

Title:

A qualitative investigation into millennial consumers' willingness to pay higher prices for organically farmed products in Cape Town.

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I hereby declare that the Research Report submitted for the Bachelor of Commerce Honours in Management degree to The Independent Institute of Education is my own work and has not previously been submitted to another University or Higher Education Institution for degree purposes.

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Abstract.

An emergent concern for healthy food and sustainable agricultural production has resulted in increased attention towards organic food, and sustainable developments have to an extent contributed to organic premium prices subsequently, as organic food becomes more mainstream there is a rising demand for academic research on consumer habits and attitudes towards the same.

Grounded on the Theory of Planned Behaviour (TPB) this study reviews and discusses why Millennial consumers in South Africa, Cape Town are willing to pay for goods that have been organically farmed even though they are susceptible to premium pricing which was explored through an interpretive investigation.

Data was collected and generated using convenience sampling through semi-structured interviews with three participants who varied in terms of purchasing habits, race and age. The gathered data was then qualitatively evaluated through Thematic analysis.

The seminal findings of this of the study indicated that health-conscious consumers display an increasing preference for organic food over conventionally grown food which is significantly influenced by factors such as; perceived quality, well-being and the rising incidence of diseases like cancer and diabetes. According to the study consumer perceptions, attitude and subjective norm greatly impact consumer's intention to purchase organic food thus providing meaningful insights into contemporary researches of consumer behaviour towards organic food in South Africa.

Table of Contents

CHAPTER 1: INTRODUCTION.....	1
CONTEXTUALISATION	1
RATIONALE	3
PROBLEM STATEMENT	4
PURPOSE STATEMENT	5
RESEARCH QUESTION	5
RESEARCH OBJECTIVES	5
CHAPTER 2: THEORETICAL FOUNDATION	6
CHAPTER 3: LITERATURE REVIEW	9
CONCEPTUALISATION.....	14
RESEARCH PARADIGM	17
RESEARCH DESIGN	19
POPULATION.....	19
SAMPLING.....	20
DATA COLLECTION METHOD(S)	22
DATA ANALYSIS METHOD(S).....	24
VALIDITY AND TRUSTWORTHINESS	27
CHAPTER 5: FINDINGS AND INTERPRETATION OF FINDINGS	29
PARTICIPANTS DESCRIPTION	29
PRESENTATION AND INTERPRETATION OF FINDINGS	29
ANALYSIS AND DISCUSSION OF THEMES	29
<i>Theme 1: Attitude.....</i>	<i>29</i>
<i>Theme 2: Subjective norms</i>	<i>32</i>
<i>Theme 3: Perceived behavioural control (PBC).</i>	<i>34</i>
CHAPTER 6: CONCLUSION	37
RESEARCH QUESTION, PROBLEM AND OBJECTIVES ADDRESSED	37
CHAPTER 7: ETHICAL CONSIDERATIONS, LIMITATIONS AND HEURISTIC VALUE.....	42
ETHICAL CONSIDERATIONS	42
LIMITATIONS	43
RECOMMENDATIONS FOR FUTURE PRACTICES	45
ANTICIPATED CONTRIBUTION	46
REFERENCE LIST	47
APPENDIXES	62
APPENDIX 1: EXPLANATORY INFORMATION.....	62
APPENDIX 2: CONSENT FORM FOR PARTICIPANTS.....	65
APPENDIX 3: SEMI-STRUCTURED INTERVIEW GUIDE.....	66
APPENDIX 4: CONSENT FORM FOR AUDIO/VIDEO RECORDING	69
APPENDIX 5: ETHICS CLEARANCE LETTER	70
APPENDIX 6: FINAL RESEARCH REPORT SUMMARY DOCUMENT TABLE	71
.....	71

Chapter 1: Introduction

Contextualisation

In the recent years, the food industry has also taken the necessary steps to become more sustainable and has vowed to ensure food safety through organic agriculture, and as a result, the organic food sector has grown exponentially over the years not only internationally but locally too. According to the United States Department of Agriculture (USDA) Foreign Agricultural Service (2020), the South African organic foods market is steadily growing as evidenced by the increase in certified farms from 35 in 1999 to 250 in 2018 which includes the growth in the range of organic products offered by retailers, food markets and speciality shops.

The commercial world has remodelled its ways of service delivery and production to be more sustainable and meet the consumers' demands specifically in the organic food sector. Mckay (2016) argues that the agriculture and food industry has undergone many changes over the past several decades as consumers continue to demand increased transparency and sustainability from the food systems, consequently, there has been a rise in organic food consumption amongst consumers, therefore, it's imperative to know if these changes related to production have been noteworthy from the consumers perspective.

The principal difference between organic food products and conventional products is that they are produced without synthetic chemicals, herbicides, pesticides, and fertilisers (Mckay, 2016) and according to the updated draft policy from the Department of Agriculture, Forestry and Fisheries traditional agricultural methods from Africa have to a great extent inspired today's modern organic agriculture, hence 28% of the world's organic producers are in fact from Africa (see Fig1).

Distribution of organic producers by region 2018

Source: FiBL survey 2020

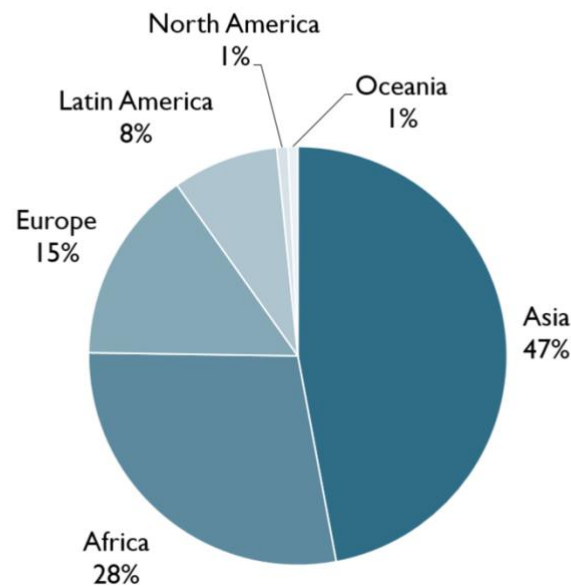


Figure 1: Distribution of organic producers by region, 2018, Research Institute of Organic Agriculture FiBL.

Consumers may opt for organic produce because they perceive the risk reduction to be much larger than opting for non-organic produce (Hammit, 1993: 352), normally consumers have access to organic food through three main venues either conventional grocery stores, natural food stores or direct-to-consumer markets such as farmer's markets (Dimitri & Greene, 2014, cited in McKay, 2016) and in South Africa formal certified organic farming is still relatively small.

Commonly organic products cost more than non-organic versions in most markets (Akkaya, Bimpikis & Lee, 2017: 3) and as per the updated draft policy of the Department of Agriculture, Forestry and Fisheries, as a rule, accreditation and certification in organic farming are driven by international standards, therefore, farmers are subject to very high and unaffordable certification costs furthermore because certified organic products are perceived as a niche market they are susceptible to premium prices (PP).

Organic price premium (OPP) is the difference between the organic price and the non-organic price when all other product characteristics and factors (i.e. the type of store where purchased and geographic location) are the same (The Hartman Group Inc, 2010) and so this study aims to find out if consumers of the Millennial cohort (between the ages of 22 and 28 years) are willing to pay higher prices for goods that have been organically farmed in the interest of being sustainable and based on the findings a conclusion will be reached on whether or not sustainability investments in organic farming are worthwhile.

Rationale

The agricultural sector is undoubtedly the largest industry in the world, it contributes to 3.9% of global gross domestic product (Akkaya et al., 2017: 1) hence it is safe to presume that one of the largest industries in the world is the one to pioneer sustainable developments, but according to Pawlewicz (2020: 1) OPP oftentimes decrease the affordability of organic foods, the price of organically farmed produce can exceed those of conventionally produced food by as much as 5-30% for milk/dairy products and 2-82% for eggs.

Akkaya et al. (2017: 1) postulate that for us to protect the world's natural resources, ease climate change and meet the increasing global demand for food in a sustainable manner there needs to be a shift from conventional and chemical-dependent production systems to more sustainable, regenerative production methods and recently the food industry has taken the necessary steps to ensure food safety through organic farming. According to the Organic Trade Association (2020) in 2016, nearly \$50 billion was made in organic sales and they project that in 10 to 15 years as organic consumers, Millennials will be the driving force.

In the recent years, consumers' interest in healthy food has proliferated but there's still a discrepancy in the importance of motives and barriers concerning consumer behaviour towards organic food (Rana & Paul, 2017: 158) and as organic food becomes more widespread there is an increasing demand for academic research on habits and attitudes of consumers towards it (Kranjac, Vapa-Tankosic & Knezevic, 2017: 496) this why it is important to discover consumers' willingness to pay higher rates for organically farmed produce.

Problem Statement

In the past twenty years, organic farming has become one of the fastest-growing markets in agriculture (Diekmann & Polacek, 2013: 197) and for the past two decades, organic agriculture has been growing at 11.9% per annum (Paull, 2018: 61).

Organic farming merges both tradition and science to produce crops and livestock that thrive in the absence of synthetic pesticides, herbicides and hormones (Diekmann & Polacek, 2013: 197) evidently the agricultural industry has modified its ways of service delivery and production to be more sustainable and meet consumers demands and according to Akkaya et al. (2017: 1) due to several environmental and health concerns sustainable agricultural practices like organic farming has attracted immense attention globally.

It's suggested that sustainable developments in agriculture have contributed to organic premium prices (OPP), Connolly and Klaiber (2014: 1104) stated that a substantial premium is associated with farms that provide organic produce due to the costs incurred for certification and potential decreases in yield during the years of conversion, therefore, the primary aim of this study is to find out why consumers of the Millennial cohort are willing to pay for goods that have been organically farmed even though they are susceptible to OPP.

Purpose Statement

The purpose of this study was to investigate why consumers of the Millennial cohort are prepared to pay more for organically farmed products and potentially discover the motivational factors behind their purchasing decisions.

