

Consumer Racism and Its Effects on Domestic Cross-Ethnic Product Purchase: An Empirical Test in the United States, Canada, and France

This study provides empirical evidence of the effects of consumer racism on domestic cross-ethnic product purchase in three countries. The model predicts that consumer racism will affect ethnic minorities' judgments of and willingness to buy products from each country's dominant ethnic minority. After a consumer racism measurement instrument is developed and validated, experiments and survey results show that varying levels of consumer racism affect consumer judgments of and willingness to buy domestic products that are perceived as being made by ethnic minorities in the three countries in which the tests took place. Moreover, the results indicate that minority-owned business performance is significantly and negatively affected in areas in which consumer racism is more prevalent. Moderators of consumer racism effects are the perceived level of interaction between consumers and the minority-owned company, a certain product-ethnicity image, and consumers' perceived importance of the outcome associated with consuming minority-owned companies' products and/or services.

Many countries have more or less distinct population sets within their borders. Some countries have historical ties to other countries that make them inherently bicultural; for example, Canada has historically had ties to both France and England, accounting for its citizens being mainly English-speaking, though a French-speaking minority makes up approximately 25% of the population. Other countries are currently witnessing the increasing growth of subcultural groups within their borders. This is the case, for example, in France, where citizens of former colonial lands, such as Algeria, are flooding in, in search of a better future. This phenomenon is also occurring in the United States, which received more than one million legal immigrants in 2002 alone. Hispanics now account for 13.3% of the total U.S. population (U.S. Census Bureau 2002). This gathering and interaction of several cultures within national boundaries, or cultural diversity, is widely acknowledged (Leibold and Hugo-Borrows 1997; Roberts and Hart 1997).

Because members of subcultural groups are also consumers, marketers have begun to demonstrate a growing interest in better serving them, which has given rise to the concept of "ethnomarketing" (Badot and Cova 1995; Pires, Stanton, and Cheek 2003; Tréguer and Segati 2003). Yet

these minorities are also providers of products and services to the marketplace. The U.S. Census Bureau (1997) reveals that as many as 3 million minority-owned companies in the United States made up 15% of the 20.8 million nonfarm companies in 1997. Of these, 1.2 million companies, or four in ten, were Hispanic or Latino owned. This represents a new reality for consumers in countries such as France, the United States, and Canada, who are faced not only with the option of buying foreign versus domestic goods and services but also with the choice between the domestic offering of their own ethnic group or that of another.

There are many examples in the services sector. In Montreal, which is home to the largest open-air food market in North America, Marché Jean-Talon, consumers can choose from a variety of shops and stands offering flavors from Asia, Europe, and South America. A consumer looking for olive oil may choose an Italian Canadian grocer over, for example, a Chinese Canadian grocer, but how does a consumer decide where to shop for a plain steak when Marché Jean-Talon offers a choice of Mexican, Moroccan, Italian, and French Canadian butcher shops? Consider the following scenario:

In New York City, 30-year-old Caroline must go out to fetch milk for tomorrow's breakfast. Within easy walking distance of her apartment building are three convenience stores, one owned and operated by a recently arrived Mexican immigrant named José, another by a third-generation French immigrant named Jean-Pierre, and a third one owned and operated by a Caucasian American, Vietnam veteran named Pete.

Current literature on cross-cultural marketing and consumer behavior provides some indication of which shop Caroline is likely to patronize. Intuitively, ethnocentrism (Shimp and Sharma 1987), patriotism (Bilkey and Nes

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1982), and animosity (Klein, Ettenson, and Morris 1998), all combined with a certain product-country image or country-of-origin effect (Papadopoulos and Heslop 1993), might explain Caroline's choice to walk over to Pete's shop to get her pint of milk. For example, perhaps Caroline is ethnocentric and believes in the supremacy of "white American businesses." Maybe she holds feelings of animosity toward the French for not supporting (indeed, openly criticizing) the United States in its decision to go to war with Iraq. Alternatively, if she holds stereotypes of Mexico and Mexicans' attitudes toward "fiesta," she may infer that the Latino-owned store is "less seriously" managed and question the freshness of the milk available there.

Although such attitudes may be considered socially undesirable, this may be how Caroline actually feels. Although most of those widely studied constructs have not yet been studied in within-country settings, even though they are among the most popular areas of research in marketing—for example, country of origin is the object of more than 700 published articles (Papadopoulos and Heslop 2002)—it is intuitive to conclude that these variables should exert some influence within country borders as well. The literature has studied how subcultural groups (i.e., groups within a given country, probably better labeled "subnational" groups) differ in their evaluations of third-country products (e.g., Klein, Ettenson, and Morris 1998). For example, it has been demonstrated that French Canadians evaluate French products more favorably than English Canadians do (Laroche et al. 2003). Are phenomena such as ethnocentrism and animosity the only factors likely to affect consumer behavior when it comes to buying domestic products that originate from other ethnic groups? Although it has not been extensively studied in a marketing or consumer behavior context, the popular and academic literature suggests another potentially significant influence: consumer racism (CR).

Considering that immigration is growing steadily in the United States and other countries and considering the resultant increasing importance of minority-owned companies in these economies, understanding the attitudes and behaviors of these countries' ethnic majority toward the idea of buying from minorities should hold significant importance for stakeholders, including companies, governments, and even consumers themselves. At the same time, confirming the existence and understanding the effects of such factors as CR should help minority-owned companies know if they should and how to adapt important activities, such as marketing communication, branding, and product portfolio. The implications are also potentially important for majority-owned companies and may suggest the need for adaptation in the partnerships they pursue, the distribution channel they select, and so on. For governments, the conclusions of this research could suggest a need to provide support to minority-owned companies to compensate for racial discrimination by consumers or the need to raise public awareness. Understanding how CR influences behavior differentially from neighboring constructs such as ethnocentrism and animosity should help better focus these stakeholders' attention on these influential phenomena.

To address these critical issues, this article proposes to test the existence of CR in three different country settings through the development and validation of a scale. The studies first develop the concept of CR and then test its discriminant validity. The effects of CR on consumers' judgments of products and on their willingness to buy these products are then investigated. Drawing the link between consumer behaviors and their impact on company and brand performance, a study of minority-owned companies is conducted to show how CR in their given markets affects their performance. Finally, conclusions and implications for managers and academics are discussed.

CR and How Ethnic Majorities Purchase Domestic Products

Introducing the Concept of CR

At the subnational level, the concept of CR has been postulated as an alternative explanation of animosity-like phenomena (Ouellet 2005). Wilson (1973, p. 32) defines racism as "an ideology of racial domination or exploitation that (1) incorporates beliefs in a particular race's cultural and/or inherent biological inferiority, and (2) uses such beliefs to justify and prescribe inferior or unequal treatment for that group." However, contemporary authors concur that the original biological foundation of racism has given way to bases characterized by real or imagined differences between ethnic groups in terms of their languages, cultures, customs, and lifestyles (Taguieff 1988). Thus "neoracism," or "modern racism," has apparently shifted its object from race to culture, or ethnic belonging (Gilroy 1991). In other words, racism is no longer related to race but rather to ethnicity.

Racism is often the reaction of ethnically dominant groups to ethnic minorities' "imposition" of their unassimilable cultures, which the dominant group perceives as posing a threat to the accomplishments of history, the order of things, national identity, and its supposed unity (Potvin 2000). It is always defined as having two major functions: demarcation and legitimization of domination (Memmi 1994, p. 106). Thus, by definition, racism is always directed from a dominant ethnic group toward one or more dominant minority groups. For example, in the United States, research suggests that because it is threatening to white hegemony for blacks to have influence and authority, many whites are either consciously or unconsciously motivated to find ways to perpetuate the existing imbalance of power by reacting negatively to blacks in high-status positions (Dovidio and Gaertner 1981; Knight, Giuliano, and Sanchez-Ross 2001).

