

Brand Loyalty to Anheuser Busch

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1. Introduction

In today's market, buying alcoholic beverages is a decision made from a variety of products, as well as producers. When deciding from a large array of products, consumers are more likely to be drawn to products they have heard of or that are well known. When considering this in the United States, companies such as Anheuser-Busch InBev, Miller Coors, and eight other brewers make up most of the beer sales in the US at 90%. Anheuser-Busch holds a majority of the market share by almost a half, at 45%. Anheuser-Busch was introduced in 1876, only shortly following the founding of America itself. The company grew alongside of the country, and they share a lot of heritage with one another. The first AB brewery was introduced in 1855, and was declared a national landmark in 1966. The old age of the company's name and products give them an advantage on competitors both emotionally and financially.

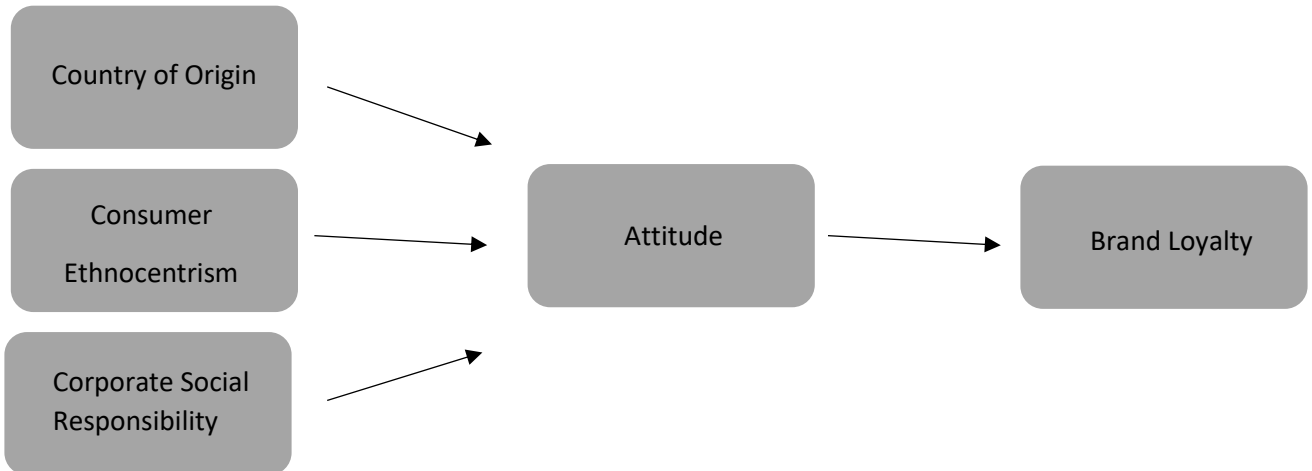
AB has created a positive and popular brand image throughout the country, as well as globally. Country of origin is very apparent. There are twelve different breweries in the United States, with the headquarters being in St. Louis, Missouri. The country of manufacture is important to the company, which explains their various locations around the world. Country of manufacture is the country of manufacture, production, or growth where a product comes from. Country of manufacture is also related to the brand image of the company. The company strongly believes in creating products near where they will be served. Therefore, beer brewed in

St. Louis will not be shipped overseas or exported. Yet, each factory is using the exact same ingredients and formula, in order to ensure consistency and quality in their products.

Consumer's perception of AB is largely influenced by their brand image. From sports events such as the Super Bowl, to event sponsorships such as fairs and festivals, to local church soccer games, Anheuser-Busch products are well known and accepted by the community, while promoting a positive image. This has led to consumer ethnocentrism throughout a majority of the US. Hence, Americans will be more inclined to purchase Budweiser over an imported beer such as Dos Equis. This is because it is originated and produced in their backyard, and they have passion and familiarity with it. AB is aware of their involvement and status in the community, and is clearly concerned with doing their best for society.

The company takes on social corporate responsibility in many ways, such as promoting friendship, as well driving responsibly and making it home safely to your friends and family. Another advantage that Anheuser-Busch has created for themselves is recognition. Because of the age and maturation of the company within the society, almost anyone recognizes Budweiser and its symbols- ranging from the traditional crown logo, to the signature Clydesdales. The company is well known throughout the world, and is a cherished part of traditions to most American families.