Research Question

Why are consumers between the ages of 22-28 years willing to pay more for organically farmed products?

Research Objectives

- To find out consumers' willingness to pay OPP.
- To investigate the factors that influence purchasing decisions for organically farmed goods.

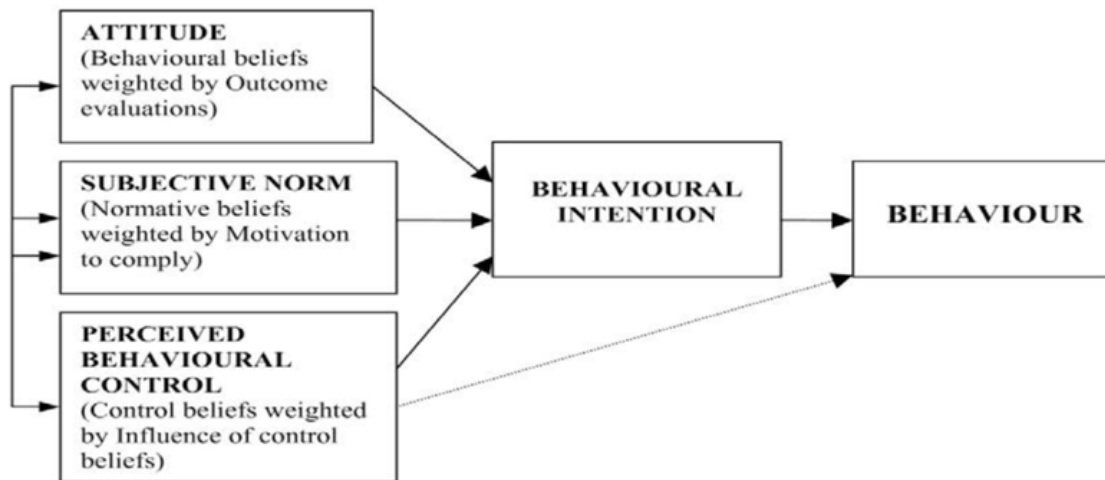
Chapter 2: Theoretical Foundation

The Theory of Planned Behaviour (TPB) was developed by Ajzen in 1991 and it is an expansion on the Theory of Reasoned Action (TRA) first introduced by Fishbein and Ajzen in 1975 (Raygor, 2016: 11). Ajzen developed a behavioural-intention model which has been commonly used within the marketing context particularly in predicting intentions that are used to estimate consumer behaviour (Mhlophe, 2016: 3).

Maloney, Lee, Jackson and Miller-Spillman (2014: 3) postulate that in the past years' several researchers have used the TPB or its components to examine consumer purchasing behaviour concerning organic products (Mhlophe, 2016: 4; Naidoo & Ramatsetse, 2016: 85; Raygor, 2016; Chaudhary & Bisai, 2018: 799; Sandhya & Mahapatra, 2018: 1963).

Although Ajzen's model has been widely used within the commercial market, it has also been invalidated and criticised by numerous researchers and sceptics (Armitage & Conner, 1998: 472) specifically for its methodological flaws and the theory's failure to take into consideration all probable influencers on behavioural intention (Bagozzi, 1992: 200; Armitage & Conner, 1998: 473) nevertheless the theory has remained popular amongst researchers (Mhlophe, 2016: 3).

The primary aspect in the theory of planned behaviour is the individual's intention to perform a specific behaviour, as per the theory intentions are assumed to portray and describe the motivational factors that influence behaviour. Intentions are indications of how hard people are willing to try and how much of an effort they are planning to employ to perform the behaviour (Ajzen, 1991: 181).



Source: Ajzen (1991)

Figure 2: Ajzen, I. 1991. The Theory of Planned Behaviour.
(Mhlope, 2016)

The central factor of the TPB is the individual's intention to perform a given behaviour (Ajzen, 1991: 180) and this paper aspired to investigate consumers' willingness to pay PP for sustainable goods, the individual's intention referred to the consumers underlying reasons for purchasing organic products and as the theory suggests, the underlying intention for purchase describes the motivational factors behind the behaviour (the act of purchasing).

The TPB hypothesizes three independent elements of intention. The first is the attitude toward the behaviour which refers to the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question, this claims that consumers' are willing to purchase organic products despite OPP because of the positive perception that by buying organic they are contributing to and incentivising sustainability in the food industry.

Numerous studies have provided empirical evidence in support of the positive connotations between attitude toward green products and green buying behaviours (Chaudhary & Bisai, 2018: 800).

The second determinant is the social factor, also known as the subjective norm. It refers to the perceived social pressure to perform or not to perform the behaviour (the purchasing act) and the final determinant is the degree of perceived behavioural control which is the supposed ease or difficulty of performing the behaviour (Ajzen, 1991: 200; Raygor, 2016; Chaudhary & Bisai, 2018: 810; Sandhya & Mahapatra, 2018: 1970) which can be represented as the sacrifice or monetary sacrifice the consumer is willing to make to go green and support sustainability, furthermore, according to Ajzen (1991: 182) the performance of these elements depend on or at least to some extent on non-motivational factors such as availability of requisite resources (e.g. time & money).

This theory is relevant to the study because it accounts for intrinsic values or factors that may be attached to the purchasing of organic food by consumers. This study intended to investigate Millennial consumers' willingness to pay higher prices for organically farmed products in Cape Town, consumers' willingness or lack thereof may be a result of both extrinsic and intrinsic factors. External factors such as socio-demographic characteristics (Stolz, Stolze, Janssen & Hamm, 2011: 773; Kranjac et al., 2017: 500) and internal factors like positive perceptions, characteristics of personality and mental conditions (Kranjac et al., 2017: 499) can significantly influence preferences for organic foodstuffs.

Chapter 3: Literature Review

Due to increased agricultural production worldwide there are current and rapidly emerging problems such as water shortages, land degradation in agricultural landscapes, loss of biodiversity and climate change, hence these problems represent a set of coupled environmental, economic and social challenges for humanity (Alrøe, Møller, Læssøe & Noe, 2016: 38). A potential answer to these challenges is the implementation of social responsibility in agriculture and the development of more sustainable food systems.

Social responsibility (SR) refers to an organisation's actions beyond what is legally required to protect or enhance the well-being of living things, and sustainability discusses the extent that an organisation's (in this case the agricultural sector) operations and actions protect, mend and preserve rather than harm or destroy the natural environment (David & David, 2017: 96).

According to Schaltegger (2011: 15), sustainability topics are influencing the economic success of companies more than ever, subsequently, numerous organisations have introduced and implemented the concept of Corporate Social Responsibility (CSR) into their overall business strategy. Strand and Strand (2019: 688) postulate that Corporate Sustainability (CS) has explicitly achieved upper echelons status at a number of the world's largest organisations and as a result like the primary business sectors, the agricultural sector has also adapted its ways of service delivery and production to be more sustainable and meet consumers' demands by adopting sustainable farming methods and investing in organic farming.

Organic farming has increased exponentially in recent years and has been one of the fastest-growing markets in agriculture (Diekmann & Polacek, 2013: 200; Paull, 2018: 62).

The literature describing organic farming methods, history and advances vary from personal narratives to controlled scientific investigations and the concept of viewing soils as living organisms (Lampkin 1991, cited in Palaniappan & Annadurai, 2018: 10) was advocated early by organic farming pioneers but organic agriculture only began to grow substantially when farmers and consumers became more aware of the environmental threats being faced in the agricultural sector like declining soil fertility and major structural changes (Diekmann & Polacek, 2013: 197).

Organic farming focuses on forms of sustainable agriculture, as a result, many authors consider organic agriculture to be a niche market (Loureiro & Hine, 2002; Pawlewicz, 2020: 36; McKay, 2016; Akkaya et al., 2017: 30; Rana & Paul, 2017: 160; Department of Agriculture, Forestry and Fisheries). Adverse to the popular view Paull (2018: 61) postulates that the vision of the pioneers of organic agriculture was a global one and not a niche vision furthermore he reiterated that the vision of organic agriculture was never of a niche agricultural market but rather of agriculture for all.

The integration of organic farming approaches is still relatively new not only to the African agriculture (see Fig 3 & 4) and the food sector but South African as well. In 2016 The International Federation of Organic Agriculture Movements (IFOAM) was working with the African organic sector, the African Union and other agencies to facilitate the integration of organic agriculture into the core of African policies and the agricultural development agenda (Willer & Lernoud, 2015: 26, cited in Naidoo & Ramatsetse, 2016: 82).

Africa: Development of organic agricultural land 2000 to 2017

Source: FiBL-IFOAM-SOEL-Surveys 2001-2019

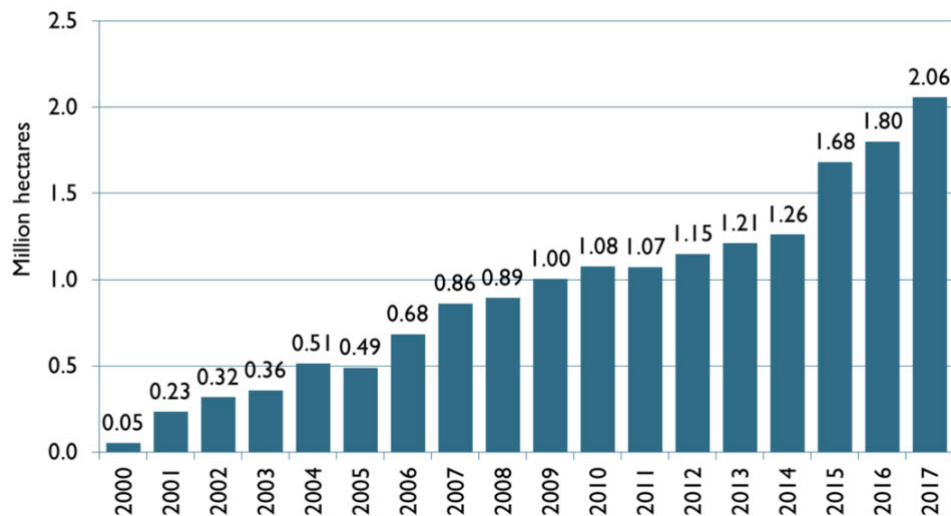


Figure 3: Development of organic agricultural land, 2020, Research Institute of Organic Agriculture FiBL.

