

TITLE PAGE

**LOYALTY VS DECEPTION:
THE TRUTH BEHIND 'ORGANIC'
AND 'FREE-RANGE' BRAND LABELS.**

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A submission of a thesis to fulfill the requirements of the degree Bachelors of
Honours in Brand Leadership at Vega School of Brand Leadership
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Date: 23rd October 2015

DECLARATION

I declare that this thesis is a submission of my own independent work and has not been previously submitted by another university or facility. This thesis is a submission for the degree Bachelor of Honours in Brand Leadership at Vega the School of Branding.

Sarah-Jane Hughes

Date

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ABSTRACT

The purpose of this research study is to investigate how brand labels can affect and change consumer's perceptions and expectations surrounding 'organic' and 'free-range' produce, versus the truth. The importance of this research is to give consumers access to the necessary information needed in order to make informed decisions about the foods they are choosing to consume. Brands need to educate consumers about organic and free-range produce to ensure they make informed decisions. There is a background of knowledge around the topic, and research is constantly being developed and studied. The research needs to come from a feasible source, and needs to be done in a way that ensures consumers are not being manipulated and taken advantage of. This will be used to help educate consumers and give them access to the necessary information required. Relevant data for this study is analysing the organic and free-range market and systems that are in place within South Africa. As well as consumer's perceptions and expectations of this produce, and how labels affect consumers purchasing power. Health conscious consumers between the ages of 21-49 years.

The research study will find: That there is a need for a nation wide logo or stamp that ensures the product is free-range or organic. Consumers aren't aware that brands label products as organic and free range based a narrow set of guidelines and legislation's. Consumers want more knowledge and information about organic and free range produce. Through three focus groups containing 10 individuals in each, 15 of these individuals were women and 15 men. These individuals had to shop at *Woolworths* and purchase organic and free-range produce. Individuals were asked the same set of questions and created a discussion around these several questions. The study recorded notes during the focus groups and used this information to gain core insights about the study. Through these core insights the study will be able to compile a solution to address these areas. The solutions will address concern areas and make feasible and legitimate solutions. The study will create awareness about what brands and the industry needs to do. This study will contribute to the agricultural sector and help brands by educating them on what their consumers want to know about their produce. This study will provide information about what consumers want to know about their produce and who they want to gain the information from. Both brands and the industry can implement the solutions to ensure its success. "LOYALTY VS DECEPTION"

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

The topic of study deals with how brands are able to use suitable word choice when branding their product packaging, to create an illusion around the product. Brand language is extremely important, as this is how a brand is able to communicate their message across to their intended audience to influence them to purchase. Brand language is used to drive consumers to connect with particular words or ideas within the marketing of their produce. It is built of many different components and has the ability to develop an interaction and connection between brands and consumers.

According to Warren Mearns (2007, Online) branding is an individual component of a business that separates the brand in comparison to its competitors in the market place. All these separate compartments come together to ensure the overall success of the brand. One of these numerous components is the creation of what the brand's image will be from the name, logo and visual system; aligning the brand in all its different products and services. The visual system of a brand consists of its colours, type, photographic style, graphics and the language; this helps establish and build a connection between the brand and its consumers.

A theme this report will explore is the relationship between consumer perceptions and expectations about 'organic' and 'free-range' produce versus the truth. These perceptions and expectations are created through the use of brand language; due to the correct word choice brands are able to denote their message across to promote consumer consumption without educating them on the real truth. The aim is to determine perceptions and expectations created by consumers relating to 'organic' and 'free-range' produce, and unpack the truth about these labels. This study will investigate the consumer buying process that will help in understanding why consumers buy certain products over others. By understanding the consumer buying process we will be able to analyse the factors that affect and encourage consumers to purchase products the way they do.

Perception is defined as, *“a process of selecting, organising and interpreting sensations into a meaningful whole”*. This indicates that through a process individuals are able to select, organise and interpret stimuli into a meaningful, coherent and purposeful image. Consumer perceptions are important and are vital to marketers, as perceptions affect the success of the business in the marketplace.” (Hanna & Wozniak, 2009) For consumers there is a forever growing relationship and concern established between their health and dieting, therefore food is no longer perceived as a means to satisfy one’s hunger, prevent deficiency disease or to provide crucial nutrients but has rather become the primary vehicle to help consumers achieve their goals of optimal health and wellness. (Hasler, 2000) Expectations are an act or state of looking forward to or anticipating. Customer expectations are the values customers seek to achieve from the purchase of goods or services. Customer expectations are important; if a product or service meets their expectations the possibility of a repeat purchase is highly likely.

Organic produce from an animal is; *“animals that are organically raised in means of being fed organic feed. They are not exposed to growth hormones or antibiotics, this means that the animals are treated more humanely and given an area to roam freely.”* Organic foods are, *“grown without the use of any synthetic fertilizers, sewage sludge, irradiation, genetic engineering, pesticides or drugs on the produce.”* These chemicals are used to protect the crop from insects, weeds and other pests that cause damage to them. (Misner & Florian, 2013) Free-range foods are, animals that have access to pastures, where they are able to forage on grass, seeds and insects outside of their housing during the day and at night are able to return to their place of resting. The truth behind a brands language is to encourage a connection between the purchaser and the brand, through the ideal word choice which is used to influence consumers. But often brands are unethical when it comes to the use of specific words on the packaging of their produce, as they do not take the consumer into consideration but rather focus on making a sale. Many consumers are under the impression that when they are purchasing ‘organic’ and ‘free-range’ produce that they are getting what the brand is promising them. Their expectations are higher for the product as these often cost more, and because they are making a conscious effort to buy their products ethically.

With the use of academic reports, academic reviews, journals and case studies from within South Africa and abroad; this report will address how consumers perceive, and what they expect 'organic' and 'free-range' produce to be, versus the reality of the situation. Through brands using the correct brand language they are able to create a perception about the product, a tactic is used to encourage consumers to purchase the produce. Through using specific words brands are able to imply that they are being ethical, by taking the environment and animals welfare into consideration when manufacturing their products. Legislations and guidelines are still being developed and constantly implemented, this has left a grey area where brands are able to use certain words to their advantage. Brands taking advantage of this grey area leaving consumers at a disadvantage, as they are being misled about what they are really consuming. Customers are making a conscious effort to consume ethically and depend on organisation's to provide legitimate products.

The brand that this report will focus on in order to support and validate the evidence is Woolworths. Acknowledged brands, as Woolworths need to ensure that they do not mislead their consumers by using particular words to influence consumer purchases. They need to follow guidelines, rules and regulations and not use these grey areas to their advantage.

1.1 Statement of purpose

The purpose of this research study, is to investigate how brand labels can affect and change consumer's perceptions and expectations surrounding 'organic' and 'free-range' produce, versus the truth.

1.2 Aim of the study

The aim of this research report is to educate consumers about organic and free-range produce, resulting in an increase in consumer awareness. Specific word choice and language is used to mislead consumer's perceptions and expectations surrounding 'organic' and 'free-range' produce. Through encouraging consumers to examine their purchases they can gain an in-depth understanding of the product they wish to consume. Consumers are being lead to believe that they are living a healthier lifestyle through product packaging and by purchasing 'organic' and 'free-

range' produce. With limited guidelines and legislations, brands use this opportunity to brand products as organic and free-range based on a narrow set of guidelines. An example of this is how 'natural' could describe that the product contains natural contents, but does not necessarily mean that it is natural and healthy.

1.3 Secondary research questions

- Are deceptive labels on brand packaging misleading consumers about what is 'organic' and what is not?
- Do labels referring to 'organic' and 'free-range' affect consumer's perceptions and expectations of the product?
- Are brands using specific wording on packaging to mislead consumers about the reality of the product?
- Do labels as 'organic' and 'free-range' influence consumers to purchase the product?

1.4 Secondary research objectives

The research objectives of this study are:

- To discover the truth behind the production of 'organic' and 'free-range' produce, and to investigate whether brands such as *Woolworths* are transparent and provide the correct produce that is suggested on its packaging.
- To explore how a brands product packaging can influence and affect consumer's purchases.
- To address how through word choice, brands are able to influence consumers to purchase products, due to many terms falling into the 'grey' zone when it comes to legality issues.
- Aim to investigate if consumer's perceptions and expectations of these products are being obtained, and if consumers are fully aware of what they are consuming and purchasing.

1.5 Possible contributions of the study

This report will contribute in means of:

- Educating consumers about how their expectations and perceptions can affect their purchasing power of products.
- Unpack how a brand's word choice on their product packaging can influence consumer's perception and expectation of the product offering.
- Uncovering the realities of organic and free-range produce; which will help gain consumer awareness and give them the ability to tell the difference between what is and what is not organic and free-range.
- This report will define and indicate the difference between the two words used frequently on brands produce.
- This report aims to encourage consumers to participate and question brands motives. This will reveal whether or not the brand is transparent, and if their interests lie in their customers and not entirely on profit.

1.6 Possible challenges of the study

The possible challenges of this study is:

- Access to necessary information to prove how unethical organisations are when it comes to branding product packaging as 'organic' or 'free-range' to ensure they have a sellable product.
- Enquiring updated information regarding organic and free-range within the time allocated, gaining the information from legitimate and trustworthy sources.
- Sourcing adequate and precise quantities of information, being thorough, accurate and achieving goals effectively and efficiently. And ensuring the study is relevant to audience and consumers.
- Unraveling the real truth that lies behind these terms, in order to help consumer, gain broader insights into what they are actually consuming.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The contents of this chapter will consist of primary and secondary research based around the subject of a brand labelling and its influence on consumers. A brand's language consists of both visual and verbal elements that effect consumer's purchasing power. The chapter's layout aims to define concepts and focus on details that influence a brand's labels, and how these terms as 'organic' and 'free-range' affect consumer-buying decisions. Packaging design is an important vehicle of branding and communication in a fast-growing and competitive market of packaged food products.

Brand language plays an influential role on consumers purchasing decision model and is essential in a brand's marketing communication tools (Silayoi and Speece, 2004). This study will argue in support of consumers and that they are under the perception they are consuming 'organic' and free-range' goods, as they choose these alternatives to encourage sustainability and health. Consumers accept that the product is a healthier and more sustainable choice; they do this by analysing a brand's language or labels, and are willing to pay more to ensure they are ethical. a brand language and labels are influential tools in helping consumer make up their minds when it comes to purchasing a product. With the use of *Woolworths* South Africa that sell organic and free-range produce it will support this studies argument.

2.2 Brands language

A brand is a type of product, good or service that is manufactured by a single organisation that owns a particular name. A brand has the ability to identify a product or service and set it apart from its competitors within a specific market. A brand is made up of many different components that help differentiate it in a competitive market place. Brands are built of a specific and unique name, sign, symbol and design features. These characteristics are the sum totals of both functional and emotional assets that help differentiate a brand amongst its competitors and help in

distinguishing it in the mind of its audience. The visual and verbal communications of a brand represent its identity, as their logo, tagline, website, business card, labels or packaging are included. The brand identity includes all visual and verbal element of the organisations graphic design; these are their typography, colour, imagery, environmental graphics, digital and print media. An essential component of a brands identity execution plan coordinates every aspect of the brands graphic design in order to obtain and sustain an identifiable image and status in a competitive marketplace of brands. Various characteristics of a brands identity; need to be consistent to ensure it has a memorable and positive public perception. Through advertising and social communication, the brand is able to efficiently communicate with its target audience. A brand promise is the functional and emotional benefits, that is promised to their consumers by the brand. Brand promise is a contributing factor to consumer's perception and expectations of the brand.