Overt evidence of racism has decreased in recent years (e.g., Dovidio and Gaertner 1991, 2000), but it remains robust in more subtle forms that people may be hesitant to express (Gaertner and Dovidio 1986; McConahay 1986). These subtle forms of racism may be expressed in ambiguous situations in which behavior can be justified by motives other than racism. For example, the effects of subtle racism have been observed in people's decisions about whom to hire for employment (Dovidio and Gaertner 2000; McConahay 1983) and how personnel evaluations are conducted

(Knight et al. 2003). Thus, in general, researchers believe that racism today manifests itself more indirectly and in more symbolic ways (Myers 1993; Potvin 2000).

One example of the indirect or symbolic expression of racism might be found in consumer attitudes and behavior toward shops, goods, and/or services. Although it is not documented in the scope of racism or through evaluations of products per se, the academic literature provides hints of the influence of CR on evaluations of shops and/or products. Following a review of the literature, Whittler (1991) concludes that despite methodological limitations, some white viewers were not affected by the presence of black actors in advertisements (as measured by several factors, including brand name recall, attitude toward the product and brand, and purchase intentions), whereas others did not react as positively toward black actors as they did toward white actors.

I propose that the concept of CR—defined as the antipathy toward a given ethnic group's products or services as a symbolic way of discriminating against that group—affects consumer behavior in the domestic marketplace. I propose that CR can affect consumers' decisions to buy and their product judgments.

P₁: CR is negatively related to (a) judgments of and (b) willingness to buy products that are perceived as originating from the dominant minority ethnic group.

Differentiating Animosity, Ethnocentrism, and CR

From ethnocentrism to ethnic ethnocentrism. Ethnocentrism is a construct defined as cross-cultural that has been operationalized cross-nationally. In the field of marketing, it is defined as the beliefs that consumers hold about the appropriateness, indeed morality, of purchasing foreign-made products in lieu of locally made products (Shimp and Sharma 1987). Consumer ethnocentrism involves consumers' tendency to exhibit a positive, or favorable, predisposition toward products that originate from their own country and to reject imported products. For nonethnocentric consumers, foreign products should be evaluated on their own merit and on the basis of the utility and benefits they provide rather than on the basis of where they were manufactured or assembled. The consequences of consumer ethnocentrism include overestimation of the quality and value of domestic products (or underestimation of the virtues of imports), a moral obligation to buy domestic products, and an intense preference for domestic products.

First coined by the sociologist William Graham Sumner in the late nineteenth century, ethnocentrism is the viewpoint that a person's ethnic group is the center of everything, against which all other groups are judged. In marketing, however, the definition and operationalization of the concept have been made with countries as their objects, never with ethnicity. Indeed, consider the scenario in which a Mexican immigrant to the United States is asked what he or she thinks of the statement "It is not right to purchase products manufactured outside the United States, because it puts Americans out of jobs." Perhaps the immigrant feels no ethnocentrism at all as an American citizen; on the contrary, this respondent may feel better about buying Mexican-made

products because it helps his or her family live a good life in Mexico. So when presented with the statement "It is not right to purchase products manufactured by non-Mexican Americans, because it puts Mexican Americans out of a job," this very same person might adhere more closely to the idea, perhaps because he or she identifies more closely with the Mexican American group than with a more generic American identity. In the same way, French Canadians—the majority of whom live in the Canadian province of Quebec and who are known for their elevated nationalistic sentiments, as two referendums on secession since 1980 have shown—may exhibit much higher levels of agreement with a statement such as "French Canadians who purchase domestic products made by English Canadian companies are responsible for putting their fellow French Canadians out of work" than with a same statement that would replace "French Canadians" with the more generic "Canadians."

An important contribution to consumer research has been the CETSCALE, which enables the measurement of ethnocentrism across countries (Shimp and Sharma 1987). Studies of consumer ethnocentrism have consistently shown scores on the scale to correlate inversely with willingness to buy imports, cultural openness, income, education, and perceptions of the quality of imported goods (Netemeyer, Durvasula, and Lichtenstein 1991; Sharma, Shimp, and Shin 1995; Shimp and Sharma 1987). The scale has demonstrated consistency across several countries (Netemeyer, Durvasula, and Lichtenstein 1991) but never across ethnic groups within a given country. I postulate the existence of ethnic-based ethnocentrism, which would have the same antecedents, effects, and correlates as Shimp and Sharma's (1987) ethnocentrism, only at the subnational, cross-ethnic level, which may serve as an alternative explanation of CR-like phenomena.

From national animosity to ethnic-based animosity. Recent research has focused on examining whether hostile attitudes toward a specific foreign country affect attitudes toward products from that country. Klein, Ettenson, and Morris (1998) introduce the concept of animosity, defined as the remnants of antipathy related to previous or ongoing military, political, or economic events. They hypothesize that feelings of animosity toward a specific country, as distinct from consumer ethnocentrism, affect consumers' willingness to purchase foreign products rather than their judgments or evaluations of those products. They find evidence to support this in a study of consumers' willingness to buy Japanese products in the Chinese city of Nanjing, where 300,000 people were massacred by the Japanese in World War II. Although Klein, Ettenson, and Morris find that animosity toward a country affects willingness to purchase products in an extreme case—namely, the Chinese in Nanjing—an interesting question that Nijssen and Douglas (2004) raise is whether animosity has the same influence under less extreme conditions.

Another question pertains to animosity defined at the subnational level. Although Klein, Ettenson, and Morris (1998) operationalize the construct in a cross-national setting, the factors that influence animosity on a between-country level may also be valid within a given country. For example, Tibetans may have remnants of (if not active)

antipathy toward the Chinese because of prior military events, such as the invasion of Tibet. Some French Canadians may be antipathetic to English Canadians because of what they perceive as previous institutionalized political and economic domination aimed at assimilating them. Latino Americans may exhibit remnants of antipathy toward white Americans because of current perceived exclusion from well-paying professional positions. Algerian immigrants to France may not have forgiven the French for the ill-treatment of civilians during the French–Algerian war of the 1950s. Already, animosity between the Alte Länder (former West Germany) and Neue Länder (former East Germany) has been demonstrated to affect consumer behavior in the easternmost part of Germany (Hinck 2004).

I further postulate that ethnic-based animosity affects consumers' purchase behavior in the domestic marketplace distinctly from and independently of CR. Indeed, CR and animosity are different constructs according to the literature. Although animosity appears to refer to a (currently or formerly) dominated group's antipathy toward its (current or former) "dominator," CR goes the other way around. Moreover, CR is rooted in a dominant group's inability to impose its (cultural) domination, whereas animosity seems to be rooted in a dominated group's antipathy toward the dominating group, potentially because of the latter's efforts to impose its (cultural) domination. Most important, animosity is defined and has been demonstrated not to be related to consumers' beliefs about product quality. However, racism, and thus CR, suggests the legitimization of domination. Therefore, it is expected that racist consumers express less favorable judgments of products that originate from the ethnic group against whom they hold racist feelings. A Mexican American exhibiting animosity toward Americans may refrain from buying white American products even though he or she believes that they are of great

quality, in accordance with Klein, Ettenson, and Morris's (1998) findings. However, a white American customer exhibiting CR toward black Americans may downgrade his or her evaluation of the latter group's products *and* refrain from buying anything from that group, in accordance with racism literature (Memmi 1994). Finally, methodological reasons also justify keeping both concepts distinct. Although animosity may be somewhat "acceptable" in society, racism, and thus CR, is not, which makes it difficult to measure (Saucier and Miller 2003).

Three distinct yet easily confused constructs emerge from the preceding discussion. In summary, ethnic-based ethnocentrism, animosity, and CR theoretically differ on three fundamental bases: their object, their effects, and their social desirability. First, animosity and CR are postulated to be specific to an ethnic group—that is, directed at one specific ethnicity—whereas ethnic-based ethnocentrism is postulated not to be—that is, directed at all but a person's own ethnic group. Second, ethnocentrism and CR are postulated to affect consumer evaluations of products *and* willingness to buy products, whereas animosity has been demonstrated to affect only willingness to buy. Third, ethnocentrism and animosity are not known to correlate significantly with social desirability, based on previous studies. Therefore, it is expected that consumers will still be open to stating their level of ethnocentrism and animosity but will be less open to admitting their level of CR, a more socially undesirable construct.

