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Consumer Preferences for Value-Added Foods from Black-Owned Food Companies

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Entrepreneurship is seen as a key mechanism for economic mobility, especially for Black, Indigenous, and People of Color (BIPOC) entrepreneurs, who often lack resources in a competitive marketplace (Portes and Zhou, 1992). Developing successful entrepreneurial ventures can significantly impact a founder's upward wealth mobility (Kroeger and Wright, 2021). Some Black and African American (referred to as Black henceforth) entrepreneurs seek this mobility by founding startups, despite financial, economic, and social challenges (Santos et al., 2024).

Black-owned businesses have positively impacted the U.S. economy and have the potential to play a more important role in increased and sustained economic growth. Despite contributing over $200 billion to the economy between 2012 and 2017, there remains a large discrepancy between the proportion of Black U.S. citizens and Black-owned businesses (U.S. Senate Joint Economic Committee, 2023). In 2023, 13.7% of U.S. citizens identified as Black (U.S. Census Bureau, 2023). However, a 2023 study using data from 2021 suggested that only 3% of the Black population in the United States owned a business (Leffert, 2023). Additionally, Black-owned businesses only accounted for approximately 1% of gross U.S. revenue in 2021, suggesting relative concerns about profitability (Leffert, 2023).

Barriers such as disparities in existing financial structures, lack of generational wealth, and other systemic barriers adversely affect Black entrepreneurs (Dua et al., 2020; Fairlie, 1999; Fairlie and Robb, 2007; Fairlie, Robb, and Robinson, 2022; Rakshit and Peterson, 2024). The COVID-19 pandemic magnified these challenges, with as many as 41% of Black-owned businesses closing during its early stages (Fairlie, 2020). These findings offer evidence of a more disparate relationship between Black-owned businesses and Black representation in the United States than previously reported.

This study was motivated by a review of existing literature, which collectively identified challenges faced by Black entrepreneurs but provided little insight into solutions to improve their success. Specifically, the literature has not focused on providing actionable items for Black entrepreneurs within the agri-food community. The challenges faced by Black and other BIPOC entrepreneurs have been explicitly documented by a series of racial discrimination lawsuits against the USDA (Carpenter, 2012). These lawsuits include Pigford v. Glickman, Keepseagle v. Vilsack, and Garcia v. Vilsack, each accusing the USDA of racial discrimination in its Farm Service Agency (FSA) lending program. In each case, the USDA was proven discriminatory with its lending practices and ordered to pay restitution to impacted agricultural producers (Cowan and Feder, 2008; Feder and Cowan, 2013). Specifically, in the Pigford v. Glickman case and a subsequent Pigford II case, the USDA was ordered to pay approximately $2 billion to Black farmers. Despite the heightened pressure on the U.S. government from these cases, the literature suggests that Black farmers continue to face inequitable outcomes, primarily from federal government programs, that could hinder economic outcomes (Russell, Hossfeld, and Mendez, 2021). In 2024, the USDA released an additional $2.2 billion to Black farmers who had faced discrimination from the USDA as recently as 2021 (USDA, 2024a). Although no explicit studies support similar inequities in the value-added food industry, evidence suggests that wages for Black workers may have been suppressed in the fast food industry (Capodilupo, 2023).

The entrepreneurial literature suggests that there are challenges for Black entrepreneurs, regardless of the specific industry, associated with their racial background. For example, Yang and Kacperczyk (2024) found that Black entrepreneurs are about 55% less likely than their white counterparts to attain steady cash flows from entrepreneurial ventures, despite having similar tendencies to start new ventures. Further, research has shown that these startups have significantly less capital

flow and, therefore, must contribute a higher ratio of personal funds to begin their businesses, putting them at an inherent disadvantage (Fairlie, Robb, and Robinson, 2022). While the existing body of literature focusing on challenges faced by Black value-added food entrepreneurs is limited, the literature available about producers suggests that there have been significant challenges associated with racial identity (Wilson, 2023). However, most previous literature focuses on identifying challenges, with little suggesting a sustainable path forward.

This study addresses this gap by exploring preferences for value-added food products from Black entrepreneurs and identifying the types of consumers who prefer the products to increase the likelihood of successful marketing. Some consumers may be interested in supporting Black-owned businesses to reduce the historical obstacles faced by Black entrepreneurs, and the objective of this study is to shed light on the products preferred and the characteristics of potential consumers. The results of this study are helpful to Black entrepreneurs, retailers interested in stocking Black-owned food products, and policymakers who seek to increase the proportion of Black-owned businesses.

