

## **Socio-economic factors affecting for the urban consumers' awareness toward the organic food**

**W.A.R.N. Weerasinghe\*, S.H.P. Malkanthi, P. Sivashankar**

*Faculty of Agricultural Sciences, Sabaragamuwa University of Sri Lanka, P.O. Box 02, Belihuloya, Sri Lanka  
\* ruwaniweerasinghe1994@gmail.com*

### **1. Introduction**

Organic food consumption is becoming more popular among consumers across the world because of the environmental and health benefits associated with organic food production. Organic farming produces healthy and quality food without using synthetic chemicals (Alizadeh et al., 2008). According to Willer and Yussefi (2009), global demand for organic products is increasing over five billion US dollars per year. Awareness and knowledge have become decisive factors in changing the attitude and behaviour of consumers towards organic foods. Consumers' awareness level on organic food depends on various factors. Previous studies have investigated that social formations, demographic profiles, food buying behaviour, and knowledge of consumers are likely to affect the level of awareness and purchasing decisions on organic foods (Gracia & Magistris, 2008; Millock et al., 2004). As consumer knowledge and awareness is an essential drive for growth of the organic food market, there is an urgent need to investigate the consumers' awareness on organic food and their purchasing behaviour towards organic foods. Information about consumer awareness is an essential element for farmers, producers, and marketers to successfully plan their production and grab the existing opportunities. Also, researching in this regard in Sri Lanka is timely essential since marketers, researchers, and marketing analysts may consider such significant variables to capture their organic products' market share. Therefore, this study aims at analysing the awareness of consumers on organic food products, specifically examining the socio-economic factors affecting consumer awareness on organic food, and their purchasing pattern.

### **2. Materials and Methods**

This study was conducted in the main cities of six urban districts (Rathnapura, Colombo, Gampaha, Kandy, Kurunegala, and Galle) in Sri Lanka. The main cities were purposely selected for the study, as organic markets are mainly available in these locations. Four supermarkets that are selling organic food items were selected from each city. Then the target group was obtained by selecting 25 customers who did shopping in these supermarkets and also who were willing to answer the questionnaire. Finally, the data were collected from 24 supermarkets having some organic food items (four supermarkets from each city), and thus sample size was 600 customers (100 from each city). Before data collection, a pilot study was conducted with ten consumers using a quick survey to check the relevancy of the questionnaire. Subsequently, a market survey was conducted using the pre-tested questionnaire in the chosen six cities, from November 2018 to May 2019.

In the questionnaire survey, respondents were asked information related to socio-economic characteristics and awareness about organic food. In data analysis, these responses were analysed using frequencies and percentages. Multiple linear regression analysis helped to assess the factors affecting consumers' awareness on organic food, and data analyses were accomplished using the SPSS version 21 statistical package.

### Hypothesis stated

H<sub>01</sub>; Respondent's age does not significantly affect their awareness on organic food.

H<sub>02</sub>; Respondent's gender does not significantly affect their awareness on organic food.

H<sub>03</sub>; Respondent's marital status does not significantly affect their awareness on organic food.

H<sub>04</sub>; Respondent's education does not significantly affect their awareness on organic food.

H<sub>05</sub>; Respondent's family size does not significantly affect their awareness on organic food.

H<sub>06</sub>; Respondent's monthly income does not significantly affect their awareness on organic food

### 3. Results and Discussion

#### Consumer awareness of organic food

Most of the respondents (74.8%) knew that organic food is something free from chemicals and its importance for human health. However, a considerable percentage (25.3%) of customers had no idea about organic food because they have no updated knowledge about the organic farming, and the associated perceived benefits are not well-known. Therefore, it will take time for its importance to become common knowledge. According to these results, a better market for organic food will have to be established in Sri Lanka to encourage organic food production in the future.

**Table 01. Model summary of regression analysis**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.617 <sup>a</sup>	.381	.338	.330

**Table 02. Socio-economic factors and consumer awareness towards organic food**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	H <sub>0</sub>
	B	Std. Error	Beta			
(Constant)	1.530	.295		5.177	.000	
Age	-.094	.064	-.132	-1.468	.146	Do not reject
Gender	.151	.072	.187	2.108	.038*	Reject
Education	-.097	.024	-.366	-4.145	.000*	Reject
Marital status	.394	.119	.302	3.315	.001*	Reject
Family size	.009	.051	.015	.176	.860	Do not reject
Monthly income	-.162	.064	-.225	-2.527	.013*	Reject

\*significant at 95% confidence level; dependent variable: consumer awareness

As per the results of Table 02, out of the variables analyzed, gender, education, marital status, and monthly income were significantly influenced on consumer awareness towards organic food as the *p* values are lower than the 0.05 at 95% confidence interval. Among them, education is a highly significant factor for consumer awareness on organic food because of the lowest *P*-value. When reviewing the literature, Krishnakumarea and Niranjana (2017) and Ranasinghe et al. (2015) have also reported that some socio-economic factors of consumers' age, gender, education, household income, and the occupation affect the awareness on organic food. According to Eriksen et al. (2018), an increase in social knowledge, education level, and improvements in consumer income levels have been effective in increasing organic food consumption. The positive and significant impact of education on awareness about organic food revealed a strong connection between education and consumer awareness on organic food

increases with more education. Furthermore, regression analysis shows that gender and marital status of consumers were significant factors for making awareness about organic food. This can be proved further with the fact that most respondents in the selected sample were females, and the majority of them were married. As discussed with the respondents, the main reason for this is the concern about the health of children by mothers. Previous studies have investigated experimentally that demographic factors and knowledge on the nutrition of consumers are likely to affect the level of awareness and purchasing decisions of organic food (Gracia & Magistris, 2008; Lockie et al., 2002).

#### **Consumer purchasing pattern of organic food**

Although the most of the respondents (75.2) have purchased organic food, 25.3% of them have been purchasing organic food since only 2-3 years. While only one-fourth of the respondents buy organic food continuously, most of them (76.4%) have been purchasing organic food rarely. Respondents mentioned that organic foods are costly and difficult to find real organic food in the market. The most important motive was the expected positive health effects because consumers believe that they are pesticide-free and safe than conventional food. Other benefits mentioned by the consumers were environmentally friendly methods of production and support given for local farmers. Furthermore, reasons to purchase organic food were because they are fresher and have a better taste when compared with non-organic foods. The unavailability of organic foods in the market and lack of trustworthiness about the label of organic food are the main reasons for not buying organic food. Also, almost all the consumers stated that price as a barrier for them to buy organic food.

#### **4. Conclusions**

Urban consumers' awareness on organic foods has significantly influenced by their education, marital status, gender, and income. Consumers with a lower level of education and income were least likely to buy organic food. The majority of respondents rarely purchase organic foods, and they mentioned the high price of organic food, unavailability, and the lack of knowledge about the benefits of organic food are the main reasons. Therefore, these socio-economic characteristics should be considered when making efforts to expand organic food markets successfully. The level of interest and concern varies significantly among consumer segments. The existing level of awareness about the organic foods must be further enhanced. The government, agriculturists, and health organizations must involve in the process of improving consumer responsiveness and conducting effective educational programs and promotional campaigns. Results from this study provide valuable information on consumers in Sri Lanka, which the policymakers can use in promoting organic farming at the local and national level.

## 5. References

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