This study is being conducted to see the effect of different variables on the overall brand loyalty of the AB Company. These variables have fueled the company throughout its many years, and created a brand that consumers can trust, as well as love.



2. Literature Review

2.1. Country of Origin

Country of origin is the country where production, manufacture, or growth of a product takes place. The most general way to recognize country or origin is through “made in” labels (Stoenescu, 2014). Country of origin is one of the main factors that shapes consumers evaluation of a certain brand or product. This can be swayed by previously formed stereotypes (Stoenescu, 2014). For example, when thinking of high quality chocolates, one generally thinks of Switzerland. When considering coffee, one thinks of France. The quality of a product often gives the country credibility. This in turn then leads consumers to associate certain products with their place of origin. Country of origin is the “most researched international aspect of consumer behavior”, according to Stoenescu (2014). Stoenescu researched stereotypes regarding country of

origin from the perspective of the consumer, in order to better understand factors that consumers rely on to evaluate foreign products. He considered the consumers perception of quality formed from both experience and stereotypes. Hence, the Switzerland chocolate example previously stated. He stated that if the consumer believes the product is of high quality, they will already form a positive response to it. In his study, research showed that a positive country image had an overall positive effect on the product, even if it was not of the highest quality or most popular brand (2014). This is due to stereotypes or previous knowledge, influenced by family, friends, social media, and so forth.

Another study done on country of origin done by Zich and Vesela looked at its effects and influences on the consumers wine purchasing decision. It focused on brand, country of origin, and price. This study was conducted through a focus group and group discussion, in which participants were asked various open-ended questions about wine and five chosen countries who are well known for producing wine. They also were asked to rate wines based on their country of produce on a one to ten rating scale. In their research, Zich and Vesela found that the national pride of both companies and consumers has a large effect on purchasing decisions (2015).

An additional study done on country of origin by Khan, Rivers, and Zuo explored the effects of demographics on country of origin for two different lager beers. They took the findings of previous research and applied the knowledge that demographics can have an effect on consumer's evaluation of a product or brand. The study was done by conducting a mall intercept survey, receiving 211 useable responses. The questionnaire asked consumers to rate certain imported beers, judge the quality of the beer given only the country of origin, and also requested their demographic information. The researchers found that the older the consumer was, the more

likely they were to be dependent on country of origin when evaluating a product (Khan, 2017). This may be because they have more experience, and have already formed previous stereotypes toward a country or brand.

These studies are all significant because they show the different factors accompanied with country of origin and its influence on consumers decision making process. It proves true for both cases that country of origin is highly considered when making a purchase, whether it is voluntary or not. This can help companies, as it is clear that consumers will take precedence of a domestic product, therefore it should be advertised that a product is domestic.

2.2. Consumer Ethnocentrism

Consumer ethnocentrism goes hand in hand with country of origin. Consumer ethnocentrism is the thought that one's group is superior to another judging solely by the values of their own culture. A study was done by Zhou and Guo to see the product judgement and willingness to buy based on consumer ethnocentrism. They examined the importance of domestic versus foreign products while considering economic development, cultural context, and sample type. They conducted a meta-analysis of a total sample size of 15,585 people (2017). They found that their research supported their hypothesis that consumer ethnocentrism had a positive influence on domestic product judgment and willingness to buy, while it had a negative effect on foreign product judgement, but not on willingness to buy. Therefore, it can be concluded the companies should advertise that their products are domestic to increase sales.

Another study conducted on consumer ethnocentrism done by Diamantopoulos, Zabkar, and Zeugner-Roth was conducted to see the relationship between the social identity theory, national identity, and consumer cosmopolitanism on consumer ethnocentrism (2017). This

research was done by conducting a survey with questions related to each of the variables previously stated. The results were that all three of the variables had a positive effect on consumer ethnocentrism, proving that consumers are more driven to buy domestic products rather than foreign products (2017).

An additional study done by Wanninayake and Chovancova was conducted to see the effect on consumer ethnocentrism on consumer's attitudes toward both domestic (Czech Republic) and foreign beer. They also researched if there was a significance between demographics and consumer ethnocentrism. They conducted a convenient sampling method, and 108 questionnaires were analyzed. It asked questions regarding taste, quality, price, and a few other things in regards to foreign beers adopted from another study. The results agreed with previous research, in that consumers are more likely favor beer or have a more positive attitude to domestic beers, because of ethnocentrism. Although, there research found no correlation with the demographics.