In the past years, a growing number of people worldwide have developed opposing attitudes towards the use of artificial chemicals in agriculture (Beharrel & MacFie, 1991: 25, cited in Naidoo & Ramatsetse, 2016: 82) but organic farming has become more popularised worldwide (see Fig 4) due to consumers perceiving food labelled as 'organic' to be healthier, more environmentally friendly and of superior quality (Naidoo & Ramatsetse, 2016: 82).

Organic Agriculture: Key Indicators and Top Countries

Indicator	World	Top countries
Countries with organic activities¹	2018: 186 countries	
Organic agricultural land	2018: 71.5 million hectares (1999: 11 million hectares)	Australia (35.7 million hectares) Argentina (3.6 million hectares) China (3.1 million hectares)
Organic share of total agricultural land	2018: 1.5 %	Liechtenstein (38.5 %) Samoa (34.5 %) Austria (24.7 %)
Wild collection and further non-agricultural areas	2018: 35.7 million hectares (1999: 4.1 million hectares)	Finland (11.3 million hectares) Zambia (3.2 million hectares) Tanzania (2.4 million hectares)
Producers	2018: 2.8 million producers (1999: 200'000 producers)	India (1'149'371) Uganda (210'352) Ethiopia (203'602)
Organic market²	2018: 96.7 billion euros (2000: 15.1 billion euros)	US (40.6 billion euros) Germany (10.9 billion euros) France (9.1 billion euros)
Per capita consumption	2018: 12.8 euros	Switzerland (312 euros) Denmark (312 euros) Sweden (231 euros)
Number of countries with organic regulations	2018: 103 countries	
Number of affiliates of IFOAM – Organics International	2018: 779 affiliates from 110 countries	Germany - 79 affiliates India - 55 affiliates China - 45 affiliates United States - 48 affiliates

Figure 4: Organic Agriculture: Key Indicators and Top Countries, 2020, Research Institute of Organic Agriculture FiBL.

The popularisation of organic farming among consumers in South Africa is an indication that consumers intend to contribute to sustainable developments in agriculture, and so my study intended to find out if consumers in Cape Town are willing to pay higher prices for goods that have been organically farmed in the interest of being sustainable but product perception can vary among consumers thus emphasising the need to understand consumer behaviour (e.g., perception, intention) toward green product purchases (Lim, Yong & Suryadi, 2014: 299).

As per Torriti (2019), the elasticity of demand describes the relationship between price and the quantity demanded in a specific period. Elasticity is a means of conceptualising and measuring how increases in the demand of organic products or a service like organic agriculture correspond to decreases in quantity supplied and thus resulting in supply shortages and increased prices, furthermore, he suggests that the concept of elasticity is the idea that price is the main factor influencing changes in demand over time.

The idea that price is the main factor influencing changes in demand of organic foods is a concept accepted by many in literature with regards to OPP (Mckay, 2016; Akkaya et al., 2017: 40; Pawlewicz, 2020: 38), Reaves (2015, cited in Mckay, 2016: 4) stated that because more consumers desire organic food products the increased demand has rapidly outpaced the growth in supply which has led to significant supply chain problems and increases in organic food prices (OPP).

Adversely Hammitt (1993: 360), Akkaya et al. (2017: 2) propose that premiums are determined by differences in supply costs in organic and conventional produce but not by differences in demand because organic farming is much more labour intensive than conventional production methods.

To conclude, based on the literature under review there are contrasting approaches and perceptions related to not only consumer behaviour and organic food purchases but also organic farming and organic premium pricing and although Africa is among the principal producers of organic foods its market remains minute (Willer & Lernoud, 2015: 26 cited in Naidoo & Ramatsetse, 2016: 81). Additionally, research studies examining the perceived intentions behind consumer willingness to purchase organic food and consumer behaviour towards organic food have been conducted in many countries (Misra, Huang & Ott, 1991; Yiridoe, Bonti-Ankomah & Martin, 2005; Le Gall-Ely, 2009; Choi & Ng, 2011; Stolz et al., 2011; Hamzaoui-Essoussi & Zahaf, 2012; Lim et al., 2014; Maloney et al., 2014; Raygor, 2016; Kranjac et al., 2017; Chaudhary & Bisai, 2018; Hammit, 2020) but few in Africa particularly South Africa.

Very little is known about South African consumers' views, concerns, knowledge levels and attitude towards organic foodstuff and their related purchase intentions. On the topic of consumer purchase intentions, there is disputably a small, yet increasing amount of literature for organic food in emerging countries like South Africa and it may be due to fact that the organic food sector is relatively new (Engel, 2008 cited in Mhlophe 2016: 3).

The researcher found that most studies on consumers and organic food purchases in South Africa were conducted in Gauteng (Mhlophe, 2016; Naidoo & Ramatsetse, 2016) and made use of quantitative analysis contrastingly this study investigated consumer willingness to pay PP for organic goods in Cape Town and considered the potential determinants of intention for purchasing organic food through a qualitative investigation. Based on the findings a conclusion was made of whether or not sustainable developments and investments in the agricultural sector are worthwhile.

Conceptualisation

Millennials: Comprising of those born in 1982 to 2004 (Pyöriä, Ojala, Saari & Järvinen, 2017). For this paper, the term Millennials referred to those born between 1998-1992 which ranges between 22-28 years of age.

Agricultural sustainability: Refers to crop production that fulfils food security, environmental protection and economic/social needs in rural areas and the purpose of sustainable agriculture is to protect and save natural resources (Kielbasa, Pietrzak, Ulén, Drangert & Tonderski, 2018: 68). Organic farming is the result of farmers applying sustainable agricultural activities on farms (Kielbasa et al., 2018) and so agricultural sustainability effectuates organic farming activities which results in organically farmed produce, a principal factor in this study.

Furthermore, in this particular study sustainability and its importance amongst millennial consumers was measured based on their willingness to pay premium prices for goods that have been organically farmed as well as the value they pertain to organically farmed products.

Organic farming: The concept of treating soil as a living system is essential in organic agriculture. It's a production system in which synthetic compounded fertilisers, pesticides, growth regulators and livestock feeding additives are excluded or mostly avoided (Reganold & Wachter, 2016: 1). To maintain soil productivity, supply plant nutrients and control insects and other pests to a large extent organic farming system rely heavily on crop rotations, crop residues, animal manure, legumes and green manures to maintain soil productivity (Lampkin 1991, cited in Palaniappan & Annadurai, 2018: 10). This study aimed to investigate the factors that influence purchasing decisions for organically farmed goods and organic farming is a sustainable method utilised in agriculture to produce organically farmed products which are more nutritious foods with less to no pesticide residues (Reganold & Wachter, 2016: 2).

Willingness: The maximum price a customer is willing to pay for a given product which in essence equates to the value of the product to the customer (Kalish & Nelson, 1991: 328). For this study, the term willingness referred to the maximum price a customer was willing to pay for organic produce which in turn informed the researcher of the 'value' customers equated to organic products and in this context the concept of willingness to pay (WTP: the maximum price a consumer accepts to pay for a product or service) was of particular interest because it is richer in individual information. Willingness represents the surplus that arises from the product value which itself is derived from notions of perceived quality due to the price paid (Le Gall-Ely, 2009).

Value: Anything desired or chosen by someone. It's what the respondent says he/she wants, additionally, the value might suggest what an individual *ought* to need, desire or want which is guided by what is perceived as good/bad, right/wrong or desirable/undesirable (Stuart C. Dodd, cited in Kilmann, 1981: 940-941). Concepts that have often been discussed as if they were values are interests, preferences, goals, and valances. These concepts all suggest that a particular object (in the social or physical environment of an individual) has taken on the special meaning or has become a focus of attention (Smith, 1963 cited in Kilmann, 1981: 941). Since the interpretivist approach was utilised in this study, the research focused on value as 'concept' specifically relevant to importance and preference rather than monetary as suggested by Smith (1963, cited in Kilmann, 1981: 941). The researcher operationalised value by investigating and gaining an in-depth understanding of customers preferences and perceptions on premium prices in organic agriculture and their willingness to pay for these products to be sustainable.

Consumer surplus: The difference between the sacrifice which the consumer would be willing to make to purchase the item and the purchase price he has to pay in exchange (Currie, Murphy & Schmitz, 1971: 743), the definition provided proposes a monetary measure of the consumer's surplus. For this particular study 'surplus' was the positive perception and importance the consumer equated to purchasing an organic product as opposed to purchasing a non-organic version of the same which suggests that willingness to pay premium prices represents the surplus that arises from merchandise value which itself is derived from impressions of perceived quality (Chaudhuri & Ligas, 2017). When perceived quality is considered to be greater than the actual price paid, a surplus (merchandise value) is generated in the consumer's mind and results in a willingness to pay as long as the surplus exists (Monroe 2003, cited in Chaudhuri & Ligas, 2017). However, because organic foods are subject to price premiums this often may decrease their affordability. PP for organic produce surpass those for conventionally produced food by as much as 5–30% for milk and dairy products, 5–60% for cereal products, 20–82% for eggs etc (Pawlewicz, 2020: 1), and so the researchers' discoveries of whether or not consumers (between the ages of 22-28 years in Cape Town) were indeed willing to pay for organic foods despite organic premium pricing was an indication

that the sustainable investments made by organic farmers are worthwhile in the long-term.

Premium pricing: Pawlewicz (2020: 6) believes that the price premium is perceived as the amount paid over any additional economic costs of production. Normally organic food produced from organic raw materials in an organic production process is often more expensive therefore it can be perceived as a luxury good in the market. He also states that one of the features of luxury products is the price premium and producers (in this case organic farmers) impose price premiums on luxury products to gain an advantage over market competitors, this concept is supported by Yeoman and McMahon-Beattie (2006: 325) which states that premium value in luxury goods is price and quality plus the intangibles of uniqueness and experience.

