



Measuring Brand Loyalty to Grocery Stores in the United States: A Comparison Across Race

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ABSTRACT

The purpose of this study is to identify relationships between race and grocery store brand loyalty, and to isolate the correlations between different characteristics of grocery stores in the United States and brand loyalty.

For this study, 8 brand loyalty attributes were measured with a 28-question survey, and 300 responses were collected. One-way Analysis of Variance (ANOVA) with Post Hoc test was conducted to compare the average mean scores among participants.

INTRODUCTION

The brand loyalty comparison among people who belong to different races, with various attributes of brand loyalty in both attitudinal and behavior approaches, has not been addressed. Hence, this paper compares brand loyalty scores among different groups of people by three major races in the United States: White, Black, and Hispanic.

As per capita disposable income increased, customers began to purchase more premium, organic, and all-natural brands. However, at the same time, inflationary food costs have led many customers to seek out cheaper products. Therefore, establishing meaningful relationship with customers is a key factor to survive the influx of competition. In this paper, the brand loyalty scores are measured specifically for three grocery stores in the United States: Meijer, Costco, and Whole Foods because each store has its own unique characteristic.

To examine the major and the minor antecedent influences on brand loyalty in the grocery store industry, both attitudinal and behavioral attributes of brand loyalty were incorporated: perceived value, brand trust, customer satisfaction, commitment and repeated purchase behavior.

MATERIALS AND METHODS

First, 48 random Kalamazoo College students and their families, grocery shopped at either Meijer, Costco, or Whole Foods in the past 6 months, volunteered to take a 29-question survey. After conducting reliability analysis of items based on the results, one question was deleted because of the lowest level of internal reliability.

Therefore, 28-question survey was distributed to 300 random people living in the U.S., both male and female. ANOVA with Post Hoc test was conducted to compare the results.

RESULTS

1. The Validity and Reliability of items

Both content validity and construct validity were verified by items, adapted from Punniyamorthy and Raj (2007), with loadings only greater than 0.500 from a factor analysis with varimax rotation. In addition, since the Cronbach's alpha scores for all attributes were higher than $\alpha = .7$, the criterion to determine an acceptable level of reliability, the reliability of items for each attribute of brand loyalty was verified.

2. Comparison

• All participants who grocery shopped at Whole Foods in the past 6 months

Post-hoc comparisons using the Tuckey HSD test showed that for price worthiness factor and repeated purchase behavior, Black participants tended to give higher scores than White participants. Likewise, for social value and brand trust, Black participants tended to give higher scores than either White or Hispanic participants.

Price Worthiness	Whole Foods-White	36	3.1296	.98005
	Whole Foods-Black	38	3.8333	1.05053
	Whole Foods-Hispanic	26	3.3205	1.02624

Repeated Purchase	Whole Foods-White	36	3.2292	.90903
	Whole Foods-Black	38	3.7829	.88373
	Whole Foods-Hispanic	26	3.3462	.98762

Social Value	Whole Foods-White	36	3.5926	.83992
	Whole Foods-Black	38	4.0877	.80793
	Whole Foods-Hispanic	26	3.4231	.89719

Brand Trust	Whole Foods-White	36	3.6042	.83959
	Whole Foods-Black	38	4.0855	.68841
	Whole Foods-Hispanic	26	3.4615	.97901

Price Worthiness	Between Groups	9.714	2	4.857	4.675	.012
	Within Groups	100.780	97	1.039		
	Total	110.493	99			

Repeated Purchase	Between Groups	6.207	2	3.104	3.662	.029
	Within Groups	82.203	97	.847		
	Total	88.410	99			

Social Value	Between Groups	7.987	2	3.994	5.617	.005
	Within Groups	68.967	97	.711		
	Total	76.954	99			

Brand Trust	Between Groups	7.207	2	3.604	5.283	.007
	Within Groups	66.168	97	.682		
	Total	73.375	99			

• White participants who grocery shopped at either Meijer, Costco, or Whole Foods in the past 6 months

Post-hoc comparisons using the Tuckey HSD test showed that for price worthiness factor, White participants who have grocery shopped at Whole Foods appeared to score lower for price worthiness factor than White participants who have grocery shopped at either Meijer or Costco.

Price Worthiness	Meijer-White	42	3.9762	.72655
	Costco-White	31	4.0538	.86537
	Whole Foods-White	36	3.1296	.98005

Price Worthiness	Between Groups	18.757	2	9.379	12.790	.000
	Within Groups	77.726	106	.733		
	Total	96.483	108			

• Black participants who grocery shopped at either Meijer, Costco, or Whole Foods in the past 6 months

Post-hoc comparisons using the Tuckey HSD test showed that For social value, Black participants who have grocery shopped at Whole Foods were inclined to score higher for social value than Black participants who have grocery shopped at either Meijer or Costco.

Social Value	Meijer-Black	23	3.3913	1.13996
	Costco-Black	30	3.4222	1.14782
	Whole Foods-Black	38	4.0877	.80793

Social Value	Between Groups	10.214	2	5.107	4.941	.009
	Within Groups	90.949	88	1.034		
	Total	101.162	90			

• Hispanic participants who grocery shopped at either Meijer, Costco, or Whole Foods in the past 6 months

Post-hoc comparisons using the Tuckey HSD test showed that For price worthiness factor, Hispanic participants who have grocery shopped at Whole Foods scored lower for price worthiness factor than Hispanic participants who have grocery shopped at Costco.

Price Worthiness	Meijer-Hispanic	35	3.7048	.97274		
	Costco-Hispanic	39	3.9573	.78427		
	Whole Foods-Hispanic	26	3.3205	1.02624		
Price Worthiness	Between Groups	6.325	2	3.163	3.747	.027
	Within Groups	81.874	97	.844		
	Total					

CONCLUSIONS

This study examined where differing perspectives on brand loyalty attributes between White, Black, and Hispanic people who grocery shopped at Meijer, Costco, and Whole Foods in the past six months lie. Furthermore, this study investigated whether there are different perspectives in any brand loyalty attributes between people of the same race who grocery shopped at Meijer, Costco, and Whole Foods in the past six months.

Ultimately, this study gives suggestion as to how marketers in the grocery industry may better develop marketing strategies adjusted to different cultural preferences.

First, Black participants are less susceptible to social value and brand trust to create brand loyalty to Whole Foods than White participants. For price worthiness factor and repeated purchase behavior they are likewise less influenced than White and Hispanic participants.

Whole Foods can put efforts into improving the quality of its stores in terms of price worthiness, social value, brand trust and repeated purchasing to attract more White and Hispanic customers. For instance, Whole Foods can consider either lowering prices, creating promotional events, or creating value-added products to improve in price-worthiness factor.

Among Black participants, those who have grocery shopped at Whole Foods appeared to be more satisfied by social value than those who have grocery shopped at Meijer or Costco. Therefore, Meijer and Costco should consider marketing strategies geared towards making customers feel proud of shopping at their stores and those which encourage the belief that Meijer or Costco products will improve their quality of life.

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