These studies are important because it shows the effect that consumer ethnocentrism has on consumer decision and willingness to buy, over foreign products. This can be because of pride and trust in a country, and also with an economic motive as they are supporting their own countries businesses and boosting the economy and gross domestic product or (GDP).

2.3. Corporate Social Responsibility

Corporate social responsibility is a management concept that is involved with combining both social and environmental concerns into their business to benefit society (Kumar, 2017). This could include many different things, such as donating to certain charities, using environmentally friendly materials, encouraging responsible behavior, and so forth (Blair, 2015).

If a company possesses corporate social responsibility (CSR) it could potentially increase their brand image, and give them a competitive advantage.

Research by Blair and Chernev was conducted to see if the validity of the impact of socially responsible activities is limited to corporate reputation and is unlikely to influence the perceived performance of a company's product (2015). Four experiments were done to test this. Each of the experiments tested hypotheses revolving around the quality, performance, and evaluations of products from companies both involved with CSR and not involved. The experiments also tested for the motivation of companies to be involved with CSR. In the first experiment, it was found that participants indeed found companies who were involved with CSR's products to be more superior, or of a better quality, than opponents. The second and third experiments were also supported as it was found that consumers believed products performed better when the company was involved with CSR, rather than self-interest. Experiment four supported its hypothesis that companies are motivated to engage in socially responsible activities. The findings of this research show that CSR is looked at positively in society, and can increase consumer's perception on a company and its products.

Another study conducted by Santosh Kumar was done in order to see the relationship of corporate social responsibility (CSR) between the company and society. It discusses rules and regulations that company's in different areas of the world have to follow, and how they came to be (such as lawsuits, responsibilities, and expectations). It outlines the corporate social responsibilities in regards to their countries and culture. Worldwide, CSR is utilized. Kumar states that there is a difference between the role of the government and the role of companies. Kumar explains that "CSR makes government-corporate relationship acceptable, generates contacts, and builds trust" (2017).

These studies are important because it shows companies to get more involved in their community to increase their brand image and reputation. Consumers are more attracted to companies or brands that interact with society in an overall effort to do well. It creates a strong bond between producer and consumer.

2.4. Attitude

Attitude or brand attitude is the strength of negative or positive association that a customer experiences in regards to a particular brand or company. A study done by Hu, Yu, and Zhu was conducted in China to evaluate the attitude toward domestic brands versus foreign brands (2016). A survey about sports shoes- one domestic and one foreign- was distributed to about 100 participants. The survey asked questions about the quality of the brand, country of origin, and power distance. The results found that consumers had a positive attitude developed toward domestic brands, due to national brand consciousness and self-brand connection, which increased their purchase intentions. This research is significant because many different variables influence brand attitude. This could help companies as they would know the impact that country of origin has on attitude, so they can promote domestication to their national consumers, and also better understand how to market to foreign countries.

Another study conducted on attitude by Ammon, Byon, Lee, and Park was done to see the relationship between advertising value, attitude toward the brand and advertising, as well as purchase intention toward golf products (2016). They distributed a survey asking questions regarding outcome advertising value, attitude toward advertising, attitude toward the brand, purchase intention, and golf characteristics. They collected around 350 responses, and measured the data with a software. Out of the various results found it was concluded that attitude toward

advertising had a large effect on attitude toward the brand (2016). Also, attitude toward advertisements and the brand were related to purchase intention.

These studies are important because they prove that consumers attitudes toward a specific brand can be directly correlated to their purchase intention, and in turn, the success of a company. Considering these previous studies, it can be concluded that by utilizing the correct advertising and representation of a domestic brand, consumer attitudes will be positively affected. Companies can utilize this in order to better attract consumers in their market.

2.5. Brand Loyalty

Brand loyalty is the tendency of some consumers to continue buying the same brand of goods rather than competing brands. This is seen often, as consumers learn to trust or prefer certain brands over others due to frequent use or the reputation of the brand. Brand loyalty can benefit both the consumer and the company. In a study conducted by He and Lai, the effect of corporate social responsibility on brand loyalty was explored (2014). Two forms of research were conducted; focus groups as well as a survey. The participants were questioned on and administered a survey face to face at a shopping mall, to ensure validity. The content of these surveys had to do with corporate legal and ethical responsibility, functional and symbolic image, and brand loyalty. Around 260 responses were analyzed. The results revealed that corporate social responsibility and brand loyalty had an indirect relationship (2014). This is important to understand because companies can better understand how to target consumers and become involved, in order to increase loyalty to their brand name or company. Therefore, brand loyalty can be increased through companies partaking in CSR, and becoming more involved with the consumer on a more personal level, rather than just through their initial products.