Potential Benefit of Labeling a Food Product as Black-owned

Labeling a product as Black-owned can provide a key point of differentiation for entrepreneurs across industries, especially in the competitive food sector. (Drexler et al., 2018; McFadden and Lusk, 2018). In a dynamic consumer environment, where preferences consistently evolve, product differentiation is essential for capturing market share, building brand loyalty, and increasing sales. Entrepreneurs invest in differentiating products through various means, such as quality, taste, packaging, branding, and sustainable production practices (McCluskey and Loureiro, 2003).

Communicating that a product is Black owned could attract socially conscious consumers who wish to support value-added food with this attribute. Enhancing marketing strategies is a potential mechanism to improve economic outcomes for these entrepreneurs. As consumers become more socially conscious, they may select products based on the benefits provided to the broader community (McCluskey, 2015). Credence attributes relating to how food is made, such as the localness of the product or specific production techniques, have become increasingly desirable to the consumer. However, consumer preferences for food produced by entrepreneurs who identify as Black have yet to be studied extensively, despite the potential parallel to other desired socially conscious attributes, such as products produced by indigenous groups (Yang, Hobbs, and Natcher 2020). We attempt to fill this knowledge gap through this study by leveraging a discrete choice experiment, included in an online survey, which we analyze to determine (i) overall consumer preference for food produced by a Black entrepreneur and (ii) specific consumer groups more likely to purchase the Black-owned option.

Study Design and Data Analysis

Consumers made 12 simulated purchasing decisions for barbecue (BBQ) sauce, beef jerky, or honey within the discrete choice experiment (DCE). These products were chosen by conducting market research on food offerings specifically marketed as Black owned via a label or other form of consumer communication. Nationally, multiple Black-owned businesses market each of the three selected products, allowing generalization of findings and benefits across the food supply chain.

For each of the 12 purchasing decisions made in the DCE, respondents were presented with two product options that varied by price, whether a Black-owned business made the option, and whether the option was produced locally (see Appendix Figure A1 for an example). The product attribute of interest for this study was whether the option was made by a Black-owned business, which would likely be presented in the retail environment as a product label with a Black ownership claim. While the local attribute was not the main attribute of interest for this study, it was included for several reasons. When conducting market research on the products to include in the study, it was noticed that several Black-owned food businesses also marketed products as local. Additionally, including another attribute could reduce social desirability bias, where respondents select the Black-owned option to look better to others or feel better about themselves (Larson, 2019), which theoretically could be more likely to occur if only one attribute was presented. Also, including the local attribute provided another production method claim to compare results for the Black-owned attribute. Lastly, including local allows us to determine the marginal impact that Black-owned may gain in combination with a local claim. An “opt-out” option was also presented for each purchasing decision so that consumers were not forced to select a product.

Respondents were given a “cheap talk” script (Lusk, 2003) to help reduce bias in their hypothetical decision making (see Appendix Figure A2 for an example). They were also asked demographic questions to understand the association between characteristics and product selection. The demographic questions asked and response options provided to respondents are shown in Appendix Table A1, and Appendix Table A2 presents the summary statistics for demographic questions. Survey data were collected from 2,997 U.S. consumers in January 2024; 1,000 consumers made selections for BBQ sauce, 999 for beef jerky, and 998 for honey. The survey was created on the Qualtrics survey design platform and distributed to an online panel maintained by Prolific in January 2024. To be eligible for the survey, respondents had to be at least 18 years old and willing

to consume the product tested. Due to the nature of the products selected for this study (e.g., beef jerky), consumption, not primary shopper status, was used as a qualifier to determine the preferences of the average consumer.

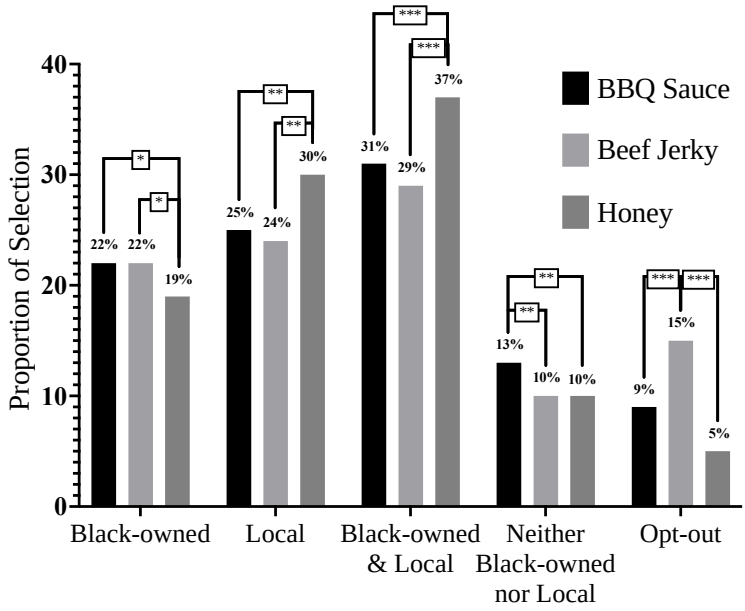
The data collected were analyzed to test two research questions. The first research question sought to determine consumer preference for a product made by a Black entrepreneur compared to a locally-made product. Conditional logit models were estimated for each product (i.e., BBQ sauce, beef jerky, and honey). A product option could be either Black-owned only, Local only, Black-owned & Local, or Neither Black-owned nor Local, and each option was presented six times across the 12 simulated purchasing decisions. Coefficients estimated by the conditional logit models provide insight into how consumers preferred the various product options, given the three price levels (i.e., BBQ sauce: $5.99, $7.99, $9.99; beef jerky: $13.99, $17.99, $21.99, and honey: $5.99, $6.99, $7.99).

