

# Customer Diversification Through Multifaceted Store Image: The Case of a Japanese Immigrant Entrepreneur in Seattle

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Abstract.

Immigrant entrepreneurs need to attract non-co-ethnic customers if they are to develop and to expand their businesses. But how to put this principle into practice has not been investigated. Using a shopper survey conducted at a grocery store run by a Japanese immigrant entrepreneur in Seattle, this study reveals that a specific service can be perceived differently by different ethnic groups and can have different effects on maintaining customer diversity beyond co-ethnics. The effect size of differently perceived store image on specific groups' customer loyalty was comparable to that of knowledge about or interest in Japan common to all groups.

Keywords: immigrant entrepreneurship; store image; customer loyalty

## Introduction

Immigrant entrepreneurship, one of the coping strategies used by individuals to escape from hardship and/or to pursue upward mobility, is a timeless worldwide phenomenon (Aliga-Isla and Rialp 2013; Baycan-Levent and Nijkamp 2009; Jones et al. 2014; Sorti 2014; Kloosterman et al. 2016; Edwards et al. 2016). With the ever-increasing refugee flows from conflict-ridden areas, understanding the factors that might explain the success and failure of immigrant businesses is very relevant for a global economy and politics.

According to the theory of mixed embeddedness (Kloosterman et al. 1999; Kloosterman

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2010), which focuses on the resources available for migrants and the opportunity structure of the destination market to explain patterns of entrepreneurship, the best option for immigrants who have neither large financial resources nor easy access to loans to achieve financial security is to be employed in sectors that require high levels of human capital. When immigrants' education credentials are either not sufficient or not acknowledged because of language barriers, employment opportunities in high-salary jobs are virtually closed to them; hence, they end up engaging in the types of businesses that do not require high levels of educational achievement either as employees or entrepreneurs. When immigrants opt for self-employment, businesses like groceries or hair-dressing that require only small initial outlays are characterised by intense price competition because of low entry barriers, especially when the market is stagnating. Immigrants must compete with both indigenous and earlier immigrant entrepreneurs, and this sometimes even necessitates working outside the formal/legal structures regulated by government (Ojo et al. 2013). Indeed, Moore and Roux (2006) reported that predominantly minority and racially mixed neighbourhoods had more than twice as many grocery stores as predominantly White neighbourhoods.

The key for survival in such an environment is a co-ethnic network, as is evidenced by the Korean and Mexican experience in Chicago (Yoon 1995; Rajjman and Tienda 2003). Also important is the protected consumer market in residentially segregated ethnic enclaves that develops under the historically determined intersection of immigration patterns and urban economic development (Aldrich et al. 1985). By exploiting the special culturally based tastes of ethnic minorities that can be served only by co-ethnic businesses, immigrant entrepreneurs can survive if they succeed in monopolizing the market. However, as long as entrepreneurs rely on ethnic niches, or an ethnic enclave economy, their development prospects are severely limited (Ley 2006). Time does not solve the problem either. Beckers and Blumberg (2013), for instance, reported that the higher levels of socio-cultural integration and educational/training achievement of second-generation immigrants have not necessarily lead to better business prospects and the differences between the major ethnic groups and indigenous entrepreneurs remain noteworthy. Neither the effect of transnational co-ethnic ties on the firm's growth is guaranteed (Brzozowski et al. 2014). The only way to develop and to expand the immigrant enterprise is to branch out to a wider, non-co-ethnic market (Engelen 2001; Arrighetti et al. 2014; Allen and Busse 2016). The critical juncture at which the transition to the point of branching out occurred varies for different firms. But all immigrant enterprises that are prospering have somehow achieved and maintained a certain degree of heterogeneity in their customers.

Therefore, the mechanisms through which successful immigrant entrepreneurs maintain

customer diversity are of special interest. This paper aims to illuminate one of the many ways through which retailers in multi-ethnic societies attract and maintain customers from minority groups and majority groups based on a shopper survey at Uwajimaya. Uwajimaya is a Japanese-American-owned supermarket, which started as a vendor in 1928. It gradually expanded after World War II by diversifying its customers and has become one of the must-see landmarks in Seattle, home to many minority groups.

