**Gordon Institute
of Business Science**
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**Black consumers' preference for black professional service providers**

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## Abstract

The central aim of this research was the investigation of the preference that South Africa's black consumers have for black professional service providers in the legal, medical, accounting and auditing professions. This research was carried out in the context of a country struggling with racial inequality. In light of the failure of the private and public sectors to bring the objectives of broad-based black economic empowerment to fruition, the researcher examined the contribution of individual consumers to economic transformation.

The preference of black people was conceptualised by using the social identity theory. The researcher also drew on elements of consumer ethnocentrism. The researcher looked at the ingroup affection, cognitive bias and behavioural preference of South Africa's black consumers in relation to the purchase of professional advisory services from black service providers. A reflective conceptual model was developed and tested through the partial least squares structural equation modelling approach. The findings reported that black consumers have a (i) strong positive affective reaction, (ii) cognitive bias, and (iii) strong behavioural preference, for black service providers. The results of this research provide insights into the consumer decision-making approach of South Africa's black consumers.

**Key words**: Social identity theory, affective reaction, cognitive bias, behavioural preference, black consumers, professional services, consumer ethnocentrism

## Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.


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# Chapter 1: Introduction to the research problem

## 1.1    The South African context

Post-apartheid South Africa was founded on the promise of the achievement of economic equality amongst South Africa's racial groups (Van Der Merwe & Ferreira, 2014). One of the central policies enacted to deliver on this promise is broad-based black economic empowerment (BBBEE) (Ponte, Roberts, & van Sittert, 2007). BBBEE is a governmental policy that aims to increase the participation of black people in the South African economy (Krüger, 2019). The increased involvement of black people in the marketplace is supposed to reverse the legacy of apartheid by reducing the high levels of inequality that exist along racial lines (Metha & Ward, 2017). The intended beneficiaries of BBBEE are African, Coloured and Indian South Africans (Morris, 2018), being the racial groups that suffered racial discrimination against during apartheid. These racial groups are generically referred to as "black people" and collectively constitute approximately 90% of the economically active population of South Africa (Department of Labour Republic of South Africa, 2018).

Over the years, certain shortcomings of BBBEE have been noted, which include:

- a failure to encourage and support black entrepreneurship (Isenberg, 2010);
- a failure to sufficiently increase private sector and public sector procurement spending on goods and services from black suppliers (Patel & Graham, 2012);
- the concentration of opportunities amongst politically connected black elites (Ntim & Soobaroyen, 2013);
- the use of BBBEE to justify or conceal acts of corruption (Thomas, 2015); and
- increased levels of race-based income and economic inequality (Morris, 2018).

The attainment of economic transformation is a goal that has evaded and continues to evade South African society. It must be noted that the BBBEE framework was only introduced to incentivise the government and the private sector to contribute to South Africa's economic transformation. Notwithstanding consumer awareness of the BBBEE policy framework (Mabaya et al., 2016), BBBEE was not designed to motivate individual consumers to spend their income in a manner that contributes to the economic transformation of South Africa. As stated above, BBBEE was aimed at

influencing the purchasing behaviour of the government and the private sector. However, the responsibility to deliver on the promise of transformation does not rest solely with the state and the business community. It is also vital for the citizenry to participate in the nation's transformation initiatives (Patel & Graham, 2012). In this research, the researcher examined the contribution of the citizenry (i.e. individual consumers) towards economic transformation, using the social identity theory as the researcher's chosen theoretical lens. The researcher looked at the ingroup affection, cognitive bias and behavioural preference of South Africa's black consumers vis-à-vis the purchase of professional advisory services from black service providers.

## 1.2 Theoretical perspective

Since the latter part of the 20th century, the social identity theory has been used in various disciplines, from social sciences to marketing, to explain intergroup and intragroup interactions. In terms of the social identity theory, people tend to distinguish between group by using social indicators such as culture, race and ethnicity (Tripat, Kim, & Chatura, 2017). Following such categorisation, individuals have an inclination to identify with a particular social group (the ingroup), in line with the characteristics used to delineate the bounds of that social group (Y. Ding, Wan, & Xu, 2017). For example, a black person could choose to identify with black people as opposed to white people, based on social characteristics such as skin pigmentation and a common heritage that they may share with other black people. Once this sense of identification is solidified, a person usually:

- develops a strong psychological and emotional bond with the members of their chosen social group (ingroup affection) (Tajfel & Turner, 1986; Tse & Chiu, 2014);
- tends to view their ingroup positively when compared to outgroups (ingroup bias) (Zeugner-Roth, Žabkar, & Diamantopoulos, 2015); and
- behaves consistently with the prototypical behavioural tendencies of ingroup members and in furtherance of the ingroup's collective interest and goals (behavioural preference) (Ding, Li, Zhang, Sheng, & Wang, 2017; Hogg & Adelman, 2013).

In the field of marketing, researchers have found a tendency of consumers to identify with brands that complement and concur with their social identity (Esmark & Noble,

2018). Accordingly, facets of social identity may be used to explain a consumer's decision-making process (Y. Ding et al., 2017). By conducting this research, the researcher aimed to determine the influence of racial social identity on the preferences of South Africa's black consumers. This research was focused on the (i) affective or emotional reaction, (ii) cognitive bias, and (iii) behavioural preference of South Africa's black consumers in connection with the purchase of professional advisory services from black service providers.

Social identity theorists differentiate between 3 primary components of the social identity theory, namely:

- Social Categorisation (categorisation) – this is a process by which a person distinguishes between different social groups based on various characteristics. These may be reference groups, working group, social categories, culture groups and crowds (see Table 1) (Stagnor, 2016; Wöcke, Grosse, Stacey, & Brits, 2018). These categories may arise because of self-categorisation or from external sources such as existing or newly developed societal structures. A person identifies with a group that they share common characteristics with because of the need to belong (Thomson, Outram, Gilligan, & Levett-Jones, 2015). In this research, the researcher sought confirmation from potential respondents that they categorised themselves as black people. Race is a prominent social identity that regularly features in discussions regarding South Africa's economic landscape (Booysen, 2007; Meyer, Durrheim, & Foster, 2016). South Africans identify strongly with their racial cohorts who then become important reference groups for, inter alia, economic comparisons (Dumont & van Lill, 2009).