Given the different natures, antecedents, and effects as detailed in the literature, CR is expected to be distinct from the constructs of ethnocentrism and animosity and, thus, to have differential effects (see Table 1). Therefore, a person could be ethnocentric and racist in addition to holding feelings of animosity, the effects of which are cumulative:

TABLE 1
Differential Effects of Ethnic-Based Ethnocentrism, Ethnic-Based Animosity, and CR

Variable	Directionality	Effects
Ethnic-based ethnocentrism	From either ethnic group toward itself	Increased judgments about products from own group and decreased judgments about products from all other groups. Increased willingness to buy products from own group and decreased willingness to buy products from all other groups. (Shimp and Sharma 1987)
Ethnic-based animosity	Ethnic group specific (apparently from the ethnic minority toward the ethnic majority)	Decreased willingness to buy products from the majority ethnic group. No effect on product judgments. (Klein, Ettenson, and Morris 1998)
CR	Ethnic group specific (from the ethnic majority toward the dominant ethnic minority)	Decreased judgments about products from the dominant ethnic group. Decreased willingness to buy products from the dominant ethnic group.

P₂: Ethnic-based ethnocentrism, ethnic-based animosity, and CR emerge as different and distinct constructs at the sub-national, cross-ethnic level.

Moderators of CR

Given the previous findings in the racism literature that suggest that the construct is somewhat evasive, identification of potential moderators of CR on judgments of and willingness to buy products perceived as originating from the dominant minority was undertaken. Indeed, general racism literature has not yet pointed to any moderator of the effects of racism on general beliefs, attitudes, or behavior. Therefore, potential moderators were identified on the basis of three qualitative surveys conducted in Grenoble, France, in Montreal, Canada, and in Boston, Mass.

A questionnaire that measured ethnic affiliation, ethnic ethnocentrism, animosity, and general racism toward the dominant ethnic minority (Arabs in France, French Canadians in Canada, and Hispanics in the United States) was first administered to potential informants recruited through a street-intercept procedure.¹ In Boston, of 152 passersby, 70 agreed to complete the screening questionnaire (63 of 87 in Grenoble and 70 of 141 in Montreal). Of the 70 respondents, 33 were rated as being affiliated with the dominant ethnic group, low on ethnocentrism, low on animosity, and high on racism on the basis of a cutoff of 3 out of 7 (41 in Grenoble and 35 in Montreal). This cutoff point was established through a pretest of the scales, which revealed a median of approximately 3 for the three scales. Thirty pre-qualified informants agreed to take part in the qualitative study in Boston (22 in Grenoble and 20 in Montreal). To generate content for a topic that is sensitive to social desirability, a projective "third-person" technique was used in which respondents were presented with a scenario and asked to describe beliefs, attitudes, and behaviors that could be adopted by a racist individual in such situations. The interviews lasted 45 minutes on average. Content analysis was performed and suggested three potential moderators of the effects of CR on product judgments and willingness to buy.

Level of interaction (LoI). In its general sense, the term "product" usually refers to a bundle of both tangible and intangible attributes. According to the American Marketing Association, a product can be an idea, a physical entity (a good), a service, or any combination of the three (Bennett 1995). Through their varying level of tangibility, products also require a varying LoI with other human beings. Mainly intangible products (or services) typically require more interaction between customers and sellers because of the inseparability of production and consumption (Zeithaml, Parasuraman, and Berry 1985). Yet extant racism literature

mentions that racists typically tend to avoid close contact with groups against which they hold racist feelings (Gaertner and Dovidio 1986; McConahay 1983; Memmi 1994). Therefore, the higher the level of cross-ethnic interaction required to buy, use, or dispose of the product, the more salient the negative effects of CR should be. As one informant in Boston stated, "I care less about buying their products than having to actually be in contact with them in stores. They're so lazy; they just exasperate me." In other words, CR should have a greater effect on consumers' judgments of and willingness to buy services than on their judgments of and willingness to buy goods that are perceived as originating from dominant ethnic minorities. This is convergent with approach-avoidance theory (Donovan and Rossiter 1982; Mehrabian and Russell 1974) and servicescape models (Bitner 1992; Tombs and McColl-Kennedy 2003).

P₃: An increase in the level of cross-ethnic interaction that the product requires increases the effects of CR on (a) product judgments and (b) willingness to buy.

Product-ethnicity image (PEI). In international consumer behavior literature, product-country image effects refer to the extent to which the national origin of a particular product influences its evaluation (Papadopoulos and Heslop 1993; Peterson and Jolibert 1995). Product-country image may interfere with ethnocentrism in circumstances in which an ethnocentric consumer, who views buying foreign-made products as immoral, is faced with the purchase of products whose foreign origin (Italian designer shoes, Japanese cameras, French wine, American burgers) suggests better quality than domestic-made products in the same categories (Balabanis and Diamantopoulos 2004). Thus, it is postulated that the same construct at the ethnic level—PEI—could influence reluctant racist consumers' evaluations of and willingness to buy products in categories for which they believe ethnic groups are more capable than their own. Even racist consumers are likely to admit that French citizens of Northern African origin probably make the best couscous or that Latino American-owned restaurants likely serve the best enchiladas in Los Angeles. As one Bostonian explained, "What would [a racist] guy buy from Latinos? Chile con carne." Therefore, the negative bias of racist consumers' judgments of and willingness to buy the products of the dominant ethnic minority should be moderated by more favorable PEI.

P₄: A more favorable PEI decreases the effects of CR on (a) product judgments and (b) willingness to buy.

Importance of outcome (IoO). Another variable that seems to moderate informants' willingness to buy (but not product judgments) is the importance they attribute to outcome. Research has shown that for relatively unimportant products, consumers are willing to forgo even unfavorable product-quality evaluations due to country of origin in making their purchase decisions (Ahmed et al. 2004). Conversely, for important products, stereotypes such as country of origin and probably CR exert significant influence on both product evaluations and purchase intentions (Hong and

¹Measurements were made using adapted versions of (1) Kim, Laroche, and Lee's (1989) multidimensional index of ethnicity for ethnic affiliation, (2) the CETSCALE (Shimp and Sharma 1987) for ethnocentrism, (3) the economic dimension of Klein, Ettenson, and Morris's (1998) scale for animosity, and (4) Saucier and Miller's (2003) subtle racism scale for racism.

Wyer 1989). This phenomenon has also been postulated as an explanation of marketing researchers' difficulties in linking product judgments with purchase intentions or behavioral variables (d'Astous and Ahmed 1992). As a French informant revealed,

[North Africans] never put as much effort into what they're doing as [ethnic white] French. So when it's about washing a car, doing laundry, or serving food, you can live with having to deal with a [North African], even though you know it won't be perfect, but if it's something serious, like surgery or managing savings, then no way.

In other words, racist consumers may be more inclined to buy products from dominant ethnic minorities despite negative product judgments if these products have little importance to them.

P₅: An increase in consumers' perceived IoO (a) does not affect product judgments but (b) increases the effects of CR on willingness to buy.

Multistudy Scale Development Program

Given the lack of a consumer behavior–focused measurement instrument for racism in a marketing context (i.e., CR), the studies reported herein focused on developing and testing a reliable and valid scale to measure CR. Development of a scale was necessary for several reasons. First, the most widely used measure of racism, McConahay, Hardee, and Batts's (1981) modern racism scale, is not directly relevant to the study of consumer behavior. It was not developed for such a purpose and thus contains items with little or no relevance to the study of consumer behavior or marketing (e.g., "Blacks have more influence upon school desegregation plans than they ought to have"). Other available racism scales also share this problem (Saucier and Miller 2003). Second, available scales are directed at blacks, and the applicability of such scales to ethnic groups has not yet been demonstrated. Third, the widely used modern racism scale appears to be correlated with social desirability (Dunton and Fazio 1997; Fazio et al. 1995), making its use less than comfortable. Finally, the intention behind this research was to provide a measure that could be used in multiple settings, regardless of the majority and minority groups. A review of the literature provides no evidence that any of the existing racism scales can be applied to other countries or cultures.

For these reasons, development and validation of a specific CR scale was undertaken in three different countries. According to the previously cited definitions, for racism and, thus, for CR to take place, the presence of a majority ethnic group alongside an ethnic minority that is (or is at least perceived to be) unassimilable is required. Thus, it was decided to operationalize this investigation in three countries that present such a setting: the United States, Canada, and France.