The structure of this paper is as follows: The next section reviews the literature on customer loyalty, focusing on the role of store image. The third section presents four hypotheses regarding determinants of the degree of loyalty of Uwajimaya customers: namely, (1) the primordial ethnic enclave hypothesis as a straw-man null hypothesis, (2) the Japanese soft-power hypothesis, (3) the common store image hypothesis, and (4) the heterogeneous store image hypothesis. The section explains how the factors to test these hypotheses are operationalised. The fourth section reports the pooled sample regression results and contrasts them with the results of the re-analyses using separate samples by groups as well as an interaction term model to show how store image and its effect differ depending on the ethnicity of the customers. The final section summarises the findings and presents the conclusions.

### **Literature review**

Customers vary in their degree of contribution to the stores where they shop. Some spend large sums of money by purchasing services and goods offered by the store, whereas others just stop by to satisfy urgent restroom needs or to fill time before appointments. Some visit more frequently or patronise a particular store exclusively, while others change stores depending on their purchasing needs and visit a particular store only occasionally. Some even make a special trip to a store to meet their particular needs, while others use a store only because it is conveniently located on their commute route.

Generally speaking, the larger the size of store, the larger the amount of freedom customers tend to have regarding how to use the store. However, even the largest retailers, who can absorb the cost of pseudo-public goods, may well be influenced by the accumulated degree of customer loyalty in the longer term. Therefore, factors that could enhance the degree of loyalty of customers have been of great concern not only for small-scale retailers but also for larger established mainstream grocery stores.

Along with store price, product assortment, service, quality, accessibility (Huddleston et al. 2009) or more physical aspects such as store layout and store front displays (Vrechoponlos et al. 2004; Cornelius et al. 2010; Breugelmanns and Campo 2011), store image has been widely

seen as an important factor in determining customer loyalty or store patronage. A number of studies (Sirgy and Samli 1985; Amirani and Gates 1993; Bloemer and de Ruyter 1998; Martenson 2007; Orth and Green 2009; Hassan et al. 2010; Hsu et al. 2010; Helgesen et al. 2010; Bao et al. 2011) have reported its direct or indirect effect through satisfaction or trust on loyalty in a wide variety of contexts while Thompson et al. (1998) explored links between personal value and perceived store image. Recent studies have focused on the effect of store image on store brand sales, which are directly related to a retailer's profit (Semeijn et al. 2004; Ljander et al. 2009; Beristain and Zorrilla 2011; Wu et al. 2011; Dialb 2012).

Meanwhile, studies on the consumer behaviour of culturally distinct immigrants have paid scant attention to the role of store image. They continue to focus on ethnic identity, which has been reported to make customers responsive to marketing mixes (Donthu and Cherian 1992) and defeats economic rationality, such as accessibility (Wang and Lo 2007). These studies emphasise the social use of ethnic shopping spaces and tend to investigate the constructed image of the home country rather than the image of the store (Mankekar 2002).

In sum, even though store image has long been recognised as a determinant of business success and has been used as a positioning and differentiation tool for retailers, including grocery stores, few studies have examined its role in maintaining ethnically diverse customers in an immigrant enterprise. This study contributes to the immigrant entrepreneurship literature by investigating possible differences in the perceived image of one particular store as well as its possible heterogeneous effects on the grocery shopping behaviour of different ethnic groups.

### **Hypotheses and method**

The simplest and most straightforward predictor of purchasing behaviour in ethnically diverse societies is the customer's ethnic origin. Customers whose ethnicity matches that of the retailer tend to make more purchases than those of a different ethnicity. The reason is that lifestyles and dietary habits can be fundamentally different among ethnicities even if they have been considerably modified in a melting pot society. Culturally distinctive staple foods, seasonings and spices, which have been inherited from earlier generations, may be available only in stores owned by co-ethnics. Not all stores can afford to stock a wide variety of goods to meet niche demands. Customer-retailer relationships along ethnic lines may also result from negative choices. Religion, one of the chief identifiers of ethnicity, often prohibits the consumption of certain foods. Customers may find it uncomfortable to use grocery stores where religiously prohibited foods are sold. Or customers may just avoid stores with unfamiliar odours emanating from distinctive foods that are stocked. Therefore, the level of loyalty to Uwajimaya is

expected to be higher among Japanese-Americans, non-Japanese-Asian-Americans, and non-Asian Americans, in descending order.

