

## Advertorial

# Exploring the Role of Sustainable Organic Food Consumption and the Role of Organic Food as a Luxury Product

### Insights from a case study conducted in Nepal for Sri Lankan Agricultural Sector

The purpose of this article is to present the findings of a qualitative case study conducted in Nepal which explores the factors affecting sustainable organic food consumption and the use of organic food as a luxury component in the lifestyle among people. The findings of this study provide marketers and policymakers with some key understandings of different marketing policies that can be utilized in promoting organic food.

### The Importance of Organic Food Products

The sales of organic food have witnessed tremendous growth across various political borders. According to the Organic Trade Association (2022), organic food sales in the United States exceeded \$3 billion, an increase of 2% compared to last year, and 90% of total food sales are organic. In the western part of the world, luxury consumption patterns have changed and are inclined toward organic products and 81% of organic food production companies are more profitable than conventional food due to luxury beliefs.

When considering the sales of organic food, organic food is willingly purchased by customers if the price is equal to non-organic food, but if the price is double, organic food becomes a luxury item. Generally, organic food is best, however, it is an expensive luxury that not everyone can afford. Although organic food is expensive, it is a sign of high quality, and it has achieved the status of luxury. Hence, there has been increasing interest from marketers toward the sustainability and luxury of organic food consumption centering on the health impacts of conventional food and organic food consumption and food security. However, the threats to global sustainability that exist in the context of the food industry remain unexplored.

As organic food has become more

prevalent in consumers' food baskets, frequent buyers are unsure whether their purchases should be considered normal goods or luxury goods. Lexus and sustainability are pivotal motives for organic purchases, according to these studies. Other key considerations include social influences, label standards, justifications, social structure, health-related impact and environmental impact. Additionally, it was found that organic food consumption is perceived differently and that could be due to the reasons such as corporate image, corporate social responsibility and consumer trust towards organic food. Although these studies are explanatory, limited study has been explored regarding sustainable organic food and the consideration of organic food consumption as a luxury product. This further emphasizes the need to underpin sustainability and organic food consumption under luxury product categories.

### Key Findings of this study

This study proposed several new insights into the current organic food consumption in Nepal through two ways of sustainability and luxury markets. Today, decisions are influenced more by social and cultural factors than by individual factors. Organic food and luxury have attracted the attention of researchers as a result of the shift in decision-making, which is still unrecognized in many nations. Based on the findings of this study, organic food consumption is not only about health and the environment, but also about perception, attitude and motivation. This illustrates how organic food can be considered an additional form of luxury fashion. There has been a change in the way people consume organic food. People who can afford organic food consume it, regardless of whether it provides health benefits or other benefits associated with luxury or fashion. Hence, our study contributes to the literature about organic food signifying luxury or a symbol of fashion.



Marketers and policymakers can gain crucial insight into the kinds of marketing policies that can be used to promote organic foods based on the results of this study. It is important to realize that different consumer perceptions can arise based on socio-economic status. By connecting organic food with luxury, food production houses can capture mileage and create a different market proposition. Moreover, positioning organic food based on health and environmental benefits and incorporating luxury into it can be a powerful marketing strategy. The green aspect of organic food has been exploited by marketers, but our findings strongly suggest promoting organic food as a luxury product.

Organic food has long been promoted as a luxury product. It has been demonstrated in various studies that promoting organic food as a luxury will enhance the quality of life of consumers and the living standards of food producers at the same time. Numerous studies have demonstrated the negative effects of conventional food; therefore, marketers should create awareness regarding the benefits of organic food. In turn, this will result in the formulation of potential market segments. The policies must be a win-win situation for both the consumer and the seller.

Thus, small and rural farmers will

be encouraged and motivated to engage in organic farming, thereby increasing the supply of organic food. Organic farming should be understood by Universities and they should establish syllabuses that teach the method and its benefits. Politicians should rethink organic farming's prospects and contribution to economic development in the future. Organic farming is a small part of economic policy and as a luxury product, organic farming has potential on both a national and international scale.

### Key Takeaways

- Organic food and luxury have attracted the attention of researchers as a result of the shift in decision-making, which is still unrecognized in many nations
- Consumers are willing to pay a premium, pay in advance and visit different locations for purchases based on their attitudes and perception toward organic food
- Marketers and policymakers can gain crucial insight into the types of marketing policies that can be used to promote organic foods based on the results of this study

### Implications for Marketers and Policymakers on Sustainable and Luxury Organic Food Consumption

Researchers, policymakers and administration bodies can benefit from three broad practical implications identified by the authors. First, food security needs to focus on the investment in organic products which results in health and environmental benefits for consumers. Agricultural output and job creation have become hot topics in Nepal as a result of foreign investment in the agricultural sector.

A major problem in the Nepalese agricultural sector is the difficulty in selling products. International access to domestic products is provided by foreign direct investment approaches. The presence of many economic sectors on international markets is usu-

ally necessary to ensure sales as agricultural techniques on organic food production aspects become easier through higher capital via foreign direct investment.

Second, when considering the sustainability of organic food markets, a major challenge facing developing countries such as Nepal is food security, which is closely related to social stability as poverty in these countries can reach very high levels. Hence, this fact further ensures the need for more food safety standards to be implemented in the agricultural sector through the construction of micro-hydropower plants, solar plants, and wind energy systems at a variety of scales.

Third, the policymakers should be enlightened about the fact regarding the demand for organic products. In the long run, organic products will become more and more popular. There is, however, growing demand for organic foods on the global market. As organic products are not available in every grocery store, which made it is considered luxury items. To update the energy situation in Nepal, the government needs to compile a comprehensive report. There are several ministries and departments involved in the energy sector; however, clear data on all energy systems and open-access databases regarding the energy systems should be created and updated regularly.

### Key Takeaways

- Food security needs to focus on investment in organic products which results in health and environmental benefits for consumers.
- The sustainability of organic food markets is also strongly related to food security, which is closely related to social stability, as poverty in these countries can reach very high levels.
- The policymakers should be enlightened about the fact regarding the demand for organic products.

This article is based on the pub-

### Published source of:

Mishra, U., Jayawardena, N. S., & Thaichon, P. (2023). Exploring the role of sustainable organic food consumption and the role of organic food as a luxury product: A case study in Nepal. In *Luxury Marketing, Sustainability and Technology* (pp. 92-115). Routledge.

### Authors



**Dr. Park Thaichon**  
Associate Professor, School of Business, University of Southern Queensland, Australia



**Dr. Uđgam Mishra**  
Assistant Professor at Tribhuvan University, Biratnagar, Kosi Zone, Nepal



**Dr. Nirma Sadamali Jayawardena**  
Assistant Professor, Department of Marketing, O P Jindal Global University, India