- Social Identification (identification) – the social identity theory moves away from an individual-based view of collective phenomena and distinguishes between personal identity and social identity (Mols, Haslam, Jetten, & Steffens, 2015; Mols & Weber, 2013). Personal identity is an individualistic conception of self. Social identity is when a person acts in their capacity as a group member. Persons identify with a specific group and develop an emotional and psychological connection with that group which is based on, inter alia, moral values, shared goals and certain types of behaviours (Tse & Chiu, 2014). A group member's self-esteem will become partially dependent on their membership of the ingroup (Jenkins, 2014). In the context of this

research, the researcher investigated ingroup affection that black consumers in South Africa have for black service providers. Based on the social identity theory, black consumers may demonstrate a positive affective reaction towards black service providers and might hence acquire the services of black service providers in furtherance of group objectives.

- Social Comparison (social comparison) – is the third component of the social identity theory in terms of which a member of an ingroup compares the ingroup against an outgroup (Tajfel & Turner, 1986; Wheelan & Hogg, 2016). The following facets of social comparison are relevant to this research:
  - To maintain a member's self-esteem, the ingroup member will compare the ingroup favourably against the outgroup. This is why members of the ingroup are biased, prejudiced and discriminate against members of competing groups. Consumer expectations and the outcome of service experiences are influenced by identity features such as race (Bartlett et al., 2016). The South African context might show increased bias, especially in light of the slow pace of racial transformation in advisory sectors such as the legal profession (Klaaren, 2015). The research hence investigated the possible existence of racial bias amongst South Africa's black consumers when they deal with professional service providers.
  - In conditions of overt competition between different social groups, members of the ingroup act in a manner that protects collective interests through self-enhancement strategies (Harmeling, Palmatier, Fang, & Wang, 2017). Self-enhancement may come in the form of social competition, which is an attempt to equalise the positions of the lower status group and the higher status group. When one social group perceives that their group status is lower when compared to another group, they are expected to put in place measures to improve their status (Martiny & Kessler, 2014). South Africa's government has chosen to enhance the economic position of black people by creating a legislated framework for social competition. As participants in and beneficiaries of BBBEE, it was expected that black people (including black consumers) also desire an improvement in their socio-economic status (self-enhancement) (Hughes & McEwan, 2015). Behavioural preference for black professional service providers (by black

consumers) is therefore consistent with the improvement of the status of black people and is an example of social competition.

Equally important, in terms of an understanding of consumer behaviour and therefore, the conceptualisation and operationalisation in this research, was consumer ethnocentrism. Consumer ethnocentrism refers to ingroup bias amongst a group of consumers based on the nationality of goods or services (Sharma & Wu, 2015; Shimp & Sharma, 1987). Consumer ethnocentrism is analogous to the social identity theory (Zafar, Anang, Othman, & Sambasivan, 2013). Some of the elements of consumer ethnocentrism influenced the design of this research (see 1.5 below).

## 1.3    Research aim and objectives

Based on the pervasive nature of the issue of economic transformation in South African society, including the professional services sector, one would expect black consumers to be aware of the objectives of BBBEE. Economic transformation is a controversial often covered by South African media houses. The research was interested in determining whether South Africa's black consumers had a preference for the services of black professional service providers considering that such a preference would advance the goals of economic transformation in the country.

The aim of the research was, therefore, to use the social identity theory as theoretical framework to examine and describe the influence of racial social identity of black South African consumers' acquisition of professional advisory services from black service providers, comprising of:

- The existence of ingroup affection amongst South Africa's black consumers in their dealings with professional service providers.
- Possible racial ingroup bias amongst South Africa's black consumers in terms of their choice of professional service providers.
- The behavioural tendencies of black consumers towards black service providers.

## 1.4    Research scope

The research will make a unique theoretical contribution in a South African context where racial differentiation is not yet something of the past, despite concerted effort to erase discrimination, and where the country has not yet progressed to optimal

levels of cohesion in society. The scope of this research was limited to black consumers as the researcher's theoretical lens is the social identity theory (explicitly based on racial classification). For this research, black consumers are adult consumers that are black people as defined in the Broad-Based Black Economic Empowerment Act, 2003 (BBBEE Act). In terms of the BBBEE Act, black people is a generic term which refers to natural persons that are African, Coloured or Indian South African citizens (by birth or descent) (Republic of South Africa, 2003).

The researcher elected to direct his attention to four types of black professionals with similar levels of complexity and consumer deference, whose services are commonly sought by black consumers in South Africa's urban communities. Accordingly, the study is only concerned with a preference for legal, medical, accounting and auditing professionals that are black (Black Professional Service Providers).

## 1.5    Theoretical and business implications of research

To date, the economic transformation debate in South Africa has been focused on governmental and private sector interventions aimed at increasing the participation of black people in the ownership and control of the South African economy (Morris, 2018). From an economic perspective, scholars have considered the impact of BBBEE on to profitability (Morris, 2018) and share price performance (Metha & Ward, 2017). A considerable amount of literature also exists on the failure of state efforts (Ponte et al., 2007) and the private sector efforts (Thomas, 2015) to bring about meaningful economic transformation in South Africa. This research diverted its attention to the citizenry of South Africa and their contribution to enhancing economic transformation in the country, a deserving topic that has to date, largely been neglected by researchers. Unlike the government and the private sector, there is no legal framework in support of black-owned and controlled businesses that applies to personal consumption.

In the South African context, the social identity theory has been used to study various topics, such as the relationship between the race of a model and advertising effectiveness (Johnson, 2013) and the expression of one's social identity through brand image (Chinomona, 2016). However, very few studies have simultaneously interrogated ingroup affection, bias and behavioural preference as done so in this research.