The second question sought to determine the consumer demographics associated with selecting Black-owned products and the intensity of this selection. To do this, the data were analyzed in a two-step process (Cragg, 1971). The first step determined the demographic characteristics associated with selecting a Black-owned only option or a Black-owned & Local option at least once by estimating binary probit models. The second step removed the consumers who never selected a Black-owned only option or a Black-owned & Local option to determine the demographic characteristics associated with selecting these product options more often by estimating Poisson regression models. This model allows us to estimate the associations of consumer demographics with the frequency of selecting a Black-owned only option or a Black-owned & Local option.

Results

The first research question sought to determine consumer preference for a product made by a Black entrepreneur compared to a locally-made product. Figure 1 illustrates the proportion of each product option that was selected. A product option could be either Black-owned only, Local only, Black-owned & Local, or Neither Black-owned nor Local. Each option was presented six times across the 12 simulated purchasing decisions (two product options and an opt-out option per scenario). Therefore, if a product option were selected every time it was presented, the selection proportion in Figure 1 would equal 50%. Across the 12 simulated purchasing decisions, the Black-owned honey was selected at an average of 19%, or 2.28 times out of six. It was selected at slightly higher rates, 22%, for BBQ sauce and beef jerky. The Local only and Black-owned & Local options were selected at significantly higher rates for honey, which is somewhat intuitive given that the demand for locally produced honey is typically higher than nonlocal (Wu et al., 2015). The Neither Black-owned nor Local and the opt-out options were selected the least often for all the products.

Figure 1. Selection Proportions of Three Products across the Choice Options



Note: Single, double, and triple asterisks (*, **, ***) represent p-values of < 0.10, 0.05, and 0.01, respectively, from tests of differences in proportions.
Source: Prepared by the authors.

Table 1. Conditional Logit Model Results from the Simulated Purchasing Decisions

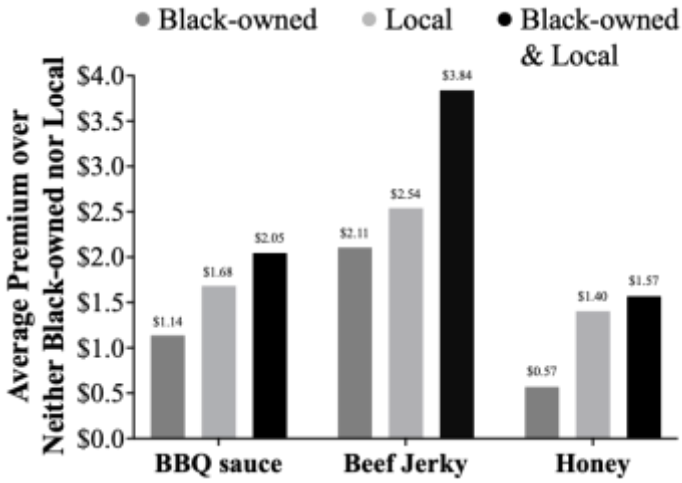
	BBQ Sauce		Beef Jerky		Honey	
Attribute	**Coeff.**	**Std. Err.**	**Coeff.**	**Std. Err.**	**Coeff.**	**Std. Err.**
Black-owned	5.850***	0.085	7.961***	0.110	8.980***	0.146
Local	6.156***	0.090	8.138***	0.114	9.839***	0.159
Black-owned & Local	6.360***	0.096	8.667***	0.137	10.010***	0.165
Neither Black-owned nor Local	5.212***	0.091	7.104***	0.124	8.392***	0.156
Price	-0.561***	0.010	-0.407***	0.007	-1.031***	0.021
Log-likelihood	-8,322		-7,846		-7,115	
Number of observations	35,964		36,000		35,928	
Number of clusters	1,000		999		998	

Note: Triple asterisks (***) denote a *p*-value of < 0.01. Standard errors were clustered by the respondent.
Source: Prepared by the authors.