The Hispanic and Latino subpopulation is the dominant ethnic minority in the United States. The growth of this subpopulation has given rise to fears that English may be "overtaken" by Spanish as the main language in many parts

of the country, leading to the founding of movements seeking to make English the official language of the United States (DeMasters 1999). Organizations such as U.S. English have been formed to urge states and Congress to enact official English and English-only laws that would encompass all aspects of government. Many states, including Alabama, California, Arizona, and New Jersey, have already adopted English-language laws. At the same time, Latinos and English speakers in the United States do not enjoy the same standards of living. The U.S. Census Bureau (2002) reports an important discrepancy between the incomes of Hispanics and non-Hispanic whites; 21.4% of the former live in poverty compared with 7.8% of the latter. It has been suggested that racial discrimination directed toward Latino and Asian immigrants is the underlying motivation for such English-language laws and is a factor that explains income discrepancy (Bender 1996; PBS 1997). The Boston area, with more than 85,000 Hispanics and Latinos accounting for 14.4% of its population and with nonwhites accounting for 43.2% of its population (U.S. Census Bureau 2000), was deemed to be a pertinent city in which to conduct this multistudy research program.

Because of its linguistic duality and within-country differences, Canada was also deemed to be an appropriate society for this multistudy investigation. Prior research in marketing provides strong evidence of the existence of two distinct ethnic groups within Canada, an English majority and a dominant French minority (e.g., Heslop, Papadopoulos, and Bourk 1998; Kim, Laroche, and Lee 1989; Kindra, Laroche, and Muller 1994; Plummer 1977; Schaninger, Bourgeois, and Buss 1985). It is widely recognized that English and French Canadians possess different cultural traits, customs, language, and traditions that yield differences in their behavior as consumers (Laroche et al. 2000). Most important, research has demonstrated that some English Canadians exhibit a certain level of racism toward French Canadians (Potvin 2000). In addition, Canada has several other ethnic minorities that allow for comparison and validation with additional ethnicities. The Montreal metropolitan area, in which the English-speaking majority and the French minority live side by side, thus resulting in more salient cross-ethnic effects, was chosen as the Canadian city in which to implement this investigation.

Finally, there has been an influx of North African immigrants in France over the past few decades, mainly from former colonies, such as Algeria, Morocco, and Tunisia. The dominant Caucasian majority lives alongside a growing "Maghrébine" (i.e., North African) minority. Approximately 3.5 million North Africans live in France, 1.5 million of whom came from Algeria, 1.3 million of whom came from Morocco, and 500,000 of whom came from Tunisia (Hervieu-Léger 2001). As in the United States and Canada, racism, and thus CR, also seems to be a factor in France; it is directed by the dominant ethnic white French community against the North African minority (Commission nationale consultative des droits de l'homme 2005). The southern French city of Grenoble, a growing technopolis that is home to an important North African community, was selected as an appropriate setting for this multistudy program.

Study 1: Item Generation and Refinement

To generate the initial pool of items for the CR scale, two main sources of information were used: a review of relevant literature and the previously described interviews with people believed to have above-average racist sentiments. Two bilingual (French and English) judges performed thematic analysis of the responses, and the results were pooled with concepts emerging in the literature, providing an initial set of 43 items.

A first test of these items was conducted with a group of six marketing faculty and doctoral students across all three countries to evaluate the content validity of the items. Judges were presented with a written definition of CR. They were then asked to rate each concept as being clearly representative, somewhat representative, or not representative of CR. In line with the work of Bearden, Netemeyer, and Teel (1989) and Zaichkowsky (1985), items evaluated as clearly representative of CR by four judges and no worse than somewhat representative by two more judges were retained. This process resulted in a set of 16 items for further analysis.

Study 2: Item Reduction and Reliability Testing

This stage involved scale purification and reliability testing for the 16 items. Data were collected directly on a laptop computer, thus limiting social effect bias. Respondents were recruited through street and mall intercepts in Boston, Montreal, and Grenoble. Of 2872 people queried (1024 in Boston, 989 in Montreal, and 859 in Grenoble), usable answers were gathered from 1090 people (335, 301, and 454), resulting in a 38% response rate. Only members of the dominant ethnic group were included in the sample; this was determined on the basis of a multidimensional index of ethnicity (Kim, Laroche, and Lee 1989), which employs language usage and ethnic identification as reliable measures of the strength of ethnic affiliation. Overall, slightly more than half of the respondents were female (57% overall; 56% in Boston, 58% in Montreal, and 56% in Grenoble), and the average annual income was US\$35,000–US\$50,000 in Boston and CA\$35,000–CA\$50,000 in Montreal. In France, it is preferable to question respondents about their socioprofessional category rather than their income, so most respondents declared being employees (42%), working class (14%), or management (13%). Typical respondents had taken some college courses, and 23% had a college or postgraduate degree (25% in Boston, 24% in Montreal, and 22% in Grenoble), closely following state, provincial, or national norms in all cases.

All items were scored using a five-point Likert format; higher scores represented greater levels of CR. Before data analysis, the Kaiser-Meyer-Olkin test of sampling adequacy and the Bartlett test of sphericity were used to determine the appropriateness of factor analysis. The Kaiser-Meyer-Olkin levels were superior or equal to .921 for all three samples, and the significance of all three Bartlett tests indicated that factor analysis was appropriate for the data. Because the CR construct was assumed to reflect a single latent person variable, it was considered most appropriate to test for a general factor on which most of the items would load posi-

tively. Thus, separate exploratory principal components factor analyses were performed on the set of 16 items for all three samples, revealing in each case a first unrotated factor that had an eigenvalue greater than or equal to 6.42 and no other factor with an eigenvalue greater than 1.0. To increase homogeneity and in the interest of developing a more parsimonious scale, items that did not have corrected item–total correlations greater than .40 were deleted, resulting in the deletion of 7 items (the same 7 items in all three samples). Follow-up factor analyses on the remaining items as well as Cattell's scree plot criterion indicated in each sample that only one factor should be retained, suggesting a 9-item, unidimensional scale.

Study 3: Confirmatory Factor Analysis

A second survey was conducted to generate data for confirmatory factor analysis. Again, the survey involved street and mall intercepts in Boston, Montreal, and Grenoble, using the same preconditions for participation and a similar laptop-based instrument. The number of usable questionnaires in all three cities was 138, 144, and 125, respectively (for a 36% overall response rate). The demographics of this second sample were similar to those achieved in the first study.

Measurement invariance across countries was first examined, in line with the work of Steenkamp and Baumgartner (1998). The scale exhibited configural invariance but only partial metric invariance across the three countries. Factor loadings of Items 3 and 5 were slightly higher in the United States, and Item 2 was slightly higher in France. Therefore, a series of confirmatory models was examined on a country-by-country basis and was estimated using LISREL 8. Examination of item reliabilities, Lagrange-multiplier tests, and tests of alternative confirmatory factor analysis models did not suggest the deletion of additional items and provided a good fit for the data in all countries (average comparative fit index = .97, and average normed fit index = .93). The chi-square statistic of the single-factor model was not significant and represented a significant improvement over any of the competing null, two-, three-, four-, and five-factor models that were examined. The coefficient alpha estimate of internal consistency reliability was also acceptable, ranging from .78 in France to .81 in the United States. The nine items and their average factor loadings based on all three samples appear in Table 2.

It should be noted that such a unidimensional conception of CR is consistent with previous research on racism. Indeed, all related research appears to have considered racism a single-factor construct and used unidimensional scales to measure the phenomenon (McConahay 1983; Saucier and Miller 2003), thus making it logical for CR to be a single-dimension concept as well.