- H1: The degree of loyalty to Uwajimaya is strongest among Japanese Americans, second-strongest among non-Japanese Asian Americans and weakest among non-Asian Americans.

The second plausible predictor of loyalty is the customers' degree of affinity with and/or interest in Japanese culture beyond ethnic differences. Regardless of ethnicity, people can have a relationship with Japan through various contexts, such as work, education and social life. These opportunities may in turn generate an affinity with and/or interest in Japanese culture in their minds if they find Japanese culture fascinating. Pro-Japan individuals may have a particular demand that can be satisfied in Japanese stores only, or they may intentionally use Japanese stores just to show their support for Japanese people in the United States. It is important to note that, unlike the explanation of loyalty stipulated in Hypothesis 1, the second hypothesis implies a brighter future for Uwajimaya because, if it is correct, the potential market is not limited to the small group of co-ethnics who are slow to expand in Seattle. This factor is also beyond the control of the retailer. Success depends on the popularity of Japanese food and culture during the life of the business.

- H2: The stronger individuals' affinity with or interest in Japanese culture is, the more likely they are to patronise Uwajimaya.

The last but not least important factor of loyalty is the retailer's image as perceived by customers. According to the characteristics theory of value (Lancaster 1966), consumers' purchase decisions are influenced not only by price or quality but also by other aspects of goods and services like traceability and production ethics. Therefore, it is highly likely that customers' image of a store has a certain influence on their degree of patronage in terms of the amount of money they spend, the frequency of their visits or the travel costs they accept for shopping. In addition, this is the factor that retailers can control through marketing. However, I was agnostic about the kind of image that would most engender the loyalty of Uwajimaya's customers. Therefore, in this study I focused on four likely aspects of a positive image of Uwajimaya: uniqueness, reliability, practicality and atmosphere.

- H3: Customers who have a more positive image based on uniqueness, confidence, practicality or atmosphere related to Uwajimaya tend to show more loyalty to the store.

The influence of image, if any, may vary, depending on a customer's ethnicity. This happens because what customers find unique, practical, reliable or amusing, as well as the behaviour induced by such feelings, may be related to their ethnic backgrounds. For instance, non-Asians may appreciate the uniqueness and/or atmosphere of the store more than Asians simply because it is new to them, while non-Japanese Asians may be impressed by the reliability of the store more than Japanese or non-Asians because non-Japanese retailers tend to be careless about inventory control (Chao and Leow 2008; Teagarden and Hinrichs 2009).

- H4: The influence of a positive image depends on the customer's ethnicity.

To test the abovementioned hypotheses, I used survey data collected through face-to-face surveys at two Uwajimaya stores (Seattle and Bellevue) in March 2017.<sup>1)</sup> By regressing the loyalty indicator to respective predictors specified in the above hypotheses, I examined whether the factors showed the expected influence and, if so, which factors remained significant after controlling for one another. More details on the operationalisation of the factors are described below.

### ***Outcome variable (s)***

The degree of patronage or loyalty is operationalised in three ways: the amount of money respondents spent at the store, the distance from the respondents' home town/city to the store of the interview (Bellevue or Seattle) and the respondents' relative frequency of using Uwajimaya compared to that of using other stores. The money respondents spent was observed by photographing the receipts. Of the 297 people who participated in the survey, 121 agreed to show their receipts. The average was \$49 USD, with the minimum being \$1.39 and the maximum \$238.33 USD. The variable was transformed into a natural logarithm to make the distribution closer to a normal distribution.

The distance respondents travelled to shop at Uwajimaya was approximated using the route search function in GIS software by locating the store of interview and the respondents' town/city of residence, which 290 respondents agreed to disclose. The distances from respective town/city centres to the exact location of respondents' homes were ignored. Of the 118 respondents

who agreed to show their receipts, the average was 40.33 miles with a minimum of 0 (those who lived in Seattle/Bellevue and were interviewed in Seattle/Bellevue) and a maximum of 2,233 miles (from Indiana). Again, I transformed the variable into a natural logarithm by adding one to ameliorate skewness in the data.