Research Paradigm

An interpretivist approach was followed in this study as the research is qualitative. The interpretivist paradigm suggests that reality is complex and heterogeneous, it focuses on understanding the world as it based on subjective experiences of individuals because human beings change according to the environment in which they find themselves (Bezuidenhout, Davis & Du Plooy-Cilliers, 2014: 27).

Creswell, Ebersöhn, Ferreira, Ivankova, Jansen, Nieuwenhuis, Pietersen and Plano Clark (2019: 66) state that the interpretivist paradigm is heavily influenced by hermeneutics and phenomenology.

Heidegger (1962) hypothesizes that hermeneutics is the study of meaning and interpretation, the researcher makes an effort to analyse and understand the information gathered through deep reflection (Creswell et al., 2019: 66).

Interpretivists adopt a relativist ontology in which a single phenomenon may have multiple interpretations rather than a truth that can be determined by a process of measurement, additionally, Wellington and Szczerbinski (2007, cited in Pham, 2018: 4) argue that the interpretivist approach allows for an interactive interview in which the researcher can investigate and prompt things that we cannot observe furthermore researchers are also able to probe an interviewee's thoughts, perceptions, feelings and perspectives which complements this study because it sought to investigate consumers' willingness to pay premium prices for organic produce and the factors that influence their decision which in turn can be rather subjective.

Furthermore, this paradigm assisted in comprehending consumer willingness by describing this phenomenon, and in doing so there was a greater probability of gaining an in-depth understanding of the consumers' perceptions of what is important and relevant (Bezuidenhout et al., 2014: 28). Also, an in-depth understanding is generally generated through observation which is performed through collecting data about the phenomena and making sense of the meanings and then drawing inferences (Thomas, 2010: 296).

Chapter 4: Methodology

Research Design

Research design constitutes the blueprint for the collection, measurement, and analysis of data (Cooper & Schindler, 2014: 125). The nature of this research design was a qualitative phenomenological study.

The researcher chose this approach because the objective of the research study was to investigate and articulate the factors that influence consumers' willingness to pay OPP and normally when the objective involves describing, you make use of qualitative methods such as phenomenological research which attempts to subjectively describe the meaning that certain individuals attach to life experiences (Creswell et al., 2019: 85).

Primary data was collected from participants through a semi-structured interview (SSI) which permitted follow up questions and allowed the participants to answer in their own words. Due to COVID-19, the researcher had to consider virtual interviews furthermore with this approach the researcher was able to analyse the content and gain an in-depth understanding of consumers' willingness and factors that influence purchasing decision for organically farmed goods.

Population

The unit of analysis refers to the person or object from which the researcher intends to collect data, it typically answers the question of what and who is being studied (Kumar, 2018: 71) and for this report, individuals were studied, particularly Millennial consumers.

The population is defined as the total group of people from which the information is required and the population parameters are the shared characteristics of the population (Bezuidenhout et al., 2014: 132-133).

The portion of the population left after refinement is characterised as the target population, which can be defined as the group of participants with the specific features of interest and relevance (Asiamah, Mensah & Oteng-Abayie, 2017: 1613) which in this study were:

- Working millennials
- 22-27 years of age
- Male or female
- Living in Cape Town

For this study, the population were Millennials consumers that have or do avidly purchase organically farmed products, which was widespread thus making it challenging to identify all members therefore an accessible population had to be considered. This refers to the portion of the target population the researcher had access to after eliminating all individuals of the target population who could not participate or could not be accessed at the study period (Asiamah et al., 2017: 1612) which were:

- Millennials
- 22-28 years of age
- Female
- Living in Cape Town

Sampling

As per Chaudhary and Bisai, (2018: 799) different from the wider population Millennials are highly environmentally conscious, they have a stronger preference for green items and are more willing to buy eco-friendly products therefore for this study the unit of analysis were Millennial consumers and the accessible population were Millennial consumers living in Cape Town between the ages 22-28 years.

Non-probability sampling was used due to time constraints and it being difficult for the researcher to gain access and identify the entire population, additionally, non-probability sampling was preferred because unlike probability sampling the focal point was not to generalise results to the larger population (Robinson, 2014: 7).

Although the researcher anticipated using only one sampling method a combination of sampling methods was used, Convenience sampling which is when the researcher selects any readily available individual as a participant because the population is widespread (Creswell, et al., 2019: 219) and Snowball sampling a convenience sampling method that is sought for when it is difficult to access subjects with the target characteristics and the researcher recruits potential subjects among their acquaintances (Naderifar, Goli & Ghaljaie, 2017: 2), which was the case since one of the potential participants suggested another participant because she was not located in Cape Town at the time.

The researcher located and reached out to potential participants that she knew were ideal for the research, were nearby and willing to participate, generally, this kind of sampling is chosen when the researcher is interested in getting an inexpensive approximation of the truth thus restricting generalisation to the larger population (Robinson, 2014: 7).

The sample size is the totality of persons from which findings may legitimately be sampled in a study (Robinson, 2014: 7). According to Marshall, Cardon, Poddar and Fontenot (2013: 13), a phenomenological study sample ranges approximately between six to ten persons furthermore researchers using Interpretative Phenomenological Analysis are given a guideline of three to sixteen participants for a single study, the upper end for larger-scale funded projects.

Based on the aforementioned information and considering the time constraints the sample size for this study was three, generally, in homogenous populations where the individuals are comparable concerning variables that are important to the study, smaller samples may be used (Creswell et al., 2019: 221). The aforementioned sample size ensured that a reasonable and in-depth understanding of WTP OPP and purchasing factors were generated within the time limitation of one/two months,

Originally, the sample size of five was considered but considering the time limitation and to ensure an adequate number of participants, the sample size of three was preferred.

Data collection method(s)

This refers to the method that the researcher utilised to collect the data. There are various data collection methods such as focus groups, questionnaires, interviews etc., in this study a semi-structured interview was the preferred data collection method and participants were contacted virtually due to COVID-19 and the restrictions imposed by the Ethics committee at the time.

The researcher could have utilised another qualitative data collection method but they wouldn't have corresponded with the research goal of generating an in-depth understanding of the Millennials' perceptions of organic foodstuffs and OPP.

In this study, the researcher used an interview guide with specific topics and potential questions for consistency. An example of the themes, topics and questions can be found under Appendixes (see Appendix 3). The following headings were used during the interview: Knowledge about organic food, deciding to purchase organic, why purchase organic and satisfaction and experiences after purchasing organic.

The first section included questions aimed at investigating the participants' awareness of organic products, the second section explored the need for organic purchases and how the consumer began purchasing organic food products furthermore the third section provided insight on OPP and why the consumer opted for or would opt for purchasing organic produce (consumer willingness) in the instance that participant did not avidly purchase organic foods which assisted in answering the research question which is: why are Millennial consumers willing to pay more for organically farmed produce?

Finally, the fourth section informed the researcher of the consumer perceptions on organic food purchases which in turn was meant to assist in discerning possible factors that influence purchasing decisions for organically farmed goods.

Due to COVID-19, no face to face interviews was permitted hence the SSI was conducted virtually on Skype. The researcher decided on the following tool because with Skype interviews can easily be conducted from the comfort of one's home, eliminating not only the need to travel but also the need to find a venue thus making it a complementary data collection tool for qualitative researchers (Iacono, Symonds & Brown, 2016: 15).

Participants were approached by the researcher once ethical clearance was granted, the researcher then began searching for potential participants that were accessible and met the population parameters within her immediate surroundings.

The participants were reached out to via e-mail and WhatsApp, once the participant demonstrated interest the consent form was then sent to the participants, at this point information about the possible interview questions, the guidelines and their identity and how they'd be protected through pseudonyms etc was discussed and after discussion, a convenient date and time was scheduled for the interview to take place via Skype audio call.

From the outset, the interviews were executed by firstly explaining the study and what the participants would need to do if they agreed to participate, they were then further briefed and questions were answered in case of any queries.

Two of the participants requested that the interview guide be sent to them before our scheduled interview date which the researcher did, the data collection process took place between the 19th – 28th of August and during the interview process the researcher used the interview guide (Appendix 3) with specific topics and potential questions for guidance which were discussed during the interviews, this allowed for two-way communication with the interest of understanding and learning more about the participants' views and perceptions.

The conversational nature of the SSI allowed for follow-up questions which were advantageous, in doing so the interviewee was allowed to elaborate or provide more relevant information when the researcher needed which granted the flexibility to clarify a point when ambiguous answers were given, additionally, because SSI is conducted conversationally they can also be more time-consuming and labour intensive (Adams, 2015: 493) which happened to be the case.

SSIs usually entail the arduous task of analysing a huge volume of notes which could lead to information overload and occasionally depending on the number of participants, many hours of transcripts (Adams, 2015: 493), subsequently, to avoid this the researcher changed the number of participants from five to three nevertheless the process of searching for participants, reaching out to them, conducting the interviews, transcribing and analysing the transcripts demanded long hours which made it quite time-consuming for the researcher.

All data collected digitally or electronically must be transcribed verbatim which can either be done manually or using a voice recognition system (Creswell et al., 2019: 135), hence during the interview, the researcher used Otter Voice Meeting Notes to record and transcribe the conversation in real-time which allowed the researcher to revert and verify the notes made during the interview. Once the dataset was transcribed, thematic analysis (TA) method was used for analysis.

Data analysis method(s)

Data analysis is the process of organising the data by shaping and making sense of the data through identifying themes and patterns (Bezuidenhout & Cronje, 2014) furthermore data analysis in phenomenology focuses primarily on how participants perceive the world and make sense of it (Creswell et al., 2019: 119).