Study 4: Discriminant Validity and Relationships with Other Measures

To assess the discriminant validity of the CR scale, a survey containing this scale along with measures of two conceptually related constructs was administered by way of a laptop-based questionnaire to 92 Anglo-American students recruited on a university campus in Boston. To distinguish

CR from consumer ethnic-based ethnocentrism, as measured by an adapted version of Shimp and Sharma's (1987) CETSCALE, and economic animosity, as measured by Klein, Ettenson, and Morris's (1998) scale, it was deemed appropriate to compare CR with both measures for the purpose of confirming discriminant validity.²

Each measure investigated in combination with CR demonstrated acceptable levels of reliability, with internal consistency scores of .92 for ethnic ethnocentrism and .71 for animosity. In addition, CR was slightly correlated with the economic dimension of ethnic-based animosity (.11) and moderately correlated with ethnic ethnocentrism (.26), both significant at the .05 level. This is not surprising, because ethnocentrism has been shown to correlate with patriotism and other ideology-related constructs. Moreover, common method covariation (because all constructs were measured at the same time with similar seven-point Likert scales) should explain (at least partly) such correlation scores. To test for discriminant validity against the two other scales, Fornell and Larcker's (1981) and Anderson and Gerbing's (1988) recommendations were followed. Fornell and Larcker explain that discriminant validity is evidenced when the average variance extracted by each of two constructs is greater than their shared variance. Anderson and Gerbing suggest that to confirm discriminant validity for every pair of factors, a two-factor model should fit significantly better than a one-factor model. In all cases, both tests proved significant, confirming the discriminant validity of the CR scale against those of ethnocentrism and economic animosity. This provides support for P₂.

Experimental Validation of the CR Scale

To validate the scale and test the propositions further, a study was designed to test whether CR levels influence reactions to products and services that differ in their ethnic origin. It was expected that products perceived as originating from the country's dominant minority group would be subject to less favorable product judgments and lower willingness to buy than products perceived as originating from the country's dominant ethnic group.

Method

Design. The hypotheses were tested in each country using a $2 \times 3 \times 2 \times 2 \times 2$ mixed design with two levels of CR (high and low), three product ethnic origins (ethnic majority group, dominant ethnic minority group, and second ethnic minority group), two LoIs (high and low), two levels of PEI (favorable and neutral), and two levels of IoO (high and low). Three ethnic groups were used to confirm the direct effect of CR toward the dominant ethnic minority group specifically. However, CR itself was not manipulated, and respondents were assigned to a high- or low-CR condi-

²The CETSCALE was adapted to reflect the ethnic dimension of ethnic ethnocentrism. For example, items such as "A real English Canadian should always buy English Canadian-made products and services" and "Anglo-American products and services, first, last, and foremost" were used.

TABLE 2
Confirmatory Factor Analysis Results for CR Items

Item	Single-Factor Loadings
1. We should support [Dominant Minority Group] in their struggle to build their own successful businesses in this country by consuming their goods and services.	.76
2. It is easy to understand the frustration of [Dominant Minority Group] business owners in this country, who see us patronizing other stores instead of theirs.	.74
3. [Dominant Minority Group] entrepreneurs in this country have it better than they ever had it before from consumers.	.71
4. [Recent arrivals in this country]/[Generations of economic domination and discrimination] have created conditions that make it difficult for [Dominant Minority Group] to create businesses and get us to purchase their products.	.70
5. It's really a matter of some people not trying hard enough; if [Dominant Minority Group] would only try harder, their products and services could be just as good as ours, and I would then patronize their businesses as much as I patronize ours.	.72
6. Italians, Jews, and many other minorities overcame prejudice and established profitable businesses in this country. [Dominant Minority Group] should do the same.	.66
7. How much discrimination against [Dominant Minority Group]-owned businesses by consumers do you feel there is in this country, limiting their chances to grow and succeed?	.62
8. Over the past few years, [Dominant Minority Group]-owned shops and companies have gotten less business than they deserve from customers.	.58
9. Over the past few years, [Dominant Minority Group]-owned businesses have been patronized more than they deserve by consumers.	.56

tion after data collection, following a median split within each country.

Manipulation of moderators. To manipulate moderators in the study, product categories that were in line with the experimental design were identified. A pretest involving 128 business school students in all three countries was conducted to select eight relevant product categories (see the far-left column of Table 3).

TABLE 3
Mean Product Judgment and Willingness to Buy per Experimental Cell (Pooled)

Product (Condition)	Made by	Product Judgments			Willingness to Buy		
		High CR	Low CR	Pairwise	High CR	Low CR	Pairwise
Wireless speakers (low LoI, low IoO, no PEI)	EM	4.64	4.63	n.s. ^a	4.63	4.64	n.s. ^a
	DEm	2.86	3.47	$p < .001^b$	2.74	3.35	$p < .001^b$
	2Em	3.45	3.44	n.s. ^a	3.46	3.45	n.s. ^a
Ethnic packaged goods <\$2 (low LoI, low IoO, PEI)	EM	5.46	5.44	n.s. ^a	5.43	5.43	n.s. ^a
	DEm	4.20	4.27	$p < .001^b$	4.10	4.15	$p < .001^b$
	2Em	4.26	4.26	n.s. ^a	4.26	4.26	n.s. ^a
Wireless speakers (low LoI, high IoO, no PEI)	EM	4.64	4.64	n.s. ^a	4.63	4.62	n.s. ^a
	DEm	2.85	3.46	$p < .001^b$	2.53	3.38	$p < .001^b$
	2Em	3.45	3.46	n.s. ^a	3.43	3.46	$p < .01^c$
Ethnic goods >\$50 (low LoI, high IoO, PEI)	EM	5.43	5.43	n.s. ^a	5.45	5.43	n.s. ^a
	DEm	4.20	4.26	$p < .001^b$	3.86	4.15	$p < .001^b$
	2Em	4.25	4.25	n.s. ^a	4.26	4.25	n.s. ^a
Convenience stores (high LoI, low IoO, no PEI)	EM	4.62	4.64	n.s. ^a	4.54	4.63	n.s. ^a
	DEm	2.46	3.46	$p < .001^b$	2.34	3.36	$p < .001^b$
	2Em	3.46	3.45	n.s. ^a	3.44	3.46	n.s. ^a
Ethnic restaurants <\$10 (high LoI, low IoO, PEI)	EM	5.43	5.45	n.s. ^a	5.43	5.42	n.s. ^a
	DEm	3.82	4.25	$p < .001^b$	3.70	4.17	$p < .001^b$
	2Em	4.24	4.25	n.s. ^a	4.25	4.24	n.s. ^a
Auto repair shops (high LoI, high IoO, no PEI)	EM	4.63	4.63	n.s. ^a	4.65	4.63	n.s. ^a
	DEm	2.46	3.46	$p < .001^b$	2.12	3.36	$p < .001^b$
	2Em	3.44	3.46	n.s. ^a	3.45	3.44	n.s. ^a
Ethnic restaurants >\$75 (high LoI, high IoO, PEI)	EM	5.44	5.42	n.s. ^a	5.43	5.44	n.s. ^a
	DEm	3.80	4.28	$p < .001^b$	3.46	4.14	$p < .001^b$
	2Em	4.24	4.24	n.s. ^a	4.25	4.25	n.s. ^a

^aPairwise comparison is not significant in all countries.

^bPairwise comparison is significant at the .001 level in all countries.

^cPairwise comparison is significant in Canada only ($\eta^2 = .070$).

Notes: EM = ethnic majority, DEm = dominant ethnic minority, and 2Em = second ethnic minority. Mean CR: United States ($n = 310$) = 2.17, Canada ($n = 302$) = 2.14, and France ($n = 342$) = 2.23. Mean national ethnocentrism: United States = 1.82, Canada = 2.06, and France = 2.02. Mean ethnic ethnocentrism: United States = 2.78, Canada = 2.89, and France = 2.80. Mean economic animosity: United States = 1.29, Canada = 1.46, and France = 1.33. The results of all high-CR/low-CR pairwise comparisons are noted after covariates are controlled for.