The results from the conditional logit models (Table 1) confirm the results presented in Figure 1. All the coefficients estimated for the product options were significant at a p-value less than 0.01, indicating that the products were selected significantly more than the opt-out option (used as the base in estimation). Also, the order of coefficients by magnitude matches the order of proportions in which the products were selected. From the estimated coefficients, it is clear that Black-owned & Local was the most preferred of the options, and Neither Black-owned nor Local was the least preferred. The Local option was preferred to the Black-owned option across all products. Post-estimation Wald tests confirmed significant differences between the coefficients estimated for the options at a p-value less than 0.01 for all products. The price coefficient was negative, consistent with utility maximization theory, in which consumers always maximize utility while minimizing cost (Herrnstein et al., 1993).

Willingness to pay (WTP) was estimated using the conditional logit results. Figure 2 shows the average premiums for the Black-owned, Local, Black-owned & Local products over the Neither Black-owned nor Local product. For Black-owned products, consumers were willing to pay $1.14 more for BBQ sauce, $2.11 more for beef jerky, and $0.57 more for honey. In comparison, the premiums for Local products were $1.68 for BBQ sauce,

Figure 2. Average Premiums for the Black-Owned, Local, Black-Owned & Local Products over the Neither Black-Owned Nor Local Product from the Simulated Purchasing Decisions



Source: Prepared by the authors.

Table 2. Associations of Demographic Variables on Black-owned and Local Products in Hurdle Selection Model (Stage 1 Probit Model)

	BBQ sauce				Beef Jerky				Honey			
	Black-owned		Black-owned and Local		Black-owned		Black-owned and Local		Black-owned		Black-owned and Local	
Variable	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.
Female	0.054	0.102	-0.061	0.140	0.225**	0.110	0.418***	0.144	-0.149*	0.090	0.439**	0.179
Generation Z	0.511**	0.242	4.404***	0.222	0.316	0.253	0.830***	0.312	0.106	0.204	-0.548	0.470
Millennial	0.432***	0.158	0.334	0.206	0.091	0.213	0.341	0.226	-0.241	0.162	-0.406	0.420
Generation X	0.072	0.168	-0.101	0.212	-0.277	0.221	0.385	0.251	0.126	0.175	0.224	0.493
Bachelor's degree	0.146	0.118	-0.023	0.158	0.351***	0.126	0.297*	0.166	0.086	0.106	0.109	0.205
Professional degree	0.224	0.154	-0.042	0.211	0.176	0.163	0.284	0.214	0.134	0.146	-0.039	0.264
Urban	-0.133	0.124	-0.215	0.165	-0.174	0.124	0.042	0.164	0.253**	0.109	0.076	0.179
Rural	-0.235*	0.138	0.021	0.185	-0.053	0.155	0.053	0.197	-0.385***	0.122	0.112	0.250
Northeast	0.070	0.152	0.054	0.217	-0.047	0.179	-0.041	0.223	-0.259*	0.144	-0.176	0.275
South	0.091	0.134	0.088	0.190	-0.137	0.153	0.003	0.199	-0.099	0.127	0.157	0.259
West	-0.004	0.163	-0.143	0.214	-0.024	0.172	0.016	0.215	-0.345**	0.140	-0.276	0.276
White	-0.080	0.239	0.241	0.288	0.141	0.191	-0.170	0.274	-0.397**	0.180	-0.070	0.300
Black	0.690**	0.349	0.431	0.402	0.252	0.247	0.235	0.400	0.052	0.236	-0.339	0.355
Asian	0.119	0.319	0.295	0.430	-0.048	0.256	-0.497	0.341	-0.061	0.232	-0.306	0.388
Hispanic	0.035	0.211	0.438	0.332	0.022	0.181	-0.163	0.201	0.276	0.195	-0.366	0.277
Republican	-0.267*	0.137	-0.297*	0.173	0.000	0.151	0.048	0.176	-0.194	0.125	-0.411*	0.228
Democrat	0.049	0.124	0.440***	0.169	0.341***	0.122	0.419***	0.157	0.208**	0.103	0.353*	0.202
Income $50,000–$99,999	-0.067	0.123	0.246	0.158	-0.032	0.126	0.155	0.163	-0.018	0.112	0.333*	0.190
Income $100,000–$149,999	0.003	0.157	0.397*	0.208	-0.138	0.161	0.021	0.210	0.009	0.145	0.610*	0.335
Income $150,000+	-0.129	0.178	0.668**	0.267	0.253	0.221	0.106	0.262	-0.263	0.162	0.644*	0.369
Constant	0.810***	0.313	0.962***	0.367	0.808***	0.310	0.858**	0.356	1.164***	0.276	1.917***	0.614
Log Pseudo Likelihood	-2,306		-1,092		-1,977		-1,068		-3,214		-660	
Number of observations	6,000				5,994				5,988			
Number of clusters	1,000				999				998			

Note: Single, double, and triple asterisks (*, **, ***) represent *p*-values of < 0.10, 0.05, and 0.01, respectively. Standard errors were clustered by the respondent.