The actuality of a brand is what a brand actually is, versus the consumer's perception of the brand. How individuals perceive a brand depends on various factors. These factors are: a brand's ability to deliver on its promise, individuals responses to the brand's identity, a connection that is established through advertising and is developed between the consumer and a brand, and their general responses to the advertising. The process is done through brand placement and positioning's in different mediums with the use of celebrity endorsers or iconic individual's, public image and behaviour of the company or brand and any public relations, incidents or scandals that the brand is involved in. And lastly an individual's experiences and interactions that one has with the brand through various social media platforms. Brand experience is an individual's interaction with a brand. With every interaction the consumer's overall perception of a brand can either be affected positively, negatively or be a neutral experience. Consumers are constantly exposed to and in contact with various brand's advertisements, their visual identities and branded environments with each interaction these build an individuals experience and perception of these brands (Advertising Educational Foundation, 2015).

2.3 Integrated marketing communication

An integrated marketing communication strategy is a specific mix of different mediums as advertising, personal selling, sales promotion and public relations. A

brand uses an integrated marketing communication strategy to help achieve its advertising and marketing objectives. This strategy is a concept under which a brand carefully integrates and coordinates its different means of communication channels to deliver a clear, consistent and compelling message about the organisation and its products. Through these communication processes, brands have the ability to build and maintain sustainable relationships with their consumers. Effective communication requires knowledge of how different communication works and how specific outlets will benefit the brand more than others (Belch, 2003). With the use of various contact points, a brand is able to interact with their consumers and exchange necessary information. These contact points can be both planned and unplanned but can have significant effect on consumers. Contact points are used to ensure that a brand has an integrated brand identity.

2.4 The Role of Packaging in Building Brand Identity

Packaging design is a crucial component in building a brand's image and identity. Packaging creates an opportunity for the brand to have a positive impact on their image. Packaging is not only useful for selling the product, but it also serves other purposes and influences how the brand is perceived by consumers (Identity Wise, 2006).

These five purposes are (Identity Wise, 2006):

The first purpose is a brand's identity; when a brand or product leads within a specific industry or category, the designing of their packaging should reflect their position. A brand's printing and design supports the brand's strategy, and through the use of these unique materials it can help engage their users and differentiate a brand in a competitive and over crowded market. Secondly through packaging, a brand is able to build relationships with their end users. Packaging affects how the brand is perceived through every interaction that consumer's have with the product. A positive user experience will encourage brand loyalty, which will later increase the amount of end users that are willing to purchase the product. The third purpose is communication, well-designed packaging makes the information easy to find and legible. If it is difficult to locate the necessary information, the package is not living up to its expectation. The design must be able to communicate what the product is and differentiate it from other products in the same line, it should be communicated how it

is utilised. The product design must create an experience with the brand that makes their consumers life easier and build brand loyalty.

The fourth purpose is selling, when a product is sold through different consumer channels, the packaging of a product is a brand's last opportunity to convince consumers to purchase the product. The fifth purpose is for protection, a brands overall appearance and condition of their product, when it reaches consumers impacts their perception of the brand. If the packaging is defective this will not build customers confidence in the product, and thus its crucial for the brand to design unique packaging that stands out from their competitors (Identity Wise, 2006).

A brand's packaging must appear professional in order for a brand to compete with their competitors, it is the packaging that helps promote the first purchase and secondly the quality of the product will encourage a repeat purchase. There are essential requirements when designing product packaging, these are the portion sizes, competitor's offerings or customer preferences, volume and weights. The physical attributes can help customers use the product more effectively; an example of this is a products protective need in means of handling factors. Another essential product requirement is an appropriate shape for both aesthetics appeal and efficiency. The designing of a brands product can be done both internally or externally and this is done to create an impact in the market place, and is part of a brands marketing strategy.

A brand has many considerations to take into account when developing their product design as the product packaging targets an intended audience and market, which the brand has to determine and focus on to ensure the success of the product. The brand must establish an image or personality for the product either based on criteria as taste or preferences for the intended target market. The brand must determine the most important feature of their product to their audience, and this is where consumers look into the product packaging information. If there is too much information on a brands packaging, the design will be cluttered and could influence consumers to not purchase the product. The brand must decide on where they will be selling the product and must follow the associated distributors regulatory requirements for the packaging and this includes the labelling. And finally the brand

focuses on the product placement; they ensure that their design stands out from their competitors. Colours are used by the brand to convey meanings, symbols and shapes to convey information more concisely than that of text. Labels are an essential element for brands which requires research, planning and consultation from different sources to ensure its success. All these different components work together to ensure an integrated brand identity. It is important for a brands design and labelling to be integrated to ensure the same message is reaching their consumers. Brands aim to produce a label that is both user-friendly and educational, and that will also effectively market their product. A brand label is an integrated part of a brands strategic marketing approach, and needs to be done correctly to ensure consumers are not mislead or create assumptions about the product (Agricultural Information Center, 2010).

2.5 Packaging as a Marketing tool

This research model is derived from Silayoi and Speece exploratory study, which is a conceptual model of packaging elements and product choice.

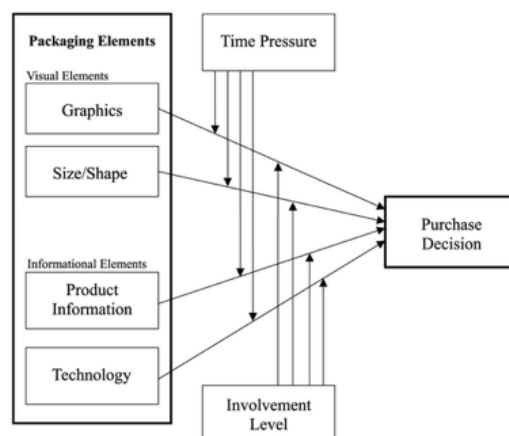


Figure 2.1: A conceptual model of packaging elements and product choice.

Silayoi and Speece (2007) discuss that there are four fundamental packaging elements that influences a consumer buying decision, these elements are divided into two categories; visual and informational elements. The visual element is made of the graphics and size or shape of the packaging. The informational elements involve, the products information and information into the technologies used on the

packaging. The visual elements are important as consumers assess a brand's packaging in different ways. Visual elements differ between brands in the same industry within the market place. High involvement products as appliances, the decision making process is less influenced by images as it has a significant effect on the consumer's lifestyle. In low involvement products, consumers evaluate the packaging design attributes, this is considered habitual purchasing (Silayoi & Speece, 2007). Graphics packaging elements include the image layout, colour combination, typography and product photography.

Through the combination of all these components, a brand is able to communicate an image and message across to their consumers. Another key element of packaging is colour because it is usually vibrant and memorable. A brand's packaging colour can significantly effect the consumer's ability to recognise the product in contrast to other brands. Another crucial part in the designing process is the products size and shape. A consumer interacts with these two elements in order to make judgments about the products volume; an example of this is that consumers perceive that larger packages contain more of the product (Silayoi, 2007).

Informational elements are product and technology info; a packaging's core function is to communicate information. This information helps consumers in the purchasing process. Product information helps customers to consume healthier foods and this emphasizes the importance of labelling. Individuals are more conscious about what they are consuming and are picking the healthier alternative. Brand labels such as 'organic' and 'free-range' can often affect the consumer's perception on what is considered healthy and what is unhealthy. Labels give consumers the opportunity to consider alternative products to ensure they make an informed decision (Silayoi, 2007). Information on packaging can mislead or give consumers inaccurate knowledge by using small fonts and dense writing styles, or by using words that are misleading. The last packaging element that is said to affect consumer purchase decision is technology information.

Technology helps create brand packaging that is up to date with current consumer trends, attitudes and behaviours. Therefore, the role of technology is to ensure that a brands customer needs and requirements are met. Technology information is a huge component for communication, which is presented visually and is used to attract

consumers attention and increase convenience (Polyakova, 2013). Through research, the study suggested that brands depend largely on language and packaging elements to ensure that their products are purchased, and to leverage them apart from their competition. Therefore, brands will use specific word choice to leverage their products to ensure that consumers purchase them. The packaging is the final selling point to consumers.

2.6 'Organic' and 'free-range'

2.6.1 What is organic?

Organic produce from an animal refers to “animals that are organically raised in means of being fed organic feed and are not exposed to growth hormones or antibiotics, this means that the animals are treated humanely and are given an area to roam freely.” Organic foods are “foods that are grown without the use of any synthetic fertilizers, sewage sludge, irradiation, genetic engineering, pesticides or drugs on the produce.” These chemicals are used to protect the crop from insects, weeds and other pests that can cause damage (Misner & Florian, 2013).

A few basic requirements for organic production are:

No chemicals, antibiotics, drugs or synthetic parasiticides are used on the crops and animals have the appropriate housing that allows them access to the outdoors and pastures. The feed must be certified organic, and a record keeping system needs to be implemented to allow the tracking of products. Organic system plans include: description of practices to prevent contamination, monitoring practices and listing of all inputs. Organic production must not contribute to the contamination of soil or water. No genetically modified organisms, ionizing radiation or sewage sludge occurs (Fanatico, 2008).

In 1991, *Woolworths* were the first South African retailers to stock various organic fruit and vegetables and later moved onto a range of both organic meats and dairy products (Thobela & King, 2014). Organic produce is priced higher due to the risk of farming organically and not using chemicals on the crops. Therefore, organic farmers take a risk of a smaller yield to produce organic produce.

3.6.2 Free-range

Free-range systems are less intensive and are a more animal conscious form of production, there is a need for knowledgeable and diligent systems to ensure the welfare of animals. Potential problems that can create stress in these systems can be eliminated at the design stage. Free-range does not necessary mean that the products are drug free, as the use of antibiotics is a common occurrence and practice in farming.

Advantages of free-range produce systems include:

Free-range systems give animals the opportunity to display their natural behaviors as exercising, foraging, dust bathing and sunbathing. By reducing stocking densities in indoor accommodation, it also reduces the risk of lameness due to slower growth rates and increased exercise. These systems offer the provision of shade and shelter, and provide the animals with environmental enrichment indoors (Animal Compassion Foundation, 2013).

2.6.3 What is not 'free-range'?

A system where animals are unable to have access to the outdoors, are in overcrowded cages, grain-fed and there is a use of chemicals and antibiotics to fatten up animals to ensure accessibility to more produce.

2.6.4 Grain-fed

This means that these animals are grass-fed for a short period of time and later moved into feedlots. Through animals being fed grain feed it can negatively affect their digestive system, this system also makes frequent use of antibiotics and hormones. Animals that are raised in feedlots are fed diets specifically designed to fatten the animals up as quick and cheaply as possible. Non-grass fed animals are fed on genetically modified grain and soy. (Animal Compassion Foundation, 2013).