The relative frequency of use was calculated by dividing the frequency of visits to Uwajimaya by the sum of the frequencies of visits to Uwajimaya, farmers' markets, small-scale Asian stores and other large-scale Asian supermarkets similar to Uwajimaya. Of the 294 respondents who answered all the frequency of visit questions, 37 were visiting Uwajimaya for the first time. Because their potential frequency of visits to Uwajimaya in the future was qualitatively different from the past frequency of visits by repeat customers, I dropped these observations when I used this variable as a dependent variable. However, when I used the past relative frequency of visits as a control variable, I included these observations by coding the first-time customers' relative frequency as 0. Of the 118 respondents who also disclosed both receipts and home town/city, nine were first-time customers, and the average was .298 with the minimum being .125 and the maximum .444, excluding the first-timers.

Of the 118 respondents, including first-timers, the correlation coefficients were  $-0.111$  between amount of money and distance ( $p=.230$ ),  $.136$  between amount of money and relative frequency ( $p=.141$ ), and  $-0.223$  between relative frequency and distance ( $p=.016$ ). Apparently, distance influenced the relative frequency of visits. Therefore, I limited the following analysis to respondents who lived within 40 miles of the Uwajimaya store of interview ( $n=107$ ). No pairwise correlation, ranging from  $.028$  to  $.092$ , was statistically significant in this short list of cases.

### *Explanatory variables*

Ethnicity, which represents a primordial determinant, can be defined in various ways. In this study, where a Japanese retailer is used as an example, a Japanese-centric definition was adopted. The reference category was Japanese citizens ( $n=4$ ) or Japanese Americans ( $n=9$ ). Respondents with Asian ancestry but were neither Japanese citizens nor Japanese Americans were categorised as non-Japanese Asians ( $n=31$ ), while respondents without Asian ancestry were categorised as non-Asians ( $n=63$ ). The classification relied on the respondents' self-reporting.

The second predictor, knowledge about and/or interest in Japan, can be acquired through experience or learning. This factor was measured by the sum of 13 standardised binary indicators related to respondents' past and present relationships with Japan. Questions included whether

respondents had stayed, studied or worked in Japan and whether they had any command of the Japanese language. To compare the effect size with that of other predictors, I re-standardised the sum for the 107 respondents.

Finally, the degree to which customers were favourably impressed by uniqueness, reliability, practicality and atmosphere of the store was operationalised as the standardised sum of the number of adjectives chosen by customers from among 20 positive adjectives to describe the image of Uwajimaya. The five adjectives for each dimension were: authentic, original, unique, exceptional and exotic for uniqueness; practical, efficient, usable, reasonable and convenient for practicality; safe, fresh, clean, healthy and reliable for confidence; and fashionable, exciting, luxurious, fancy and friendly for atmosphere. The respondents could choose up to five adjectives, whose order was randomised for each respondent. Each dummy that indicated whether respondents referred to a specific adjective was standardised before amalgamation.

### ***Control variables***

Gender was a dummy variable coded 1 for male respondent. The proportion of males among 107 respondents without a missing value was 0.39. Age was measured on an ordinal scale: the reference category was 18 respondents aged under 30. I created dummy variables for individuals aged 31 to 50 (n=59) and those over 50 (n=30).

In the next section, I report the regression coefficients for each of the three predictors, controlling for age, gender and other predictors. I then pursue the possibility that the effect of image could be different among ethnicities by first analysing each group separately and then by interacting ethnicity dummies with image variables with pooled sample.

## **Results**

### ***Ethnicity***

Table1 lists the regression coefficients for the ethnicity dummies with the reference category of Japanese citizens or Japanese Americans. The amount of money spent and the distance travelled showed contrasting results. When neglecting the influences of other predictors (in relation to Japan and image) but controlling for age and gender, non-Asians and non-Japanese Asians tended to spend less money in Uwajimaya (Model 1). However, the relationship lost statistical significance as other predictors and outcome variables were controlled for (Models 2 and 3). In contrast, the distance travelled did not differ significantly among different ethnicities if the influence of other predictors and dependent variables was ignored. The result changed, however, when other predictors and dependent variables were controlled for. Non-Asians and



non-Japanese Asians were more likely to overcome distance barriers to go to the store compared to their Japanese counterparts. This is the opposite of what was predicted by Hypothesis 1. The relative frequency of visits was not different among ethnic groups regardless of the inclusion or exclusion of control variables.

