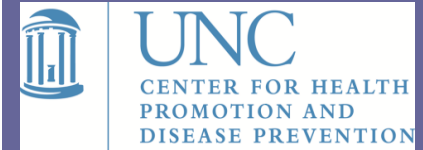




The Local Loyalty Project

Can positioning a regional grocery chain as a purveyor of local foods increase customer loyalty and local foods sales?



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+ Presenters Disclosure



- We have no relationships to disclose.

+ NC Growing Together – Consumer Research

- The goal is to investigate consumer behavior in retail groceries to learn whether there are promotions/interventions that can motivate consumers to purchase more locally grown foods
- Working with a regional grocery store chain interested in building its reputation as a local purveyor
- Project 1: Evaluation of Local Days Celebrations
- **Project 2: Local Loyalty Promotion testing**

+ **‘Local Loyalty’ Project**

- Previous research indicates that consumers perceive local foods to benefit their community
 - Not always aware of the local foods available in their grocery store
- Cultivating the demand for local food at grocery retailers embeds them in the communities they serve
 - Strengthening the loyalty of their consumer base



+ Intervention Strategies

- Multiple interventions (“promotions”) being tested
 - Primary chain: 3 intervention stores; 3 matched comparison stores
 - Low-cost chain: 3 intervention stores; 3 matched comparison stores
 - Each disseminated for 1 month followed by 2-week washout period
- Promotions:
 - Social Norms Approach
 - Economic Messages
 - Farm Stand
 - *Others in development for the low-cost chain*

+ Data Collection

- Emailed pre/post surveys conducted among “loyalty” shopper panel
 - Frequent shoppers with store loyalty cards
 - Measuring intention to purchase local foods and self-reported local purchasing (previous 30 days)
- Store sales data will track local meat, dairy, seafood, and total produce
 - Produce managers will provide each store’s purchasing totals
 - Estimates of local vs. nonlocal produce sales
- Process evaluation strategies will determine acceptability of promotion strategies
 - In-store intercept surveys & store observations (*intervention fidelity*)
 - Panel surveys (e.g., “*Did you see this sign? If yes, where?* ”)
 - Store manager feedback



+ Social Norms Promotion

- The **Social Norms Approach** is effective for influencing individuals' behaviors within a group
 - Successfully used to reduce binge drinking on college campuses
 - A novel approach for influencing consumer behavior in a grocery store
- Influence individuals to engage in the desired behavior (*purchasing local products*) because they wish to comply with the social norm



+ Social Norms Promotion

- Collected data through in-store consumer intercept surveys (3 short questions):
 1. Do you prefer to buy locally grown foods (produce, meat, dairy, seafood) when they are available?
 2. If yes, why do you prefer to buy locally produced food?
 3. Which of the above is your *primary* reason for preferring to buy locally produced foods?
- Developed social norming messages based on consumer surveys
 - E.g., *“The #1 reason Chapel Hill shoppers prefer to buy locally grown food is to support North Carolina farmers.”*
- Created grocery cart signs and place in the store

+ Social Norms Approach

Messages

- 3 simple messages about consumers selecting local products
- Displayed in grocery carts
- Consumers will see message on the inside of their cart and outside of other shoppers' carts
 - Subtle yet high level of exposure

Grocery cart signage



+ Economic Benefits of Buying Local Promotion

- Messages test whether shoppers are swayed to purchase local foods if they better understand the economic impact to their communities
- Signs placed in grocery store carts with one of these three messages:
 - 1) **WHY BUY LOCAL?** Spending on local food keeps **YOUR** money in **YOUR** community.
 - 2) **WHY BUY LOCAL?** Every \$1.00 spent on **LOCAL** food = \$1.63 **TOTAL** spending in **YOUR** community.
 - 3) **WHY BUY LOCAL?** Your {store name} sold over \$XX in local produce last year. More **LOCAL** means more of that \$\$ stays in **YOUR** community.



+ Farm Stand Within a Store Promotion

- Often difficult for customers to find local products in a large grocery store
 - Customers may not be aware of the types of local products available
- Placing all local produce in one location may make it easier for the shopper to find and buy local products
- Signage to prominently label the display as local produce
- Customers may be attracted to a display of all local produce



+ Consumer Panel Surveys

- To determine the effectiveness of our promotions, we first collected baseline data from 282 participants (41% response rate) from the 3 intervention & 3 comparison stores.
 - *E.g., level of consumer intention to purchase local foods before exposure to promotions*
- Surveys are emailed to store customers directly by the company's contractor.
- Customers must meet the following criteria:
 - shopped at the store in the last 30 days
 - at least 18 years of age
 - English-speaking
 - has an email address on file
- Follow-up surveys are distributed after each promotion to determine effectiveness of the promotion

Food Store Customer Baseline Data Collection



The first questions we have are about your shopping habits and reasons for choosing to shop for groceries where you do. You can skip any questions you do not want to answer. Your answers will be confidential.

