

How transparent should a crop-based food brand be? Balancing genetic crop modification and drought conditions.

By Kristen Ryan and Dr Franci Cronje



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Brand transparency plays an important role in building brand equity. It also plays a crucial part in the development of trust between the brand and its consumer. Furthermore, brand transparency influences millennial buying decisions greatly. The persisting Western Cape drought has placed immense pressure on crop-based food brands to find alternative water-saving farming methods to grow maize meal under harsh weather conditions.

Semi-structured surveys attempted to draw on opinions from Western Capetonian millennials aged 22 – 37 regarding their willingness to support a crop-based food brand that is not being transparent.

Findings show that these consumers care a great deal after all. Their purchase behaviour is considerably influenced by brand transparency. By taking care of the above, a brand is able to establish trust with its consumers and thereby build meaningful relationships with them.

Maize meal is one of the staple foods in South Africa and with the rise of genetically modified (GM) crop production methods as a result of the persisting drought and the widely held negative perceptions, it has become more important now than ever that a brand makes a point to inform their consumers of any possible changes that may, or have occurred in the production of their maize meal. The results of such research can help crop-based brands to understand the increasingly important role that brand transparency plays in the development of strong brand equity in the context of persistent drought conditions.

As a result of the change in weather

conditions, there is little choice but to deploy genetic crop modification methods. With production methods being inherently connected to an organization's brand (Magnusson, M.2004), it is imperative that when the production method of the product changes, so does the nature of the brand. In order to ensure brand equity, it is important that a brand's identity adapt to these changes and a strong brand image be maintained. Gordon Cook and colleagues Kira Erwin, Patrick Carmody and Carla Enslin in 2010 placed transparency as key to maintaining a healthy brand identity. A lack of such might damage brand image. In order for crop-based brands to continue to be successful and maintain brand equity it is therefore imperative that the brand finds ways to portray their product in such a way that the consumers still want to associate with them having maintained a level whereby its brand identity and image align, such as defined by Keller in 2001. A small study such as this highlights the impact on brand equity on crop-based food brands that deploy genetic crop modification methods as a result of persisting drought conditions.

Several US studies emphasise factors such as product quality and that the brand needs to live up to consumer expectations. Such brand equity is determined by tangible factors referring to quantitative values such as sales numbers and intangible qualitative values such as consumer awareness of the brand (Brown, 2018).

Brown also measures brand equity when considering key metrics surrounding knowledge and preference with knowledge relating to the consumer awareness of the brand through top-of-mind recognition and



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recall, and preference relating to how these consumers perceive the brand in relation to competitors. By identifying issues relating to the brand equity, a brand is able to take the relevant steps in building brand equity and measuring progress and increase its sales and prestige – both of which are needed to become successful and a leader within the market. Millennial customer willingness to recommend the brand and maintain brand loyalty pivots around brands that are transparent in their production methods.

THE INCREASING NEED FOR GM CROPS

A report by the African Centre for Biodiversity (ACB) discusses genetically modified maize in context of a drought, together with the unsustainability of existing maize crops as a consequence of a transition into a hotter and drier future. The article makes reference to climate change, specifically the El Niño phenomenon whereby South Africa has recently seen the worst drought in its recorded history, with 2015 being the lowest national annual rainfall recorded in South Africa since 1904. It seems that the need for producing genetically modified maize products that can survive in harsher and drier weather conditions has become undeniable.

The ACB also claims that a shortage of water may pose a threat to the stability of the South African staple food supply. Subsequently this becomes a real worry for all SADEC countries relying on South African maize imports. There are limited possibilities to expand on irrigation to sustain crops. The suggestion is that this is due to a consistent reduction of freshwater supply. The increasing call for water-saving and efficient water-use farming techniques has a downside: these techniques will drive production costs up even further hiking maize production and purchase cost. It is

quite understandable then, that the chain reaction of consumer cost expectations impacting on production makes genetic crop modification more attractive to farmers.

SOUTH AFRICANS EATING GM FOODS

Mariam Myet, Director of African Centre for Biosafety however, claims that a majority of South Africans are eating GM maize without their knowledge. She refers to Haidee Swanby, researcher at ACB, voicing disappointment with Woolworths' misuse of the 'May be Genetically Modified' label. Such, she says, stands in clear violation of their stated policy to label products containing GM ingredients where these products could not be removed (Jaffer, 2018).

PERCEPTIONS

In light of the persisting Western Cape drought conditions, it can be said that a negative perception towards genetic crop modification combined with a lack of transparency about GM methods of production could potentially have a detrimental effect on the purchasing behaviour of said consumers. The current study, therefore, wanted to test this claim.

CONSIDERING THE EQUITY OF PREMIUM AND HEALTHY BRANDS

Considering Aaker's definition of brand equity as a set of brand assets and liabilities linked to the brand, including its brand name and symbols that may add or subtract value from a product or service a brand such as Woolworths, with strong brand equity can ask premium prices, boosting revenue. Adding another level such as requirements for healthy brands as discussed by Cook, Erwin and Enslin (2010), it is important that Woolworths also offer a meaningful purpose in the establishment of a healthy brand.

With production methods

being inherently connected to an organisation's brand and with the above literature in mind, it is important that the nature of the brand begin to change when the production method of the product changes. To ensure brand equity, a brand's identity should adapt to these changes to maintain a strong brand image. Transparency is key to a healthy brand identity. For crop-based brands to continue to be successful and maintain brand equity it is crucial that the brand finds ways to portray their product in a way that the consumers still want to associate with them. Ultimately brand identity- and image should consistently align.

A PERCEPTION STUDY WITH A SMALL SAMPLE OF MILLENNIALS

It seems that the millennial consumer has very specific views on GM. Transparency plays a major role in swaying the purchase behaviour of these Western Cape consumers as it can either make or break a relationship between the consumer and brand. It was revealed that Western Cape millennials do not support dishonest brands and are not afraid to openly revolt against and abandon a brand for its competitor if it is revealed that the brand has not been transparent in any way. Thus, depending on how transparent a crop-based food brand is about its production methods will determine how brand loyal the millennial consumer is to the brand.

When examining the theme of consumer perception, it can be concluded that these millennials currently hold negative feelings

and opinions towards genetic crop modification and the methods involved. They perceive it to be dangerous and are strongly for anti-GM legislation laws in the Western Cape. Whether imported or locally grown, they would prefer to purchase maize meal that is organic as they believe it to be a healthier alternative option to that of GM options.

Considering brand awareness, it was clear that millennial consumers are very aware of brands such as Tiger Brands Ace Maize Meal, Woolworths Super Maize Meal and Pioneer Food White Star Maize Meal whether they purchase from the brand or not and have come into contact with the brand at some point in their lives. It is important to note that millennial consumers are aware of these brands and the maize meal products exclusive to them but are unaware of Jaffer's assertion that each contained an average GM content of more than 47 percent.

Finally, the small study showed that Capetonian millennial consumers' perception and awareness of certain crop-based brands are not supportive of GM maize meal as suggested in previous literature, and prefer more organic alternative methods. Since these millennials are aware of and have come into contact with brands such as Woolworths, Pioneer Foods and Tiger Brands whose maize meal products, according to previous literature has been genetically modified in some way or another, transparency is a much needed tool in the curation of a strong brand equity for these brands and those alike.

Research for this article was conducted in the authors' capacity as Honours in Strategic Brand Communication students and supervisors at Vega School, a brand of The Independent Institute of Education.