In this study, the researcher focused on why consumers are willing to pay OPP which involved seeing the world through the consumer's eyes and understanding their intention for purchasing organic rather than conventional. This paper intended to understand consumer behaviour and the different factors considered by consumers for displaying their purchase intention for organic apparel in an emerging economy like South Africa, Cape Town (Sandhya & Mahapatra, 2018: 1964).

The analysis method used in this study was thematic analysis and as already mentioned the data was procured from the participants through an SSI. TA involved a six-phase process used to identify and decode distinctive themes across qualitative data (Braun & Clarke, 2014: 5) furthermore a theme is a pattern that captures something noteworthy or interesting about the dataset and general themes are characterised by significance because there are no set rules or guidelines about what constitutes a theme (Maguire and Delahunt, 2017: 3356).

The interviews were conducted and transcribed into texts using Otter Voice Meeting Notes which represented the feedback gathered from the Millennials in the finalised interviews. In this study, a distinguishing pseudonym was given to all three of the participants to ensure that the information gathered would not and could be linked back to the participant (Creswell, et al., 2016: 140).

Once the data set was transcribed verbatim TA was used to analyse, identify and interpret patterns of meaning across the qualitative data, the analysis method involved a six-step process (Braun & Clarke, 2014: 5) which is discussed below, this method was preferred because it can be applied to various research questions about experiences and/or perspectives and for this particular study the selected method needed to allow for that.

Phase 1: Familiarising yourself with the data.

After transcribing the data, the researcher immersed herself in the data to become familiar with the content. The researcher read the data transcribed as many times necessary to identify and record possible interesting features of the data that may be relevant to the study.

Phase 2: Generating initial codes.

This phase involved organising the dataset in a meaningful and systematic way to identify important features of the data that could be relevant to answering the research question. Codes like 'value', 'reason for willingness' and 'consumer surplus' were used by the researcher in an attempt to identify parts of the data that may assist in accomplishing the research objectives and answering the research question.

The first step to coding for the researcher was open coding which is when the researcher identifies distinct concepts and themes for categorisation (Williams and Moser, 2019: 50).

The researcher used deductive codes for this phase, the deductive version of thematic analysis or theoretically-driven coding uses theory as its point of departure (Pearse, 2019: 150) it illustrates how theory informed the researcher's analysis, as mentioned the feedback gathered from the participants in the SSI was transcribed and organised according to the themes stipulated in Ajzen's TPB model (attitude, subjective norm, perceived behavioural control) and past literature on Millennials and their purchasing decisions as a guide which in turn assisted in the development of the questions presented in the SSI guide.

Central to the efficacy of coding is approaching the thematic fragments and combining concepts identified during data collection in an organised and systematic way (Williams & Moser, 2019: 51) and once coding was complete, similar labels across the dataset were combined for a later stage of analysis.

Phase 3: Searching for themes.

This phase involved examining the codes, sorting them into potential themes and comparing all the relevant coded data extracts within the identified themes successively the researcher examined and refined the codes in an attempt to link them to the themes set out by Ajzen's TPB model and potentially answer the research question.

Phase 4: Reviewing themes.

This phase began when the researcher formulated a set of potential themes, it also involved the refinement of those themes. The themes were set out by Azjen's TPB model that focuses on elements of intention (attitude, subjective norm, perceived behavioural control), the interview guide included topics that assisted in connecting the feedback to Ajzen's elements of intention such as knowledge about organic food, deciding to purchase organic etc.

Phase 5: Defining/naming themes.

At this point, the researcher defined and further refined the themes that will be presented in the final report which is achieved by selecting the data and creating an informative name for each theme. This was accomplished by utilising Ajzen's TPB model as a guide for themes.

Phase 6: Producing the report.

At this point, the researcher had a set of fully worked-out themes for final analysis which involved combining the data extracts as well as integrating, interpreting and contextualising the themes to existing literature.

Validity and trustworthiness

The concepts of reliability and validity are regularly used in quantitative research because they certify the measurability of results and trustworthiness. To ascertain the same in qualitative research, reliability and validity are deemed "trustworthiness" which is further divided into four dimensions (Koonin, 2014: 253-258), these four dimensions and how they were upheld in this study will now be discussed.

Credibility: Refers to how accurately the researcher has interpreted the data collected from participants (Creswell et al., 2016: 144). The researcher ensured credibility by only interpreting the responses collected to make a description of the Millennials' perspective on their willingness to purchase organically farmed products, OPP and the factors influencing their purchasing decisions.

By taking into consideration and accounting for the participants perspective credibility is increased, additionally, the researcher ensured credibility by certifying transparency and providing detailed data collection and analysis methods (Koonin, 2014: 258).

Transferability: This refers to the potential findings identified in this study and researchers using them for another study which will result in achieving similar results (Creswell et al., 2016: 144). The researcher ensured transferability by asking questions that referred to organic farming specifically and then allowing for flexibility throughout the interview, in doing so, the researcher was able to identify and interpret patterns of meaning across the data (Braun & Clarke, 2014) and future studies can then, in turn, make use of the researchers approach and analysis method and apply them to their studies.

Dependability: This refers to the integration of the research process and its quality throughout the study especially in the data collection method, data analysis method and the findings concluded from the dataset (Koonin, 2014: 259). The researcher achieved dependability by making use of the six-step TTA method for analysis and coding, the responses were organised using Ajzen's TPB model. The researcher also guaranteed dependability by following the data collection and analysis method precisely (Creswell et al., 2016: 145).

Confirmability: This refers to the extent to which the findings of the study are influenced and shaped by the participants rather than the researchers bias or interest (Creswell et al., 2016: 145). This was achieved by ensuring that the research process used was thoroughly discussed and explained in the methodology section therefore when readers review the research study and follow the same process, similar conclusions will possibly be generated (Creswell et al., 2016: 259).

Chapter 5: Findings and Interpretation of findings

Participants description

The findings from this study were generated from semi-structured interviews with three participants, the participants have been provided with pseudonyms to protect their real identities and so, in this section, the participants are referred to as participants 1, 2, and 3 respectively. The participants were all females working and residing in Cape Town, they were diversified in terms of purchasing habits, race, and age which ranged from 22 to 28, therefore, all three participants met all the parameters as specified in the population and sampling section.

Each of the themes will now be discussed together with quotations from the interviews as a frame of evidence of the theme.

Presentation and Interpretation of findings

Analysis and discussion of themes

Theme 1: Attitude

Refers to the participant's negative or positive perception of organic products and the act of purchasing organic, Chaudhary and Bisai (2018: 799) defined it as the favourable or unfavourable evaluation of the performance of concerning behaviour.

Several studies suggest that a consumer's awareness and knowledge of organic products influences their attitude toward organic products (Maloney et al., 2014: 308) and generally speaking, individuals form beliefs about an object by associating it with certain attributes (i.e. with other objects, characteristics, or events) therefore, attitudes develop reasonably from the information or beliefs people hold about the object (Chaudhary & Bisai, 2018: 800).

Grounded on this idea but in respect of green purchasing behaviours (PB), as stated in the literature review Naidoo and Ramatsetse (2016: 82) postulated that consumers perceive food labelled as organic to be healthier, environmentally friendly and of superior quality to conventional food, thus implying that organic food (OF) buyers purchase organic-based solely on their belief that it is healthier in comparison to conventional goods and it is based on this belief or information that they go onto purchase organic foodstuffs.

This was illustrated in the participants' responses when asked about their decision to purchase OF...

Participant 1 who often purchases conventional rather than organic responded as follows: [...] *I think people would go out of their way because, okay, firstly it's healthier and it comes with fewer health risks. I mean, I know a lot of people have stopped eating conventional food because of, you know... all the health problems that come with it such as cancer and all these weird things that people say comes from food.*

Her response indicates that although she does not avidly purchase OF, she is aware that those who choose to purchase organic irrespective of price do so primarily because of the positive perceptions toward green food as opposed to conventional food which is also advocated by participants 2 and 3 who are loyal OF consumers.

Participant 3: *I think people have more health-related issues that we're dealing with, more people are trying to break down the cycle of our eating habits within our families and I think that has given us a jolt back to the reality of reassessing, what we are filling our bodies with and seeing the connection between our health, the diseases and the health complications [...] I think there's more conversation around that and I think that is what's also opening people's minds and perceptions to consuming organic food.*

The above and below quote accentuates this study's rationale, which highlights that in the recent years' consumers' interest in healthy food has thrived and from the aforementioned quotes it is evident that nowadays consumers predominantly Millennials, are more concerned with health, safety, and the quality of food they eat (Hamzaoui-Essoussi & Zahaf, 2012) irrespective of price.

Participant 2: [...] *I don't know I just feel like once you've become acquainted with a brand that you know is giving you the kind of food you want, there're no pesticides in the food, it's not going to be looking murky and unclear. So, I think for me it's the trust in the brand. They've promised you organic food that is good for you, so you're not just going to go anywhere. I think it stops being about the price for me [...] it's about the health benefits from the food, so I won't just opt for anything.*

Her response references the intrinsic surplus created following green purchases, which is described as the positive perception and importance the consumer equates to purchasing an organic product as opposed to a non-organic version of the same (Chaudhuri & Ligas, 2017: 10) suggesting that her willingness to pay PP represents the surplus that arises from merchandise value which itself is derived from impressions of perceived quality.

According to Maloney et al. (2014: 310) while examining the attitude–behaviour relationship several studies found that attitude influenced consumers' willingness to purchase organic food which implies that positive attitude or perception toward organic foodstuffs not only increases but also influences consumers' willingness to purchase and to continue to purchase organic.

Chaudhary and Bisai (2018: 800) underpin the aforementioned notion by postulating that attitude toward green PB relates positively to green purchasing intention (PI) which happens because consumers' purchase intentions are influenced primarily by the perception of the company and its products (Mahmood & Bashir, 2020: 10) which is evident in participant 2 response, thus linking to Strand and Strand's (2019: 688) finding that due to customer perceptions Corporate Sustainability (CS) has become more prevalent worldwide.

Consequently, like other industries, the agricultural sector has also adapted its ways of service delivery and production to be more sustainable by investing in organic farming to meet the consumers' demands.