In the marketplace, service providers (including Black Professional Service Providers) need to be aware of the impact that racial bias could have on consumer decision making so that the service provider can predict consumer behaviour and implement marketing strategies that respond to such realities. It is essential to determine whether the social identity of a consumer is a strong driver of purchase decisions. Academics are not unanimous on the translation of purchase intentions into purchase decisions, based on social identity (Siamagka & Balabanis, 2015; Wang, 2017). Based on this relational nature of professional services, the researcher expected black consumers to have strong ingroup affection, cognitive bias and behavioural preference for Black Professional Service Providers.

The social identity theory does not have a unified view of its central components or dimensions (Brown, 2000; Postmes, Haslam, & Jans, 2013; Wheelan & Hogg, 2016). To operationalise the study and to develop a suitable measurement instrument, the researcher assimilated elements of the consumer ethnocentrism in conceptualising and examining the key research questions. Based on a recent reconceptualisation of consumer ethnocentrism, consumer ethnocentrism can now be segregated in the components of the affective reaction, cognitive bias and behavioural preference of the ingroup (Sharma, 2015). The researcher's perspective on the social identity theory uses the constructs of ingroup affection, cognitive bias and behavioural preference, which have not been collectively used to frame a study based on the social identity theory. This research will contribute to the body of knowledge by using ingroup affection, cognitive bias and behavioural preference as dimensions of a study concerned with consumer behaviour that is informed by principles of the social identity theory.

## 1.6    Research design and methodology

This research followed a descripto-exploratory quantitative approach and adopted a survey format. On the one hand the study was focused on using phenomena to describe real-life occurrences (descriptive). On the other hand, the study assimilated components that comprise the reconceptualised consumer ethnocentrism scale (CETSCALE) to measure social identity phenomena (exploratory). The questionnaire was administered electronically and, thereafter, data was statistically analysed to test the hypotheses.

## 1.7    Structure of the thesis

The research is presented in seven Chapters, comprising of (i) this introductory Chapter, (ii) a literature review to define relevant constructs and provide an overview of extant research that guided this research, (iii) the research aim and hypotheses, (iv) a description of the research design and methodology, (v) the presentation of the results of the statistical analysis conducted in connection with this research, (vi) an in-depth discussion of the results, and (vii) the conclusion and limitations of this research.

# Chapter 2: Literature review

## 2.1    Introduction

This Chapter presents the literature review that was guided by the primary constructs that are presented in Figure 1. The literature review indicates the theoretical underpinnings for the research and indicates relevant theories that guided the formulation of pertinent research objectives.

| Categorisation | Identification | Social Comparison |
|---|---|---|
| Individual vs Collective view of self | The process of identification and reinforcement of self-esteem | Comparing the ingroup and the outgroup |
| Categorisation and the formation of groups | Ingroup Affect | Ingroup bias and positive distintintiveness |
| Race as a social category | Behaving in a manner that reinforces the collective interests of the ingroup (behavioural preference) | Self-enhancement strategies (behavioural preference) |
| Race in the South African context | | |
| Ingroup affect and favouritism | | |

Figure 1. Structure of the social identity theory review.

To fully appreciate the mindset of the black consumer in South Africa, literature relating to (i) economic transformation in South Africa, and (ii) the consumer decision-making process for the purchase of services was also explored.

## 2.2    Economic transformation in South Africa

BBBEE is one of the initiatives introduced by the South African government to redress the economic inequalities created by apartheid. The BBBEE policy framework focuses on a corporation's inclusion of black people in its ownership and management structures, a company's employment equity (affirmative action) practices, a corporation's procurement of services from black people and a corporation's investment in the skills development, enterprise development and socio-economic initiatives that benefit black people (Ntim & Soobaroyen, 2013). BBBEE also applies to the public sector. Save for specific industries where companies require state licensing to operate, compliance with BBBEE is entirely voluntary (Thomas, 2015). However, most South African companies have considered

BBBEE in their strategic planning as it is often a qualifying criterion if a company wishes to do business with the state or other large private sector participants (Morris, 2018). BBBEE has also been taken into account when evaluating a company's investment in corporate social responsibility initiatives (Ntim & Soobaroyen, 2013). Improved compliance with BBBEE has also been found to contribute positively to profitability (Morris, 2018) and share price performance (Metha & Ward, 2017).

## 2.3    Consumers' choices with regard to the professional service sectors

Professional services are advisory in nature and usually involve problem-solving tasks performed by academically qualified professionals who are subject to the jurisdiction of the relevant professional bodies that they belong to (Patterson, 2016). As stipulated above, this research was limited its focus to black legal, medical, accounting and auditing professionals in South Africa. Based on the nature of their services, most consumers in South Africa, across various socio-economic strata, have a basic appreciation of the functions performed by these professions. Usually, consumers can choose legal, medical, accounting and auditing professional service providers without the need for third-party intermediation.

The contribution of the services sector to the economies of the world has grown exponentially (Patterson, 2016) and today comprises more than 60% of the gross domestic product of each member state of the Organisation for Economic Co-operation and Development (Buckley & Majumdar, 2018). In a South African context, the process of economic transformation was, in part, aimed at creating more inclusive professions that are representative of South Africa's demographic profile (Bonnin & Ruggunan, 2016). Despite these initiatives, the professional service sectors, such as the legal services sector, have struggled to transform (Klaaren, 2015). In the legal services sector, the pace of racial (Centre for Applied Legal Studies, 2014) and gender transformation (Phooko & Radebe, 2016) has been unsatisfactory.