Another study done on brand loyalty by Kim, Morris, and Swait analyzed the different antecedents that contribute to true brand loyalty. These different antecedents include brand commitment, attitude strength, brand convictions, and brand credibility. The proposition was the relationship of all of these antecedents in differentiation of true brand loyalty, compared to spurious loyalty (repeated purchases with little to no brand-loyal attitude) (2008). A survey was conducted in two involvements (high and low), and two product type (hedonic and utilitarian) categories. Participants responded to the questionnaire based on brands they were personally loyal to in given product categories. It was found that brand credibility was important to the decisions of cognitive and affective convictions, while affective conviction contributed to the development of the cognitive conviction (2008). These convictions then had an effect on attitude strength, helping to develop brand commitment, in which all factors helped in developing true brand loyalty (2008).

These studies are significant because they show that although consumers may be loyal to a brand and consistently choose it, does not mean they are truly brand loyal. More factors contribute to true brand loyalty, and companies would benefit well from analyzing consumers previous cognitive experiences to better serve their market, and develop true brand loyalty. It is important to understand brand loyalty, as it can increase brand equity and company opportunities.

3. Research Methods

3.1. Sample and data collection

Data was collected from a small sample of fifty undergraduate students at McKendree University in the Midwest of the United States. These students were recruited randomly in the

classroom and were asked to voluntarily participate in the survey. A researcher personally handed out the self-administered questionnaires to participants to be completed in class. This data collection method was used to receive valid responses and also to have an opportunity to answer any questions raised by the participants. The students targeted were in the age range of Generation Y, from ages 19 to 24 were targeted as the sample frame.

The descriptive analysis of the survey results revealed the most participants being 20 or 21 years old, with 52.5% being male and 47.5% being female. In terms of ethnicity, Caucasians were the majority group (90%), with African-American, Asian-American, Hispanic-American, and other following (each at 2.5%). As for consumer's home origin, all of the participants were born in the United States of America.

3.2. Measurement

Consumers were measured in terms of five constructs; country of origin, consumer ethnocentrism, corporate social responsibility, attitude, and brand loyalty. Scale items for country of origin were adopted from Herz and Diamantopoulos (2017), for consumer ethnocentrism Balabanis and Siamagka (2015), for corporate social responsibility Alavi, Habel, Schons, and Weiseke (2016), and for brand loyalty Wang, Singh, Li, Mishra, Ambrose, and Biernat (2017). Attitude was created with descriptive adjectives. All items were measured on a seven-point Likert scale.

3.3. Reliability

The reliability of country of origin was 0.908. The reliability of consumer ethnocentrism was 0.787. The reliability of corporate social responsibility was 0.866. The reliability of attitude

was 0.972. And lastly, the reliability for brand loyalty was 0.915. The reliability of each of these variables is greater than 0.7, therefore they are significant.

3.4. Multiple Regression

Multiple regression was used in this study to see the relationship of the variables towards one another. In order to be significant, they had to be less than 0.05. Country of origin (0.843), consumer ethnocentrism (0.172), and corporate social responsibility (0.009) were analyzed in regards to attitude. Therefore, corporate social responsibility was the only variable significant in regards to attitude. Attitude was then analyzed in regards to brand loyalty. With 0.000 significance, attitude did have significance to brand loyalty.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633 ^a	.401	.351	1.18490

a. Predictors: (Constant), CSR, CO, CE

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.872	3	11.291	8.042	.000 ^b
	Residual	50.544	36	1.404		
	Total	84.416	39			

a. Dependent Variable: A

b. Predictors: (Constant), CSR, CO, CE

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics
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		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.346	1.108		.312	.757		
	CO	-.037	.185	-.035	-.200	.843	.534	1.873
	CE	.381	.274	.287	1.394	.172	.392	2.554
	CSR	.661	.238	.446	2.778	.009	.645	1.551

a. Dependent Variable: A

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894 ^a	.800	.795	.65295

a. Predictors: (Constant), A

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.796	1	64.796	151.983	.000 ^b
	Residual	16.201	38	.426		
	Total	80.997	39			

a. Dependent Variable: BL

b. Predictors: (Constant), A

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.476	.408		1.167	.250		
	A	.876	.071	.894	12.328	.000	1.000	1.000

a. Dependent Variable: BL

4. Conclusion and Implications

The empirical findings reveal that the proposed hypotheses were not fully supported, as country of origin and consumer ethnocentrism did not have a significant relationship to attitude. Yet, corporate social responsibility was significant to attitude, and attitude was significant in regards to brand loyalty.