**Table 1. The effect of ethnicity on the level of patronage**

		Model 1	Model 2	Model 3
Money	Non-Asian	-.869 ** (.317)	-.014 (.417)	-.009 (.433)
	Non-Japanese Asian	-.553 (.337)	.344 (.434)	.35 (.451)
Distance	Non-Asian	.296 (.395)	1.201 * (.533)	1.199 * (.538)
	Non-Japanese Asian	.213 (.42)	1.101 * (.554)	1.08 + (.566)
Frequency	Non-Asian	-.017 (.022)	.008 (.030)	.012 (.031)
	Non-Japanese Asian	.018 (.023)	.032 (.031)	.034 (.032)

*Note.* Regression coefficients are reported. Standard errors are in parentheses. \*\*  $p < .01$ ; \*  $p < .05$ ; +  $p < .10$ . Model 1 controls for gender and age only; Model 2 controls for gender, age and other predictors (knowledge about and/or interest in Japan and the degree to which uniqueness, reliability, practicality and atmosphere of the store impressed customers). In addition, Model 3 also controls for the remaining two dependent variables.

### ***Knowledge about and/or interest in Japan***

Table 2 shows the expected effect of knowledge about and/or interest in Japan on customer patronage in terms of money and distance. The more knowledge respondents had about Japan, the more money they tended to spend and the longer the distance they tended to travel to shop at Uwajimaya. Frequency of visits was the only variable for which an effect was not found.

**Table 2. The effect of Knowledge about and/or interest in Japan on the level of patronage**

		Model 1	Model 2	Model 3
Money	Knowledge/ interest in Japan	.348 ** (.096)	.409 ** (.132)	.411 ** (.138)
Distance	Knowledge/ interest in Japan	.143 (.122)	.387 * (.168)	.382 * (.18)
Frequency	Knowledge/ interest in Japan	.005 (.006)	.010 (.009)	.009 (.010)

*Note.* Regression coefficients are reported. Standard errors are in parentheses. \*\*  $p < .01$ ; \*  $p < .05$ . Model 1 controls for only gender and age; Model 2 controls for gender, age and other predictors (knowledge about and/or interest in Japan and the degree to which uniqueness, reliability, practicality and atmosphere of the shop impress customers). In addition, Model 3 also controls for the remaining two dependent variables.

### ***The common store image***

Table 3 shows the influence each dimension of image on the customers' levels of patronage to the supermarket. Of the four dimensions that might impress customers, only confidence was statistically significant: Customers who were impressed by the reliability of the retailer tended to spend larger sums of money. However, this image had no effect on the level of patronage in terms of distance travelled and frequency of visits. In addition, two tendencies were detected although they did not reach the conventional level of statistical significance: Impression of uniqueness seemed to increase the amount of money spent, while the positive impression of atmosphere seemed to encourage customers to overcome the distance barriers to patronising the store. Meanwhile, the negative impact of uniqueness on frequency of visits lost statistical significance once other factors were controlled for.

**Table 3. The effect of image of retailer on the level of patronage**

		Model 1	Model 2	Model 3
Money	Uniqueness	.114 (.123)	.22 + (.122)	.219 + (.124)
	Confidence	.248 * (.122)	.294 ** (.116)	.295 ** (.119)
	Practicality	.055 (.123)	.077 (.118)	.078 (.121)
	Atmosphere	.031 (.108)	.035 (.101)	.036 (.106)
Distance	Uniqueness	-.08 (.149)	-.054 (.156)	-.054 (.161)
	Confidence	-.005 (.147)	.074 (.148)	.068 (.156)
	Practicality	.155 (.149)	.203 (.151)	.198 (.153)
	Atmosphere	.225 + (.13)	.231 + (.128)	.241 + (.133)
Frequency	Uniqueness	-.018 ** (.008)	-.012 (.009)	-.013 (.009)
	Confidence	.001 (.008)	.000 (.009)	-.001 (.009)
	Practicality	.007 (.008)	-.004 (.009)	-.004 (.009)
	Atmosphere	-.008 (.008)	-.007 (.008)	-.006 (.009)

*Note.* Regression coefficients are reported. Standard errors are in parenthesis. \*\*  $p < .01$ ; \*  $p < .05$ ; +  $p < .10$ . Model 1 controls for gender and age only; Model 2 controls for gender, age and other predictors (knowledge about and/or interest in Japan and the degree to which uniqueness, reliability, practicality and atmosphere of the shop impress customers). In addition, Model 3 also controls for the remaining two dependent variables.