Manipulation of ethnic origin of products. Manipulating the ethnic origin of products while retaining external validity was a challenge. Indeed, contrary to country of origin, within-country ethnic origin cannot be determined through “Made in” labels on goods (which typically refer to a country, not to a region or an ethnic group) or the physical location where the service is delivered. For example, ethnically distinct Flemish and Walloon goods would both be marked as “Made in Belgium” and thus could not be differentiated on the basis of their country of origin. In the same way, it is expected that if a *churrascaria* were to open on Boston’s Massachusetts Avenue, its meals would be cooked locally and not flown in from Mexico each time a customer orders a steak. A clue to ethnic origin could be the company’s address; for example, an organization based in Chicoutimi, in the heart of the French-speaking Canadian province of Quebec, certainly suggests French Canadian ownership. However, to cue the ethnic origin of products, the ethnicity of the brand names was manipulated. Recent literature on foreign branding—defined as the strategy of spelling or pronouncing a brand name in a foreign lan-

guage—suggests that brands serve as important cues that trigger associations with specific origins (LeClerc, Schmitt, and Dubé 1994; Thakor and Pacheco 1997). Indeed, of all cultural traits, language is one of the most frequently mentioned in the extant ethnicity literature (e.g., DeVos 1975). For example, brands such as Nortique, Corlé, and Dapône would hint more strongly at an ethnic French origin than would their more English-sounding “equivalents,” Nortic, Corle, and Dapon (LeClerc, Schmitt, and Dubé 1994). To signal ethnic origin of products, ethnically suggestive brand names were generated on the basis of last names found in local telephone directories and were then pretested with a sample of 34 business school students of 28 different nationalities and ethnic backgrounds recruited in an English-language international MBA program at a business school in Montreal. Names denoting high ($M_s > 5.9$) ethnic affiliation were selected on the basis of a scale ranging from 1 (“not specifically ethnic sounding”) to 7 (“very specifically ethnic sounding”). The ethnicity of selected names was correctly identified in 99.1% of cases. Use of brand names was randomized across the study so that respondents

saw a randomized brand name for each product and so that participants would not see the same brand name twice in two different product categories.

Dependent variables. The dependent variables were product judgment and willingness to buy. The former was measured along a three-item (“bad/good,” “unfavorable/favorable,” and “unsatisfactory/satisfactory”), seven-point semantic differential scale (Cronbach’s $\alpha = .72$). Willingness to buy was assessed using a four-item, seven-point semantic scale (Cronbach’s $\alpha = .87$) derived from previous studies (Klein, Ettenson, and Morris 1998); this included statements such as “I do not like the idea of owning this product” (see the Appendix).

Stimuli. Short descriptive texts for all eight selected product, service, and shop categories were developed to be identical in structure (e.g., image color and size, length of descriptive text, brand name size) and content (e.g., message style, benefits advertised). On a computer-based interface, only the brand name of the product being displayed was automatically varied at random during data collection. Stimuli had originally been developed in English and were then translated into French for the French study by two bilingual doctoral students using a translation/back-translation procedure.

Procedure. A total of 1020 respondents were recruited through random mall or street intercepts in Boston, Montreal, and Grenoble. To ensure that respondents belonged to the dominant majority group in each country, they were first screened using Kim, Laroche, and Lee’s (1989) multidimensional index of ethnicity. Sixty-six respondents were turned away after this screening. After agreeing to take part in the study, respondents were taken to a laptop computer located in a nearby coffee shop and began answering the questionnaire whenever they were ready. The first screen led respondents to believe that the purpose of this study was to test the market for several products on behalf of a venture capitalist who was trying to make decisions on potential investments. They were also informed that by answering the questionnaire, they were implicitly agreeing to participate in the study.

One at a time, respondents were then shown eight products, for which they completed measurements for dependent variables. All respondents were exposed at least twice to each of three ethnic origins, which were assigned at random to product descriptions. To ensure that respondents processed the ethnic origins of products, they were asked to write down the brand name of the product they were evaluating before completing the product judgment and willingness-to-buy scales. To limit fatigue and habituation effects, the order of the seven questions pertaining to judgment and willingness-to-buy scales was randomized for each product. Evaluations of all eight products were followed by measurements of CR and a set of other covariates that consisted of national and ethnic ethnocentrism; ethnic economic animosity; and demographics, including gender, age, income, and education. Afterward, for a manipulation check, respondents also rated the LoI, PEI, and IoO associated with products on a scale from 1 (“low LoI/PEI/IoO”)

to 7 (“high LoI/PEI/IoO”). In addition, respondents were asked to rate ethnic affiliation of the brand name with each of the three ethnic groups used in the studies on a scale from 1 (“not affiliated”) to 7 (“highly affiliated”). Finally, respondents were asked what they thought the purpose of the study was; they were then thanked for their participation and debriefed.

Analysis and Results

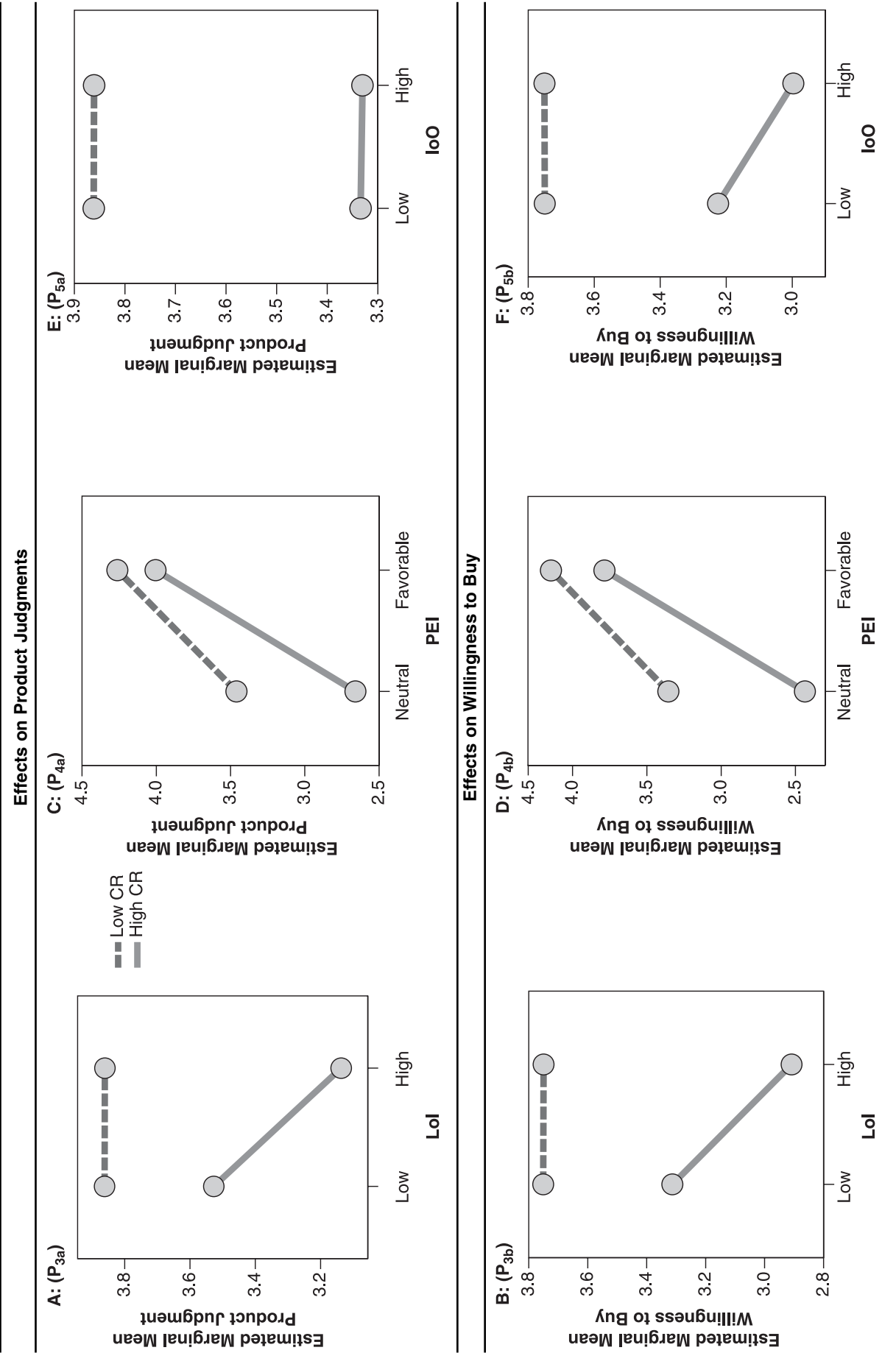
A total of 954 usable questionnaires were gathered—310 in the United States, 302 in Canada, and 342 in France; there were between 50 and 57 measures per experimental cell in each country. Table 3 summarizes the results (merged across all three countries), including pairwise high- versus low-CR comparisons after ethnic ethnocentrism and animosity are controlled for. In line with Steenkamp and Baumgartner’s (1998) recommendations, data could not be pooled for analysis; thus, separate country analyses were completed. To simplify presentation, the results provided in Table 3 and Figure 1 are based on pooled data. However, the text emphasizes country-by-country differences.