2.6.5 Grass-fed

Grass-fed animals live in pastures and not in feedlots, this means that the animals were likely raised without the use of hormones or antibiotics, and their food is not made with the use of animal by products.

2.6.5 Natural

Within the food industry the term 'natural' is used to indicate that the food is preservative free and has been slightly processed. Suggesting that the product is natural but has been processed in some way (Ahmad & Juhdi, 2008).

2.7 Farming Methods

Traditional farming methods are where farmers depend highly on their land for living. These traditional farms depend their livelihood on these smallholdings. In the past, Africa was not densely populated which lead to farmers using land extensively. They had the opportunity to choose the most fertile land and grow their crops for a few years, and when the soil fertility and crop yields declined, they moved on to more fertile land. This type of farming system is often described as 'shifting cultivation' or 'slash and burn'; these systems were able to provide farmers and their families with the sufficient amount of food to satisfy their needs. As the population within Africa has increased, there is a higher demand for land to be cultivated for longer periods of time to satisfy peoples needs. The damages to the land were because traditional farmers depended highly on a particular area of land, and due to the population pressure it became too great for the carrying capacity of that land. Traditional farming systems effected soil fertility, had side effects on the land and water system through the increase of pesticides. This method has adverse side affects on climate change and is an unsustainable means of farming.

2.7.1 Conventional farming methods

Conventional farming methods are highly dependent on agrochemicals and artificial inputs, which have negative long term effects on the soil fertility and creates pollution of the land, rivers and streams. Conventional farming has higher yields which also has an increased environmental side affects. Conventional framers use mineral fertilisers and non-organic pesticides (Ker, 1995). The long term affects of these fertilisers, pesticides and chemicals are constantly studied and criticised. Studies are researching the affects that these chemicals have on consumers who ingest these products.

2.7.2 Organic farming methods

Organic farming methods do not use chemicals in the production of their produce, which is environmentally sustainable process (Misner & Florian, 2013).

2.7.3 Sustainable farming methods

Sustainable farming ensures the needs of all South African's are met whilst also taking future generations into consideration. Sustainable farming practices are implemented to minimise potential risk for current and future generations. Through mismanagement and increased consumption, our food safety is put at risk, leading to increased unemployment and environmental degradation (Ker, 1995).

Sustainable agricultural practices aim to change the way land and water resources are managed to optimise and continue their long term productivity. To contribute to the economic and social wellbeing of all and ensure safe, high quality supply of agricultural products. To safeguard the livelihood and wellbeing of farmers, farm workers and their families and maintain healthy, functioning agricultural ecosystems that are rich in biodiversity. And lastly to alleviate and adapt to current climate change conditions, and encourage sustainable consumption (World Wide Fund, 2014). The benefits of sustainable farming should be; reducing the input costs, stabilizing yields, reducing the levels of environmental pollution, reducing exposure to toxins, increasing the efficiency of water use and reduce soil erosion. Living soils will benefit with increased soil fertility and/or nutrient holding capacity.

2.8 Genetically Modified Food

Genetically modified food is a highly controversial practice and topic within the agricultural sector. This practice involves the genetic modification of foods, which involves taking genes from one species and inserting them into another species. Genetic modification splices genes between unrelated species that would never naturally cross breed in nature. Natural reproduction or breeding can only take place between closely related forms of life. The main reason for GM foods is to increase crop yields, to ensure future food security, improve food quality and helps in extending the shelf life of products. It is suggested that GM foods decrease the use of insecticides and pesticides on their produce.

GM foods are not labeled and therefore consumers are not aware they are consuming them, and because they are not labeled no studies to how it can and has affected consumers thus far have or can be done. The potential harmful effects of GM foods cannot be identified and based on consumer response as these impacts could be long term.

In 2010, 71 percent of all GM crops were engineered to be herbicide resistant, this meant that a field could be sprayed with chemicals and everything would die except for the resistant crop. GMO crops are promoted as using less pesticides and herbicides but they actually use more. Non-GMO crops less herbicides are used because farmer can not apply large amounts across their entire crops. Claims are that GM foods could ensure that there is enough food to feed the world is incorrect because that is not the problem; the problem is that the root cause of hunger is not a lack of food but rather a lack of access to food. It is poorer communities and countries that have a lack of funds to purchase food, and therefore genetic engineering does not and cannot address hunger problems (Misner & Florian, 2013).

2.9 Farming for the Future

Established in 2009 by 3, *Farming for the Future* was created to address the agricultural challenges that currently face South Africa. These challenges are water quality and scarcity, food security, years of ecosystem degradation, poor quality soils in many areas, climate change, and rising input costs. *Woolworths* accepted that the current farming methods that are being implemented across South Africa aren't sustainable, and they decided to adopt a different approach. The approach intended to construct top quality produce whilst protecting the environment, by preserving the natural resources, and providing a livelihood for the agricultural community. *Woolworths* aimed for this to be done with no additional costs to the end product.

Woolworths discussed that it is not feasible to source and sell only organic produce, and this is what lead them to this new innovative approach to farming. This approach uses a combination of premium practices of available scientific farming techniques, a particular soil, climate and crop. This holistic farming approach, starts with building and maintaining soils, as healthy soil retains water better and this will reduce

irrigation, water usage, soil erosion and the loss of the topsoil. Healthier topsoil decreases the amount of chemical intervention, and leads to minimal chemical run off into our water systems this will help maintain the water quality. By decreasing the use of harmful chemicals and pesticides this will maintain and encourage biodiversity on farms. *Farming for the Future*, was developed by Woolworths technical advisory committee who assess suppliers progress against the *Farming for the Future* standards.

The committee main priorities for the farming and packaging process are to correct soil management, irrigation water management, environmental legal requirements, biodiversity management, waste and wastewater management, cooling and energy, pest and plant management and substrate and run off management. Annual assessments are led by Enviroscientific, this includes farm training and the opportunity for suppliers to identify problems and develop solutions. By doing this this helps suppliers to continuously learn and improve, and allows the *Farming for the Future* model to also adapt, develop and change when faced with challenges. The technology and buying teams continuously communicate with their suppliers and work together to ensure constant improvement on these farms (Thobela & King, 2014).

2.10 Fair Trade's

Fair Trade's is a social justice movement, which is a tool for international development. *Fair Trade's* focuses are around the exchange of goods based on principles of economic and social justice. Fair Trade is identified in two ways, by organisational recognition and then through product certification. Organisational recognition means that the trading organisation has been approved by *Fair Trade*. This indicates all items within the organisation sold are *Fair Trade* products, which means producers are treated fairly through fair prices and that of social premiums, they also practice the trading relationship and obtain *Fair Trade* values and goals (*Fair Trade*, 2015). All *Fair Trade* product certificates include principles as fair price, fair and safe labour and working conditions, they are able to directly trade, they are democratic and transparent organisations that contribute towards community development and environmentally sustainability.

2.11 Perception and Expectation

Perception is “a process of selecting, organising and interpreting sensations into a meaningful whole” (Hanna & Wozniak, 2009). This indicates that through a process individuals are able to select, organise and interpret stimuli into a meaningful, coherent and purposeful image. Consumer perceptions are vital to marketers, as perceptions affect the success of a business in the marketplace. “Perception is a mental process, whereby an individual selects data or information from the environment, organises it and then draws significance or meaning from it” (Brosekhan & Velayutham, 2004). Expectations are an act or state of looking forward to or anticipating. Customer expectations are the values customers seek to gain from the purchase of a good or service. Customer expectations are important, as when a product or service meets their expectations, the possibility of a repeat purchase is highly likely.

Rani discusses how consumers go through different stages of perception and these perceptions are able to affect their behaviour. It is through an individual's perceptions that one is able to form opinions about brand's and the merchandise they offer. Brands' apply theories as consumer perception to help determine how their customers perceive them. They use their markets perceptions to develop and implement their marketing and advertising strategies to not only retain their current customer base but expand it as well (Rani, 2014). Consumers buying behaviour when it comes to purchasing products, depends on their perception, through effective marketing product perceptions are developed (Kazmi, 2012). Consumer expectations can be explained as the needs or wants of an individual, when purchasing a brand's product. For Brands its essential to have the ability to recognise the needs of their consumers (Gures, Arslan & Tun, 2014).

2.12 Consumers perceptions and expectation of organic and free-range produce

Scholderer, Bredahl and Magnusson (2004), analyse how consumers perceive the quality of food products, and the ways in which this process is comprised of different dimensional processes such as sensory, health and convenience. These quality dimensions are unable to be assessed at the point of purchase, as certain consumer perceptions depend upon managing and consuming these products in their homes. This is analysed and viewed as the sensory and convenience dimensions.

Due to acceptance dimensions, even upon consumption of products consumers are unable to perceive them. These are the health, safety and process dimensions, and due to this, consumer's quality perception falls in to different stages:

Stage one: expectations of a products quality are formed based on a consumer's evaluation of the quality of the product. There are intrinsic qualities, and these are the physical product, colour or fat content. Extrinsic qualities are everything related to the product, which includes price, packaging, and information contained on labels. An example of this is a logo identifying that it is either an organic or free range product. Stage two is where the quality of the product is experienced upon digestion, and is where consumers are able to make judgments based on the experienced quality. At this point expectations are either met or not, which affects consumer's perception and expectations of a product's quality. The following figure is a food quality model that indicates the distinctive relationships between consumer's perceptions and expectations of specific products, and what affects them (Grunert, Larsen, Marsden & Baadsgaard, 1996).

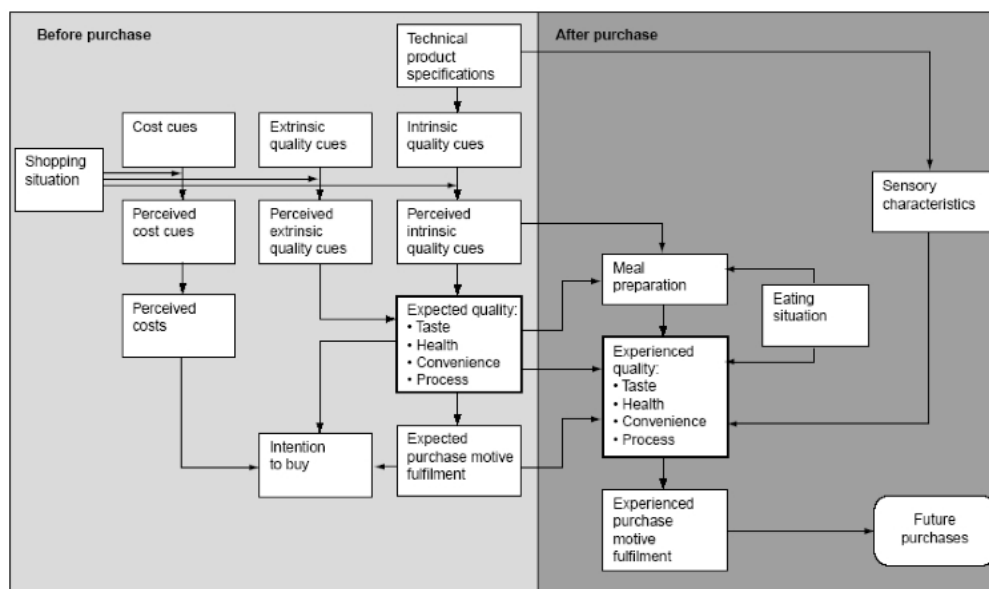


Figure 2.2: The total food quality model (adapted from Grunert, Larsen, Madsen & Baadsgaard, 1996)

Today consumption is comprehended as a way to promote self-fulfilment, leading more and more people to be entrapped in the never-ending cycle of purchasing and discarding products. Demand is driven by convenience and habit of the consumer. Consumers have inadequate knowledge about their consumption choices and the environmental consequences that follow. An increase in consumer environmental consciousness has influenced consumers, leading to the development of the green product market. Over recent years there has been an increase in the consumption and production of organically produced products, which has been perceived by consumers as having little impact on our environment. Through consumer realisation their purchasing behaviours have changed due to the direct effect they have on the environment and conservation difficulties. Consumers demand to know the benefits that their foods offer before purchasing them. Juhdi and Ahmad discuss that there are four groups that consumers whom purchase organic produce are classified in (Juhdi & Ahmad, 2008).