Marketing theorists define services as the performance of an act that the service provider offers to the consumer, who derives value from that act (Wirtz & Lovelock, 2016). Unlike the sale of physical products, services are intangible (Sundermann, 2018) and do not necessarily confer ownership of a commodity on the consumer. Services create value for the consumer when the desired results are achieved (Wirtz & Lovelock, 2016). Services are, in essence, distinguishable from physical goods in the following respects:

- Services are not homogenous. A distinction must be drawn between generic and professional services. Generic services include services provided by the likes of landscapers, automotive technicians, hairdressers and fashion stylists. Professional services are distinguished by (i) the expertise associated with professional service providers that is derived from formal higher education, (ii) the long periods of developing and exercising professional judgment, (iii) the knowledge-intensive nature of professional services, (iv) the policy of self-regulation, and (v) the large degree of co-creation between the consumer and the service provider (Neghina, Bloemer, van Birgelen, & Caniëls, 2017). Since this research involved professional services, the researcher expected that the Black Professional Service Provider's social identity (i.e. their race) would make black consumers more comfortable to co-create the service experience with the Black Professional Service Providers; and

- Services are non-physical and intangible and therefore, more difficult for a consumer to evaluate (Turnbull & Wheeler, 2016). The purchase of services carries more risk for a consumer compared to purchasing physical products. This has been attributed to information asymmetry between the consumer and the service provider. At the problem recognition, information search and product evaluation stages of the consumer decision-making process, the professional is often able to identify problems that the consumer was not aware of (Neghina et al., 2017). Information asymmetry is heightened in the purchase of professional services (as opposed generic services) because of the consumer's view of professional services as more complex (Mikolon, Kolberg, Haumann, & Wieseke, 2015). At the post-purchase stage, the consumers are not always able to immediately evaluate the professional services rendered and determine whether their problem or need was addressed (Patterson, 2016). The researcher expected that black consumers would prefer Black Professional Service Providers because ingroup affection and bias would decrease evaluation anxiety experienced by black consumers when purchasing professional services; and

- Professional services are relational and interpersonal and will rarely succeed solely based on technical ability (Patterson, 2016). The personal relationship between the consumer and the service provider is essential for the rendering of the services (Sichtmann & Micevski, 2018) and the service provider should

be able to communicate information to the consumer in an understandable manner (Mikolon et al., 2015). The consumer's confidence in the ability of the professional service provider partially depends on a shared personal relationship between these parties, which relates to the basic principles of the social identity theory. Consumer expectations of a service provider are susceptible to being influenced by group identities such as culture, race and ethnicity (Tripat et al., 2017).

Based on the relational nature of the professional services that fell within the scope of this research, it was expected that black consumers would have a strong ingroup affection, cognitive bias and behavioural preference for Black Professional Service Providers.

## 2.4 The origins and basic tenets of the social identity theory

### 2.4.1 Origins of the social identity theory

The social identity theory is a socio-psychological theory developed by Henri Tajfel (Tajfel), and John Turner (Turner) in the early 1970s in an attempt explain intergroup behaviour and intra-group dynamics (Tajfel, 1974). Tajfel was a Polish Jew who survived the second world war. His personal experience inspired Tajfel to conduct research into accentuation effects of categorisation, the effects of minimal intergroup categorisation and social comparison processes, intergroup relations and the cognitive aspects of prejudice (Wheelan & Hogg, 2016). Tajfel and Turner developed the social identity theory of intergroup behaviour by integrating their work on social comparison, ethnocentrism, social categorisation and intergroup relations (Wheelan & Hogg, 2016). The social identity theory has been developed into a mainstream socio-psychological theory that explains social and cognitive phenomena across various fields of research such as social psychology, leadership, conflict management (Hogg & Adelman, 2013), ethics (Jayawardhena, Morrell, & Stride, 2016; Pearce, 2013) and marketing (Coleman & Williams, 2013).

### 2.4.2 Basic tenets of the social identity theory

Tajfel defined social identity as the awareness of an individual that they belong to a specific social group, and the placement of emotional significance to such membership (Brashear-Alejandro, Kang, & Groza, 2016; Tajfel, 1974). In terms of the social identity theory, individuals tend to categorise themselves and others

socially (Y. Ding et al., 2017). This categorisation affects how individuals interact with each other. The social identity theory moves away from an individual-based view of collective phenomena and distinguishes between personal identity and social identity (Mols et al., 2015; Mols & Weber, 2013). While personal identity is concerned with a person's actions as an individual and does not place a considerable amount of significance on group processes, social identity is concerned with a person's actions as a group member. In the context of this research, black consumers were viewed in their capacity as members of the black population of South Africa (i.e. social identity).

As indicated in Figure 1, before a person can become aware that they belong to a particular social group, that person first categorises people into different social groups. After that, the person identifies with a specific group and develops a strong psychological and emotional bond with the members of the chosen social group (Tse & Chiu, 2014). Following this process of identification, a person compares the ingroup and the outgroup. A member of the ingroup views their ingroup positively when compared to outgroups (Zeugner-Roth et al., 2015) and works towards the improvement of the greater good of the ingroup (Harmeling et al., 2017). In terms of the aim of this research, it seemed logical that a black consumer will prefer to purchase services from Black Professional Service Providers in order enhance the socio-economic status of South Africa's black population, as part of endeavours to rectify the disadvantages of the apartheid era.

### 2.4.3 Multidimensionality of the social identity theory

In addition to the 3 primary constructs of the social identity theory mentioned in 1.2 and 2.4.2 above (Hiller, Mahlendorf, & Weber, 2014; Hogg, 2014), researchers have developed various other social identity dimensions that can be used to explain social phenomena (Wheelan & Hogg, 2016). Initially, scholars sought to confine the measurement of phenomena using a unidimensional view of the social identity theory that was dominated by ingroup bias or favouritism (Brown, 2000). However, later, scholars embraced the multidimensionality of the social identity theory (Postmes et al., 2013). For example, in 2004, Cameron developed a 3-factor model of the social identity theory based on:

- Centrality – the frequency and importance of group membership.
- Ingroup affect – identification with a social group, has emotional valence.

- Ingroup ties – psychological ties that bind a person to their ingroup (Cameron, 2004).

Other scholars have added the following dimensions to the social identity theory:

- Entitativity – a feeling or perception that a collection of individuals are indeed a group (Stagnor, 2016).
- Interdependence– the more interdependent members of a group are, the more likely they are to act in each other's interests and comply with group norms (Stagnor, 2016; Wheelan & Hogg, 2016).
- Group commitment – reactions to group threats may differ based on the level of inclusion of each particular group member (Haslam, van Knippenberg, Platow, & Ellemers, 2014).
- Audience constraints – group members are not able to express behavioural preferences because of social pressure from fellow group members (Haslam et al., 2014).