By subtracting one (1) from the exponent of coefficients and multiplying 100 to the value, the effect size of statistically significant or nearly significant causality can be translated into a

percentage change on a real-life scale. A one standard deviation increase in knowledge about and/or interest in Japan translated into a 51% increase in spending, while that for the image as reliable and unique resulted in a 34% increase and 24% increase in consumption, respectively. Regarding distance, being non-Asian or non-Japanese Asian, rather than being Japanese American or a Japanese citizen, increased the tolerable distance by 232% and 194%, respectively. In addition, a one standard deviation increase in knowledge about and/or interest in Japan and a one- standard deviation increase in positive image regarding atmosphere extended the tolerable distance to the store by 47% and 27%, respectively.

### *The difference in store image perception*

Albeit independent, the effect sizes for image were smaller than those for ethnicity and knowledge/interest. However, this may be a result of heterogeneous effects of image across different ethnicities. Indeed, the average score for each dimension was different across groups, as shown in Table 4. Non-Asians tended to be impressed by the uniqueness and atmosphere of the store, while non-Japanese Asians and Japanese Americans or Japanese citizens tended to be fascinated more by the reliability and practicality. These differences among ethnicities in the tendency to perceive uniqueness in Uwajimaya at least partially explain why the effect of ethnicity dummies on monetary contribution lost statistical significance once the influence of image was controlled for. In contrast, ethnic differences in terms of perception of atmosphere were not statistically significant; thus, the effects of ethnicity on distance travelled persisted even after the effects of image, especially a positive impression of store atmosphere was controlled for.

**Table 4. Impression of Uwajimaya by ethnicity of customer**

	n	Uniqueness	Confidence	Practicality	Atmosphere
Non-Asian	63	.332 (1.038)	-.219 (.849)	-.023 (.891)	.040 (1.052)
Non-Japanese Asian	31	-.545 (.743)	.364 (1.112)	-.115 (.813)	-.039 (.719)
Japanese American or Japanese citizen	13	-.309 (.663)	.193 (1.176)	.383 (1.699)	-.102 (1.34)
One-way ANOVA F test <i>p</i> -value		.000	.021	.312	.869

*Note.* Average scores are reported. Standard errors are in parentheses.

***The heterogeneous impact of store image***

When estimated separately by dividing the sample along ethnicities, the regression coefficients of the factors varied, as shown in Table 5. With regard to the impact on the amount of money spent (upper panel), the knowledge about and/or interest in Japan continued to play a large role across all ethnicities. For non-Asians, however, their perceptions of the store seemed to be more important in determining the amount they spent. The effect of perceiving the store as unique was observed only in non-Asians, while the effect of perceiving the store as reliable was shared by non-Japanese Asians. Although the effect size was small, it was similar to the effect of a positive evaluation of the atmosphere. By contrast, the effect of perceiving the shop as practical was shared by Japanese Americans and Japanese citizens. It is important to note that non-Japanese Asian Americans and Japanese Americans or Japanese citizens do not have any commonality in determinants except for the effect of knowledge about and/or interest in Japan.

The second panel shows the effect on the distance barrier customers were willing to overcome. The effect of knowledge/interest was approximately the same for non-Asian Americans and non-Japanese Asian Americans. This was almost the sole reason for them to travel a long distance to Uwajimaya. However, this factor did not seem to make any difference for Japanese Americans or Japanese citizens. What was more important for them in overcoming the distance barrier was whether they found the shop practical or whether they liked the atmosphere of the store. The latter finding contrasts with the abovementioned finding: If Japanese customers were impressed by the atmosphere of the store, they were willing to overcome a long distance; however, they did not necessarily spend more even though they liked the store's atmosphere. Practicality was the only thing that mattered for them in that regard.

