



Ethnicity's Effect on Brand Loyalty among American Consumers

Neleen Leslie

Florida State University

Felipe Korzenny, PhD

Florida State University



Background

Melting Pot

OR

Salad Bowl?





Background

The American Consumer Market

- US Population: 308.7 million (Humes, Jones & Ramirez, 2011)
 - 27.3 million (9.7 %) more than 2000
 - Over ½ of this was Hispanics alone (15.2 million vs. 27.3 million (Humes, Jones & Ramirez, 2011).
- More minority growth projected (2000-2050):
 - The Hispanic : > double
 - Asian population: 79%
 - Non- Hispanic : decrease (Ortman & Guarneri, 2009).



Background

- The multicultural population is an increasingly diverse and rapidly growing segment of the U.S. population (the new mainstream??)
- Represents untapped potential for businesses who are challenged of understanding and connecting with them.
- All marketing is cultural (Korzenny&Korzenny, 2012)



Background

- What's been done so far:
 - Ethnic group differences in approach to shopping (Shim & Gehrt, 1996).
 - Cultural differences in consumer decision making in Chinese consumers in Canada (Doran, 1994)
 - Cross cultural similarities and differences in shopping for food (Brunso & Grunert, 1998).
- This study:
 - Across ethnic group comparison of a general measure of brand loyalty in the United States.



Literature Review

Ethnicity

- Any group bound together by common ties such as language, race, nationality, culture or skin color might feel themselves to be, or are considered to be an ethnic group (Knight, 1996)
- A social structural variable that influences socialization processes and outcomes (Shim and Gehrt, 1996)
- Fairchild (1970) defines culture as a set of socially acquired behavior patterns common to the members of a particular society or ongoing, large-scale human group.



Literature Review



Brand Loyalty

- “the biased behavioral response expressed over time by some decision- making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes” (Jacoby & Chestnut, 1978)
- “a deeply held commitment to rebuy or patronize a preferred product/service causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts are having potential to cause switching” (Oliver, 1999).



Literature Review

- Shim & Gehrt, 1986
 - Hispanic & B/AA adolescents were more influenced by brand names than NHW
 - B/ AA adolescents use brand name as a criteria purchase decision
 - Hispanic adolescents were more likely than NHW to make purchases based on status and image (Shim & Gehrt, 1986)
- Korzenny & Korzenny, 2005
 - Hispanics brand consumption are likely to be influenced by other Hispanics
- Fisher (1996)
 - Young AA likely to buy brands that make them feel that they have achieved a certain economic status and display this achievement to others.



Research Questions



- **RQ1:** Do ethnic groups differ significantly on brand loyalty?
- **RQ2:** Can ethnicity be considered a significant predictor of brand loyalty?



Method & Data Collection



- Data was collected in an online survey conducted by DMS Insights.
- Age: ≥ 18 and <75 .
- Data collected March 2011
- Completes:
 - 531 Non-Hispanic Whites
 - 500 Hispanic (English version)
 - 501 Hispanic (Spanish version)
 - 504 African Americans
 - 503 Asian American



Method & Data Collection



- Study was carried out as part of a larger multicultural survey in 2011 (national sample).
- Brand Loyalty
 - Previously tested items (Sproles & Kendal, 1986; Shim & Gehrt, 1996; Lam, 2006)
 - I have favorite brands I buy over and over.
 - Once I find a product or brand I like, I stick with it.
 - I change brands that I buy regularly
 - New items based on theory (Oh & Fiorto, 2002)
 - Store brands or generic products have the same quality as brand name products.
 - If the store I am shopping at does not have my favorite brand, I would go to a different store to find it.



Method & Data Collection



1. Factor analysis used to create brand loyalty index ($\alpha=.706$).
2. Pearson Correlations
3. ANCOVA: used to compute adjusted means, controlling for education and income.
4. Bonferroni adjustment used to test location of significant differences



Results



Ethnicity	N	% of Total Respondents	Gender			
			Male		Female	
			% of Ethnic Group	N	% of Ethnic Group	N
African American	504	19.85%	234	46.40%	270	53.60%
Asian/Pacific Islander	503	19.81%	239	47.50%	264	52.50%
Caucasian	531	20.91%	252	47.50%	279	52.50%
Hispanic English	500	19.69%	260	52.00%	240	48.00%
Hispanic Spanish	501	19.73%	167	33.30%	334	66.70%
Total	2536	100%	1152	45.4%	1387	54.6%



Results



Education: Highest level of education completed by respondents

Gender		HIGH SCHOOL OR LESS	SOME COLLEGE/TECHNICAL SCHOOL	BACHELORS/ 4-YEAR DEGREE	GRADUATE	Total
Male	Number of respondents	254	393	349	144	1140
	% within Gender	22.3%	34.5%	30.6%	12.6%	100.0%
Female	Number of respondents	386	514	325	152	1377
	% within Gender	28.0%	37.3%	23.6%	11.0%	100.0%
Total	Number of respondents	640	907	674	296	2517
	% of Total	25.4%	36.0%	26.8%	11.8%	100.0%



Results

- ANCOVA: Adj. means for brand loyalty based on the ethnic group, controlling for income and education:
 - African Americans (mean= .188)
 - Hispanic English (mean=.003)
 - Hispanic Spanish (mean= -.003)
 - Asian/Pacific Islanders (mean=-.014)
 - Caucasian (mean= -.071).



Results



- There was a statistically significant difference in the brand loyalty for the five ethnic groups ($F= 6.156$; $df = 1, 2275$, $p < .001$).
- Income also remained a significant predictor of brand loyalty ($F= 38.792$; $p < .001$).



Results

- African Americans were the only ethnic group found to be significantly more brand loyal compared to the other four groups.
 - Caucasians: mean difference of .259 ($p < .05$)
 - Asian/Pacific Islanders : mean difference of .202 ($p < .05$)
 - Hispanic English: mean difference of .191 ($p < .05$)
 - Hispanic Spanish: mean difference of .184 ($p < .05$)



Discussion

- Ethnicity significantly predicts brand loyalty, even after accounting for education and income.
 - Suggests that people who have achieved higher levels of education are more likely to be influenced by their cultural values and are more likely to be brand loyal.
- African Americans, most brand loyal despite lower levels of education.
- No significant differences for other groups



Limitations & Future Studies



- Convenience sample
- Gender imbalance for Hispanic Spanish
- More robust index measuring brand loyalty
- Why are African Americans so brand loyal



Questions???



Follow Us:



Visit our website: hmc.comm.fsu.edu