The first group looks at the greens, referring to consumers that are concerned about the environment. Following is the food phobic, and these consumers are concerned and conscious about the chemicals in foods. The third group are hamnists, and these consumers are preoccupied and focused on the factory farming methods. Lastly, the hedonists believe that these superior products must not only taste better but also be better in terms of health benefits. It is important to acknowledge and evaluate consumer's awareness about their attitudes towards organic produce and what influences consumers to purchase it. The ultimate goal is to understand whether consumers comprehend how brand language is used to increase the consumption of certain products over others. Results have indicated that consumers have perceptions that organic produce is healthier than conventional alternatives. Consumers do not purchase products based on environmental concern or to benefit communities, but rather for health reasons, or to be apart of a specific social group and/or movement, setting oneself apart from others.

From as early as 1965 there were a number of reasons why consumers purchased organic food products and these concerns were for food safety, basic human health and the side effects and impact on the environment (Juhdi & Ahmad, 2008). Along with the above statement, product attributes such as the taste, freshness and

packaging of the products plays a large role in consumer purchase decisions. Consumers are willing to pay more for environmentally friendly products, that promise high quality and environmental sustainability. Organic production and administration is mainly determined by the present market demand.

Sangkumchaliang and Huang (2012) indicated that the main reason consumers purchased organic products was the prospect of a healthier and ecologically friendly production method. Concluding, it was seen that consumers purchasing organic foods tended to be older, and have obtained a higher level of education. They have a strong fundamental knowledge of what they want from a brand, and know what to expect from a product.

Sangkumchaliang and Huang argued that the main areas of concern for consumers were both the authenticity and prices of organic goods. Market share growth would be the result of an increase in consumer awareness. Cultural differences also lead consumers to pursue different values when making purchasing decisions involving organic produce. There has been an increase in organic produce because of the various health and ecological issues that are linked with food production, but this growth has led to a demand for food free from chemicals and pesticides.

Consumers also purchase organic produce to support local or small farm holdings. The research conducted suggested that through an increase in buyer awareness regarding organic labelling, as well as consumers trust in these labels, the scope of natural produce could possibly lead to an increase in the organic market share (Sangkumchaliang and Huang, 2012). With the use of the 'Sensory Experiences and Expectations of organic food report', conducted is an analysis that will support our findings and help in achieving our research report goals. The research reports objectives were to (Stolz, Jahrl, Baumgart & Schneider, 2015): explore the range of expectations, experiences, and preferences for specific sensory properties of organic foods. By analysing the words used by consumers to differentiate the taste of organic products compared to that of conventional, whilst exploring the symbolic meanings and images that participants relate to. It has been found that consumer's sensory expectations and preferences directly relate to and affect their variability and standards.

The findings from their research report found that when comparing organic and conventional products, consumers felt that they did not have enough experience to make a comparison, they found sensory differences and mainly judge these positively. The study found that consumers' sensory perception of organic food and their perceived differences between organic and conventional food depends on their frequency of consumption. The research found that many consumers buy certain categories of foods always in organic quality, these were mainly fruits and vegetables. And that others often chose organic or conventional products ad hoc especially in supermarkets where they had access and availability to both. It was also found that values and images relating to sensory aspects were very diverse.

Stolz, Jahrl, Baumgart and Schneider's study in 2010 suggested that consumer's perceptions of sensory properties are affected by different influences. These influences were their eating habits and sensory adaption are long-term effects; while time, place and occasion are relevant when food is being prepared and consumed had a short-term influence. Furthermore, they found that the origins, production methods, plant variety, growing conditions, food packaging and recipes were influential factors that also directly linked to the perception, evaluation and expectation of an individual's sensory properties (Stolz, Jahrl, Baumgart and Schneider, 2010).

2.12 Conclusion

The study found that consumers lack the knowledge to make informed decisions and depend highly on the packaging elements to make their product choice. This indicates that brand labels as free-range and organic do affect consumer's perceptions and expectations of products. This study found that brand labels are an influential and differentiating factor, that could encourage consumers to buy one product over another.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter proposes the research design and methodology of this study; explaining and substantiating the reasons behind the selected research approach. According to John W Creswell, research is a process through which claims are created, later refined or abandoned for stronger claims that are considered to have more value (*Research Design*, 2014). Rajasekar, Philominathan and Chinnathambi (2013) discuss that research is an analytical and systemic search for new and useful information on a particular topic. The research methodology is a systemic way in which to solve a problem; a science of studying how research is to be carried out. The research methodology is the procedures that researchers follow, when conducting their work by describing, explaining and predicting facts. It can be defined as the study of methods by which knowledge and insights are gained (Rajasekar, Philominathan & Chinnathambi, 2013). The aim of a research methodology is to give a detailed plan for a research report. Research methodology is implemented to help justify and motivate the reasons for the research design used; as well as the tools, data analysis methods, populations and samples that the report will make use of in order to analyse the problem.

The processes taken in conducting this research report will be discussed in the following chapter. This chapter will contain definitions, explanations and components relevant to this study; providing readers with the knowledge needed to understand the relevant research procedures that were conducted for the study. An overview of the research methodology will be given to ensure the correct procedures are followed. The study is focused on a qualitative research approach.

3.2 Research Design

The research design is a planned structure of the methods that were used in obtaining the necessary information needed for the study. This provides an overall

framework for collecting the data, and outlines the detailed steps that the study will follow. The research design is used to ensure plans are organised and integrated to form a particular outcome (Strauss & Corbin, 1990). It is essential that the data collected is reliable and accurate.

3.2.1 Research Methods and Methodology

The research method used in this study is qualitative research, and this approach is implemented in order to describe life experiences, situations, behaviour, perspectives, feelings and experiences of individuals. This leads to focusing on the experiences from the studies participants' perspective. The reason for using this approach is to explore consumer's perceptions and expectations of 'organic' and 'free-range' produce through *Woolworth's* brand labels. Qualitative phenomenal research analysis is applied to connect and comprehend the minds of *Woolworth's* customers.

Qualitative research has many advantages and disadvantages. Qualitative research has the ability to explore topics in depth. This research method is a more affordable approach and is flexible in means of locations and timing. The disadvantages are that one cannot quantify how the audience will respond, and findings cannot be generalised to a broader audience of the general public. This study makes use of ethnographic analysis methods used in obtaining individuals opinions and observations. This helps support the research reports argument.

3.3. Population and Sampling

3.3.1 Population

This is a large group of individuals that are the main focus for a study. A research population consists of a collection of individuals that have common interests, characteristics or traits. Research populations are subdivided into smaller sample groups as researchers are unable to use an entire population due to time constraints and expenses. Researchers use various sampling techniques and depend highly on them to ensure the success of the study. A sample is used as a representative of the population, which allows researchers to initiate and build their study.

A sample is used as researchers aren't able to test their research on the entire population, and therefore focus on a smaller subset of a given population. This will be done to ensure the entire population is represented and that the conclusions drawn from this study are correctly supported. The targeted population of this study, that will represent the total population are male and female *Woolworths* shoppers whom purchase organic and free-range produce. These health conscious consumers have knowledge and information about this produce and will be able to take part in a discussion about the topic.

3.3.2 Research Sample

Sampling is a process where a researcher chooses their sample. A research sample is a simplified break down of the studies population. This is a process of selection and gathering individuals from an entire population, therefore by studying the sample researchers are able to moderately generalize their results to the desired population.

The sample consisted of 30 *Woolworths* shoppers both men and women whom purchase 'organic' and 'free-range' produce. Containing fifteen women and fifteen men, from different ethnic groups ranging between the ages of 21 to 49 years. The study will ensure the sample has no bias elements and rather obtains useable and reliable information. The reason the report focuses on *Woolworth's* shoppers is because they attract a higher LSM that has the money to purchase organic and free-range products.

These are health conscious and informed consumers that will pay more to ensure they are consuming the best available produce. *Woolworths* also sells organic and free-range produce that is priced higher than their conventional produce. The sample will target *Woolworth's* shoppers from the ages of 21 to 49 years old. By doing this we will be able to get *Woolworths* customers perceptions and expectations of their organic and free-range produce. The research report targeted 50% men and 50% women this was a total of 15 men and 15 women.

Men 50% - 15 People	Women 50% - 15 people
White Men – 5 1. 21-26 2. 27-31 3. 32-36 4. 37-41 5. 42-49	White Women – 5 1. 21-26 2. 27-31 3. 32-36 4. 37-41 5. 42-49
Black Men – 5 1. 21-26 2. 27-31 3. 32-36 4. 37-41 5. 42-49	Black Women – 5 1. 21-26 2. 27-31 3. 32-36 4. 37-41 5. 42-49
Coloured Men – 5 1. 21-26 2. 27-31 3. 32-36 4. 37-41 5. 42-49	Coloured Women - 5 1. 21-26 2. 27-31 3. 32-36 4. 37-41 5. 42-49

In total 15 women took part in the focus group, each age bracket contained three women each of a different ethnicity which helped the study gain a firm understanding of the study from a women's perspective. In total 15 men took part in the focus group, each age bracket contained three men each of a different ethnicity which helped the study gain a firm understanding of the study from a man's perspective. Thus ensuring the results obtained were equal, fair, valid and relevant.

3.4 Data Collection

This research study focuses on how brand's such as *Woolworth's* use their labels to influence purchasing power, as well as consumer's perceptions and expectations of 'organic' and 'free-range' produce. This is a controversial topic, however, through

analysing theorist's findings the study will be able to apply already obtained knowledge to the research conducted, helping to build a conclusion.

3.5 Research Tools

The tool used to ensure the success of the research report was focus groups. This type of tool will help understand the concept from the consumers' perspective. Focus groups can also help educate researchers at the same time, informing them about things they were not aware of themselves. Focus groups are an effective way to encourage respondents to start a discussion about the desired topic. This method is an effective way of getting individuals opinions and experiences, as respondents are all together and can build on each others answers which improves and nourishes the richness of the data.