In light of the above-mentioned variations of the conceptions of the social identity theory, this research was not restricted to the traditional components of the social identity theory (categorisation, identification and social comparison). Instead, the research was framed as a study of ingroup affect/affective reaction, cognitive bias and behavioural preference, as embedded in the traditional components of the social identity theory. As noted in 2.8 below, the reconceptualised consumer ethnocentrism scale was adapted to measure these constructs.

### 2.4.4   Social identity and consumer behaviour

It is well established that a consumer's identity influences his/her consumption of physical products and services (Thompson & Loveland, 2015). In the area of marketing, researchers have used the social identity theory to explain consumer identification with celebrities and athletes (Dimofte, Goodstein, & Brumbaugh, 2015), ethical consumer behaviour (Jayawardhena et al., 2016), consumer loyalty to specific companies and brands (McGowan, Shiu, & Hassan, 2016), the relationship between retail store employees and consumers (Esmark & Noble, 2018) and the impact of identity on customer satisfaction (Tam, Sharma, & Kim, 2016).

Consumers have been found to demonstrate a preference for the brands of companies that concur with their group identity because they are easy to associate

with (Dimofte et al., 2015). Consumers have also been found to racially discriminate when deciding what to purchase, who to purchase from and what price to pay (Bartlett et al., 2016). Researchers have previously established, inter alia, the influence of racial discrimination by consumers against small ethnic minority businesses (Ishaq, Hussain, & Whittam, 2010), bias against foreign-made products (Zeugner-Roth et al., 2015) and the impact of racial and ethnic stereotypes on the expectations of consumers and their evaluation of a service provider (Tripat et al., 2017). Therefore,it was expected that in light of the current socio-political climate in South Africa, black consumers might share an emotional connection with, and be positively biased towards Black Professional Service Providers, which is accompanied by the purchase of services from Black Professional Service Providers.

### 2.4.5 Related theories

The social identity theory has inspired some alternative views on identity and intragroup behaviour. In the following section, theories that are related to the social identity theory are described.

### 2.4.5.1 Self-categorisation theory

The self-categorisation theory was born out of the social identity theory. It focuses on the manner in which, and reasons why individuals make psychological commitments to their chosen social group (Champniss, Wilson, Macdonald, & Dimitriu, 2016; Turner & Oakes, 1986). The social-categorisation theory adopts an intragroup perspective whereas the social identity theory is focused on various groups and how they relate to each other, i.e. intergroup.

The self-categorisation theory assumes that a person undergoes a cognitive process to self-categorise themselves according to a specific social identity (Bolinger, Klotz, & Leavitt, 2018). A person can self-categorise at a subordinate level (as an individual), at an intermediate level (within a group) and a superordinate level (as a human being) (Mols & Weber, 2013). Depending on the context, any of these identities may become more salient when compared to other social identities.

This research was a study of intergroup phenomena, the existence of black consumer bias in favour of ingroup service providers in furtherance of the collective interests of black people. The social categorisation theory is only concerned with intragroup (and not intergroup) phenomena. Accordingly, the appropriate theoretical

lens of this research is the social identity theory, as opposed to the social categorisation theory.

### 2.4.5.2 Cross-categorisation theory

In terms of cross-categorisation theory, people categorise themselves based on at least 2 social identities (Breitsohl, Kunz, & Dowell, 2015). For example, the cross-categorisation theory would expect a black female consumer to categorise and identify themselves as black and female at the same time. These multiple categories are equally significant and salient. The cross-categorisation theory did not inform the conceptualisation of this research because the researcher was only interested in isolating and examining the impact of race on the consumption of professional services, to the exclusion of any other facets of a black consumer's identity.

## 2.5 Categorisation

### 2.5.1 Categorisation and the formation of groups

Categorisation is the initial building block of the social identity theory. Categorisation involves the depersonalisation of people (Wheelan & Hogg, 2016). Instead of perceiving people as distinctive individuals, they are perceived as members of a group and their identity is evaluated by their representation and portrayal of group characteristics and traits. Depersonalising a person is not the same as stripping them of their identity or regarding them as less human (Wheelan & Hogg, 2016). Depersonalising a person means that they are not viewed as unique but are viewed as representative of a collective. For purposes of this research, adult black South Africans were depersonalised as they were viewed as members of the black population group. From the perspective of racial classification, depersonalisation has taken place at 2 levels – (i) at an individual level, the researcher overlooked any idiosyncrasies particular to each black consumer, and (ii) the fact that the black population in South Africa is comprised sub-groups (Africans, Coloureds and Indians) was also overlooked.

Categorisation may have an internal or external source (Wöcke et al., 2018). An example of an external source of categorisation would be the racial classifications assigned or imposed by the South African government through its BBBEE policy. Internal sources of categorisation involve self-categorisation, which is not assigned by people who are external to that particular social group. Those who are

categorised, internally or externally, must have something in common (Jenkins, 2014). In the context of this research, black consumers had their racial classification as a commonality. This commonality was deeply entrenched as a result the policies of the apartheid government and the subsequent BBBEE policy, both of which are external sources of categorisation. However, as indicated in 2.5.2 below, racial identity is dynamic concept that is influenced by external and internal sources.

Without categorisation, social groups cannot exist. Social groups consist of several people who share attributes that they recognise as indicative of shared identity amongst each other (Hogg, Rast, & van Knippenberg, 2012). The social group with a shared identity is known as the ingroup, and those falling outside this social group are known as the outgroup. The more salient and demonstrable such categories are, the easier it will be to categorise people into different groups (Wheelan & Hogg, 2016). For a black consumer, Black Professional Service Providers are members of the ingroup. Categorisation has been said to be necessary for the reduction of behavioural uncertainty (Jenkins, 2014; Wheelan & Hogg, 2016). By viewing people as part of a social group, it is easier to predict people's behaviour as they are expected to act in a manner consistent with the norms and practices of their ingroup (Hogg, 2014). In the marketplace, service providers (including Black Professional Service Providers) need to be aware of the impact that racial bias could have on consumer decision making so that the service provider can predict consumer behaviour and implement marketing strategies that respond to such realities.