1. How often do you shop at [store]?

Every time I shop for groceries

Most of the time

Sometimes

Almost never

Never

**This is my first time at a X Food Store (for in-store data collection only)*

2. Why do you shop at [store]? (Check all that apply)

It's a North Carolina-based company

It's affordable

It sells local products

It's close to where I live

It's where all my friends/family shop

Its products are good quality

For their sales or events

Other:

I don't usually shop at Lowes

3. It seems to me that [store] makes local food a priority.

1 - strongly disagree 2 - disagree 3 - no opinion 4 - agree or 5 - strongly agree

4. [Store] stocks more local food than other grocery stores.

1 - strongly disagree 2 - disagree 3 - no opinion 4 - agree or 5 - strongly agree

5. [Store] is an important part of my community.

1 - strongly disagree 2 - disagree 3 - no opinion 4 - agree or 5 - strongly agree



Demographics of Customer Panel at Baseline



- 51.8% live in a two-person household
- 73.4% live in a household with NO children under 18
- Skews to older respondents – 80% over age 45
- 96% white; 2.5% African American
 - <1% Hispanic/Latino respondents
- 85% female
- Most respondents reported an annual household income between \$50,000 and \$150,000

+ Baseline Reasons for Shopping

- The most common responses for why customers shop at the grocery store chain were (*could choose more than one answer*):
 - Its close to where I live (64%)
 - For their sales or events (62%)
 - Its products are good quality (56%)
 - It sells local products (43%)



Baseline Feelings About the Store



- 84.75% of respondents agree or strongly agree that the grocery store **supports local farmers and food producers**
- 70% agree or strongly agree that shopping at the grocery store **directly impacts their community's local economy**
- 67% agree or strongly agree that shopping at the grocery store **supports farmers in their community**
- 63% agree or strongly agree that the grocery store is an **important part of their community**
- 61% agree or strongly agree that the grocery store **connects community members with local farmers and food producers**
- 60% agree or strongly agree that the grocery store **makes local food a priority**



Baseline Attitudes About Buying Local



- 45% of respondents say they buy locally grown, caught, or produced foods “most of the time” and 43% “sometimes”
- 86% of respondents agree or strongly agree that it is important to buy local foods
- 93% of respondents prefer to buy local produce over non-local produce. Respondents generally prefer to buy local meat, dairy, and seafood, but not as strongly as they prefer to buy local produce

+ Exposure to first promotion

- When asked, “**Have you seen store promotions (e.g., signs) encouraging the purchase of local foods in your [store]?**” (Y/N)
 - Mean “Yes” response in test stores = 91.73%
 - Mean “Yes” response in comparison stores = 79.64%

- “**Have you seen a [*farm stand*] display like this in your [store] promoting local produce?**” (Y/N)

| | % Yes |
|---------------|---------|
| Chapel Hill | 63.16% |
| Greensboro | *73.21% |
| Sanford | 82.14% |
| Hickory | 63.75% |
| Mooreville | 73.33% |
| Morehead City | 66.67% |

*Correctly identified

+ Exposure to first promotion

- Low percentage of respondents who reported seeing correct messaging in their store

| | Economic | Social Norms | Economic | Sham | Sham |
|---------------|----------|--------------|----------|-------|-------|
| Chapel Hill | 23.5% | *11.8% | 0.0% | 23.5% | 17.7% |
| Greensboro | 30.0% | 14.0% | 6.0% | 16.0% | 20.0% |
| Sanford | *18.5% | 3.7% | *14.8% | 14.8% | 18.5% |
| Hickory | 14.3% | 7.1% | 2.9% | 21.4% | 12.9% |
| Mooresville | 29.2% | 12.5% | 4.2% | 12.5% | 12.5% |
| Morehead City | 33.3% | 0.0% | 0.0% | 0.0% | 6.7% |

*Correctly identified

- Also low percentage accurately reporting where they saw the messages (*i.e.*, grocery cart sign)

+ Lower-cost store consumer research

- Test the promotions in the lower-cost stores *where the same renovations and re-branding will not contaminate the research to learn:*
 - *How can we strengthen ties between NC farmers and lower-income consumers?*
 - *How can we increase the amount of fresh, locally produced, healthy foods available to lower-income consumers?*
- Work in 3 “test” stores & 3 “comparison” stores, matched for important characteristics
 - Starting with in-depth interviews with customers of the 3 intervention stores to inform the promotions
 - Conduct baseline consumer surveys
 - Implement multiple promotions
 - E.g., Social Norms Approach + economic messaging, Produce Packs, local product placement.
 - Conduct follow-up surveys to determine effectiveness of promotions





Produce Packs Promotion (low-cost stores only)



- Produce from small, local farmers bundled into dollar amounts corresponding to WIC Cash-Value Voucher amounts
- Marketed to WIC/SNAP clients and others
- Facilitates healthy cooking (FV consumption)
- Has the potential to significantly elevate consumption of locally grown fruits and vegetables while modeling a new pathway between local growers and consumers in low-income areas



Challenges of working with grocery store chains



- The corporate structure can be complicated to navigate to obtain permissions
- Contamination of ‘Local Loyalty’ promotions by other store activities



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Questions?

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