According to the results of this study, country of origin was not a significant factor in determining consumer's attitudes. This differs from previous research, as it was found that country of origin had an overall positive effect on the product and consumers purchasing decisions (Stoenescu 2014, Vesela 2015). This was an interesting result, as Anheuser-Busch is an American made company dating back to 1876. It was proposed that the heritage of the company would have a large influence on consumers in regards to country of origin, enhancing their attitudes. Since this research found results that differ from those of the past, Anheuser Busch should consider investing time and money to research the effects of their heritage on the community. They should consider doing more campaigns, such as their 2016 can designs with words such as "America", "Missouri", and many other states replacing the traditional "Budweiser" label on their cans. AB could also consider hosting more events in their factories, such as their Brewery tours. For example, they could host a heritage weekend; including classic labels on their products, workers in costumes, and specialty tours explaining how they have come to be where they are now. This could increase the influence that country of origin has on the company and its products.

Consumer ethnocentrism was also found to not be a significant factor in regards to attitude. This also went against previous research, as all studies used (Guo, Zhou, 2017; Herz, Diamantopoulos, 2017; Wanninayake, Chovancova 2012) stated that consumer ethnocentrism has a positive effect on consumers purchasing domesticated products. AB should invest more into this research, and also consider more things similar to those suggested for country of origin, as the two variables have a similar task. Another example for this would be promoting how the domesticated brand helps to boost the US economy by bringing in revenue, as well as creating jobs for the community.

Corporate social responsibility (CSR) was found to have significance in regards to attitude. This agrees with previous research conducted by Blair and Chernev (2015), which found that CSR is looked at positively by society, and can increase consumer's attitudes toward a company or its products. In an ever-evolving society, corporate social responsibility largely contributes to a company's reputation to see if it is concerned with goodwill to its consumers and the environment (Chernev, 2015). This proves true for Anheuser-Busch, as participants answered positively in regards to their efforts in charity and doing good to society. AB is certainly aware of the importance of CSR, as they are avidly involved in the community. They do this by promoting "Drink Responsibly" in many advertisements and commercials, as well as through sponsorships of many events such as sports teams and other events. They also show their support to the community by canning water and sending it out during natural disaster reliefs. Although, AB could always increase their involvement with CSR. For example, they could take their efforts of "Drinking Responsibly" to the next level. Although they already partner with transportation companies such as Uber or Lyft, they could consider buying out one of these

companies, or creating one of their own. This would show the community that they are concerned with their safety, while also increasing their revenues.

Finally, the results of this study show that attitude has a significant effect on brand loyalty. This agrees with previous studies conducted by both Lee, Byon, Ammon, and Park (2016) and Zhu, Yu, and Hu (2016) in regards to attitude. These studies concluded that consumer's attitudes toward a specific brand can be directly correlated to their purchase intentions. The results of this research proves that consumers view AB's brand positively. Anheuser Busch could use this information to their advantage. They could implement this by starting a rewards program to recognize consumers for their loyalty to the company. These rewards could include things such as earning free products or merchandise for visiting different breweries, attending tours, buying products, attending sponsored events, and more. This could be easily utilized by creating an app with check-in spots, and also a scanner for QR codes on products.

From this research, I learned that although Anheuser Busch is already the most successful beer brewer in the United States, they do have room for improvement. Whereas I thought the heritage and background of the company would play a large role into consumer's attitudes, I was surprised that my research did not agree with this. Yet, corporate social responsibility was the most influential variable. I believe this is because the company is already so active in CSR and the community, so participants had more experience and recognition with this when responding to the survey. Overall, I learned a lot about the company of Anheuser Busch and its history, as well as thought of many ideas to propose to the company to aid to their success.

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