Mahmood and Bashir (2020: 5) hypothesise that Corporate Social Responsibility (CSR) activities and actions such as investments in sustainable practices result in increased reputation and image of a company, eventually transforming into brand equity, for this reason, CSR and brand equity are very much aligned, as per participant 2 response when describing her green purchasing behaviour:

...There's a Shoprite right next to me, and a few kilometres away there's a Woolies but I always pass Shoprite and go to the Woolies. I don't know, I just feel like you've become acquainted with a brand that you know is giving you the kind of food you want.

Thus correlating to Chaudhuri and Ligas (2017: 15) theory that when perceived quality is considered to be greater than the actual price paid, a surplus (merchandise value) is generated in the consumer's mind and results in a willingness to pay as long as the surplus exists, based on the given findings and factors put forth by the participants specifically health, wellbeing and quality a conclusion can be made that perhaps sustainability investments in organic farming is, in fact, worthwhile given the increased value consumers vest on security, transparency and sustainability.

Theme 2: Subjective norms

Subjective norms focus on the influence that others have on an individual concerning performing a certain behaviour, the higher one values the opinion of others and their perception of a certain action then the more likely it is that an individual will or will not engage in a behaviour (Ajzen, 1991: 183; Maloney et al., 2014: 315).

For this study we reviewed personal norms which focuses on an individual's perception about whether or not they should perform a certain behaviour, it refers to the consumers' beliefs about the actions they should perform which influence the actions the consumer eventually executes (Maloney et al., 2014: 320).

Although organic consumers are environmentally conscious, most studies confirm the predominance of egocentric values like health, attitude toward taste, and freshness influence OF choice more than the attitudes toward the environment and animal welfare (Hamzaoui-Essoussi & Zahaf, 2012) which the researcher observed. When asked why participants chose to or would choose to purchase organic despite OPP their feedback highlighted increasing concerns over personal health...

Participant 2 said: *[...] I come from a family with a long history of cancer and diabetes, and I've seen a lot of research that suggests that the use of pesticides and fertilisers, just chemicals in food can promote diseases, so if you already have a history, you're more likely to get this. So for me, it was more for health reasons.*

Participant 3 responded: *[...] I was sick for a long time and there was a time when I was in the hospital for about three months, and I thought I was going to lose my life, and knowing what it felt like to not have my health. I wanted to know what it felt like to have optimal health and I felt like the only thing I could do was to make a change in my own life.*

Lim, Yong, and Surayadi (2014: 300) explored interactions between personal norms and how they affect purchasing behaviour and found a high correlation between both and according to Rana and Paul (2017: 165), personal norms have been found to arouse positive feelings about "doing the right thing" when purchasing organic products and the findings provided are an indication that personal norms are decisive factors in Millennials' shopping behaviour.

Theme 3: Perceived behavioural control (PBC).

PBC discusses an individual's evaluation of their ability to engage in the intended behaviour (purchasing organic) based on their perceived power, perceived difficulty or ease of performing the behaviour (Raygor, 2016), it has an influencing role in how consumers form their purchase intention for sustainable apparel (Sandhya & Mahapatra, 2018: 1979).

This section of the findings relates specifically to OPP given that green products are generally more expensive than conventional produces (Chaudhary & Bisai, 2018: 801), fittingly, the price has been identified as the principal obstacle to green consumption hence ensuing the subsequent contemplation, do consumers perceive their power to afford organic as positively or negatively affecting their intention to buy organic sustenance?

The researcher found that the participants signalled that their ability to afford OF positively influenced their intention to buy, meaning that price premiums reflect consumers' willingness to buy a given product regardless of its price (Pawlewicz, 2020: 38) and when asked why they think people continue to purchase organic despite the price premiums, participant 1 who opts for conventional responded:

I think most people are purchasing organically farmed food despite the price just because of health.

Participant 3 said: [...] *I think people are willing to spend money on good quality products, irrespective of what the price is.*

Which highlights that consumers opt for organic produce because they believe that they are paying for quality and they perceive the risk reduction to be much larger than opting for non-organic produce (Hammit, 1993: 352) stressing the point that the premium prices paid by consumers are worthwhile in exchange for higher chances of maintaining better health (Raygor, 2016: 40).

Participant 2 mentioned that she'd continue to purchase organic regardless of OPP:

[...] I think, even if the price has to go up. The fact that I'm not buying meat will always mean I'm spending less than the average person. So, at this point, I think it wouldn't be an issue for me.

It is evident from the above responses that their willingness is contingent on the surplus that arises from the product value which itself is derived from their notions of perceived risk reduction and quality due to the price paid (Le Gall-Ely, 2009: 100) signifying that Millennials are willing to pay premium prices for products and services that possess higher levels of quality and taste rather than other goods in the same category because as their income rises, their aspirations grow (Yeoman & McMahon-Beattie, 2006: 327), but she did also mention that for the average person, OPP does negatively affect intention to buy organic food:

[...] there's a perception that just being healthy in general is expensive. So, once you start throwing in terms like organically grown, then people think that's way out of my budget [...] if you live in a low-income household and finances are tough you not even going to be thinking about that. So, money plays a huge factor.

The given findings suggest that consumer surplus is created when they perceive value which are alleged benefits that can be obtained from the product (Lim et al., 2014: 302) automatically making them more willing to purchase OF.

Based on the responses it can be stated that Millennials are willing to purchase organic despite PP because of the observed surplus created in their minds by the implied risk reduction and quality ascribed to organic foodstuffs, therefore, their willingness is swayed not only by high incidences of diseases like cancer and diabetes but also intrinsic factors, health seems to be the primary factor influencing their purchasing intentions and decisions indicating that health, availability, familiarity, quality, and product information are important attributes and determinants of organic product purchases (Lim et al., 2014: 299; Naidoo & Ramatsetse, 2016:

85; Rana & Paul, 2017: 175; Hamzaoui-Essoussi & Zahaf, 2012; Hammitt, 1993: 366; Misra, Huang & Ott, 1991: 226; Kranjac et al., 2017: 513).

Furthermore, according to participant 2 extrinsic factors can equally influence purchasing behaviour, socio-economic and demographic factors such as household income and education level can negatively affect consumers' preference for organic products (Sandhya & Mahapatra, 2018: 1965).

In conclusion and as per the findings purchase intentions of organic foods are linked to health and possibly environmental consciousness but also to safety and quality issues (Kranjac et al. 2017: 499), moreover, socio-demographic characteristics may also influence consumer choices on organic food consumption which is in line with Kranjac et al. (2017: 403) observation that higher income is significantly related to a consumer's preference to purchase organic foods or conventional and as participant 2 indicated, lower-income consumers, are less likely to buy organic foods.

Chapter 6: Conclusion

This final section brings the research to a conclusion, the study uses the findings from the previous chapter to answer the research question and address the research problem along with the objectives, and then pose recommendations for future research practices. Furthermore, the remarks and anticipated contributions of the study will be highlighted and followed by ethical considerations and how they were tackled as well as the limitations within the study.

To get to this point, a literature review was composed to get an understanding of what will be researched and how it will be conducted, then the research methodology was developed followed by the data collection and actual research being conducted which was done to answer the research question as well as objectives, address the research problem and make recommendations.

Research Question, Problem and Objectives Addressed

The objective of the study was to explore consumer willingness and the prevalent trend concerning Millennial consumers' purchase intention for organically farmed products, coupled with an investigation and understanding of the factors that elicit an attitude and purchase intention towards organically farmed products.

The findings and interpretation section used Ajzen's theory and has linked the findings to previous literature, in addition to this, further discussions were made in terms of the broader context of the research problem.

Though the findings and interpretation section has offered answers to the research questions, this section aims to excerpt key areas from these findings to precisely answer the research question. The research question, problem and objectives will now be discussed in detail.

Research question

Why are consumers between the ages of 22-28 years willing to pay more for organically farmed products?

Firstly, to answer the research question the researcher first needed to establish if the willingness to purchase organically farmed products despite the price premium existed, once that was ascertained the researcher could then begin working towards achieving the research objectives which would ultimately lead to answering the research question.

In this study, the term willingness referred to the maximum price a customer was willing to pay for organic produce and from the findings, the researcher discovered that the willingness to pay OPP among Millennial consumers does exist. In this regard, the study found that Millennial consumers are veritably willing to pay for organically farmed products despite the price premium ascribed to them owing to the following factors: health, wellbeing, quality, security, transparency and sustainability which were incorporated and discussed in themes 1 and 2.

Both themes 1 and 2 alluded to the intrinsic elements that are valued by Millennial consumers, which are considered to be the principal motivational factors behind their purchasing decisions; furthermore, according to the findings health, quality and wellbeing are the primary considerations that compel Millennial consumers between the ages of 22-28 years to pay more for organically farmed products.

The aforementioned statements are line with Naidoo and Ramatsetse (2016: 86) observations, their results indicated that consumer purchase intention is rather influenced by attitude, perceived behavioural control, subjective norm and past purchase experience, according to them the consumer values of being health conscious has a significant influence on attitude.

Furthermore, the findings revealed that respondents held rather positive attitudes toward organic food and that there is a significant linkage between quality, organically farmed goods and positive perceptions. Additionally, the study outlined that there is a positive relationship between health consciousness and purchase intention, this inference is in agreement with the conclusions made by Mhlope (2016: 21) and Naidoo and Ramatsetse (2016: 86).

However, although the findings highlighted intrinsic elements as the major component influencing consumer willingness and their purchasing decisions for farmed goods, they did also indicate that extrinsic factors can equally guide purchasing decisions.

According to theme 3 which focused primarily on PP, extrinsic considerations like socio-economic and demographic factors such as income and education can also influence consumers' preference for organic products, theme 3 identified the importance and influence that money can have on willingness and purchasing decisions which is an indication of how low-income and lack of knowledge about organic food can negatively affect consumer willingness which in turn affects their purchasing decision.