$2.54 for beef jerky, and $1.40 for honey. An additional Local claim coupled with a Black-owned claim increased WTP for the Black-owned products by an average of $0.91 for BBQ sauce, $1.73 for beef jerky, and $1.00 for honey.

The second question sought to determine the consumer demographics associated with selecting Black-owned products. Table 2 presents the results from the first step that determined the demographic characteristics associated with selecting a Black-owned only option or a Black-owned & Local option at least once. Compared to the base categories (i.e., males, nonbinary, and other), females were significantly more likely to select the Black-owned & Local options for beef jerky and honey at least once. Compared to older generations, Generation Z and Millennials were more likely to select the Black-owned BBQ sauce at least once, and Generation Z was also likelier to select the Black-owned & Local BBQ sauce and beef jerky at least once. Consumers with a bachelor's degree were more likely to select the Black-

Table 3. Demographic Indicators Impact on Black-Owned and Black-Owned & Local Products in Hurdle Frequency Model (Stage 2)

	BBQ sauce				Beef Jerky				Honey			
	Black-owned		Black-owned & Local		Black-owned		Black-owned & Local		Black-owned		Black-owned & Local	
Variable	Marginal Effect	Std. Err.	Marginal Effect	Std. Err.	Marginal Effect	Std. Err.	Marginal Effect	Std. Err.	Marginal Effect	Std. Err.	Marginal Effect	Std. Err.
Female	-0.027	0.075	0.048	0.103	-0.036	0.044	-0.002	0.079	0.033	0.072	0.301***	0.100
Generation Z	0.146	0.170	-0.045	0.249	0.086	0.096	0.006	0.160	0.084	0.151	-0.190	0.226
Millennial	0.131	0.148	0.135	0.182	0.111	0.087	-0.172	0.144	0.137	0.136	0.157	0.179
Generation X	0.063	0.155	0.018	0.197	0.144	0.100	-0.040	0.154	0.041	0.143	-0.011	0.195
Bachelor's degree	0.005	0.087	-0.069	0.123	-0.051	0.049	-0.039	0.090	0.102	0.082	-0.131	0.118
Professional degree	0.038	0.106	0.028	0.148	-0.005	0.068	-0.009	0.124	-0.014	0.107	-0.384**	0.163
Urban	0.063	0.096	0.302**	0.122	0.099*	0.052	-0.035	0.093	0.198**	0.080	-0.055	0.119
Rural	0.085	0.112	0.412***	0.144	-0.048	0.055	0.153	0.102	-0.008	0.108	0.156	0.140
Northeast	0.200*	0.113	0.067	0.159	0.017	0.078	-0.062	0.128	-0.125	0.108	-0.006	0.162
South	0.032	0.098	0.126	0.140	-0.002	0.065	-0.010	0.107	-0.149**	0.089	0.032	0.142
West	-0.001	0.128	0.141	0.171	-0.092	0.067	-0.154	0.122	-0.095	0.100	0.209	0.157
White	-0.162	0.153	0.103	0.244	-0.109	0.088	-0.079	0.146	-0.033	0.123	-0.074	0.176
Black	0.599***	0.201	0.347	0.296	0.301**	0.125	0.178	0.186	0.812***	0.167	0.166	0.217
Asian	-0.188	0.184	-0.033	0.307	-0.189*	0.099	-0.223	0.189	-0.320**	0.151	-0.696***	0.257
Hispanic	0.060	0.148	0.150	0.203	0.021	0.064	0.073	0.121	0.031	0.146	-0.088	0.205
Republican	-0.100	0.112	-0.034	0.155	-0.011	0.066	0.016	0.122	0.137	0.110	0.032	0.149
Democrat	0.122	0.087	0.329***	0.126	0.059	0.048	0.153*	0.092	0.125	0.078	0.253**	0.117
Income $50,000–$99,999	0.119	0.096	0.152	0.136	-0.015	0.050	-0.002	0.091	0.027	0.087	0.294**	0.125
Income $100,000–$149,999	0.040	0.113	0.334**	0.154	0.041	0.072	0.062	0.124	-0.045	0.110	0.309*	0.159
Income $150,000+	-0.056	0.160	0.510***	0.187	-0.106	0.075	0.176	0.137	-0.097	0.116	0.382**	0.182
Log Pseudo Likelihood	-8,573		-10,939		-8,272		-10,125		-7,074		-11,333	
Number of observations	5,148		5,682		5,328		5,700		4,386		5,820	
Number of clusters	858		947		888		950		731		970	

Note: Single, double, and triple asterisks (*, **, ***) represent *p*-values of < 0.10, 0.05, and 0.01, respectively. Standard errors were clustered by the respondent.

