

RESEARCH ARTICLE

Consumer Awareness and Preference towards Sri Lankan Organic Food Industry

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ABSTRACT

Organic foods, is a rising industry in Sri Lanka which solely depends on the consumer demand. However, Consumer awareness and Preference towards Sri Lankan organic food industry is still questionable. Therefore, the objectives of the study were to find out the consumer awareness and preferences on it. The selected location for the study was Hadabima authority, Sri Lanka. One hundred customers were selected by the random sampling as the sample and a pre tested structured questionnaire was used as the research instrument for collecting relevant data. Data were analyzed by using descriptive and inferential methods. Even though all the customers have heard about the concept “organic foods”, according to the survey 12% of them didn’t have used organic foods at all. Less than 20% of customers were using organic foods regularly and majority of customers had seldom usage. TV and radio were identified as the most contributed communication channels for making people aware about the organic foods followed by printed media. Over 50% of consumers had the idea that the organic food is something only free from chemical pesticides and fertilizers. Study revealed that majority of customers liked to buy organic foods at any price while overall over 75% percent of customers had willingness to buy organic foods at higher prices than conventional foods. Fifty percent of customers expressed that they are willing to replace conventional or non organic foods totally by organic if they were readily available. Therefore the preference of local consumers about the organic food is at a favorable level which can strongly encourage the market while the awareness of consumers has to develop furthermore.

Keywords: Organic, Foods, Industry, awareness, consumers, communication

INTRODUCTION

Organic agriculture can be defined as an integrated farming system that strives for sustainability, the enhancement of soil fertility and biological diversity whilst, with rare exceptions, prohibiting synthetic pesticides, antibiotics, synthetic fertilizers, genetically modified organisms, and growth hormones. The food production sector of Sri Lanka is mainly characterized by smallholder sector scattered throughout the country producing rice, vegetables, legumes, spices, tubers and fruits. Due to the increasing population, increased cost of imported food and diminishing resources for food production specially the land, greater production is the main goal of the industry. The rice producing sector of Sri Lanka is greatly depends on chemical fertilizers and pesticides, because of

proven visible benefits of them. Food crop units are also having the same condition. Again this is attributed to the demand for greater quantities of food for expanding population, rather than improved product quality. This practice has become more and more common due to increased demand for food and the urgency to produce higher yields and achieve economic viability. Widespread incidences of ailments such as cancer, kidney diseases, skin diseases was not a problem either didn’t occur or was are in previous generation, providing evidence that environment filled with toxic and hazardous chemicals are prime cause. Organic food market emerged as a significant market segment with that perspective on avoiding chronic and other diseases by using safe and healthy foods. Today with the drive for sustainability, it has become more popular and

demanding market among consumers. Therefore the local organic food market can be identified as an industry which is greatly relying on consumer demand. Moreover the development actions and plans can be successfully arranged only after identifying the consumer awareness and preferences on it. Otherwise market failures can be occurs due to the less demand.

As an agricultural and developing country it requires to make a greater sustainability through all the industry and sustainable agriculture is a must in the concern of environment. Organic food is a very best remedial to pull through the ailments we are having now caused by today foods we are consuming. Therefore the country requires a strong and favourable development in organic food market to achieve that while it can be done only after identifying consumer factors that affects.

The objectives of the study were to find out the preferences and awareness levels of local consumers on organic foods and to suggest effective policy implications to make those levels perfect with the aim of overall industry development.

Research Methodology

The location of the study was Hadabima Sales Outlet located at Gannoruwa facing Colombo-Kandy main road. The place is famous for the safety foods with their long term reputation as an institution and the trust of the people with their theme “wasa wisa nethi”. So people are coming there with the intension of buying safety foods. Customers are coming there not only from the nearby areas but from far away and different areas that travel through the Kandy-Colombo road due to the location of the outlet and the reputation it has. One Hundred customers were selected by using simple random sampling on time slots they were coming to the outlet. The research instrument was a pre-tested structured questionnaire. Data were analyzed by using descriptive methods and for future explanations correlation coefficient and P values were calculated.

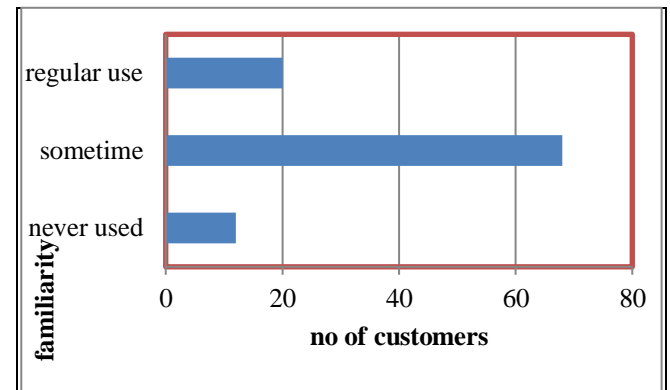
RESULTS AND DISCUSSION

Familiarity of customers about organic foods

According to the survey all the customers have heard about the concept “organic foods”. Even though they all have heard about the organic foods 12% of customers didn’t have used organic foods at all. Less than 20% of customers were using organic foods regularly. Majority of customers used only sometimes but not frequently. But the

survey deceted that 65%e percent of customers have bought organic foods from the market and others didn’t. So it said that out of 89% of customers who have used organic foods, 24% of them have either cultivated organic or have got from someother where but not purchased at the market.(Figure 1)