Additionally, the findings provided insight not only on consumer willingness but also consumer surplus, for this particular study 'surplus' was the positive perception and importance the consumer equated to purchasing an organically farmed product as opposed to purchasing a non-organic version of the same and as per the findings Millennial consumers are willing to pay more because of the positive perceptions they have ascribed to organically farmed products, one of them being that organically farmed produce is of better quality.

As reported in the study if the perceived quality is considered to be greater than the actual price paid, a surplus (merchandise value) is generated in the consumer's mind and results in a willingness to pay as long as the surplus exists (Monroe 2003, cited in Chaudhuri & Ligas, 2017: 15) which is apparent in the findings.

With regards to this study's objectives which was to find out consumers' willingness to pay OPP and to investigate the factors that influence purchasing decisions for organically farmed goods both have been satisfactorily observed, commented on and answered.

Research Problem.

To find out why consumers of the Millennial cohort are willing to pay for goods that have been organically farmed even though they are susceptible to OPP.

As indicated by this study's findings Millennial consumers are in fact willing to pay for organically farmed produce despite being susceptible to OPP, their decision is swayed predominantly by intrinsic factors rather than extrinsic factors, and as stated in the literature, subjective norms and perceived behavioural control (theme 1 and 2) theoretically have a significant relationship on purchase intention for organic products (Ajzen, 1991: 201; Sandhya & Mahapatra, 2018: 1960; Naidoo & Ramatsetse, 2016: 85) subsequently answering the research question.

Lastly, even with the knowledge identified, further studies are required to continue to generate information to better understand purchasing decisions and why Millennials are willing to pay more for organic foodstuffs.

Concluding remarks

This qualitative study covered Millennial consumers' and their willingness to pay higher rates for organically farmed produce. This was to determine as well as investigate why consumers of the Millennial cohort are willing to pay for goods that have been organically farmed even though they are susceptible to OPP.

The study also focused on researching if OPP has an impact on Millennial consumers' purchasing habits, the factors that influence purchasing decisions for organically farmed goods and consumer perceptions to educate and provide insight to businesses and business owners (organic farmers) on the importance of their investments in sustainable developments since in 10 to 15 years Millennials will be the driving force as organic consumers (Organic Trade Association, 2020).

Given the findings sustainable investments in the agricultural sector are notable by Millennial consumers, moreover, based on this observation a conclusion may be made that sustainable developments and investments in the agricultural sector are indeed worthwhile.

The overall finding of this research is that Millennial consumers are willing to contribute towards sustainable and ethical developments in agriculture given their predisposition to pay more for organically farmed products which are prompted by positive perceptions towards the same.

Chapter 7: Ethical Considerations, Limitations and Heuristic Value

Ethical considerations

Ethical concerns must always be addressed in the data collection process (Creswell et al., 2016: 146). Due to the current worldwide pandemic, it was recommended that no face to face data collection be conducted, as a result, the researcher proceeded with virtual interviews, reliability and validity was ensured by overseeing that the chosen interview platform (Skype) warranted safety and security.

Other important considerations included anonymity, obtaining permission for the study, consent, time and accessibility limitations additionally because this study involves human subjects it was fundamental for the researcher to be aware of the moral and ethical principles of directing research. The respondents were advised on the reason for conducting the research and the intended use of the information employing a consent form (Appendixes).

The three basic ethical considerations voluntary participation, informed consent, and confidentiality were upheld and respected by the researcher during the study and the researcher considered all possible ethical issues to ensure that the research study was performed ethically, which include:

Obtaining permission for study: The researcher could only research once the research proposal had been submitted and approved and ethical clearance had been granted by the ethical committee.

Informed consent: This involved the concern of participants being uninformed of the fact that they were taking part in a research study or having not freely consented to participate (Bricki & Green, 2009), which was remedied by obtaining a consent letter that provided information about the project, purpose of the study, selection criteria, what was being studied and what the participants had to do if they wanted to participate as well as the researcher's identity.

Anonymity and confidentiality: Dealt with the issue of generating sensitive information and ensuring protection in the form of identification or access to responses (Bricki & Green, 2009), the participants were assured that their identity and responses would be regarded as confidential and made available to authorised users only (Creswell, et al., 2016: 49) which include the researcher and the supervisors. Assurance was upheld by communicating to the participant the right to anonymity and confidentiality and was safeguarded by appointing numbers to the participants and referring to them according to the number allocated by the researcher (i.e. participant 1 stated that "...") additionally audio/video recordings of the interviews were saved on the researcher's laptop with a password key.

Right to withdraw: Encompassed the participants right to no longer proceed with the interview. All participants were informed of their right to withdraw at any stage during the interview.

Falsifying and misusing information: Wherein the researcher changes the data so that the results portray what the researcher intended or initially predicted presents deceptive data and uses the data collected for other reasons without receiving participant's consent (Thomas, 2010: 15). This was avoided by the researcher performing the study ethically, analysing the data transparently and abiding by the ethical guidelines stipulated.

Limitations

This refers to the constraints of the research study (Enslin, 2014: 275). For this study the possible constraints are:

Time limitation: This research study had a time limit of ten months as the research study process began in March 2020 and the deadline for the conclusion was October 2020 this limitation affected the amount of information that could be collected from participants.

It also influenced the number of participants the researcher could include in the study because a large sample size would require more time for coding, analysing etc.

Accessibility limitation: The research study had an accessibility limitation caused by time limitations and the restrictions imposed due to the COVID-19 which directly affected the accessibility to interview various Millennials in Cape Town also, participants had to give consent before being interviewed. The researcher overcame these limitations by working timeously and conducting a virtual SSI.

Response limitation: The participants could limit their responses in that they won't fully disclose their actual opinion/perceptions relating to why they are (or not) willing to pay OPP due to fear of judgement or disinterest, the researcher overcame this limitation pledging confidentiality and the latter by informing the participant of the study, what it entails and giving them the right to withdraw.

DELIMITATIONS

Delimitations make reference to the parameters that are set up by the researcher as opposed to limitations that are out of the researcher's control (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014: 276), the topic choice, objectives, case studies and to an extent the research design, are all delimitations of the research study.

There are many delimitations present in this study but the primal ones will be outlined in this section:

Delimitation due to location: As discussed in the literature review, this kind of study has not been conducted in South Africa as a whole and this study besides being small-scaled it only focused on the city of Cape Town, South Africa.

Delimitation due to the research design: The chosen qualitative design method limited the study to a subjective classification which the researcher deemed crucial because the goal was to gain an in-depth understanding of consumers' perceptions.

Delimitation due to the research collection method: The use of Skype created limitations in the areas of rapport.

Delimitation due to the target population: Regarded as a major delimitation because the researcher collected the data from an accessible target population which was identified during the research design process to make the research more achievable.

Furthermore, by conducting only three interviews the results of this report should not be generalised to the broader population as the population is large, and the findings of this study do not contain enough information to be able to generalise the findings to the larger population.

Recommendations for future practices

On the insights gained during the study, other feasible research studies should be undertaken to better understand Millennials, their attitude towards green apparel, their willingness as consumers as well as the factors that ultimately influence their purchasing decisions towards green products in a South African context, thus further enhancing accuracy and credibility.

It was observed that external determinants can also influence consumer willingness, therefore, the study can be further expanded by doing primary research on certain individual consumer traits, primarily extrinsic factors such as socio-demographic characteristics (income, socio-professional category, education, age, gender etc), familiarity or perceived risk. The study of potential links between satisfaction, loyalty and willingness to pay could also be pursued.

Additionally, with a longer time frame, a bigger sample size of millennials consumers can be interviewed to generate a more in-depth insight, also the population sample could include participants from different socio-economic classes to better understand and identify other factors that possibly influence consumers purchasing decisions, this will allow for more accurate findings and insights.

This research has allowed for recommendations to be made so that businesses are to some extent informed of consumers perceptions towards green products enabling and facilitating further research and understanding towards consumer willingness and green apparel, likewise, in the future, data relating to organic farming should be collected and analysed to provide valuable inputs for the institutions responsible for organic farming laws and regulations, as well as for food processing companies, retailers, wholesalers, farmers and researchers or policymakers.

Now that the research question and problem, the implications of findings for future practices limitations of the research study has been discussed. The next section will delve into the heuristic value of this report which refers to the anticipated contributions of the study.

Anticipated contribution

As identified in the literature review majority of the studies on customer preferences, consumer willingness and their perceptions towards organic price premiums were conducted internationally and were quantitative.

Very few studies have been conducted in Africa specifically South Africa, therefore it is safe to ascertain that a gap in the knowledge of South African Millennial consumers and their attitude towards organically farmed produce does exist.

This was rectified through conducting the study in the hopes of creating knowledge on South African Millennial consumers and their perceptions and willingness to pay organic price premiums which could, in turn, begin to bridge the existing literary gap.

The researcher prospecting that this study would provide insight on South African consumers' awareness of organic farming and their willingness to pay OPP to support sustainable

developments in farming, additionally, the researcher hoped to shed light on the factors that possibly influence consumers purchasing decisions and answer the question why Millennials are willing to spend more on organically farmed produce.

Conclusively, the findings of the present research provided insights on consumer perceptions and purchase decisions which can be used by policymakers, professionals from the food industry and retailers for better decision-making and to continually work towards improving every stage of operations, from customer acquisition through to retention because according to Kranjac et al. (2017: 499) the analysis of factors shaping consumers profile, purchasing decisions and behaviours is of great significance to every market-oriented company since they provide the foundation for targeted advertising and creation of specific market segments which can result in increased profits.

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Appendixes

Appendix 1: Explanatory information

Explanatory information sheet and consent form for participants
To whom it may concern, My name is Tchissola Fernanda B. Mandavela and I am a student at Varsity College Cape Town Campus. I am currently conducting research under the supervision of Doulette Braak & Karel Marais about Millennials and their willingness to pay organic price premiums and the factors that influence their purchasing decisions. I hope that this research will enhance our understanding of South African Millennial consumers and their awareness of organic farming, their willingness to pay OPP in order to support sustainable developments in farming and shed light on the factors that possibly influence consumers purchasing decisions. I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, please complete and sign the consent form below.
What will I be doing if I participate in your study?
I would like to invite you to participate in this research because you are an ideal candidate. If you decide to participate in this research, I would like to interview you. You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular interview questions.
Are there any risks/ or discomforts involved in participating in this study?
Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study. You might, however, indirectly find that it is helpful to talk about your purchasing habits and shopping preferences. If you find at any stage that you are not comfortable with the line of questioning, you may withdraw or refrain from participating.