Source: Prepared by the authors.

where a consumer resides had a significant effect on selecting at least once. Compared to suburban consumers, urban consumers were more likely and rural consumers were less likely to select the Black-owned honey at least once. Also, compared to Midwestern consumers, consumers in the West were less likely to select the Black-owned honey at least once. Black consumers were more likely to select the Black-owned BBQ sauce at least once, and White consumers were less likely to select the Black-owned honey at least once. Consumers who identified as Democrats were likelier to select all Black-owned products at least once, as well as beef jerky that was Black-owned & Local at least once. Consumers with an income of over $150,000 were likelier to select Black-owned & Local BBQ sauce at least once.

Table 3 presents the results from the second step that determined the demographic characteristics associated with selecting these product options more often, after removing the consumers who never selected a Black-

owned only option or a Black-owned & Local option. Female consumers selected the Black-owned & Local honey more often than other genders, while consumers with a professional degree selected it less often. Compared to suburban consumers, those in urban and rural areas selected the Black-owned & Local BBQ sauce more often, and urban consumers also selected the Black-owned honey more often. Consumers in the South selected the Black-owned honey less often than those in the Midwest. Black consumers selected all Black-owned products more often, while Asian consumers selected Black-owned and Black-owned & Local honey less often. Democrats selected the Black-owned & Local BBQ sauce and honey products more often, as did consumers with an income over $150,000. Also, consumers with an income of $50,000–$99,999 selected the Black-owned & Local and honey more often than lower-income consumers, and consumers with an income of $100,000–$149,999 selected the Black-owned & Local BBQ sauce more often.

In both Stage 1 and Stage 2, certain demographic factors consistently influenced preferences for Black-owned and Black-owned & Local products. Urban consumers demonstrated a significant positive association with both choosing Black-owned honey at least once and purchasing it more frequently, whereas Black consumers showed similar associations for Black-owned BBQ sauce. Female consumers were more likely to choose Black-owned & Local honey at least once and select the product more often. Additionally, consumers with an income of $100,000 or more were significantly more inclined to select Black-owned & Local BBQ sauce and honey at least once and to continue purchasing these products. Democrats also showed a consistent positive association with all Black-owned & Local products (BBQ sauce, beef jerky, and honey), being more likely to choose them initially and to purchase them repeatedly. These consistent findings across stages and product types underscore the robustness of these demographic indicators in shaping consumer behavior toward Black-owned and Black-owned & Local products.

Concluding Thoughts

Black entrepreneurs in the American food industry face significant challenges despite their substantial presence throughout the value chain. These challenges include limited access to capital, racial discrimination, and other systemic barriers. We propose marketing Black ownership as a product label to address these economic hurdles. This approach can serve as a unique selling point, drawing the attention of consumers inclined to support small businesses and those who value diversity, equity, and inclusion. Consumers increasingly seek to make socially conscious purchasing decisions, and a Black-ownership product label provides a straightforward way to do so. This could enhance brand loyalty and drive repeat purchases, as customers feel connected to the story and mission behind a product.

This study found that marketing Black ownership could significantly impact the success of a product. The results show that targeting Black entrepreneurs near urban areas with high Democrat affiliation, Black representation, and high household incomes could be particularly effective. There may also be room to grow markets as younger generations have increased purchasing power. The variation across product groups and consumer preferences for these products indicates that specific product types may resonate differently with various demographic segments, highlighting the importance of tailored marketing strategies. Understanding these nuanced preferences is crucial for Black food entrepreneurs aiming to effectively position their products in the market.

Moreover, there was a stronger preference for local foods relative to Black-owned. This suggests that consumers generally prioritize localness in purchasing decisions, but a valuable niche remains for promoting Black-owned food products. Some of the stronger preferences for local foods in this study could be attributed to including honey as a product of interest, which yielded a strong preference for the local attribute. We found that several Black businesses producing the products tested in our study marketed the localness of their offerings, despite there being no clear literature connecting the two as complementary claims. Leveraging the appeal of local food could also potentially enhance the attractiveness of Black-owned products if marketed jointly, as they likely appeal to similar yet distinct characteristics and could potentially yield a compounding effect. There were higher (and lower) preferences for Black-owned food within certain demographic groups. However, different respondent characteristics were associated with selection across the three value-added products in this study, indicating that targeted marketing for specific Black-owned product types may be more effective with certain consumers.