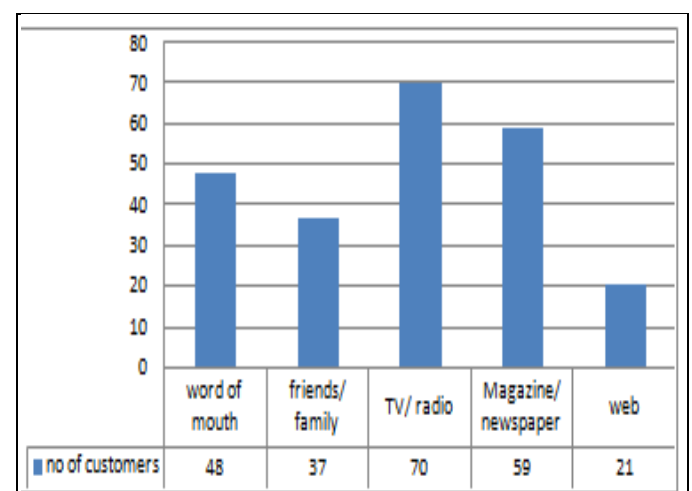
Figure 1: Familiarity of consumers about organic foods



Communication media that take the concept to the people

When considering about the media that take the concept of organic foods to the customers, TV and radio were the most contributed communication channel and followed by printed media such as magazines, newspapers and booklets. Those have made comparatively greater contribution in taking the message of organic foods to the customers though internet is a famous media in these days. There was less number of customers who got the message from the web. (Figure 2)

Figure 2 Communication media that makes consumer awareness on organic foods

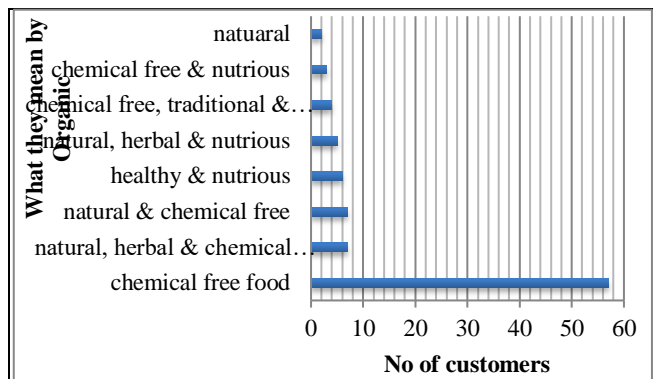


Awareness about the organic foods

Although people have heard about the organic foods their level of awareness and perception about it was so different and not complete. Most of the customers, over fifty percent had the idea that the organic food is something only free from

chemical pesticides and fertilizers. Anyhow considerable percentage of customers had the idea that it is something “nutritious, natural and herbal” along with the factor, free from chemicals. But it was not a vast majority. (Figure 3)

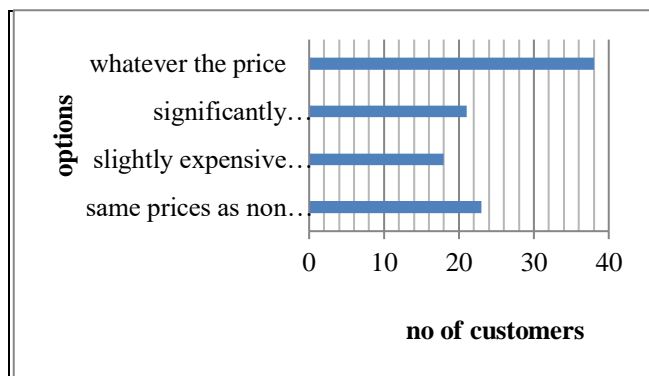
Figure 3 : what consumers mean by organic foods



Price vs. Preference buying organic foods

When finding demand criteria it was important to look out about the prices that customers expect to pay for the organic. Majority of customers liked to buy organic foods at any price while near fifty percent of others liked to buy at higher prices than conventional foods. Overall over seventy five percent of customers had willingness to buy organic foods at higher prices. There were no customers who were expecting to buy organic foods at lower prices than non-organic foods. (Figure 4)

