

**IMPACT OF HEALTH CONSCIOUSNESS AND
ENVIRONMENTAL CONCERN ON ATTITUDES AND
PURCHASE INTENTION OF CUSTOMERS: THE
ORGANIC FOOD MARKET IN SRI LANKA**

By

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Declaration

“The work described in this research was carried out by me under the supervision of Prof.B.N.F.Warnakulasooriya and a report on this has not been submitted in whole or in part to any university or any institution for another Degree/Diploma”


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Title: Impact of health consciousness and environmental concern on attitudes and purchase intention of customers: the organic food market in Sri Lanka

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ABSTRACT

Whole world today is in an era of knowledge based where individuals' awareness on economic, political and social changes updated in speed of light. In such an era individuals have become more health conscious and environmental concerned than in the past due to the increasing health risk and environmental changes. Most of the purchasing and consumption decisions made by individuals directly linked with their level of health consciousness and environmental concerned. Thus goods and services which are healthy and environmental friendly have taken an increasing attraction. Organic Food is perceived as healthier and environmental friendly since those food items contain less or no artificial chemical substances which can create damage to individuals' health and environment at large. Thus most of people today prefer organic food than conventional food.

In this research main concern is given to understand extent to which health consciousness and environmental concern impact on individuals' attitudes and purchase intention of organic food. Questionnaire survey was conducted within Western Province of Sri Lanka based on convenient sampling technique in order to gather data for this research. As per the research findings it was affirmed that individuals who are health conscious and environmental concerned tend generate positive attitudes about organic food. And individuals who have positive attitudes about organic food tend to purchase organic food. At the same time it was confirmed that health conscious and environmental concerned individuals tend to purchase organic food. All the associations found among variables later confirmed that attitudes towards organic Food act as a mediating variable which reduce the impact of health consciousness and environmental concern on purchase intention.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The movement of conventional to organic food consumption is one of major trends in modern food and beverage market. In Sri Lanka as well as all around the world organic food are becoming popular than conventional food. In most of countries supply of organic food doesn't meet the demand which increasing bounds and leaps. Global demand for organic products remains robust, with sales increasing by over five billion US Dollars per year (Willer and Krieger, 2009). As per the report of 'The World of organic Agriculture' by Research Institute of Organic Agriculture (FiBL) & International Federation of Organic Agriculture Movement (IFOAM) (2015), there were 43.1 Million hectares of organic agricultural lands all-around the world in year 2013. Asian region represented 3.4 million hectares from the total organic farming areas. In Sri Lanka 19,517 hectares were identified as organically farming areas in 2013 which represent 0.7% share when compared with world statistics. Currently Sri Lankan organic food suppliers provide organic crops for both local and export markets. Most of supermarket chains around Colombo city now providing organically produces vegetables, fruits and herbs (FiBL and IFOAM, 2015). Thus it is clear that market for Organic food is blooming gradually in order to meet the unsatisfied organic food demand in the market.

Organic food simply can be defined as the crops which processed without using artificial fertilizers, agro chemicals, additives or preservatives. As per Essoussi and Zahaf, (2008), organic food are grown and processed without using artificial fertilizers, pesticides, growth regulators, livestock feed additives and genetically modified organisms to assure the integrity of end-used food products. Most of research findings have revealed that consumers tend to purchase more Organic food due to two main reasons. They are health consciousness and environmental concern. health, taste and environmental benefits have been found to be important considerations in the choice of Organic foods by consumers (Lockie et al., 2002; McEachern and McClean, 2002). Organic products are considered to be superior in quality compared to conventionally produced products, since it has been proved that Organic products help prevent several health hazards. People who are health conscious continuously tend to buy more Organic food in order to maintain their good health. Consumers have become more conscious of the nutrition, health, and quality of the food they eat, and healthiness has become an important criterion when purchasing food products (Magnusson et al., 2001; Chen, 2009). Further it is found that consumers purchase more Organic food items in order to get rid of harmful pesticides that can be included in fruits and Vegetable

(Honkanen et al, 2006). In the case of non-organic farming, most of the countries use harmful Fertilizers, pesticides, additives and hormones beyond its limit of minimum dosage (Bhandari, 2014). Agro Chemicals are poisonous-by nature they're designed to kill. Pesticides can cause neurological problems, cancer, infertility, nausea, vomiting, diarrhea, allergies and asthma, wheezing, rashes and other skin problems, birth defects and more (Soil Association, 2001). Researchers have found that there are possible adverse effects on human health arising from continuous long-term, low-level pesticide exposure or chronic Exposure (Piyasiri and Ariyawardana, 2002). In Sri Lanka it is found that farmers and civilians in agricultural areas are suffering from Kidney issues. As per Priyani A. Paranagama's (*Senior Professor University of Kelaniya, Sri Lanka*) report (2002) on "Potential link between ground water hardness, arsenic content and prevalence of CKDu", Main source for Kidny disease this disease was identified as the extensive presence in harmful fertilizers and agro chemicals in soil, water and food sources such as rice. Mass Medias continuously acknowledge people regarding these health issues arising from conventional farming activities. Thus consumers within Sri Lanka are now getting more conscious on preventing from hazardous fertilizers and agro-chemicals in order to minimize health issues.

