

## A Comprehensive Study on the Food Supplement Industry and Consumer Perceptions in Sri Lanka

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Sri Lanka's food supplement industry is experiencing rapid growth, driven by increasing health consciousness, demand for natural remedies, and evolving wellness trends. However, consumer behavior, market structure, and regulatory compliance in this sector remain under-researched. This study aimed to explore the market size, pricing strategies, regulatory frameworks, and consumer attitudes toward food supplements in Sri Lanka through a mixed-methods approach that integrates industry-level and consumer-level perspectives. The industry survey (n = 577) included manufacturers, distributors, retailers, and health professionals, selected using simple random sampling across the island. It focused on supplement types, pricing strategies, regulatory impacts, and marketing innovations. Separately, the consumer survey (n = 385) used stratified sampling across Colombo, Gampaha and Kandy districts, targeting supplement users and non-users to analyze demographic trends, consumption patterns, awareness levels, and price sensitivity. Supplementary qualitative data were collected via in-depth interviews (n = 15) with key industry stakeholders, including CEOs, regulatory advisors, and senior marketers, to capture experiential insights on regulatory barriers and market adaptation. Quantitative data were analyzed using descriptive statistics and chi-square tests to assess associations between demographic and behavioral variables. Results showed Ayurvedic (17.1%) and herbal (14.1%) products dominated the market, with pharmacies being the main purchasing channel (51.5%). Most consumers (77.9%) used supplements daily and showed moderate health awareness (72.6%) and high price sensitivity (77.6%). Industry respondents cited regulatory inconsistency, compliance costs, and consumer trust as critical challenges. Qualitative findings highlighted a preference for locally made, natural products and gaps in enforcement of quality standards. The study concludes that Sri Lanka's food supplement market is shaped by consumer education levels, income disparities, regulatory uncertainty, and the cultural preference for Ayurvedic solutions. Addressing regulatory fragmentation, improving labeling transparency, and fostering innovation in digital health and product personalization are key to sustainable growth.

**Keywords:** Food supplements, consumer behavior, market analysis, regulatory challenges, Sri Lanka