondents under Study

Variable	Category	Frequency	Percentage (%)
Type of Store	Supermarkets	30	25.00%
	Authorised Stores	55	45.85%
	Organic Specialty Stores	35	29.15%
Years in Business	<5 years	35	29.20%
	5–10 years	50	41.70%
	>10 years	35	29.20%
Location	Urban (City Center)	60	50.00%
	Semi-Urban	40	33.30%
	Rural Outskirts	20	16.70%
Education Level	High School or Below	55	45.80%
	Diploma/Graduate	50	41.70%
	Postgraduate	15	12.50%
Age Group	20–35 years	40	33.30%
	36–50 years	55	45.80%
	>50 years	25	20.80%

Source: Field Survey

Demographic characteristics of 120 Belagavi City retailers show a representative diversity across major parameters. Authorized outlets predominate the sample (45.85%), followed by organic specialty outlets (29.15%) and supermarkets (25%). The majority of retailers are in business for 5-10 years (41.7%), with even splits of newer (<5 years) and long-established (>10 years) retailers. Fifty percent retail in urban locations, with 33.3% semi-urban and 16.7% rural. Education levels are 45.8% high school or lower, 41.7% diploma/graduates, and 12.5% postgraduates. The age breakdown is 45.8% between 36-50 years old, 33.3% younger (20-35), and 20.8% over 50 years old, which indicates a mature retail base with diverse organic food experience.

Exploratory Factor Analysis (EFA)

Table 2 Exploratory Factor Analysis (EFA) – Sampling Adequacy and Factor Extraction

KMO Measure of Sampling Adequacy	0.873
Bartlett's Test of Sphericity (Chi-square)	3005.91
Degrees of Freedom (df)	276
Significance (p-value)	0
Number of Factors Extracted (Eigenvalue > 1)	6
Cumulative Variance Explained	82.10%

Exploratory factor analysis confirmed the appropriateness of data for factor extraction. The Kaiser-Meyer-Olkin measure of 0.873 indicates high sampling adequacy. Bartlett's test of sphericity is significant ($\chi^2 = 3005.91$, $p < 0.001$), suggesting that correlation matrix is not an identity matrix and thus factor analysis is appropriate. A total of six factors with eigenvalues greater than 1 were extracted, collectively explaining 82.10% of the variance, which indicates a strong underlying structure in the data.

Table 3 Rotated Component Matrix and Internal Consistency of Factors

Factor	Item Code	Factor Loading	Cronbach's Alpha
Perceived Health Benefits (PHB)	PHB1	0.806	0.929
	PHB2	0.827	
	PHB3	0.769	
	PHB4	0.818	
Knowledge of Organic Food Products (KOF)	KOFP1	0.759	0.907
	KOFP2	0.818	
	KOFP3	0.833	
	KOFP4	0.731	
Profitability and Economic Feasibility (PEF)	PEF1	0.827	0.899
	PEF2	0.813	
	PEF3	0.815	
	PEF4	0.762	
Retailer Experience and Exposure (REE)	REE1	0.737	0.903
	REE2	0.722	
	REE3	0.781	

	REE4	0.78	
Retailers' Perception of Organic Food Products (RPOFP)	RPOFP1	0.777	0.945
	RPOFP2	0.783	
	RPOFP3	0.759	
	RPOFP4	0.783	
Willingness to Promote Organic Food Products (WPOFP)	WPOFP1	0.822	0.939
	WPOFP2	0.816	
	WPOFP3	0.809	
	WPOFP4	0.838	

Source: SPSS/SmartPLS

The rotated component matrix and internal consistency results indicate that all six identified factors demonstrate strong convergent validity and internal reliability. Each item under its respective factor exhibits high factor loadings (all above 0.70), signifying that the items are well-correlated with their underlying construct. The Cronbach's alpha values for all constructs exceed the threshold of 0.70, with values ranging from 0.899 to 0.945, confirming excellent internal consistency. This supports the construct validity of the scale used to measure retailers' perceptions and willingness to promote organic food products.