Do I have to participate in the study?
• Your inclusion in this study is completely voluntary; • If you do not wish to participate in this study, you have every right not to do so; • Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.
Will my identity be protected?
I promise to protect your identity. I will not use your name in any research summaries to come out of this research and I will also make sure that any other details are disguised so that nobody will be able to identify you. I would like to ask your permission to record the interviews, but only my supervisor, I and possibly a professional transcriber (who will sign a confidentiality agreement) will have access to these recordings. Nobody else, including anybody at Varsity College Cape Town, will have access to your interview information. I would like to use quotes when I discuss the findings of the research, but I will not use any recognisable information in these quotes that can be linked to you.
What will happen to the information that participants provide?
Once I have finished all interviews, I will write summaries to be included in my research report, which is a requirement to complete my Honours in Management degree. You may ask me to send you a summary of the research if you are interested in the final outcome of the study.
What happens if I have more questions about the study?
Please feel free to contact me or my supervisor should you have any questions or concerns about this research, or if there is anything you need to know before you decide whether or not to participate. You should not agree to participate unless you are completely comfortable with the procedures followed. My contact details are as follows: Tchissola Mandavela

The contact details of my supervisor are as follows:

Doulette Braak

Karel Marais

Appendix 2: Consent form for participants

Consent form for participants

I, _____, agree to participate in the research conducted by Tchissola F. B. Mandavela about consumers' willingness to pay more for organically farmed products.

This research has been explained to me and I understand what participation in this research will involve. I understand that:

- I agree to be interviewed for this research.
- My confidentiality will be ensured. My name and personal details will be kept private.
- My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research.]
- I may choose not to answer any of the questions that are asked during the research interview.
- I may be quoted directly when the research is published, but my identity will be protected.

Signature

Date

Appendix 3: Semi-structured interview guide

Interview tool: Skype Audio
Date: 19th- 28th August 2020

1. Knowledge about organic food.

- What knowledge consumers have about organic food and OPP before they begin to purchase these products.
- Did or do they try to learn more about organic food before purchasing organic.
- How did the consumer come to purchase organic/learn about organic food (in the case that knowledge does not exist and information was not searched for?)

Possible questions in this section

- What is your history with organically farmed products?

If the participant has no/limited history...

- Do you think about where your food comes from?
- What do you know about organically farmed goods?

2. Deciding to purchase organic.

- How did the consumer identify the need to start purchasing organic food?
- What triggered the need for purchasing organic food?

Possible questions in this section

- Why do you think people are starting to opt for organic food?

In the case that the participant normally purchases conventional and not organically farmed products...

- Why don't you purchase organically farmed products?
- What possible factors influence you or prevent you from purchasing organically farmed products?

3. Why purchase organic?

- In what way were conventional products evaluated when opting for organically farmed products? (what factors are taken into consideration).
- Decisive factors that make consumers choose the organic product or opt for conventional instead.

Possible questions in this section

- What are the factors that you take into consideration when purchasing organic products?
- Do you believe that OPP has an influence on consumers purchasing decisions?

If yes...

- If so, then why do you think consumers are still willing to purchase organic despite OPP?

If no...

- What other factors do you think influence consumer purchasing decisions when buying organic food?
- Although organically farmed produce is healthier, why do you think someone might prefer not to purchase organically farmed products?

4. Satisfaction and experiences after/for purchasing organic.

- In what way does purchasing organic food lead to more purchases.

Possible questions in this section

- What influences you to purchase organic produce?

Appendix 4: Consent form for audio/video recording



Consent form for participants

I, _____, agree to allow Tchissola F. B. Mandavela to audio record my interviews as part of the research about consumers' willingness to pay more for organically farmed products.

This research has been explained to me and I understand what participation in this research will involve. I understand that:

- My confidentiality will be ensured. My name and personal details will be kept private.
- The recordings will be stored in a password-protected file on the researcher's computer.
- Only the researcher, the researcher's supervisor and possibly a transcriber (who will sign a confidentiality agreement) will have access to these recordings.

Signature

Date

Appendix 5: Ethics clearance letter



7th July 2020

Student name: Tchissola Mandavela

Student number: 20121990

Campus: Varsity College Cape Town

Re: Approval of IIE BACHELOR OF COMMERCE HONOURS: MANAGEMENT Proposal and Ethics Clearance

HONOURS ETHICAL CLEARANCE LETTER

Your research proposal and the ethical implications of your proposed research topic were reviewed by your supervisor and the campus research panel, a subcommittee of The Independent Institute of Education's Research and Postgraduate Studies Committee.

Your research proposal posed no significant ethical concerns and your supporting documents and instruments are in order to proceed. We hereby provide you with permission to proceed with your research.

In the event of you deciding to change your research methodology in any way, kindly consult your supervisor to ensure all ethical considerations are adhered to and pose no risk to any participant or party involved. A revised ethical clearance letter will be issued.

We wish you all the best with your research!

Supervisor: **Doulette Braak**

Co-Supervisor: **Karel Marais**

Campus Postgraduate Coordinator (CPC): **Dr. Marizanne Grundlingh**

Appendix 6: Final Research Report Summary Document Table

Research purpose and objectives	Primary Research Question	Research Rationale	Seminal Authors/ Sources	Literature Review – Conceptual Framework	Paradigm	Approach	Data collection Method	Ethics	Key Findings	Recommendations
-The purpose of this study was to investigate why consumers of the Millennial cohort are prepared to pay more for organically farmed products and potentially discover the motivational factors behind their purchasing decisions. -Objectives was to find out consumers' willingness to pay OPP. To investigate the factors that influence purchasing decisions for organically farmed goods.	Why are consumers between the ages of 22 to 28 willing to pay more for organically farmed products?	as organic food becomes more widespread there is an increasing demand for academic research on habits and attitudes of consumers towards it, this why it is important to discover consumers' willingness to pay higher rates for organically farmed produce.	-Ajzen, I. 1991. -Akkaya, D., Bimpikis, K. and Lee, H. L. 2017. -Bagozzi, R. P. 1992. -Chaudhary, R. and Bisai, S. 2018. -Choi, S. and Ng, A. 2011 -Currie, J. M., Murphy, J. A. and Schmitz, A. 1971. -Kalish, S. and Nelson, P. 1991. -Misra, S. K., Huang, C. L. and Ott, S. L. 1991.	Theme 1: Sustainability Theme 2: Organic farming Theme 3: Economics (surplus & elasticity) Theme 4: Consumers	-Interpretivism: possibly shed light on sustainability as an investment for the agricultural industry based on the consumers of wins of sustainable good and their willingness to support sustainable development in farming. Epistemology: To interpret findings and hopefully find and understand the importance of agricultural sustainability investment and it's value for the consumer/provide insights on consumer perceptions and purchase decisions which can be used by policymakers, professionals from the food industry and retailers Ontology: Reality is a social construct. There are multiple realities due to a variety of human experiences, views and knowledge. Reality is can be examined and created through human interactions and actions Axiology: The study should give insight on the subject matter in lighten and inform	-Qualitative Population -Millennial cohort Parameters -Working millennials between the ages of 22-28 years male or female in Cape Town	-Semi-structured interviews	The three basic ethical considerations voluntary participation, informed consent, and confidentiality were upheld and respected by the researcher during the study and the researcher considered all possible ethical issues to ensure that the research study was performed ethically namely; -Obtaining permission for study -Informed consent -Anonymity and confidentiality -Right to withdraw -Falsifying and misusing information	- Given the findings sustainable investments in the agricultural sector are notable by Millennial consumers and given this observation it may be concluded that sustainable developments and investments in the agricultural sector are indeed worthwhile. -Millennial consumers are in fact willing to pay for organically farmed produce despite being susceptible to OPP and their decision is swayed predominantly by intrinsic factors rather than extrinsic factors - Findings revealed that respondents held rather positive attitudes toward organic food - Millennial consumers are willing to contribute towards sustainable and ethical developments in agriculture given their predisposition to pay more for organically farmed products which are prompted by positive perceptions towards the same.	-Other feasible research studies should be undertaken to better understand Millennials, their attitude towards green apparel, their willingness as consumers -the study can be further expanded by doing primary research on certain individual consumer traits, specifically extrinsic factors -a bigger sample size of millennials consumers can be interviewed to generate a more in-depth insight

Research Problem	Secondary Questions/ Objectives	Key Concepts	Key Theories	Sampling	Data Analysis Method	Limitations	Key contributions	
It is suggested that sustainable development in agriculture have contributed to organic premium prices, therefore our consumer still willing to pay for organic foodstuffs(in order to support sustainable developments in agriculture) even though they are susceptible to price premiums	To discover if sustainability investments in the agricultural industry have been worthwhile and are notable by consumers	-Millennials -Sustainability in business -Agricultural sustainability -Organic farming -Willingness -Value -Premium pricing -Consumer surplus	-Theory of Planned Behaviour	-Non-probability sampling Sampling method - Convenience sampling - Snow ball sampling Size 3	Unit of analysis Millennial consumers Data analysis method Thematic Analysis	-Time limitation -Accessibility limitation -Response limitation Delimitations -Delimitation due to location -Delimitation due to the research design -Delimitation due to the research collection method -Delimitation due to the target population	-The findings of the present research provided insights on consumer perceptions and purchase decisions which can be used by policymakers, professionals from the food industry and retailers for better decision-making and to continually work towards improving every stage of operations, from customer acquisition through to retention	
							-provide insight on South African consumers' awareness of organic farming and their willingness to pay OPP to support sustainable developments in farming,	