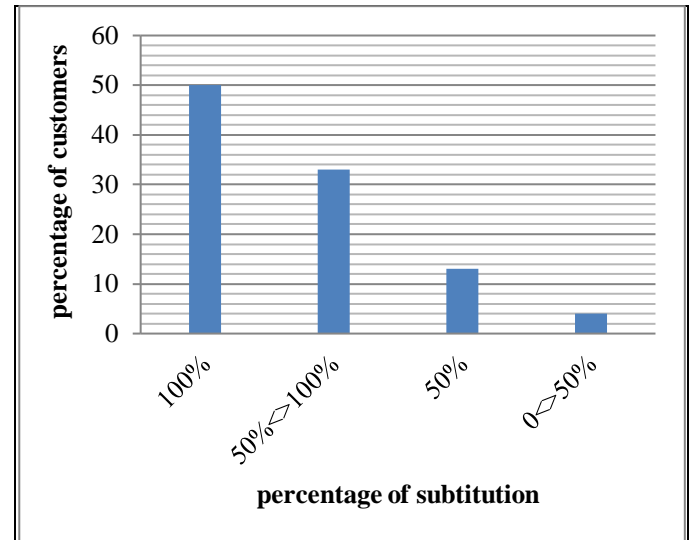
Figure 4 Price vs. Preference to buy



Willingness to replace conventional foods by organic foods

They also expressed their idea about how much of conventional or non organic foods are going to be replaced by organic, if they are available. Fifty percent of customers have told that they are willing to replace it totally. Except four customers all other have expressed that they are ready to replace conventional foods by organic foods over fifty percent. Everyone liked to substitute organic foods at least in small amounts. There was no one who didn't like replace nonorganic by the organic foods. (Figure 5)

Figure 5: willingness for substitute current consumption by the organic foods



Factors affecting for the consumer preference of buying organic foods

Preference for buying organic food is significantly affected by the income and price with weak positive relationship while awareness about importance with strong positive relationship and, scientific evidence to prove and past purchase experiences of the customer with negative relationships. (Table 1)

Table 1 :Factors affecting to the consumer preference of buying organic foods

| Factor | Preference to buy organic | |
|------------------------------|---------------------------|---------|
| | CC value | P value |
| Age | -0.145 | 0.151 |
| Income | 0.105 | 0.042 |
| Occupation | 0.045 | 0.660 |
| Price | 0.080 | 0.05 |
| Awareness about importance | 0.775 | 0.034 |
| Advertisements | 0.118 | 0.246 |
| Social influence | -0.084 | 0.410 |
| Scientific evidence to prove | -0.616 | 0.046 |
| Past purchase experiences | -0.197 | 0.050 |
| Gender | -0.190 | 0.059 |

DISCUSSION

Even the awareness levels were diverse and had miscellaneous definitions about the organic foods; there were no one who didn't know the concept, without any education level or age difference. Most of them have known it thorough either television programs, radio programs or printed media while majority of those were from the department of agriculture or other public and private agricultural institutes. So word of mouth and web have done comparatively less contribution in taking the concept to the people even though those are the most efficient and easy ways in present. So it is important to consider about that and try to use those two media

strategically to take the concept and make people interest on organic foods. Because it will work very well along with the television and printed media to make customer awareness.

The familiarity percentage is not such a good value because for 12% of customers, organic food is a just a word that have never experienced. Just only a 1/5 customers are happily enjoying the concept by regular using. Vast majority of food customers consume organic occasionally. But the survey shows that all these people say they are either very likely or likely to buy organic foods for the consumption. So it exist the question if it is, why all they don't use the organic.

The survey done for the price has identified that majority of customers; nearly 75% of them willing to buy organic foods at higher prices than non organic and over 35% said that they will buy it at any price. It revealed the preference of them to buy organic over other foods. So the suppliers are getting the chance to cover their additional cost for labor or other things through these high prices because customers are demanding the products at those prices also. Place convenience also won't matter more than the availability according to the study. So customers will come to the markets where the organic foods are available even those are not very nearby or comfortable.

Customer preferences on buying organic foods have significantly affected by the awareness about importance about organic foods and scientific evidence with those products to prove the originality. This gives a message that for the industry development it requires to make people aware about the specialty and merits of thee foods and necessity of an institute or some independent body for certification and standardization of these products.

CONCLUSION

Sri Lanka food consumer is already having a favorable and developing preference on buying organic foods which has significantly influenced by their income, past purchase experiences, awareness about the importance of it and the price and the scientific evidence about the originality of the product. The awareness about the organic foods is there with the local consumers at a particular level which is not adequate and it has to develop furthermore.

SUGGESTIONS

- Take the concept to the people very accurately through awareness programs, advertisements, campaigns and school and

university curriculums by explaining the benefits very strongly.

- Set up more outlets for organic foods to make it readily available item
- Regional wise specific unique markets for organic foods that make the people in the particular region familiar with organic foods.
- Promote home gardening

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