Figure-1 Analysed Model (SmartPLS)

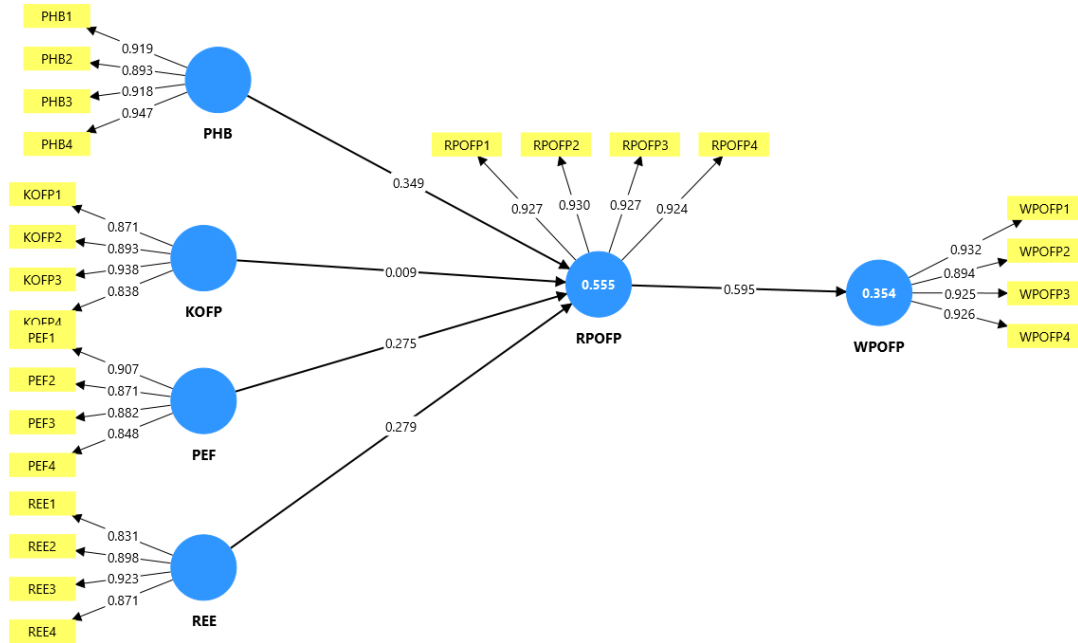


Table 4 Outer Loadings and Convergent Validity Summary of Measurement Constructs

Construct	Item Code	Outer Loading	Convergent Validity Summary
PHB	PHB1	0.919	$\alpha = 0.939$; CR = 0.956; AVE = 0.845
	PHB2	0.893	
	PHB3	0.918	
	PHB4	0.947	
KOFP	KOFP1	0.871	$\alpha = 0.908$; CR = 0.936; AVE = 0.785
	KOFP2	0.893	
	KOFP3	0.938	
	KOFP4	0.838	
PEF	PEF1	0.907	$\alpha = 0.900$; CR = 0.930; AVE = 0.769
	PEF2	0.871	
	PEF3	0.882	
	PEF4	0.848	
REE	REE1	0.831	$\alpha = 0.904$; CR = 0.933; AVE = 0.777
	REE2	0.898	
	REE3	0.923	
	REE4	0.871	
RPOFP	RPOFP1	0.927	$\alpha = 0.945$; CR = 0.961; AVE = 0.859

	RPOFP2	0.93	
	RPOFP3	0.927	
	RPOFP4	0.924	
WPOFP	WPOFP1	0.932	
	WPOFP2	0.894	
	WPOFP3	0.925	
	WPOFP4	0.926	

$\alpha = 0.939$; CR = 0.956; AVE = 0.845

Source: SPSS/SmartPLS

The findings in the table 4 validate that the measurement model proves high convergent validity and internal consistency in all constructs. The outer loadings for every item exceed the suggested level of 0.70 (Hair et al., 2019) such that every item consistently measures its corresponding latent construct. The Cronbach's Alpha for all constructs is greater than 0.90, validating high internal reliability. Likewise, the composite reliability (CR) measurements, all above 0.93, also reveal a strong degree of internal consistency in the indicators. Also, the average variance extracted (AVE) for all the constructs is well above the 0.50 minimum standard, confirming strong convergent validity. This would mean that each of the constructs accounts for more than 76% of the variance of its indicators, with AVE measurements between 0.769 (PEF) and 0.859 (RPOFP). In general, the measurement model meets the basic reliability and validity requirements and is adequately prepared for additional structural investigation.

