

UNIVERSITY OF FORT HARE
DEPARTMENT OF BUSINESS MANAGEMENT

ADVANCED BUSINESS RESEARCH
BEC 516/516E

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Time: DURATION: 3 HOURS
Subject: BEC 516/516E
Marks: 100

**This paper consists of six pages including this
cover page.**

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INSTRUCTIONS

1. Answer ALL QUESTIONS. There are five questions.
2. LABEL your ANSWER BOOKS correctly.
3. Enter the correct question number for each answer.
4. Enter the numbers of the questions answered on the front cover of your answer books.
5. Indicate the number of answer books handed in on the front cover of each book.
6. Write legibly.

QUESTION 1 CASE STUDY

Read the following case study and answer the questions that follow

Woolworths: Farming for the Future

Source: King, L. & Thobela, S. (2014). Woolworths farming for the future. *International Food and Agribusiness Management Review*, 17(B), 161-166.
<https://ageconsearch.umn.edu/record/179565/>

Founded in 1931, Woolworths is one of South Africa's leading retailers of quality food, clothing, and general merchandise, with some 448 stores in South Africa, other African countries, and the Middle East. As Woolworths has grown, evolved, and adapted to the changing world, it has always remained true to its core values of quality, style, service, integrity, value, innovation, and sustainability—and has continually endeavoured to make a difference in the lives of its customers.

In 2007 Woolworths formalized the company's commitment to sustainability with the launch of the Good Business Journey, a comprehensive plan to make a difference in the key areas: sustainable farming and fishing, energy, water, waste, transformation, and social development. Woolworths overarching sustainability strategy and objectives are set by the Sustainability Committee, a formal sub-committee of the Woolworths Holdings Board, which is chaired by a non-executive director and meets quarterly to oversee the progress in achieving all aspects of the Good Business Journey program. Sustainability is therefore one of the strategic focus areas for the business and is integrated into the strategic planning cycle. Each business unit is measured against Good Business Journey objectives twice per annum.

Recognized three times as "International Responsible Retailer of the Year" at the World Retail Awards and named one of the 16 sustainability champions in the developing world by the World Economic Forum, Woolworths has proven to be integrating sustainability into the way they do business, whilst addressing key social and environmental issues facing the country and the world at large.

As part of Woolworths' Good Business Journey, Farming for the Future was adopted as a holistic and scientific farming approach to produce quality food, improve soil

quality, save water, and reduce dependence on synthetic fertilizers, herbicides, and pesticides, whilst protecting natural resources and encouraging biodiversity to flourish, all without adding cost to the end product.

Today, 98% of Woolworths' local primary produce suppliers have adopted these methods and assessments have shown remarkable results. The programme is helping build a resilient supply chain within a water-scarce country and helping farmers to adapt to climate change and extreme weather patterns. Key success factors include strong partnerships with suppliers and WWF-SA, annual farm assessments, and affordability of produce. There is an opportunity to extend the programme further within Woolworths' own foods business as well as with the rest of the country and Africa.

The success of Farming for the Future can be attributed to a number of factors. Firstly, the key to Farming for the Future's success is that the customer does not pay a premium. The costs of the assessments are absorbed by Woolworths which believes in the value that Farming for the Future provides - ensuring better quality produce, healthier soil, and ecosystems upon which Woolworths are dependent to grow and sell food into the future, and differentiating Woolworths as a brand. Whilst there are initial costs for suppliers, their costs have decreased over time, proving that it is economically viable, and a good business opportunity for both suppliers and Woolworths.

Furthermore, Farming for the Future enables Woolworths to offer their customers quality products that have been grown sustainably, and at an affordable price. This is strategically important in that it differentiates Woolworths as a brand at a time when consumers are looking for responsibly and ethically sourced products and greater transparency from retailers. Looking forward, Woolworths wants to better understand the perspectives of its customers on the Farming for the Future approach adopted by the company. This has not been quantifiably analysed and presented at any level within the organisation. The current belief that the Farming for Future programme is positively embraced by the customer base is purely subjective and based on management's stance on the matter.

Secondly, the annual assessment is very important to its success, teaching farmers to monitor and measure and identify where improvement is needed. For example, the audit process can help farmers identify simple water treatment principles such as using environmentally friendly cleaning agents and treating wastewater, which can, in turn, lead them to become legally compliant and score higher in their assessment.

