

MULTINOMIAL-LOGIT MODELING OF MEXICAN-AMERICANS' CHOICE AMONG INTERNATIONAL HOME-IMPROVEMENT-CENTER RETAILERS

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ABSTRACT

Experimental design utilizing current information-efficiency methods allowed the multinomial-logit modeling of home-improvement-center retailing choice among 105 Mexican-Americans in a major metropolitan area of the US (Stokes, Davis, and Koch 1995). The same research design was implemented with a comparison group OF 117 from the dominant culture in the same metropolitan area.

Four variables were manipulated in this choice design: 1) brand (US, Mexican, or Hong Kong-based), 2) country of origin for the products carried by the home-improvement-center retailer (US, Mexico, or Hong Kong), 3) price (lowest prices, 10 per cent above lowest price, and 20 per cent above lowest price), and 4) service level (self-service, selection help, and both selection help and installation instruction).

Model parameter values, and estimates of cross-elasticities suggest that Mexican-American choice was based primarily on price, while the comparison group from the dominant culture was more ethnocentric for brand and product country of origin, as well as being sensitive to increased levels of in-store service. These results support other research with Mexican-American consumers disclosing less brand loyalty and more price consciousness among Mexican-American consumers than among non-Hispanics (Saegert, Hoover, and Hilger, 1985).

REFERENCES

- Stokes, Maura E., Charles S. Davis, and Gary G. Koch (1995), *Categorical Data Analysis Using the SAS System*, SAS Institute, Cary, NC.
- Saegert, Joel, Robert J. Hoover, and Marye Tharp Hilger (1985), "Characteristics of Mexican-American Consumers", *Journal of Consumer Research*, vol. 12 (1), Spring, pp. 104-109.