Last, the bottom panel reveals that the relative frequency of visits was inherently unpredictable, at least with this dataset, even if an effect common to all groups or varying across groups was assumed. All coefficients were close to zero and showed no variation among groups. The result may have been caused by measurement error. Only this variable was constructed from the subjective self-reporting.

Table 5. Estimation results by ethnicity

		Non-Asian American	Non-Japanese Asian American	Japanese American/Japa- nese citizen
Amount of money spent	Knowledge/Interest	.349 (.209)	.813 ** (.263)	.680 (.344)
	Uniqueness	.462 ** (.162)	.163 (.295)	-.636 (.404)
	Confidence	.488 * (.187)	.468 * (.199)	.158 (.233)
	Practicality	.336 + (.2)	-.227 (.261)	.257 (.974)
	Atmosphere	.103 (.137)	.098 (.264)	.017 (.901)
	n	63	31	13
Travel distance overcome	Knowledge/Interest	.443 (.279)	.513 (.408)	.009 (.334)
	Uniqueness	-.079 (.232)	-.229 (.391)	.060 (.339)
	Confidence	-.036 (.266)	.223 (.294)	.127 (.115)
	Practicality	-.042 (.273)	-.229 (.349)	.776 * (.106)
	Atmosphere	.047 (.184)	.270 (.346)	.676 + (.173)
	n	63	31	13
Relative frequency of visit	Knowledge/Interest	.016 (.017)	-.023 (.024)	.027 (.021)
	Uniqueness	-.004 (.014)	-.022 (.022)	-.021 (.025)
	Confidence	.011 (.016)	-.029 (.017)	.012 (.009)
	Practicality	.007 (.017)	-.009 (.02)	.040 (.039)
	Atmosphere	-.008 (.013)	.013 (.022)	.028 (.039)
	n	58	30	13

*Note.* Regression coefficients are reported. Standard errors are in parentheses. \*\*  $p < .01$ ; \*  $p < .05$ ; +  $p < .10$ . Model controls for gender, age and the remaining two dependent variables.

The above separate analyses for each group revealed the heterogeneous causal relationships underlying the effects common to all groups, which were found in the previous pooled sample analysis based on the common effect assumption. Although the effect of knowledge/interest on spending might have been common to all groups, the seemingly common effect of confidence on spending turned out to be irrelevant for Japanese Americans or Japanese citizens. To the contrary, the effect of uniqueness on spending was limited to non-Asian Americans only. A local effect of practicality on spending for non-Asian Americans and Japanese Americans/citizens was found although this effect had not been detected as common to all groups in the previous analysis. Likewise, a local, albeit weak, effect of atmosphere on spending was found for non-Asian and non-Japanese Asian Americans. Regarding the effects on tolerable distance to the store, both the strong, unexpected effect of ethnicity and the seemingly common (to all groups) effect of knowledge/interest were shown to be the result of a strong local effect of knowledge/interest that was limited to non-Asians Americans and non-Japanese Americans. Meanwhile, the seemingly common effect of a good impression of the store's atmosphere on tolerable distance turned out to be driven chiefly by Japanese Americans or Japanese citizens. In addition, we found another Japanese-only effect of practicality on distance where we did not find any significant effect in the previous analysis.

Above findings can be translated into the point estimates and the 95% confidence intervals of the expected increase from the average level of patronage by customers caused by a one-standard deviation increase for each factor in order to facilitate interpretation. The estimation was based on the pooled sample interaction term models constructed from the group-wise regression results above. For instance, with regard to the amount of money spent by customers, the percentage change expected from one unit increase in the level of perception that the shop was unique was 47.1% for non-Asian Americans. This translated to a \$23.1 USD increase from the average spending of \$49 USD. This effect is slightly larger than the common (to all groups) effect of the one-unit change in the level of knowledge and/or interest in Japan, which resulted in a \$22.7 USD increase. Likewise, the confidence effect, which was valid both for non-Asian Americans and for non-Japanese Asian Americans but not for Japanese Americans or Japanese citizens, was expected to show a \$23.7 USD increase. Meanwhile, the effects of perception that the shop was practical, which was limited to non-Asian Americans and Japanese Americans or Japanese citizens, or the effect of the positive evaluation of the store's atmosphere, which was limited to non-Asian Americans and non-Japanese Americans, were smaller and less robust. A one standard deviation increase resulted in \$10 and \$5 USD increases from the average spending, respectively.