### 2.5.2   Race as a social category

Throughout recent history, race has been one of the most salient social identities in South Africa's economic landscape (Meyer et al., 2016). The conception of race was and continues to be derived from internal and external sources. Since racial classification is based on physical embodiment (Jenkins, 2014), the formation of the black population group in South Africa is not always driven purely by economic and social policies of the government of the day. During the foundational phase of their lives, members of South Africa's black population identify as black, based on indicators that are internal to the ingroup or the individual, such as a similar appearance (i.e. skin pigmentation) and teachings of a collective history and culture (Jenkins, 2014; Meyer et al., 2016). This racial belonging is reinforced by external sources such as governmental policies relating to race (e.g. BBBEE policy).

In the continuum of the different types of groups, the researcher assumed that race falls within the "social category" and "culture" varieties. As indicated in Table 1, social categories are permanent social groups between people who share traits such as gender, nationality and race. Culture groups comprise of people who live in the same area and share beliefs and language (Stagnor, 2016).

Table 1

*Varieties of social groups*

| Group | Definition | Example |
|---|---|---|
| Reference group | A group of individuals who collectively aspire to be like, look up to and identify with certain individuals. Because of this admiration, people want to belong to the same groups as our role models | Friendships, sports stars, leaders |
| Working group | A group of approximately 3 to 12 individuals who are driven towards a specific goal | A group of experts appointed to look into a particular problem (e.g. a commission of inquiry) |
| Social category | A large and relatively permanent social group share characteristics such as racial classification, nationality, physical disability, religion and gender | Females, males, young people, South Africans, black people |
| Culture | A large social group of individuals in geographic proximity with each other, and who have similar norms and traits, such as languages, practices, languages and religion | Arabs, African Americans, Yoruba speaking people, Buddhists |
| Crowd | A large number of individuals with a common purpose who form a group to pursue that common purpose | A riot, a mob, a protest movement |

Stagnor, 2016

Some authors have argued that racial classification is more complicated in the modern world, primarily because of cosmopolitan settings in which immigration and intermarriage thrive. Racial identity is also multidimensional (Roth, 2016). Often, the self-conception of multiracial individuals has been found to not always correlate with society's general expectations (Feliciano, 2016). In a South African context, the generic racial group that is referred to as black people, is made up of different racial subgroups that differ in terms of cultural heritage and history. For example, Coloured South Africans, are descendants of mixed-raced couples on the one hand, and decedents of South-East Asian migrants, on the other hand. As a result, researchers have found that Coloured South Africans do not always define themselves as black (Dumont & van Lill, 2009). The multidimensionality and complexity of racial categorisation are also evident the fact that a black person may simultaneously

identify him/herself with multiple identities based on their race, gender, religion, culture, tribal or linguistic identity (Booysen, 2007; Mols & Weber, 2013). However, since African, Indian and Coloured South Africans are currently disadvantaged as a result of a political and economic system that promoted white people to the disadvantage of black people generally (albeit to different degrees), the researcher adhered to the conception of black people that is set out in the BBBEE legislation. To delineate the boundaries of this research, the researcher elected to use the legislative definition of black people as this is the conceptualisation of race that is traditionally used when interrogating the subject of economic transformation in South Africa. This research did not investigate the complexity of racial categorisation.

South Africans have been found to identify strongly with their racial cohorts who then become important reference groups for, inter alia, economic comparisons (Dumont & van Lill, 2009). One of the features of racial classification in South Africa and other parts of the world is an association of race with specific economic, psychological, political and social benefits or positions (Feliciano, 2016; Le Roux, 2014). In light of a history of institutionalised racial discrimination and the subsequent BBBEE policy, the researcher expected black South Africans to be acutely aware of the allocation of the economic, psychological, political and social benefits amongst South Africa's racial groups. However, this research acknowledges that even within the black population, the different racial subgroups (i.e. Indian, Coloured and African), were given different levels of preference by the apartheid government, which meant the black population group was not uniformly deprived of economic, psychological, political and social benefits and status. However, for reasons stated above, this research was limited to a focus on the broader black population and not the racial subgroups that comprise the black community.

Race and ethnicity are deep-rooted identity features involving emotion or affect (Jenkins, 2014). The researcher expected that identification with others based on race would create the basis for positive emotional feelings towards Black Professional Service Providers. Consumers that identify as black were expected to act in the collective interests of their racial ingroup (Ding et al., 2017) - to reallocate the economic, psychological, political and social benefits between South Africa's racial groups. Acting in the collective interests of the black population group was expected to manifest through ingroup favouritism for black service providers and the

purchase of professional services from Black Professional Service Providers (Bartlett et al., 2016; Tripat et al., 2017).

## 2.6 Identification

### 2.6.1 The process of identification

Social identification has been said to be the essence of groupness (Wheelan & Hogg, 2016). Once a person has differentiated between the different racial groups, that person usually proceeds to identify themselves with one of those racial groups. As indicated in 2.4.2, this research was concerned with social identity as opposed to personal identity (Hogg, Abrams, & Brewer, 2017). That is the investigation of the behaviour of consumers based on their membership of the black population group. In this research, the consumer is depersonalised (Pestar Bizjak, Hristov, Košmerl, & Kuhar, 2018) and individual consumer idiosyncrasies were not considered. The complexities of racial categorisation noted in 2.5.2 above, are equally applicable to racial identification. For this research, respondents could only participate if they voluntarily identified as black people per the definition set out in BBBEE Act.

Contemporary studies also refer to a relational self as a conception of self that is concerned with the connection an individual has with significant others and the relationship roles between an individual and the people that individual has relationships with (Hogg et al., 2017). Since this research was focused on the black population as a whole, the relational self-construct was not germane to this research.