Table 5: Discriminant Validity Assessment Using Fornell–Larcker Criterion

Construct	KOFP	PEF	PHB	REE	RPOFP	WPOFP
KOFP	0.886					
PEF	0.598	0.877				
PHB	0.587	0.479	0.919			
REE	0.641	0.513	0.637	0.881		
RPOFP	0.549	0.61	0.676	0.668	0.926	
WPOFP	0.548	0.451	0.576	0.649	0.629	0.919

Source: SPSS/SmartPLS

Table 5 illustrates discriminant validity by comparing square root of Average Variance Extracted (AVE) for each of the construct (displayed in bold on the diagonal) with the inter-construct correlations. For discriminant validity to be established, each diagonal value should be higher than correlations in its corresponding row and column. In this model, all constructs—KOFP, PEF, PHB, REE, RPOFP, and WPOFP—meet this criterion. For example, the square root of AVE for PHB is

0.919, which is greater than its correlations with KOFP (0.587), PEF (0.479), REE (0.637), RPOFP (0.676), and WPOFP (0.576), thus confirming discriminant validity. This supports the adequacy of the measurement model.

Table 6: Structural Model Path Analysis – Coefficients, Significance, and Effect Sizes

Hypothesis Path	Path Coefficient ($\hat{\beta}$)	SD	T-value	P-value	f ² Effect Size	Remark
H1: KOFP ->RPOFP	0.009	0.085	0.106	0.916	0	Not Supported
H2: PEF -> RPOFP	0.275	0.082	3.338	0.001	0.112	Supported
H3: PHB-> RPOFP	0.349	0.081	4.3	0	0.16	Supported
H4: REE -> RPOFP	0.279	0.088	3.181	0.001	0.095	Supported
H5: RPOFP -> WPOFP	0.595	0.061	9.737	0	0.549	Supported

Source: SPSS/SmartPLS

The structural model results presented in the table confirm that out of five hypothesised relationships, four were statistically supported. The relationship between knowledge of organic food products and retailers' perception (H1) was not significant ($\beta = 0.009$, $p = 0.916$), indicating no meaningful impact. However, profitability and economic feasibility (H2: $\beta = 0.275$, $p = 0.001$), perceived health benefits (H3: $\beta = 0.349$, $p < 0.001$), and retailer experience and exposure (H4: $\beta = 0.279$, $p = 0.001$) significantly and positively influenced retailers' perception of organic food products, albeit with small to moderate effect sizes. Notably, retailers' perception had a strong and significant impact on their willingness to promote organic food products (H5: $\beta = 0.595$, $p < 0.001$) with a large effect size ($f^2 = 0.549$), highlighting perception as a key determinant of promotional behaviour. These findings support the structural integrity and relevance of the proposed model.

Table Title: R², Adjusted R², and Predictive Relevance (Q²) for Endogenous Constructs