As with all research, this study is not without limitations. First, the sample is not nationally representative because a willingness to consume the product presented in the survey was a qualifier to take the survey. Around half of our sample indicated being affiliated with the Democratic party, for example, and previous research has shown that political affiliation is associated with consumer preferences for race in food issues (Kalaitzandonakes, Ellison, and White, 2023). Additionally, the product selections were nonbinding, which can introduce hypothetical bias. While we employed a “cheap talk” script to mitigate this bias, it is important to note that actual purchasing behavior may differ from the responses observed in the experiment (Lusk, 2003; Hensher, 2010).

Understanding consumer preferences can help Black-owned businesses optimize their marketing efforts, fostering greater support and success in diverse

markets. Additionally, tailoring marketing campaigns to resonate with the target population would enhance the opportunity for repeat customers. The results from this study can provide insight to policy makers and funding agencies. For example, the findings that local claims are essential for the success of Black-owned food products are relevant to the USDA's initiative to improve the resilience of local food systems (USDA, n.d.). Moreover, USDA programs can impact the success of Black-owned value-added products, similar to the success of the USDA-supported Brooksmade Gourmet Foods (USDA, 2024b). Fostering the success of Black-owned food businesses requires a multifaceted approach, combining strategic marketing and consumer insights with these supportive policies. By leveraging both the appeal of Black ownership and the growing demand for local foods, entrepreneurs can build stronger connections with their target audiences. Policy makers and funding agencies must also continue supporting initiatives that promote inclusivity and equitable access to resources, further empowering Black entrepreneurs to thrive in the competitive food industry. Through these efforts, Black-owned businesses can continue contributing to a more diverse, resilient, and inclusive food system in the United States.

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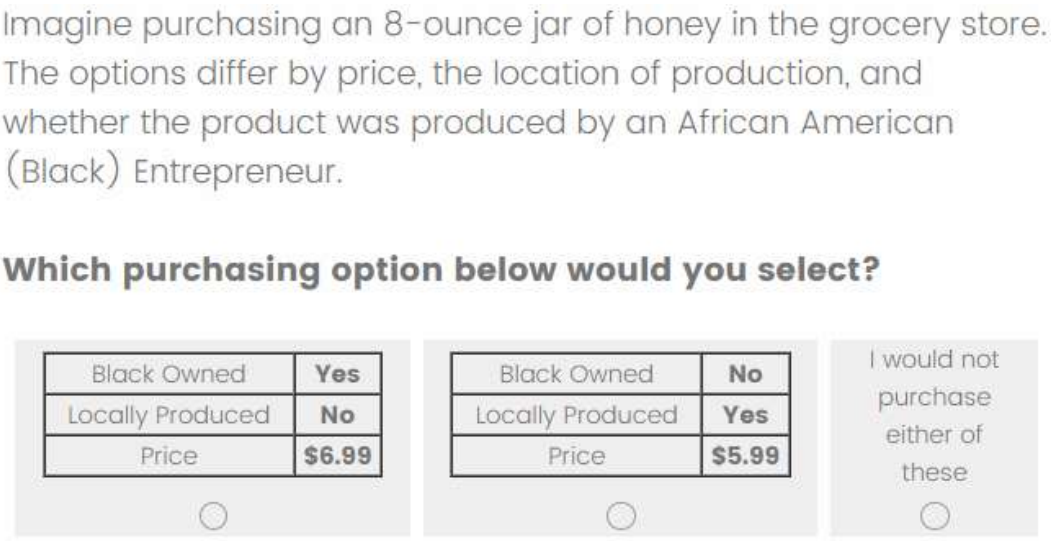
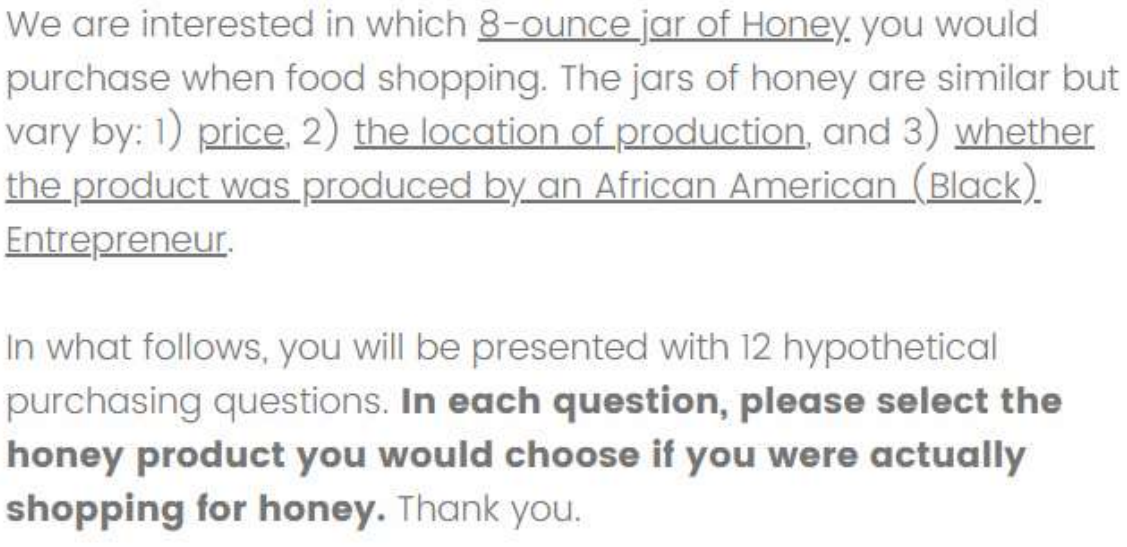
Appendix