Manipulation checks. Manipulation checks were first completed to verify the LoI, PEI, and IoO associated with products and ethnic affiliation of the brand names used in the study. A series of t-tests revealed significant differences between all relevant groups of products in each country (in all cases, $t \geq 12.90$, $p < .001$). All products were rated as expected.

Analyses. To test the effects of CR and how they translate into acceptance/rejection of products, analyses of covariance (ANCOVAs) were conducted for each country to assess mean-level differences between racist and nonracist consumers’ evaluations of and willingness to buy products with different ethnic origins. The assignment of respondents to high- and low-CR conditions was determined in each country after data collection by way of median splits; high-CR respondents belonged to the top group, and low-CR respondents belonged to the bottom group. The levels of CR (high, low) and product ethnicity of origin were set as fixed factors, and the models included all potential covariates (ethnic and national ethnocentrism, economic animosity, gender, age, income, and education). None of the socio-demographic covariates were significant, nor was national ethnocentrism. However, ethnic ethnocentrism was a significant covariate in product judgment in the United States only ($p < .05$) and had significant interaction effects with product ethnicity of origin ($p < .001$) in all samples and models. Economic animosity also significantly interacted with ethnicity of origin in the Canadian sample ($p < .05$) and in the French sample, though only marginally ($p < .10$).

The effects of CR. In line with the propositions, CR was found to interact significantly with product ethnic origin in influencing willingness to buy products that originate from dominant ethnic minorities in each country (in all samples, after covariates were controlled for, $F_{(2 \geq 2401)} \geq 111.465$, $p < .001$, $\eta^2 \geq .085$). Furthermore, CR influenced judgments about products that originate from dominant ethnic minorities in every country (in all samples, after covariates

FIGURE 1
Summary of CR × Moderator Interaction Effects for Products Originating from Dominant Ethnic Minority (Pooled)



Notes: Means for high LoI are significantly different (Panels A and B). Means for PEI are significantly different in both conditions (Panels C and D). Means for high IoO are significantly different in Panel F only.

were controlled for, $F_{(2 \geq 2401)} \geq 82.384$, $p < .001$, $\eta^2 \geq .062$), confirming the difference between CR and economic animosity.³ On average, across all three countries, high-CR respondents expressed less favorable judgments of products from the dominant ethnic minority than low-CR respondents (3.33 for high-CR respondents versus 3.86 for low-CR respondents) and lower willingness to buy (3.11 for high-CR respondents versus 3.75 for low-CR respondents). Yet in all three countries, again after ethnic ethnocentrism and economic animosity were controlled for, CR had no significant effects on judgments of and willingness to buy products that originate from the second ethnic minority group or on judgments of and willingness to buy products that originate from the dominant ethnic group, thus confirming the specific majority-to-dominant-minority directionality of CR effects.⁴ This supports P₁.

Finally, direct correlation analysis between CR and age, income, education, and gender revealed absolute value Pearson correlations lower than or equal to .12 in all countries, and none reached significance at the .05 level. This suggests that CR is independent of sociodemographic factors.

Moderators of CR. Next, more thorough analyses of the identified moderators (LoI, PEI, and IoO) were conducted for each country sample by means of four-way ANCOVAs with either judgments of or willingness to buy products from the dominant ethnic minority as the dependent variable. All models used CR, LoI, PEI, and IoO as fixed factors, along with the same set of covariates used previously. All first-level interactions were computed. Again, ethnic ethnocentrism was a significant covariate in the willingness-to-buy model in the United States ($p < .05$) and in product judgments models in Canada and France (both $p < .05$). In addition, a slight interaction effect between LoI and ethnic ethnocentrism on product judgment was found in the United States ($p < .01$) and France ($p < .05$), and an interaction effect between IoO and ethnic ethnocentrism was found on willingness to buy in Canada ($p < .05$). Estimated marginal means after covariates are controlled for appear in Figure 1.

As anticipated, tests in each country revealed significant interaction effects between LoI and CR both on product judgments (in all samples, after covariates were controlled for, $F_{(2 \geq 789)} \geq 362.557$, $p < .001$, $\eta^2 \geq .477$) and on willingness to buy (in all samples, after covariates were controlled for, $F_{(2 \geq 789)} \geq 401.176$, $p < .001$, $\eta^2 \geq .504$). When CR was low, there were no significant differences in either product judgment or willingness to buy between high- and low-LoI products, after ethnic ethnocentrism and economic animosity were controlled for. However, when CR was high, high-LoI products resulted in lower product judgments

(mean across all three countries: 3.14 versus 3.52) and willingness to buy (2.91 versus 3.31) than did low-LoI products (in all three countries, after covariates were controlled for, $p < .001$). This is in line with P₃.

P₄ postulated an interaction effect between CR and PEI. Tests of each country sample revealed weak yet significant main effects of PEI on product judgments (in all samples, after covariates were controlled for, $F_{(1 \geq 783)} \geq 49.583$, $p < .001$, $\eta^2 \geq .060$) and willingness to buy (in all samples, after covariates were controlled for, $F_{(1 \geq 783)} \geq 67.848$, $p < .001$, $\eta^2 \geq .080$). Significant CR–PEI interaction effects on product judgments (in all samples, after covariates were controlled for, $F_{(1 \geq 783)} \geq 672.861$, $p < .001$, $\eta^2 \geq .630$) and willingness to buy (in all samples, after covariates were controlled for, $F_{(1 \geq 783)} \geq 807.709$, $p < .001$, $\eta^2 \geq .672$) were also found, as expected. Specifically, when PEI was neutral, products were evaluated much less favorably by high-CR consumers than by low-CR consumers on both product judgments (in all countries, after covariates were controlled for, mean across three countries: 2.66 versus 3.46, $p < .001$) and willingness to buy (in all countries, after covariates were controlled for, mean across three countries: 2.43 versus 3.36, $p < .001$). When PEI was favorable, high- and low-CR consumers still significantly differed, but the gap narrowed, and both groups significantly increased their evaluations on both product judgments and willingness to buy (in all countries, after covariates were controlled for, $p < .001$). These results are in line with P₄.

Finally, interaction effects between CR and IoO were explored. No effects on product judgments were found in any of the countries. However, IoO significantly interacted with CR in explaining willingness to buy in all three countries (in all samples, after covariates were controlled for, $F_{(1 \geq 783)} \geq 136.121$, $p < .001$, $\eta^2 \geq .251$). Among low-CR respondents, IoO had no impact on willingness to buy (mean across three countries: low IoO = 3.76 versus high IoO = 3.75, not significant). However, among high-CR respondents, IoO had a significant impact on willingness to buy (in all countries, mean across three countries: low IoO = .22 versus high IoO = 3.00, $p < .005$). This confirms P₅.

Validation of the Impact of CR with Minority-Owned Firms

Methodology

To determine whether the effects of CR translate into consequences for business performance, a study was conducted to verify whether minority-owned firms that cater to customers in highly racist locations actually suffered in their performance. Through the use of the Boston metropolitan area Yellow Pages for ten white-dominated areas and suburbs, 78 Latino-owned companies were identified on the basis of their brand or corporate name. All companies were proximity consumer service providers (e.g., housekeeping services, dry cleaners, car repair) or shops. After all the firms were contacted by telephone, 70 agreed to take part in the study and answer several questions about demographics (e.g., number of years in operation, revenues, number of employees), information on identified moderators of CR

³Note that low partial eta-square coefficients reported for both effects appear to reflect the high sensitivity of CR effects to moderator factors (as is shown subsequently) and, thus, large unexplained variance when these moderators are not taken into account.