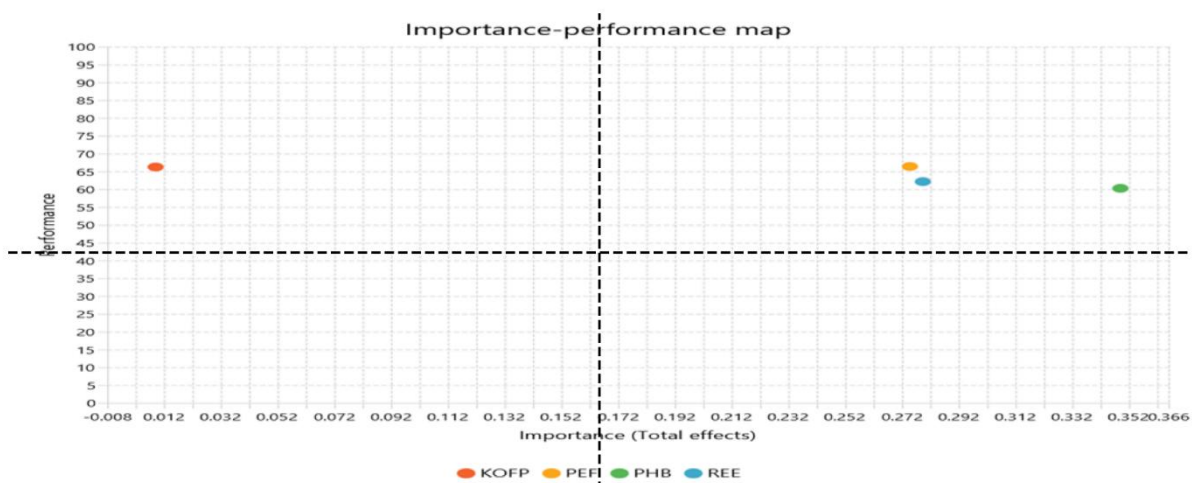
Construct	R-square	R-square Adjusted	Q ² Predict
RPOFP	0.555	0.54	0.524
WPOFP	0.354	0.349	0.355

Source: SPSS/SmartPLS

The results indicate that Retailers' Perception of Organic Food Products (RPOFP) is well-explained

by the exogenous constructs, with an R^2 value of 0.555 and adjusted R^2 of 0.540, suggesting a substantial level of explanatory power. The Q^2 value of 0.524 further confirms its strong predictive relevance. Similarly, Willingness to Promote Organic Food Products (WPOFP) shows moderate explanatory power ($R^2 = 0.354$, adjusted $R^2 = 0.349$) and acceptable predictive relevance ($Q^2 = 0.355$), supporting the model's predictive validity for both constructs.

Figure-2 Importance–Performance Map Analysis (IPMA) for Factors Influencing Retailers’ Willingness to Promote Organic Food Products



Source: SPSS/SmartPLS

The Importance–Performance Map reveals that Perceived Health Benefits (PHB), Profitability and Economic Feasibility (PEF), and Retailer Experience and Exposure (REE) exhibit high importance in influencing retailers’ willingness to promote organic food products, though their performance varies moderately, suggesting areas for strategic enhancement. In contrast, Knowledge of Organic Food Products (KOFP), despite showing high performance, has low importance, indicating that it may require less prioritisation in resource allocation.

5. DISCUSSIONS:

The research provides important findings on what influences the perceptions and promotion of organic foods by retailers in Belagavi City. Although knowledge of organic products (H1) had no significant influence—indicating awareness is insufficient to instill perception—three factors stood out as major drivers: profitability (H2), health benefits (H3), and experience (H4). This means that retailers favor tangible economic rewards and consumer demand over simple product awareness. Notably, retailers' perception (RPOFP) also significantly predicted how willing they were to market organic products (H5: $\beta = 0.595$), highlighting perception as the key driver of marketing behavior. The high explanatory power of the model for RPOFP ($R^2 = 0.555$) supports these factors in defining retailer attitudes in aggregate, while moderate predictive validity for WPOFP ($R^2 = 0.354$) indicates other unmeasured variables (e.g., supply chain issues or action by competitors) can also affect promotion decisions. Strong reliability and validity statistics guarantee the rigor of the constructs, although the non-significant H1 encourages further investigation into how knowledge is converted into actionable perception. For practitioners, the implications are to put stronger emphasis on profitability and health advantages in retailer engagement initiatives, and policymakers to incentivize experiential learning (training or store trials) to promote positive attitudes. Overall, the study then closes the gap between theory and practice with a tested framework for improving organic market penetration through retailer-focused interventions.