Focus groups reduce one-sided bias opinions and viewpoints, creating an environment of interaction, which encourages discussions and conversations. Focus groups are good at exploring, generating hypotheses, finding and revealing dynamics and norms, brainstorming and assisting in developing questions. A disadvantage of focus group surveys is that it does not completely represent the opinion and experiences of the larger population. Focus group surveys were the best option and fit for this research report as it helped attain useful knowledge surrounding the topic.

3.6 Data Analysis

During the three focus groups individuals responses will be recorded and upon the completion of the research these responses will be analysed. This process is known as data analysis where responses are analysed, giving the research meaning and giving researchers the opportunity to gain insights around the themes. Analysing the collected data is a process of reviewing, cleaning, altering, and demonstrating of the data. The main goal is to discover new and useful information, recommending conclusions and supporting decision making. The focus groups created a participative atmosphere of communication about the topic and gave the useful and informative findings which were developed into insights.

3.7 Validity and Reliability

This research report is valid and reliable because it covered the following:

3.7.1 Validity

Validity is the measure of whether the results obtained meet the requirements of the research method and this must be done through randomisation of the sample groups, and the appropriate care and diligence must be shown on the allocation of controls. This was done by ensuring individuals were taken from different age groups and different ethnicity to ensure the results were valid and controlled. Validity is the extent in which a study's research findings, results and conclusions correspond to that of the real world.

The research report does what it says and it ensures that it does not destroy research that has been conducted. The study is valid as it is well founded, effective, accurate, produced the desired results and has a logical argument. If this study was conducted again by someone else, it would give consistent results and conclusions would be similar. My research covered face validity as the focus groups were viewed subjectively and covered the concept and its intentions to measure. The research was transparent and relevant to the test respondents. And the measurement worked well with the study and topic.

3.7.2 Reliability

Reliability is whether the results obtained are significant and repeatable. If the results are reliable they are able to be used again for analyses by other researchers. Reliability suggests that another researcher should be able to conduct the same experiment and generate the same results. The study is reliable and followed the correct measure to ensure the study's success.

The study has high reliability as it produced similar results under coherent conditions. The study was conducted professionally and used reliable sources, and used inter observer consistency as other observers have studied this research topic. These two methods were chosen as past studies had similar findings.

3.8 Summary

This chapter provides insights into the procedure taken in conducting this research report. This chapter focuses on the elements of a methodology and provides the steps that lead to the focus group results. The research methodology's results will be analysed and summarised in chapter four.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

The data in this research report was interpreted by the researcher and conducted in a professional manner. The report was analysed to ensure neutrality, integrity and no bias data was presented. The sample consisted of 15 women and 15 men whom shop at *Woolworths* South Africa varying between the ages of 21 to 49 years, and included individuals from different race groups. The data in this research study was obtained through three focus groups, where the same questions were asked in a controlled environment. Written notes were taken during the focus groups to record all the necessary data and information. The respondents involved themselves willingly and made the process easy and simple. This chapter mainly focuses on the findings of this research study and will be presented as insights. Through a focus group we were able to obtain key insights about organic and free range products and what consumers expectations and perceptions are when it comes to this produce.

4.2 Focus Groups

A focus group was conducted in order to create a more intimate environment where people had the opportunity to share their thoughts about the topic. Listening to others in a group setting can often help spark new ideas, creating an open platform where those in the group feel comfortable in sharing and obtaining thoughts and information. The study chose focus groups as they encourage individuals to speak openly and discuss the topic and allows participants to expand on their answers, share and gain knowledge and understanding.

4.2.1 Question 1:

Do you purchase organic and free range produce? If so, apart from Woolworths, where do you purchase your produce?

Respondents were able to say more than one but their main choices were *Woolworths*, specialised markets and lastly *Wellness Warehouse*. Respondents have all frequently purchased organic and free-range produce and discussed, how it is hard to buy organic and free-range produce often as one needs to be aware of where to buy it and when it is on sale. Respondents discussed a need for a way to find out where to buy this produce from one place, examples as websites, blogs, in stores or social media platforms that update individuals around organic and free-range produce in South Africa.

4.2.2 Question 2:

When purchasing organic and free range produce what food category is it in?

Respondents mentioned all the categories as fruit, vegetables, meats and dairy produce. The main item's respondents bought that are organic were fruit, vegetables and dairy products as milk if the product was in stock. The main products they buy and consume that are free-range were eggs and meats. Male respondents discussed that there wasn't a need to always purchase organic fruits and vegetables, if the organic choices were available they chose to purchase it but if not they will settle for non organic if they need the product.

The following three figure depicts the main areas that respondents purchased organic and free-range foods in. Figure one is the categories in which the respondents purchased organic and free-range produce. Figure two depicts the products that respondents tend to buy that are organic. Figure three depicts the products that respondents tend to buy that are free-range.

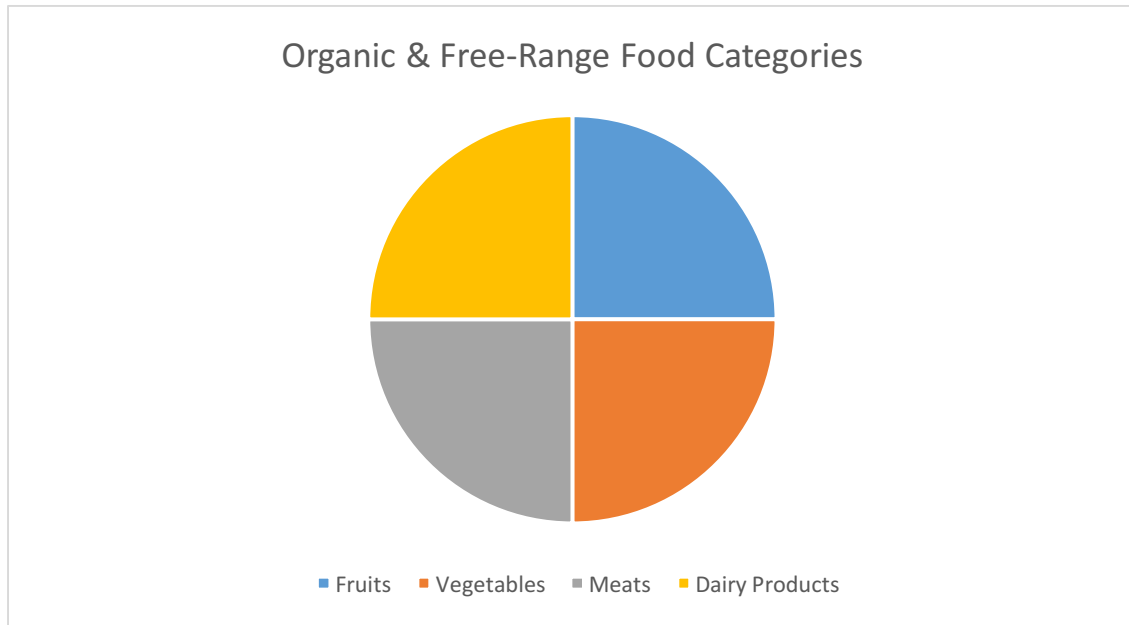


Figure 4.1: The categories that respondents purchased their organic and free-range produce in.

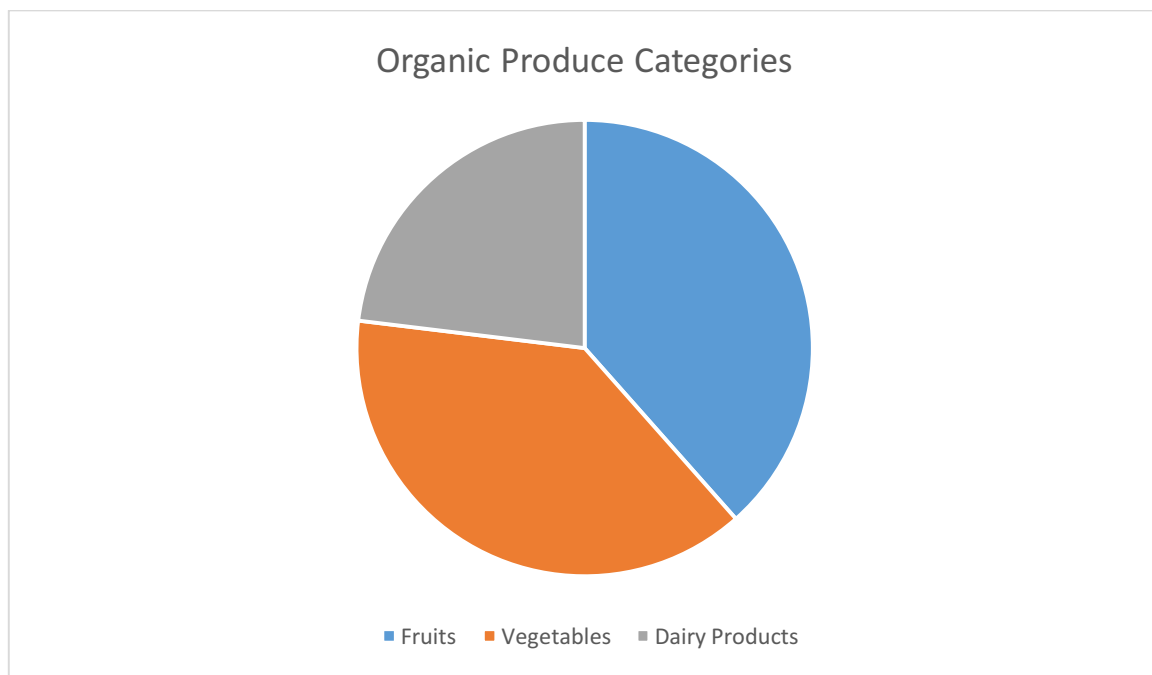


Figure 4.2: The categories that respondents purchased their organic produce in.