### 2.6.2 Ingroup affection

Individuals who identify with a group, generally feel that they belong to that group (Harmeling et al., 2017; Thomson et al., 2015) and act in the same way that other members of the group do (Steffens, Schuh, Haslam, Pérez, & van Dick, 2015). As a consequence of that person's identification with that group, that person will develop emotional and psychological attachment and significance to that identification (Ding et al., 2017; Tajfel & Turner, 1986), and their self-esteem will be dependent on their membership of the ingroup (Tse & Chiu, 2014). Without this sense of emotional attachment or ingroup affection, identification will not have any associated behavioural outcomes (Ashforth, Schinoff, & Rogers, 2016). Identification is concerned with the extent to which an individual feels accepted as a member of a group and the extent to which an individual likes the other group members (Stagnor,

2016), which will influence whether that individual remains in the group, as well as the importance attached to that group membership (Baumeister, Ainsworth, & Vohs, 2016). Strong group interdependence between group members, reinforces the level of identification amongst group members (Stagnor, 2016). The stronger the level of ingroup affection or group cohesion, the stronger the conformity with group norms and pursuit of group interests (Baumeister et al., 2016).

This research investigated the emotional and psychological attachment of black consumers towards the black population group as ingroup affection. In-group affection develops as a result of the following:

- One of the benefits of social identification is the reduction of uncertainty as to what expectations an individual is required to live up to (Hogg et al., 2017; Wheelan & Hogg, 2016). This uncertainty depresses an individual's self-esteem as that individual is uncertain of their social status (Hogg et al., 2017; Hogg & Adelman, 2013). Social identity is vital to self-definition, self-confidence and self-awareness (Harmeling et al., 2017). Uncertainty impairs the process of self-conception. Accordingly, by identifying with a group, an individual reduces social uncertainty and improves their self-esteem. Individuals are usually grateful or glad to be part of a social group (Cameron, 2004).

- Similarity is important to groups. People tend to like people that are similar to them (Stagnor, 2016). Because of the similar physical characteristics, culture, a shared history and a similar socio-economic position, members of South Africa's black population share various similarities, which make it more likely for black consumers to have positive emotions in connection with their relations with other black people (including other Black Professional Service Providers).

- Identification with others, whether this identification is referent, based on social category or cultural, has been found to enable individuals to develop a sense of self (i.e. who they are) (Harmeling et al., 2017) and to work towards promoting the attributes that are representative of the group (Ashforth et al., 2016). In the context of this research, it was expected that black consumers would demonstrate a high level of ingroup affection for Black Professional Service Providers since identification with black people (including black service providers) forms part of a consumer's self-definition. It was expected

that consumers would have more positive feelings regarding people who are part of their social group. It was also expected that black consumers would perceive Black Professional Service Providers to render superior services, as this superiority is representative of the black population (which the black consumer also belongs to).

An understanding of the emotional connection that consumers have towards producers and sellers in their social group is essential for group marketing efforts (Harmeling et al., 2017). Although researchers have not always found a positive relationship between the affective dimension of social identity and purchase behaviour (Siamagka & Balabanis, 2015; Wang, 2017), ingroup affection is widely accepted as being capable of motivating consumers to promote the interests of the ingroup (Hogg et al., 2017; Zeugner-Roth et al., 2015), which could manifest through a preference for goods and services produced and sold by members of the ingroup. This confirms the relevance of phenomena such as consumer ethnocentrism and the social identity theory in the context of this research.

### 2.6.3  Protection of the collective interests of the ingroup

Identification with the ingroup has been said to give birth to common attributes and group processes (Ding et al., 2017; Hogg et al., 2017). Through interaction and communication, individuals become informed about what the ingroup stands for and how members of the ingroup are expected to behave (Stagnor, 2016). Individuals who identify with a social group tend to be aligned in terms of their cognitive thinking, emotional experience and behavioural reactions (Hogg & Adelman, 2013; Tse & Chiu, 2014).

Research has indicated that identification does not require the individuals to aspire towards and to encompass every attribute of the social group. Identification is often limited to the key and enduring characteristics of the social group (Ashforth et al., 2016). However, the more cohesive a group is (strong ingroup affection), the more likely their actions will be aligned towards a common goal (Stagnor, 2016). Identification has been found to modify the behaviour of individuals in the following ways:

- To strengthen the level of identification with the ingroup, an individual will define and evaluate themselves based on how other group members think, feel and behave (Steffens et al., 2015). The individual behaves in a

prototypical manner, in keeping with the typical characteristics of members of the group. For example, if African consumers were known to have a preference for African medicine as opposed to Western medicine, a consumer who identifies as African would use African medicine as this would be prototypical of African consumers.

- Belonging to a group can also motivate consumers to exert effort on behalf of the group and to pursue collective interests and goals of the ingroup (Ding et al., 2017; Dono, Webb, & Richardson, 2010). For example, researchers have found that consumers who hold dear the values of environmental sustainability have a preference for brands and products that are environmentally friendly or promote the ecological sustainability movement (Fielding & Hornsey, 2016).

This research focused on the motivation of black consumers towards the promotion of the collective interests of the black population group. As indicated above, the economic upliftment of black South Africans is an imperative of the post-apartheid South African society. This research assumed that black consumers would use their spending power to promote the enterprises of black people in an effort to improve the economic position of the black population group. The actions of consumers in the promotion of the collective interests are discussed in greater detail at 2.7.3 below.

## 2.7    Social comparison

### 2.7.1    Comparing the ingroup and outgroup

As noted above, social categorisation usually leads to the formation of social identities. Social identities ordinarily comprise of unique views, beliefs, behaviours and emotions that inform the behaviour and actions of members of the ingroup (Harmeling, Palmatier, Fang, & Wang, 2017). To process significant and complex amounts of information regarding members of the ingroup, members of the ingroup generate stereotypes or a shared understanding of the prototypical behaviour of members (see 2.6.3 above). In the context of this research, a black consumer was expected to have stereotypical views of Black Professional Service Providers (the members of the ingroup), including stereotypes on competency. These stereotypes would inform the comparison of the ingroup and the outgroup.