⁴The only exception was for willingness to buy wireless speakers from the second ethnicity in Canada (see Table 3).

effects, and company performance.⁵ Company performance was assessed using a four-item (overall business performance, profit, sales, and market share), seven-point comparative measure scale to establish whether firms had lower/higher performance than other comparable companies in their locality (Cronbach's $\alpha = .84$). Store managers or owners self-reported firm performance. Although such a subjective measure may constitute a limitation to this study, this procedure is in line with leading marketing strategy research (e.g., Jaworski and Kohli 1993). Moreover, Morgan, Kaleka, and Katsikeas (2004) find a strong correlation between objective performance data and subjective assessments of performance by key informants, which supports the validity of subjective measures using key informants. To assess the CR level of the clientele of these companies, 870 respondents in the ten chosen localities completed the CR scale, along with ethnic ethnocentrism and economic animosity scales, all using seven-point Likert scales. Respondents were recruited through mall or street intercepts and were prequalified for local residence and for belonging to the dominant ethnic white and English-speaking majority (using Kim, Laroche, and Lee's [1989] index). After answering prequalification questions, respondents were told that they were about to take part in an academic research project and were then taken to a laptop computer to fill in the questionnaire.

Analyses and Results

An ANCOVA was used to test whether CR in the locality affected firms' performance, after ethnic ethnocentrism and economic animosity were controlled for. To conduct these tests, the ten localities were first divided into groups according to their mean level of CR, with the three highest-scoring areas grouped as high-CR localities (mean CR = 2.98) and the three lowest-scoring areas grouped as low-CR localities (mean CR = 1.44). Both groups of localities contained 21 companies. Mean ethnic ethnocentrism and economic animosity were then calculated for each of the six areas and included in the model. As expected, a significant CR effect on business performance was found, after covariates were controlled for. Companies located in the three highest-CR-scoring localities revealed much lower competitive performance scores than companies located in the three lowest-CR-scoring localities (2.81 versus 4.08; $F_{(1, 38)} = 10.366$, $p < .01$, $\eta^2 = .214$).

To analyze moderator effects, shops were first divided according to LoI, PEI, and IoO on the basis of median splits using measures that company respondents provided. A new ANCOVA was then conducted with the same two covariates as before, along with (high/low) CR, LoI, PEI, and IoO as fixed factors and performance as the dependent variable. Two-way interactions were computed. A main effect of CR

in the area was found ($F_{(1, 32)} = 14.755$, $p < .001$, $\eta^2 = .316$). The estimated marginal means for firm performance, after ethnic ethnocentrism and ethnic animosity were controlled for, were 4.420 in low-CR localities and 2.439 in high-CR localities. Significant interaction effects of CR with LoI ($F_{(2, 32)} = 7.752$, $p = .002$, $\eta^2 = .326$) and IoO ($F_{(2, 32)} = 5.373$, $p = .010$, $\eta^2 = .251$) were also found; high-LoI and -IoO companies suffered larger CR effects than low-LoI and -IoO firms. However, the CR-PEI interaction effect was not significant ($F_{(2, 32)} = 2.916$, $p < .069$, $\eta^2 = .154$). Lower variance in PEI than in LoI and IoO in the sample could explain this lack of significance. Overall, these results tend to reconfirm the negative effects of CR on firm performance and the moderating effects of LoI and IoO.

Discussion

The purpose of this research program was to investigate the role of CR in a cross-ethnic model of domestic product purchase. At a time when ethnic groups are becoming increasingly larger in most developed countries, the findings that the products, services, and shops of minority group origin may be negatively affected by racist feelings are of significant importance for several stakeholders, including policy makers and marketing managers of minority-owned companies. For policy makers, these results suggest that measures that support minority-owned companies could be justified, considering the prejudice these companies appear to face on the part of ethnic majorities in each of the three countries studied. Educating the public on the quality of the products and services offered by ethnic minorities also appears to be justifiable, not to mention efforts to combat racism altogether.

For marketing managers throughout the world, the results of these studies suggest the need to investigate carefully the potential existence of CR in their home markets. In countries such as the United States, Canada, and France (explicitly studied here), but also the United Kingdom, Belgium, and most other Western countries characterized by high rates of immigration, this research suggests that firms should adjust their marketing strategies to the situation in their own markets. Recommended approaches could be similar to those commonly used to overcome country-of-origin effects—namely, emphasizing or deemphasizing product ethnic origin, depending on the anticipated effects of CR by majorities (e.g., through branding strategies). However, considering that ethnic ethnocentrism also affects product judgments and willingness to buy, managers of minority-owned companies should carefully determine whether the benefits of adapting their marketing and product strategies to hide their ethnic origins and gain market share among racist consumers would actually outweigh the potential loss of market share to ethnocentric consumers in their own ethnic groups. Indeed, as a Canadian informant in this qualitative study indicated when commenting on a Canadian chain's attempt to make itself more attractive to the French Canadian minority, "I stopped patronizing Eaton's when they dropped the 's' and became just Eaton." The identified moderators of CR also suggest that minority-

⁵All items were measured with single statements: for LoI, "My business involves a high/low level of personal interaction with consumers"; for PEI, "My business relies/does not rely on specific Latino or Hispanic know-how"; and for IoO: "My business offers products and/or services that are very/not critical in our customers' lives or activities."

owned firms in areas in which CR is high could fight its negative effects on performance by putting forward a favorable PEI (when applicable), by lowering the level of perceived interaction with customers (e.g., by providing services online, home pickup/delivery by third-party companies), and by limiting the risks associated with outcome (e.g., through warranties, recommendations). For majority-owned companies, this research also highlights the risks of associating with minority-owned companies in highly racist settings when seeking to increase their share of the dominant ethnic group market. Suggestions in such cases would range from not associating with minority-owned companies at all to recommending that their partners adopt some of the risk-limiting solutions identified previously.

In addition to its practical and managerial implications, this article also contributes to scientific marketing research.

Indeed, it provides a robust, internationally usable instrument for the measurement of CR and describes an empirical test of the effects of CR both at the consumer and at the firm performance levels. Nevertheless, further investigation is required to determine whether the constructs accurately reflect domestic realities, as opposed to international realities. In particular, better documentation of the antecedents and consequences of CR (but also of ethnic ethnocentrism and interethnic animosity) seems to be a promising area for future investigation. In addition, although not studied in depth here, the adaptation of product-country image and country-of-origin research at the subnational (or ethnic) level also appears promising and should be considered an area for future investigation. Overall, further research is needed to investigate the occurrence and effects of CR.

APPENDIX

The Constructs and Their Indicators

Construct	Mean Cronbach's α Across Countries	Construct	Mean Cronbach's α Across Countries
Willingness to Buy	.872	It is not right to purchase products made in (nation) by other people than (ethnicity) because it puts (ethnicity) out of jobs. (EE2)	
I would feel guilty if I bought this product. (WB1)		We should purchase (national)-made products manufactured by (ethnicity) instead of letting other people in this country get rich off us. (EE3)	
I would never buy this product. (WB2)		We should buy from people other than (ethnic) only those domestic products that we cannot obtain from our own people. (EE4)	
Whenever possible, I would avoid buying this product. (WB3)		Economic Animosity	.708
I do not like the idea of owning this product. (WB4)		(Ethnicity1) are doing business unfairly with (ethnicity2) in (country). (EA1)	
National Ethnocentrism	.854	(Ethnicity1) are keeping (ethnicity2) out of good jobs on purpose in this country. (EA2)	
A good (nationality) does not buy foreign products. (NE1)		(Ethnicity) are unfair with us business-wise. (EA3)	
It is not right to purchase foreign products because it puts (nationality) out of jobs. (NE2)		Product Judgment	.722
We should purchase products manufactured in (nation) instead of letting other countries get rich off us. (NE3)		This product seems good. (PJ1)	
We should buy from foreign countries only those products that we cannot obtain within our own country. (NE4)		I am favorable to this product. (PJ2)	
Ethnic Ethnocentrism	.736	This product seems unsatisfactory. (PJ3)	
A good (ethnicity) does not buy domestic products made by other people than (ethnicity). (EE1)			

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