The attitudes of many consumers towards green goods have changed dramatically in the past few years due to the negative environmental impacts of business activities (Paladino and Baggiere, 2007; Sharma and Bansal, 2013). Today most of the businesses pay much concern about environmental impact of their business activities and try to minimize the negative impacts on environment as much as possible because general public is now ready to make their purchasing decisions in order to save the environment (Pedersen, 2000). People demand more of the products which make less negative environmental impact. In the case of organic food, the goals of organic agriculture are to protect the environment, to maintain the fertility of the land, and to preserve the natural properties of the food produced (Soil Association 2001). Organic produce is therefore perceived as less damaging to the environment than conventionally grown foods. Moreover people purchase Organic food because organic farming supports eco-sustenance. Organic Farming Preserve of soil and crop rotation keep farmland healthy, and chemical abstinence preserves the ecosystem (Soil Association,2001). When consider about the conventional farming practices Agricultural chemicals, pesticides, and fertilizers are contaminating with environment, poisoning precious water supplies, and destroying the value of fertile farmland. Negative impact of conventional agricultural practices is greater than its expected benefits (Gil et al, 2000). Certified Organic standards do

not permit the use of toxic chemicals in farming and require responsible management of healthy soil and biodiversity. In other words organic farming saves the environment and all living kinds. Due to all these reasons people purchase organic food instead of purchasing conventional artificial food in order to promote the safety of the environment.

Based on health and environmental benefits consumers tend to purchase organically processed food. As per Chen (2009), individuals who are health conscious and environmental concern tend to create favorable attitudes towards organic food which ultimately impact on their intention to purchase. Present research attempts to develop a more multidimensional view of purchasing intention and attitudes of organic food by considering the association between health consciousness and environmental concern of consumers. As previous research findings, Consumers attitudes and purchase intention toward organic food has been affected by the health consciousness and environmental concerns (Magnusson et al., 2003; Baker et al., 2004; Lockie et al., 2004;Chen 2009). Thus this research mainly tried to identify extent to which health consciousness and environmental concerns of consumers' impact on attitudes and purchasing intention of organic food.

1.2 Problem Statement

When comparing with the conventional food, organically processed vegetables and fruits are considered as superior in terms of quality, taste, health benefits and environmental impact (Chen, 2009; Gil et al, 2000). Due to these impressive benefits consumers prefer to consume more Organically manufactured products than conventional food. Increasing trend for Organic food has been identified by many researches and those results indicate several reasons for individuals' motivation to purchase organic food. Most of these researches have given a general view about factors which influence individuals' intention of purchase organic food. Further there are only few researches which have identified more specific reasons. Thus Present research is designed to explore the impact of health consciousness and environmental concern on attitudes and purchase intention of organic food in relation to Sri Lankan context. This broader research question was divided in to sub questions when operationalising the research. Those sub questions are as follows.

- Extent to which health consciousness and environmental concern impact on attitude towards organic food
- Extent to which health consciousness and environmental concern impact on purchase intention

- Extent to which attitudes towards organic food impact on purchase intention.
- Extent to which attitudes towards organic food mediates the effect of health consciousness and environmental concern on purchase intention of organic food.

1.3 Problem Justification

In modern days individuals have become more health conscious and environmental concerned (Gloude, 1988; Dunlap and Jones, 2002). Main reasons behind these trends are ever increasing disease burden and environmental degradation. When consider about the dietary practices, food habits has caused for number of health problems such as non-communicable diseases, food allergies and food poisoning. Thus individuals tend to change their dietary pattern in order to get rid of these health issues. In the case of organically produced vegetables and fruits, it has been proved that organically manufactured food products do not contain harmful pesticides, additives and preservatives which can cause health problems (EPOK–Centre for Organic food & Farming, 2015). On the other hand conventional farming systems artificial chemical pesticides are used in an attempt to prevent insects, weeds and other pests which is considered as hazardous for human beings as well as for other plants and animals. Thus greater degree of health risk is associated with conventional food products due to excessive use of harmful chemical substances.

Use of synthetic agro chemicals and fertilizers is another cause for environmental degradation. Conventional Agricultural practices extensively based on artificial fertilizers and agrochemicals in order to maximize their harvest and profits (Bhandari, 2014). The use of chemical fertilizers, herbicides and pesticides can inhibit the microbiological life in the soil and further pollute the water sources and richness of the soil. Consumers today are aware about these health issues and environmental impacts through Mass Medias and other knowledge sources such as internet, exhibitions, etc. Since Consumers perceive organic food as foods that are not only safer to eat but also more healthy than non-organic food and so better for society; further they are willing to purchase organic food because of their lower levels of pesticide residue that were linked to disease prevention and believed to be good for the environment (Truong et al, 2012). Thus organic food and agriculture have obtained a greater attraction from the consumers than in the past. These facts indicate that individuals have become more health conscious and environmental concerned than in the past. Thus this research facilitate in identifying extent to which health consciousness and environmental concern impact on individuals' attitudes and purchase intention.