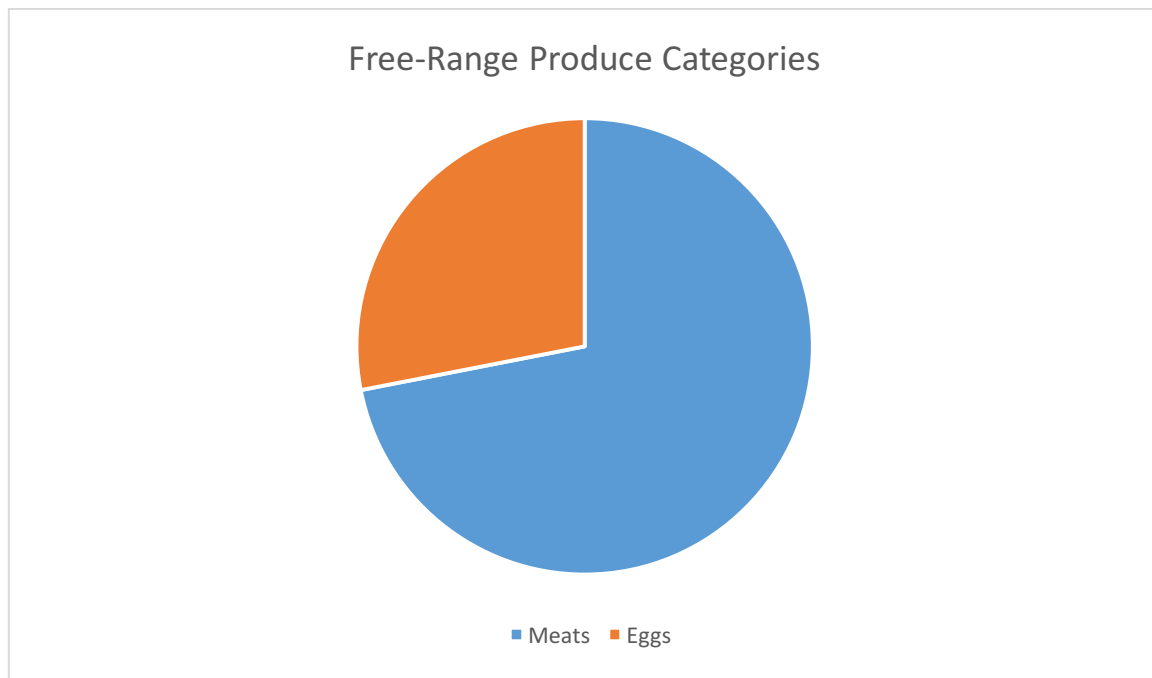


Figure 4.3: The categories that respondents purchased their free-range produce in.

4.2.3 Question 3: *Why do you purchase organic and free range foods?*

When asked why respondents purchase organic and free-range foods the study found that similar answers occurred. Respondents whom were older and had kids seemed to have more knowledge around organic and free-range produce.

A few reoccurring answers from respondents were:

Respondents purchase organic food because it's the healthier option for themselves and the environment. Respondents perceived organic food to have more nutritional value, and a general better quality of produce. It was found that organic foods taste better, and are consumed for health reasons as cancer, crohn's diseases and other diseases that affect individual's health. They acknowledged and questioned the price difference between conventional and organic produce. Respondents believe organic produce does not contain harmful pesticides and herbicides, leading them to purchase organic produce in order to avoid these chemicals. The avoidance of non-organic food is the result of consumers not knowing the potential harmful side effects of consuming these products which are exposed to such chemicals. Respondents are health conscious when it comes to eating the right foods and believe that a

chemical that is designed to kill insects will be bad for humans as well. They believed that the quality of food is better and that the food lasts longer.

Respondents purchase free-range because they believe that the animals are treated humanely, raised correctly and cared for, and that the animals are exposed to less cruelty through the process of free-range farming. They hoped that the produce were locally sourced and ethical measures were taken in the production process. They suggested that free-range animals are not exposed to a horrible life in cages with no access to outdoor facilities. Respondents purchase free-range products because there is not a significant price difference and felt they couldn't resign themselves to eating animals or produce from animals, that had been treated unethically as non free-range farms treat their animals. Individuals try not support industries that keep their animals locked up or hooked up to machines, they push their animals to their maximum limit to ensure the animals produce the sufficient amount of eggs or milk and then get sent off to be slaughtered.

Respondents choose to buy organic and free-range produce because they want to support farmers/suppliers as they take risks to produce these healthier alternatives. Respondents were found to purchase organic and free-range produce for moral reasons and to promote a sustainable future.

4.2.4 Question 4:

What are your perceptions and expectations of organic produce?

Respondents perceived organic foods to be:

Individuals perceived organic foods to be cleaner, tastier and healthier than non organic foods. They acknowledged that they are free from pesticides, chemicals and that they are not a GMO crop. Organic foods are perceived as being expensive and costly compared to conventional foods. Respondents had the perception that organic foods are bigger and more flavoursome than mass produced foods, and that the produce is in its most natural state or form with no man made interference. Respondents' perceptions are that organic foods have less impact on the environment.

Respondents expectations of organic foods were:

Individuals expected that organic produce is produced in a healthy and safe environment free from or with the use of fewer chemicals, hormones or poisonous insecticides. Expectations are that the produce is fresher and better for your body overall, toxin free, naturally grown, straight from the farm to the store, fresh produce and no added preservatives. Expectations that the foods are produce with natural flaws, but are tastier than GMO and chemical pumped food. Respondents main expectations are that the produce is really organic as stated.

4.2.5 Question 5:

What are your perceptions and expectations of free-range produce?

Respondents perceived free-range foods to be:

Free-range produce was said to be more expensive but not by much, the animals are given the opportunity to roam freely, eat what they want and are not injected with harmful hormones or chemicals. The animals have not been exposed to any growth process, have a better living standard than animals in non free-range systems as they are allowed to live like animals and are not caged. Respondents perceptions were that eggs and meats that are free-range last longer and overall is a healthier and safer food option for consumers. That less cruelty is taken place and which leads to less guilt when consuming the produce.

Respondents expectations of free-range foods were:

Respondents expectations of free-range produce is to be good quality, better tasting and better animal welfare and that the animals have a normal life and have not been pumped full of hormones to enhance growth and their size. The animals are healthier and not abused and therefore their produce will be tastier. Animals are not housed and are ethically and humanely treated, and are not grain fed. Free-range produce must meet respondent's expectations and expected requirements before the product is put on the shelf. Many respondents were skeptical about the labels as they don't know weather to believe if the produce is free-range or not.

Respondents stated that they expected free-range produce to actually be what brands say it is. "You are what you eat."

4.2.6 Question 6:

When shopping do you choose products that are labelled organic and free-range to ensure you are choosing the healthier option?

Yes	15
No	8
Sometimes	7

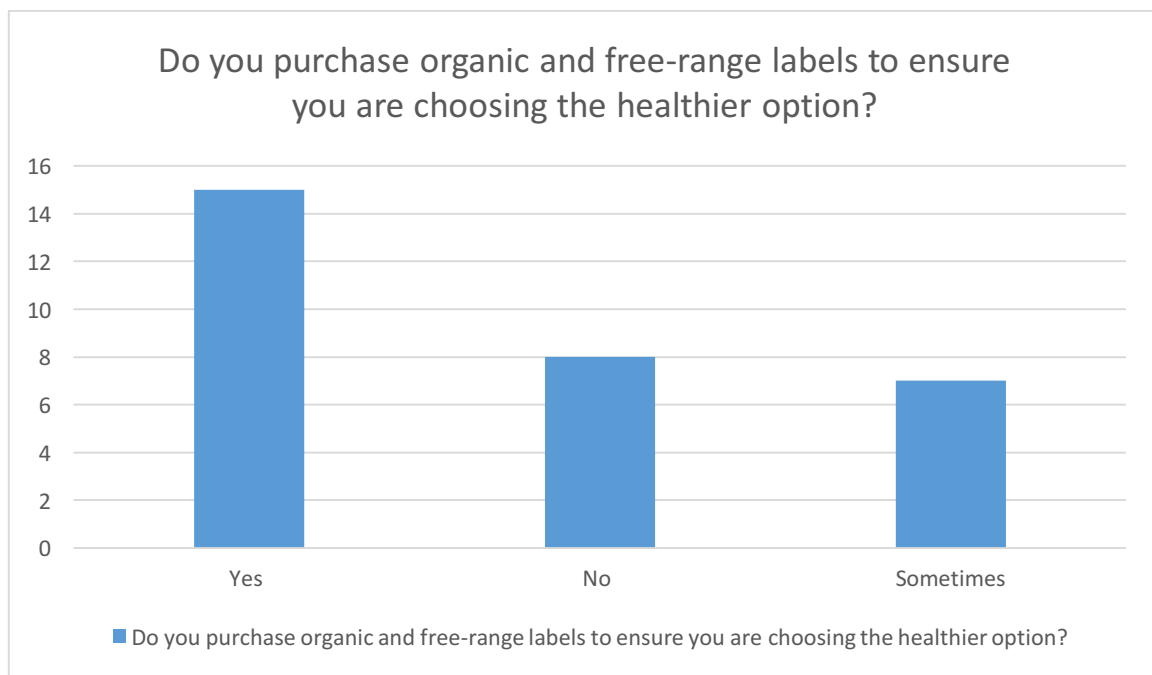


Figure 4.4: Depicts how the sample group choose organic and free-range labels to ensure they were consuming the healthier option.

Respondents stated that their first option would be to buy organic and free-range produce from *Woolworths*, specialised markets or growing their own but otherwise they mainly try to consume the healthier option. They also stated a huge factor is because of sustainability, the environment and being ethical. Respondents suggested that labels do play a role in their purchasing behaviour as they want to ensure they get quality for their money. Labels are also able to give consumers and individuals insights and knowledge about the product they are buying.

4.2.7 Question 7:

Do labels on products in stores as Woolworths affect your perception and expectations of the produce you purchase?

Yes	24
No	8

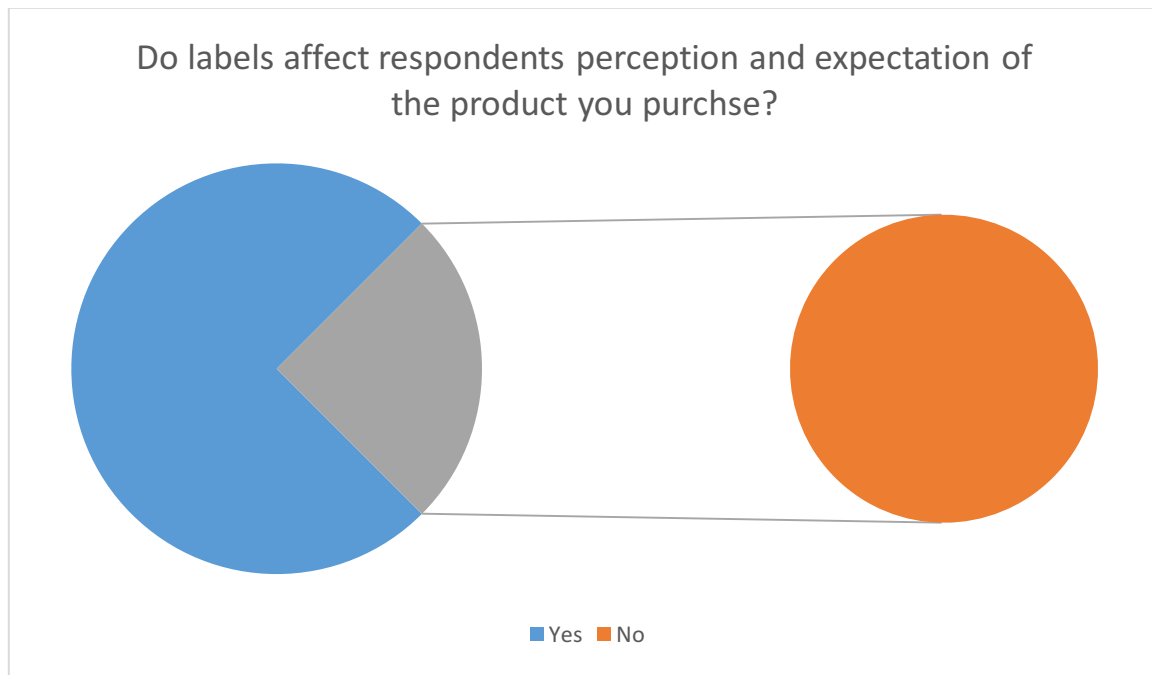


Figure 4.5: Depicts how labels affect respondent's perceptions and expectations of the products they purchase.