Regarding the effect on the tolerable distance for customers, a one standard deviation increase in knowledge/interest resulted in a 47.7% extension, i.e., a 19.2-mile extension from the average distance of 40.33 miles for non-Asian Americans and non-Japanese Asian Americans. Two impression effects, which were limited to Japanese Americans or Japanese citizens, were stronger. One-unit changes in the perception of the practicality and the atmosphere of the store resulted in a 32.4- and a 43.5-mile extension of tolerable distance, respectively.

## **Conclusion**

This study, motivated by the search for a mechanism for maintaining customer diversity, examined different ethnic groups' perceptions of the image of a grocery store run by a Japanese immigrant entrepreneur and their patronage of that store. Separate sample regression analyses and an interaction term model using original shopper survey data revealed that the same service offered by a store can systematically be perceived differently by different ethnic groups and that the perceived image systematically exerts different influences upon different ethnic groups. Among four dimensions of store image, ethnic differences appeared strongest in the perception of uniqueness and reliability. Non-Asian customers, who are culturally furthest from the shop owner, tended to be impressed by the uniqueness of the store, while non-Japanese Asian customers, who are also minorities and culturally slightly similar to Japanese, tended to be more impressed by the reliability of the retailer. Last, Japanese Americans and Japanese citizens, who are co-ethnics of the shop owner, tended to be impressed by the practicality of the store. When impressed by the uniqueness of the store, non-Asian customers tended to spend more than if they did not have such an impression. This effect, however, was ethnically limited. Non-Japanese Asians and Japanese did not seem to change their purchasing behaviour, regardless of whether they found the store unique. Non-Japanese Asians, who were more likely than other groups to find the store reliable, tended to spend more for this reason. This confidence effect also applied to non-Asians but not to Japanese, who tended to find the store practical. For non-Asian and non-Japanese Asians, the effect of practicality, however, was not as strong as the effects of uniqueness and reliability. What was remarkable was that the effect size of uniqueness and reliability for non-Asians and/or non-Japanese Asians was comparable to that of knowledge about and/or interest in Japan, which was similar to all ethnic groups.

When customer loyalty was measured by travel distance, different, but again, ethnically distinctive causal patterns could be found between perceptions of store image and loyalty. As noted, Japanese Americans and Japanese citizens tended to consider the store to be practical. When they had a positive impression on this dimension, they were willing to overcome long



distances to shop at the store. Similar effects were found in the positive evaluation of store atmosphere. These two effects, however, were not applicable to non-Asians and non-Japanese Asians. These groups were immune to these influences. Rather, for these groups, the knowledge about and/or interest in Japan mattered in overcoming the distance barrier, which was not relevant for Japanese customers. The effect size of image influence, which was limited to Japanese, was larger than that of knowledge/interest for non-Asian and non-Japanese Asians.

Of course, these patterns may be specific to customers of Japanese retailers or customers of Uwajimaya. Replication studies in different contexts are necessary to determine the generalisability of the findings. In addition, the methodology used in this study was not optimal. More robust conclusions can be drawn only when a more sophisticated objective measurement like bio markers, and a more solid method, like randomised controlled trials, are applied to studies on customer diversity. Nevertheless, the findings of this study shed some light on how the diversification of customers, which is indispensable for the development and expansion of immigrant entrepreneurship, has been practiced and maintained through the multi-faceted store image of one establishment in one particular area of the contested 'nation of immigrants'.

#### Note

- 1). The survey was conducted on two consecutive Saturdays (11th and 18th March 2017) in Bellevue and Seattle from 9 am to 5 pm. Of the 1,254 visitors with whom the interviewers spoke, 297 cooperated in the survey. The proportions of ethnicity, age and gender in the sample were not significantly different from those of visitors including total refusals, and partial refusals. The data that support the findings of this study are available from the corresponding author upon reasonable request.

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