The success is also grounded in the strong partnership-based relationship that the retailer has built with their food suppliers over the years, and as farmers have adopted the principles and seen the environmental, social, and economic benefits, so they have further driven and supported Farming for the Future.

Woolworths' partnership with a leading conservation organization, the Worldwide Fund for Nature South Africa (WWF-SA) has played an important role. WWF-SA has provided scientific expertise since the development of the program as well as guidance on adapting and up-scaling the program to other food categories.

Due to the success of Farming for the Future to date, Woolworths is working closely with WWF-SA and Enviroscientific to better understand how to adapt the existing standards to Ayrshire dairy and cattle farms. Woolworths is also in the process of adapting the Farming for the Future standards and assessment process to reduce costs, and thereby be more accommodating and inclusive of secondary produce farmers. This will help further the inclusion and development of emerging small-scale farmers through the program.

In conclusion, Farming for the Future is helping to transform the agricultural sector in South Africa by supporting suppliers to grow quality produce using fewer resources, whilst adapting and becoming more resilient to issues like soil depletion, water scarcity, climate change, and rising input costs. With increased soil health and biodiversity flourishing on farms again, Farming for the Future is helping to restore once-broken ecosystems, and ensuring food security for generations to come. Farming for the Future is also providing a best-case example of retail's role in driving change in the supply chain and providing customers with more responsible and sustainable choices.

Whilst Woolworths has plans in place to further extend Farming for the Future within their own foods business, the most significant opportunity and challenge will be to share this best practice case study with the rest of the country as well as other African countries that face the same agricultural challenges. The first step would be to extend the program to Woolworths' Kenyan suppliers.

QUESTION 1 [48 MARKS]

Referring to the previous case study, answer the following questions:

- 1.1 Discuss any three (3) research problems facing Woolworths. [12]
- 1.2 Compile three possible research questions from the case study. In respect of each research question, you should justify why you think that the research question is appropriate within the context of the scenario set out in the case study. [12]
- 1.3 Identify and describe the type of information would be useful to answer these questions? [6]
- 1.4 Write three null and three alternative hypotheses that could be covered within these research questions or research problems. [6]
- 1.5 How will you go about securing this information? [6]
- 1.6 For each research problem indicate whether you would use a quantitative or qualitative research approach. Justify your answer. [6]

QUESTION 2 [15 MARKS]

Assume that Mr Price (a retailer synonymous with selling fashionable merchandise at excellent value) is concerned about the threat posed by the entry of international retailers such as Zara and TopShop into the South African retail environment. They want to do research to establish the perceptions of their target market about the positioning of the various retail brands (i.e., Mr Price, Zara, and Topshop). However, they are unclear on how they should go about gathering a sample for their survey. Advise the Research department at Mr Price on the different sampling methods that they could use to collect the data as well as their respective advantages and disadvantages.

[15]

QUESTION 3 [15 MARKS]

Which survey method (mail, telephone, personal interview in the home or fax, e-mail, website, or in a mall) would you use for the following situations? Justify your choice.

- 3.1 Administration of a questionnaire to determine the number of people who listened to the "100 Top Country Tunes of the Year" a program that aired on December 31. [3]
- 3.2 Administration of a questionnaire to determine the number of households having an individual with mental health problems and a history of such problems in the family. [3]
- 3.3 Administration of a questionnaire by a national manufacturer of microwave ovens to test people's attitudes and opinions toward a new model. [3]
- 3.4 Administration of a questionnaire by a local dry cleaner who wants to determine customer satisfaction with a recent discount scheme. [3]
- 3.5 Administration of a questionnaire by the management of a small hotel that wants to assess customers' opinions of its service. [3]

QUESTION 4 [10 MARKS]

You are about to collect your data after your proposal was approved by the Department of Business Management for Advanced Business Research. Part of the requirement before data collection is to obtain an ethical clearance from the University of Fort Hare Research Ethical Committee. Discuss the ethical issues you will consider before carrying out your research. [10]

QUESTION 5 [12 MARKS]

The research process provides the blueprint for any research study. Should a researcher decide not to follow the research process step-by-step, the success of the research study can be placed in jeopardy. Discuss this statement while elaborating on the steps to be followed in a research process. [12]

End of Paper