Respondents expressed that product labels have a huge influence on individual's expectation and perceptions of the products and that they expect what is promised on those labels. Labels on product packaging is a way for individuals to differentiate one product from another and choose one that best suits them.

4.2.8 Question 8:

Do you trust in brands labels and think they are honest and take their consumers into consideration?

Yes	19
No	11
	30

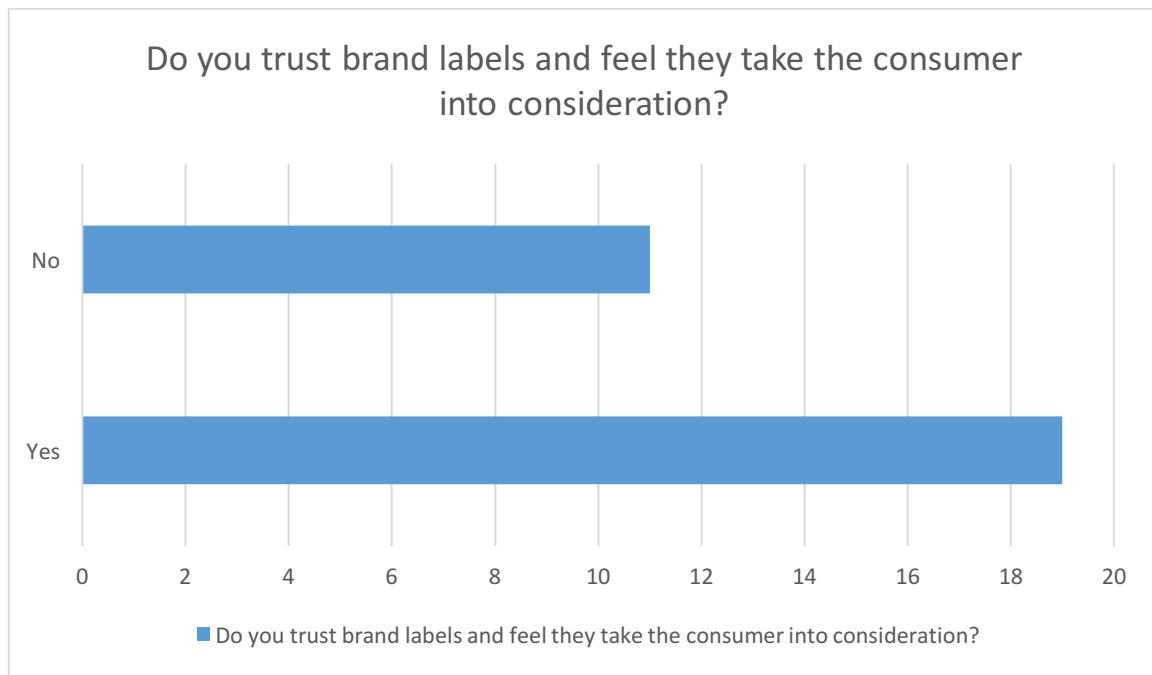


Figure 4.6: Depicts how respondents trust brand label and if they feel they take the consumer into consideration.

There was a huge disconnect with this question with regards to the respondents as many felt that brands did, whilst some disagreed and others simply couldn't make up their minds. The respondents discussed that their trust in labels depends on the shop and brand, some argued that they only trusted *Woolworths* labels and others agreed that they probably do cut corners when it comes to their labels. Respondents argued that brands as *Woolworths* should be more transparent with their customer to discourage doubts.

4.2.9 Question 9:

How would you feel if you found out that these labels are actually used to promote consumption of products and are not really 'organic' and 'free-range'?

Respondents answered stating they wouldn't be surprised considering that we live in a consumer driven, demand driven society but they expressed they would feel cheated, confused, lied too, upset, angry and disappointed. Many of the respondents stated if they found out this was so, they would more than likely stop purchasing those particular items and get them from somewhere else. Respondents discussed how that is false advertising and would feel as though they were being manipulated and taken advantage of, and not receiving what they paid for. Respondents stated that they wouldn't be surprised and this shows their lack of faith in brands and labels.

4.2.10 Question 10:

What brands do you think use labels, packaging and specific word choice to their advantage?

Respondents responded with 60% saying that large organisation as *Woolworths, Checkers, Spar* and *Pick n Pay* who are leaders within the industry and have the financials to employee teams that are highly skilled and able to use their knowledge to their power. Powerful brands have the opportunity to mislead their customers through false advertising as they have a loyal customer base and trust what the brands offers.

4.2.11 Question 11:

What would you want on your product packaging that guaranteed that the produce you are purchasing is indeed organic and free-range as stated on their labels?

Respondents suggested some sort of label or star on the product that has been put there by a certified company that will check that the food is in fact grown and produced organically. They also suggested a website that had *YouTube* videos of the factories and production line or through quality assurance through third party standard assessment. They suggested that all sellers of organic and free-range produce should be registered under a food association and have regular health and

safety audits on the farms. The respondents also suggested a proudly South African stamp or label that goes on the products that are produced locally. They also suggested consumers have more access to information as a detailed explanation of the treatment which animals are dealt. Respondents discussed how they actually want to know more as they do not know much about organic and free-range foods and with access to more information they will be able to make informed decisions.

4.2.12 Question 12:

Do you know why organic and free range produce prices differ from that of conventional produce?

Respondents stated that the costs are higher when farming organic produce as they are not able to use pesticides or hormones to grow their foods so it takes longer. The produce also has a shorter life span compared to non organic and GMO foods. This also means that there is less readily available. Respondents believe that conventional produce is made with mass production techniques and money in mind; where as organic and free-range produce take both the producer and consumer into consideration. Respondents perceive that brands can sometimes take advantage of organic and free-range product labelling as it boosts the in store product price, brands are aware that consumers are willing to pay more for a healthier option.

4.3 Summary

This chapter primarily focuses on the data analysis of the composed data for the research study. With the implementation of focus groups we were able to gain core insights, what this study found is consumers are unable to make informed decisions due to lack of education and awareness of organic and free-range produce.

Respondents suggested that they wanted to know more about organic and free-range produce, as where the food comes from and how they are produced. The clear conclusion is that an organisation needs to be formed or a body to protect consumers and ensure they are getting organic and free-range produce when they paying for it. This organisation needs to work along side already established organisation and standards to ensure its success.

CHAPTER FIVE

RESULTS AND CONCLUDING REMARKS

5.1 Introduction

The final chapter of this study is a recording of the research thinking, decisions, logic and process. This will conclude and provide results for the studies research question: do organic and free-range brand labels affect consumer's perceptions and expectations of a product? The study will explain the arguments, evidence and reasons that led to the arrival of the conclusion. This chapter will be devoted to the relevant study and will examine the possible recommendations and concluding remarks.

5.2 Recommendations

The study will analyse the literature review and research conducted, demonstrating that consumers have a lack of knowledge and information when it comes to organic and free-range produce. With consumers having a lack of knowledge they are unable to make informed decisions when it comes to their purchases. Brand language, labels and packaging play an influential role in this, and are key marketing tools for organisations. These elements influence consumer's perceptions and expectations of a product, encourages the purchase, and once the product has been used or consumed it supports a repeat purchase. Brand labels inform consumers about the item and give them the knowledge to make an informed decision when it comes to picking between these products.

The study recommends that brands whom stock and sell organic and free range-produce convey a greater sense of transparency, giving their consumers access to where the produce comes from. This study recommends that brands selling organic and free-range produce use a nationally certified organic and free-range logo to ensure consumers are getting what they pay for. Through the implementation of a national certification, this will ensure that all products labelled as organic and free-range meet a set of standards and regulations. Another recommendation is that brands who sell organic and free-range produce give consumers access to where

the produce is sourced from, how it is grown or harvested, and if any chemicals and pesticides have been used in the production process.

Brand labels, language and packaging contribute substantially to influencing consumer purchasing behaviour. Consumers depend on packaging to make a final decision when purchasing a product. Consumer purchasing power is key for a business and organisations success. A product needs to be attractive and address individuals needs and wants to ensure a purchase is made. Different elements on product packaging influence and set brands apart from their competitors.

The study recommends that brands encourage consumers to make informed purchasing decisions by being transparent, encouraging consumers to use their purchasing power to make ethical and sustainable choices. Brands must ensure that they take their consumer into consideration when it comes to branding their product packaging and labelling. Brands as *Woolworths* need to be transparent and explain exactly what their labels, logos and accomplishments mean, helping to ensure that their consumers are making knowledge driven choices.

Consumers perceptions and expectations of organic and free-range produce is higher than that of conventional foods, as this produce is more expensive and harder to find. The study recommends that brands meet their consumer's perceptions and expectations by giving them what is promised. If consumer's perceptions and expectations are met this will encourage a repeat purchase by individuals. Consumers perceptions and expectations of a brand are key to a brands success.

5.3 Remarks

This study found that consumers desire more knowledge about organic and free-range produce, and it is suggested that this is done through the implementation of an interactive hub of communication and information. A website where consumers can access everything they need to know about organic and free-range foods nationally. It is easy for an organisation to brand a product, but it is becoming increasingly hard for consumers to trust the labels on these products. The aim of this study is to help consumers gain the information to make proactive and educated decisions. The

website should contain details about where the organic and free-range produce is sourced from, the farms location, and an interview with the farmers. The website will discuss and reveal the risks and rewards of organic farming systems. The system will help track where the products come from and reveal how the animals are housed or how the fruit and vegetables are grown and harvested. Farmers will be able to upload updates on how their seasons are going and share information, visuals and videos of their farms. Consumers will be able to interact and communicate with farmers, giving these farmers the recognition they deserve and consumers access to information to ensure they make informed decisions.

The website will give consumer access to details about organic and free-range markets, projects and celebrations. A blog where all latest press releases will be posted daily about the industry. A list of the organic and free-range foods associations partnerships that they have formed to make the organisation a success. A list of certified brands which include certified organic and free-range producers. The website is called the “organic and free-range foods association south Africa “and will consists of different tabs that will help consumers get all their information from one set location. Thus establishing an interactive hub of communication about organic and free-range produce. To ensure the information is easily accessible for all consumers, the implementation of a QR code will help purchasers access the website through their phones.

Through the implementation of certified organic and free-range logos, a brand will be able to ensure its consumers that they are getting what is suggested on the brand label. The certifications will be Measured against a set of standards and regulations, ensuring that these labeled products are what they indicate. Farms will have sight inspections yearly to ensure they meet the required standards. These farmers will pay a fee each year to ensure their farms obtain their organic and free-range certification. Brands such as *Woolworths* will need to ensure that they get there organic and free-range produce from these certified farmers. This system ensures that consumers are not taken advantage of or mislead about products labelled as organic and free-range. Incentives as this will ensure consumers receive what they paid for, while also supporting local farmers. This study found that consumers depend highly on brand labels, but at the same time do not trust them fully, and this

is a concerning factor as there seems to be a disconnect between brand labels and consumers.