Appendix Figure A1. Discrete Choice Question Example (Honey)



Source: Prepared by the authors.

Appendix Figure A2. Cheap Talk Example (Honey Discrete Choice Experiment)



Source: Prepared by the authors.

Appendix Table A1. Demographic and Moderating Variable Questions

Question	Response Options
What is your age? Please provide your age in years below.	Continuous variable indicating the years since birth
What gender do you most identify with?	Male, Female, Non-binary/Third Gender, Prefer not to respond
What is the highest level of education you have completed or the highest degree you have received?	Less than High School, High School/GED, some college, 2-Year Degree (Associate), 4-Year Degree (Bachelor), Graduate/Professional Degree (M.S., PhD., M.D., J.D., etc.)
Are you Spanish, Hispanic, or Latino?	Spanish, Hispanic, Latino, No
Choose one or more races that you consider yourself to be:	White, Black or African-American, American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, Other (fill in the blank)
In which Region do you live?	Northeast, Midwest, South, West (Respondents provided with a map)
In which of these categories do you feel that your primary place of residence fall?	Urban, Suburban, Rural, Other (fill in the blank)
Income information is very important. What is your household income before taxes? Please provide the best estimate for your entire household.	Range from < $10,000 to > $150,000 in $10,000 increments
What is the zip code of your primary residence?	Fill in the blank.
What is your political affiliation?	Republican, Democrat, Third-Party, Independent, Other

Source: Prepared by the authors.

Appendix Table A2. Summary Statistics of Demographic Variables

Variable	Sample (*N* = 2,997)	BBQ DCE (*N* = 1,000)	Jerky DCE (*N* = 999)	Honey DCE (*N* = 998)
Age[a]	40.91	42.34	39.53	40.85
	(13.28)	(13.13)	(13.13)	(13.34)
Gender				
Female	48.58	45.20	52.85	47.70
Male	49.18	53.00	44.54	50.00
Nonbinary	1.87	1.60	2.10	1.90
Other	0.37	0.20	0.50	0.40
Income				
< $50,000	34.07	30.20	37.04	34.97
$50,000–$99,000	38.10	40.50	36.94	36.87
$100,000–$149,999	16.72	18.70	15.92	15.53
> $150,000	11.11	10.60	10.11	12.63
Education				
Less than high school	0.70	0.70	0.70	0.70
High school graduate	10.83	10.30	11.71	10.52
Some college	19.45	17.20	22.52	18.64
Associate degree	10.08	10.20	10.41	9.62
Bachelor's degree	42.21	43.40	40.04	43.19
Graduate or professional degree	16.72	18.20	14.61	17.33
Population density				
Rural	16.32	16.90	15.72	16.33
Suburban	53.12	54.00	52.35	53.01
Urban	29.93	28.40	31.33	30.06
Census region				
Midwest	19.69	21.20	18.22	19.64
Northeast	20.12	23.10	18.02	19.24
South	39.47	39.40	39.54	39.48
West	20.72	16.30	24.22	21.64
Race				
Asian	9.09	6.90	10.51	9.82
Black/African American	10.48	9.20	11.41	10.82
Native American/Alaskan	0.57	0.30	0.80	0.60
Hawaiian/Pacific Islander	0.20	0.20	0.20	0.20
White/Caucasian	72.87	77.70	69.47	71.44
Two or more races	4.97	3.60	5.51	5.81
Other	1.84	2.10	2.10	1.30
Ethnicity				
Hispanic	4.84	4.90	5.51	4.11
Spanish	0.77	0.90	0.60	0.80
Latino	3.24	2.10	5.41	2.20
Political Affiliation				
Democrat	49.28	48.10	50.65	49.10
Republican	19.79	22.90	16.92	19.54
Third-Party	0.67	0.60	0.70	0.70
Independent	28.26	27.40	29.43	27.96
Other	2.00	1.00	2.30	2.7

Note: Values reported in percentage of sample unless otherwise specified.

[a] Age is reported in years with standard errors in parenthesis.

Source: Prepared by the authors.