6. IMPLICATIONS OF THE STUDY:

The study's findings have critical theoretical and practical implications for retail stakeholder(s) in the organic food industry. At the theoretical level, the research supports and expands on the extant literature on retailer behavior through an empirical demonstration of how economic feasibility (profitability), perceived health value, and experiential phenomena collectively influence retailers' perceptions more significantly than conventional knowledge on product. The high predictive correlation between retailers' perception and their intention to sell organic products (H5) provides support for the use of attitude-behavior theories in sustainable food retailing, confirming that perception is an essential mediator between drivers and behavior.

For marketers and practitioners, the findings point to effective strategies for increasing organic product adoption among retailers. Highlighting profitability metrics—like margin potential and turnover levels—can speak to retailers' bottom-line concerns, while spot-targeted campaigns emphasizing health benefits could reinforce consumer demand, indirectly affecting retailer attitudes. The very prominence of retailer experience (H4) implies that interventions such as training initiatives, in-store demonstrations, or working with high-performing organic retailers can establish confidence within this product category.

Policy implications arise for government and industry organizations with the goal of supporting organic food systems. Subsidies or tax breaks could counterbalance perceived economic threats, and certification schemes and supply chain facilitation may enhance retailers' access to reliable organic products. The lack of significant effect of knowledge (H1) demands that awareness campaigns be reassessed—moving from generic information to context-based education associating organic products with business development.

Finally, the robust model of the study (with high R^2 and Q^2 values for Retailers' Perception of Organic Food Products -RPOFP) provides a replicable model for future studies in comparable emerging markets, and the moderate explanatory power for WPOFP indicates potential to examine other variables such as competitive pressure or logistics barriers. Together, these findings have the potential to speed the shift towards sustainable food retailing by aligning retailer incentives with consumer and environmental advantages.

7. FUTURE SCOPE OF STUDY:

Although this research holds some useful lessons regarding retailers' views of organic foodstuffs in Belagavi City, several directions remain for future investigation. Future studies may consider widening the geographic sampling to Tier-2 and Tier-3 cities throughout India, allowing cross-regional comparisons of both retailer sentiment and market forces. Further, exploring consumer-retailer relations—i.e., how customer demand affects retailers—may provide more insight into drivers of the market. Additional research should also investigate the influence of e-commerce and digital marketing on organic food consumption, as online grocery platforms have experienced explosive growth. Investigating how government policy, subsidies, and certification schemes influence retailer uptake of organic products would deliver actionable knowledge to policymakers. A further promising avenue includes longitudinal surveys to evaluate how retailer attitudes change over time, specifically because of shifting economic conditions or ecologization campaigns. Lastly, combining qualitative approaches, including in-depth interviews among retailers, would reveal complex issues and incentives that may be beyond the resolution of quantitative questionnaires. These additions would enhance knowledge of organic food retailing and allow for more efficient market extension strategies.

8. CONCLUSION:

This research offers useful information about the determinants of retailers' perceptions and inclination to promote organic food items in Belagavi City. The results indicate that although retailers' awareness regarding organic products does not have a substantial impact on their perceptions, profitability and economic viability, perceived health value, and retailer experience and exposure are strong positive

determinants. Most importantly, the study confirms retailers' perception as the strongest predictor of their intention to promote organic products, showing a very large effect size. The measurement model shows high reliability and validity, with the structural model accounting for a high level of variance in both retailers' perceptions and promotional intentions. These findings identify the intricate interaction among economic factors, perceptions of health, and experiential considerations in informing retailer behavior towards organic foods. The research contributes to both theoretical scholarship and applied practice by verifying a sound framework for explaining retailer decision-making in the organics food market. For practitioners, the results stress the importance of prioritizing profitability issues while clearly articulating health benefits to foster retailer participation. The study also points out critical areas for future research, specifically the surprising non-significance of product knowledge, and proposes some possible moderators or mediators to better explain this association. In general, the current study provides a good basis for creating targeted interventions to promote organic food availability through retailer-based interventions.

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