5.4 Conclusions

This study found that organic and free-range brand labels do affect consumer's perceptions and expectations of a product. Brands need to ensure that their labels are consistent, effective and efficient. A products packaging needs to portray what the product is, and should not be mislabeled to create a greater appeal to the target audience. Brands need to be transparent and explain what their labels, logos and accomplishments mean, helping to ensure that their consumers are making knowledge driven choices. This report discovered findings that will contribute to this field of study.

CHAPTER SIX

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Appendices A

Activation

Introduction

This research report focuses on the ways in which brand labels help establish and build a brand. The element that is under scrutiny is consumer awareness around *Woolworths* 'organic' and 'free-range' labeled produce. *Woolworths* consumers have specific expectations about the produce they purchase, and it is through their brand labels that these perceptions are formed.

Green washing is a well-known practice that is used by large corporate brands such as *Woolworths* to ensure that consumers purchase their products. South African consumers are becoming increasingly aware of these labels as in the past there have been findings of false brand labeling. Green washing discouraged consumers as they felt that they were being deceived by these brands. Every year there are new trends that emerge, forcing brands to change with their consumers needs and wants, in 2014 this was the 'banting – low carb and high fats' eating trend.

This trend encouraged consumers to move from low fat produce to full cream, increasing consumer's desire for organic and free-range products. As consumers are becoming more conscious about their health they are making more ethical decisions, not only are they taking the environment into consideration but also the products they consume.

Consumers are willing to pay more to consume healthier, better quality, chemical and pesticide free products. Brands such as *Woolworths* have advertising and brand labels that suggest to consumers that they are receiving what is promised. Therefore brand labels and packaging play a fundamental role in brand building, and an integral part in consumer purchasing decisions.

This research report aims to achieve consumer awareness around brand labels and packaging that is used to encourage a purchase intention. This report aims to determine that through *Woolworths* packaging, branding and labels consumers are

under the impression that they are paying more for healthier produce and that they are consuming what is promised to them on the packaging. Through research it has been found that consumers have a lack of education and awareness about organic and free-range produce and there is a need to give consumers access to the knowledge to help them understand and make an informed opinion.

Problem statement

The purpose of this research study, is to investigate how brand labels can affect and change consumer's perceptions and expectations surrounding 'organic' and 'free-range' produce, versus the truth.

Research question

Do labels as organic and free-range influence consumers to purchase the products?
And are these labels what they say?

Core Insights

Core insights that were gained from the literature review and research conducted, our findings suggested that:

- Consumers are aware of organic and free-range produce, but there is a lack of understanding and knowledge surrounding these terms. Consumers are not fully informed and aware of what organic produce should *visually look like when compared to conventional produce*.
- Consumers stated that they would think organic produce tastes better than conventional products.
- Consumers are aware that organic produce is more expensive but do not know why, they should be aware of the risk that organic farmers take to ensure they have access to this produce.
- Consumers do not have broad knowledge about free-range produce and assume that these animals have had a normal life; this is often incorrect. Brand labels stating that the product is 'free-range' does not necessarily mean it is. There are narrow guidelines for 'free-range' labels, and this can be a grey area in terms of the law.

- Consumers acknowledged how “branding is very important and it has an affect on what I buy”. Brand labels play a significant role in changing peoples perceptions of products.
- Consumers expressed how they would feel betrayed, cheated, upset, angry, and annoyed if they found out that *Woolworths* used specific brand labels as ‘organic’ and ‘free-range’ to ensure their customers purchased their produce.
- *Woolworths* customers believe that they are provided what is promised to them by brand labels on their products. *Woolworths* shoppers pay more for fresh produce, and would feel betrayed if these brand labels were hiding the products true identity.

Overall this research report found that consumers have a lack of awareness and knowledge around ‘organic’ and ‘free-range’ produce and struggle to make an informed opinion due to this. *Woolworths* needs to be transparent and explain exactly what their labels, logos and accomplishments mean, helping to ensure that their consumers are making knowledge driven purchases.

As quoted by Francis Bacon

“Knowledge is power” (The Jefferson Monticello, 2015).

This research report obtained its core insights through the use of focus groups with the intended research sample. The focus group helped the study obtain insights that the report never expected to. The focus group was able to provide the study with consumer’s opinions, experiences and feelings about organic and free-range produce.

Message

This research report will be an awareness initiative for consumers and brands. It is important for *Woolworths* as a brand to communicate a clear and concise message to their customers. The message is to ensure that consumers are able to gain knowledge about their products, and that they are not mislead by brand labels and packaging. This research report requires consumers to be aware and proactive about organic and free-range produce.

Audience

Brand labels and packaging need to be produced in an ethical manner by taking their customers into consideration, as it is *Woolworth's* consumers that build their brand. This thesis is primarily geared towards health conscious consumers and secondly organisations and brands as *Woolworths*. This research report will indicate to brands that consumers want to gain knowledge about the products they buy and consume.

Concept & Rationale

There is a need for brands as *Woolworths* to create awareness and show they care about their consumers. Transparency is essential, and leads to increased brand loyalty, awareness and knowledge. Through research this report was able to find that consumers want more information about their produce and products in means of explanations into what certain logos and labels mean, where the commodities come from, how they are grown and looked after and what the animals are fed. By *Woolworths* being transparent they are able to show their consumers that they have nothing to hide. Consumers want easily accessible, informative and detailed information about these 'organic' and 'free-range' products as they spend more to consume them.

Creative concept

The concept of "hide and seek" refers to the game that brands play with their consumers, suggesting that consumers have to seek and search for the truth about their products. Brands as *Woolworths* hide specific information from their consumers to ensure that it doesn't affect their perception and expectations of their purchased produce. By hiding certain information this ensures that *Woolworths* produce will be purchased by consumers. And if consumers seek and look they will be able to find out the reality about the brands products.

Consumer through brand labels and packaging are able to create perceptions and expectations about organic and free-range produce. Consumers are unable to make informed decisions and opinions on limited knowledge and understanding. The concept symbolizes the importance of consumers searching for information to ensure that they are making informed opinions and options as companies as *Woolworths* are not transparent about everything they do and the products they sell.

Hide and seek therefore plays an important role in brand building, as by hiding information it is easier for brands to succeed rather than being fully transparent. Hide and seek is a game about finding.

Execution

The execution will be executed in two phases: firstly it focuses on *Woolworths* packaging, enforcing that all brands that stock and sell 'organic' and 'free-range' produce have the certified organic and free range logos and labels on their products. The following logos will represent and show consumers that the product is organic and free range:



Organic and free-range products will therefore be:

- Measured against a set of standards and regulations, ensuring that these labeled products are what they indicate.
- The farms will be visited and have sight inspections yearly to ensure they meet these standards.
- Farmers will pay a fee each year to ensure their farms obtain their organic and free-range certification. And also that they can sell their produce as organic and free range.
- Brands as *Woolworths* will need to ensure that they get their organic and free range produce from these qualified and certified farmers.

This is one way to ensure that consumers are buying products that are organic and free range. The second phase of the execution will be the implementation of QR codes on all of *Woolworths* organic and free-range products.



These QR Codes can be scanned by consumers with their phones, directing them to a website with:

- Details about where the organic and free range produce came from.
- The farms locations and an interview with the farmers themselves.
- The website will discuss and reveal the risks and rewards of organic farming systems.
- The system will help track where the products come from and reveal how the animals are housed or how the fruit and vegetables are grown and harvested.
- Farmer will be able to upload updates on how their seasons are going and share information, visuals and videos of their farms.
- Consumers will be able to interact and communicate with farmers and create and open discussions.

What this will mean is that the farms where these products come from will be able to create awareness around their farming methods, as well as their animal lifestyle and housing facilities. *Woolworths* can also play these various interviews in store and

can create awareness through various in store initiatives. This initiative will not only benefit the farmers, but it will also build *Woolworths* customers confidence in the brand. The idea of this activation is to encourage brands to share information about their suppliers and be transparent. The idea behind having one set logo to physically represent organic and free-range foods, is to ensure that consumers are able to distinguish between these foods and conventional foods. It is easy for an organisation to brand a product, but it is becoming increasingly hard for consumers to trust labels on these products. The aim of this execution is to help consumers gain the information to make proactive and educated decisions.

Summary

The core insights will develop and be complete as the research study is completed. This activation and research report is an awareness initiative for consumers and brands. The message is creating awareness and supplying consumers with the knowledge they need to make ethical product choices.

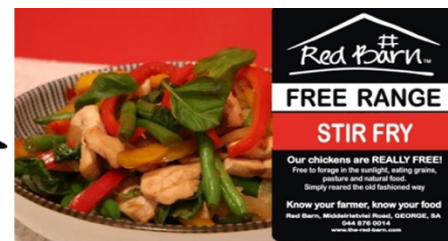
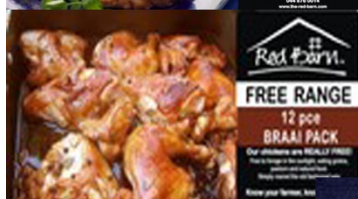
The concept “hide and seek” is the game that is played by brands. Organizations hide information about their products and customers need to search to find the correct information. Consumers often give up because they get lost in a plethora of information and are not able to find what they were looking for. The execution represents the message of this study and addresses our main concerns of lack of knowledge and awareness around a brands product labels and packaging. This execution will help consumers become knowledgeable about the products they are purchasing and consuming. Through these initiatives consumers will know if they are consuming organic and free-range produce, leaving no uncertainties. The concept "hide and seek" is also consistent across the executions as it is communicating the importance of giving consumer access to knowledge and information that will lead *Woolworths* to achieve greater brand success.

Mood boards



Figure 2: (Woolworths Online Shopping Store, 2015)

Figure 3: (Farmer Angus Pasture Reared foods, 2015) & (Red Barn Free Range Chickens, 2015)



Appendices B

Revised Focus Group Questions

1. Do you purchase organic and free range produce? If so where?
2. When purchasing organic and free range produce what food category is it in:
3. Why do you purchase organic and free range foods?
4. What are your perceptions and expectations of organic produce?
5. What are your perceptions and expectations of free-range produce?
6. When shopping do you choose products that are labelled organic and free-range to ensure you are choosing the healthier option?
7. Do labels on products in stores as Woolworths affect your perception and expectations of the produce you purchase?
8. Do you trust in brands labels and think they are honest and take their consumers into consideration?
9. How would you feel if you found out that these labels are actually used to promote consumption of products and are not really 'organic' and 'free range'?
10. What brands do you think use labels, packaging and specific word choice to their advantage?
11. What would you want on your product packaging that guaranteed that the produce you are purchasing is indeed organic and free-range as stated on their labels?
12. Do you know why organic and free range produce prices differ from that of convectional produce?