Household Grocery Shopping Destination Allocations: Have Local Stores Caught on with the Rise of Local Foods?

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Motivation

- Local foods are gaining increasing popularity
- Limited studies have been done about household grocery purchase allocations in the awakening of local food, especially for individuals who stick to the “locavore” principle

Objectives

- Examine where households shop for their groceries and how they allocate their shopping trips among national stores versus local and specialty food stores
- Identify what factors may determine household choice of stores for grocery shopping
- Investigate how perceptions on ‘local food’ may affect household grocery store choice

Survey

- An online survey conducted in Fall 2008 of population in Ohio
- 512 completed questionnaires through Zoomerang.com

Demographic features:
- 49.2% Female (state average: 51.5%)
- 90.6% White (state average: 85.4%)
- Mean age over 18 is 47.2 years old (state average: 48.5)

Model

Seeming Unrelated Regression (SUR) model setup:

\[ Y_t = X_t \beta + u_t \]

Y: frequency (percentage share) of visits to each type of grocery stores
X: explainable variables, including household head demographic characteristics, acceptable variable for local foods, and family composition variable

Descriptive Summary

Distribution Of Grocery Store Visits

<table>
<thead>
<tr>
<th>Grocery Store Type</th>
<th>Distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Grocery Chain</td>
<td>15.5%</td>
</tr>
<tr>
<td>Local Grocery Store</td>
<td>22.2%</td>
</tr>
<tr>
<td>Specialty Store</td>
<td>15.5%</td>
</tr>
<tr>
<td>Farm or Farmers’ Market</td>
<td>7.1%</td>
</tr>
<tr>
<td>Convenience Store</td>
<td>3.5%</td>
</tr>
<tr>
<td>Specialty Food Store (organic, natural, ethnic foods, etc.)</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Econometric Results and Discussions

Regression Results by SUR Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Grocery Chain</td>
<td>0.0114*</td>
<td>0.0037</td>
<td>3.05</td>
</tr>
<tr>
<td>Local Grocery Store</td>
<td>0.0022</td>
<td>0.0023</td>
<td>0.95</td>
</tr>
<tr>
<td>Specialty Store</td>
<td>0.0155*</td>
<td>0.0037</td>
<td>4.13</td>
</tr>
<tr>
<td>Farm or Farmers’ Market</td>
<td>0.0011</td>
<td>0.0023</td>
<td>0.48</td>
</tr>
</tbody>
</table>

Conclusions

- This study is the first to examine how households allocate food grocery shopping trips with special attention on the impact from how far they believe local foods can travel.
- Using shares of each type of grocery stores visited in the past two months, a SUR regression exhibits correlation among different types of store choice.

Selected Reference:


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