Social comparison is a process whereby distinct groups focus on the establishment of differences between members of the ingroup and members of the outgroup

(Wheelan & Hogg, 2016). Ingroups distinguish themselves from and discriminate against, outgroups (Jenkins, 2014). This is done to promote the ingroup's positive social evaluation and collective self-esteem (Tse & Chiu, 2014; Wheelan & Hogg, 2016), as competing groups always strive to be better than each other. To maintain a member's self-esteem, the ingroup members will compare the ingroup favourably against the outgroup (Tse & Chiu, 2014). This helps explain, bias, prejudice and discrimination (Hogg et al., 2017). In the context of this research, it was expected that black consumers would have a positive affective reaction towards members of the ingroup as part of an effort to improve their self-esteem. This was expected to make the black consumer cognitively biased in his/her evaluation of the services of Black Professional Service Providers, and the behavioural preference of Black Consumers was expected to accord with this bias.

Certain academics have noted that the social comparison process is heavily dependent on a particular social context, such as the distinctiveness of the relevant social identities (Michinov & Michinov, 2011). There also appears to be a divergence of literature on the outcomes of social comparison, which can be attributed to individual differences in self-esteem, levels of bias and neuroticism (Michinov & Michinov, 2011). As indicated above, this research was conducted in the context of a post-apartheid South Africa that is still struggling with economic and income inequality along racial lines. The BBBEE initiatives were expected to be at the top in the minds of most South African consumers as the country works towards achieving economic transformation. The study focused primarily on South Africa's black consumers as a social context that is unique to South Africa. The consideration of individual differences and any moderating factors they may have on social comparison processes fell outside of the scope of this research.

### 2.7.2 Ingroup bias and positive distinctiveness

Ingroup bias refers to an ingroup member's tendency to view the other ingroup members in a positive light (Coleman & Williams, 2013). This process of positive self-evaluation is said to emanate from an ingroup member's need to feel good about themselves/the group or to improve their self-esteem (and that of the ingroup at large) (Zeugner-Roth et al., 2015). Ingroup bias was demonstrated by Tafjel's experiments in the 1970s in which participants in his research had to allocate rewards to members of both the outgroup and the ingroup (Balliet, Wu, & De Dreu, 2014). The results of these experiments indicated that members of the ingroup tended to maximise

rewards allocated to the ingroup or to maximise distinctions between outgroup and ingroup achievements and outcomes. Tajfel also showed that intergroup bias was present even when participants in the experiments were not allowed to communicate with each other, were randomly assigned to groups, had no vested interest in their ingroup and did not know others in their ingroup or the outgroup (Balliet et al., 2014). This indicates that ingroup bias is present in even the most basic of circumstances. The researcher expected that ingroup bias of black consumers would be more likely to emerge in South Africa's racialised socio-economic context, in which social identities are more salient than was the case under Tajfel's experiments.

When black consumers compare themselves to Black Professional Service Providers and white professional service providers, the basic tenants of the social identity theory provide that those black consumers are supposed to prefer procuring services from the Black Professional Service Provider rather than white service providers (Urminsky et al., 2014). In terms of the social identity theory's metacontrast principle, favouritism for the ingroup requires intergroup comparisons and the presence of an outgroup (Balliet et al., 2014). Without the presence of an outgroup, categorisation and outgroup discrimination will not occur. As indicated above, consumers' service expectations and evaluations may be influenced by a consumer's favouritism for their own race (Bartlett et al., 2016), nationality (Zeugner-Roth et al., 2015), culture and ethnicity (Tripat et al., 2017).

In the context of this research, the outgroup members are suppliers of professional services (in law, medicine, accounting and auditing) who are not black as contemplated in BBBEE policy. Black people in South Africa have been previously found to perceive themselves as having a lower economic status when compared to their white counterparts (Dumont & van Lill, 2009). Members of South Africa's black population will socially compare their ingroup (which include Black Professional Service Providers) to the outgroup. The metacontrast principle is relevant in the context of this research.

Some scholars have argued for a strict distinction between outgroup discrimination and ingroup favouritism. The former refers to members of the ingroup overtly or actively discriminating and forming a negative view of the outgroup. The latter refers to viewing the ingroup favourably without necessarily forming a negative opinion of the outgroup. It has been argued that social identity involves a person's feeling of an emotional connection to and a positive bias for the in-group without any explicit

reference to the outgroups (Zeugner-Roth et al., 2015). In terms of the social identity theory, self is group, and group evaluation is self-evaluation (Hogg et al., 2017; Jenkins, 2014). During the process of comparison, the ingroup members seek to view the ingroup as positively distinctive from the outgroup (Hogg et al., 2017). Ingroup members have a natural inclination for self-enhancement and self-esteem at the expense of the outgroup (Dimofte et al., 2015). The ingroup seeks to show that they are better than the outgroup (Wheelan & Hogg, 2016). If no reference is made to the outgroup, the metacontrast principle is violated. In an overly competitive environment such as South Africa's economic landscape, bias is often manifested not only through ingroup favouritism but also through distrust and suspicion of the outgroup (Hogg & Adelman, 2013; Wheelan & Hogg, 2016). This researcher accordingly expected that South Africa's black consumers would not only view services from Black Professional Service Providers positively but would also see services provided by white service providers in a negative light, which does not concur with the school of thought that detaches ingroup favouritism from outgroup discrimination.

### 2.7.3  Self-enhancement

#### 2.7.3.1       Types of self-enhancement strategies

Identification with an ingroup has been said to motivate individuals to behave in accordance with the collective interests and goals of the ingroup (Ding et al., 2017). Consumer purchase behaviour has also been found to correlate with the values of consumers and the ingroup (Jayawardhena et al., 2016) and ingroup norms (Harmeling et al., 2017). An antecedent for such behaviour is social comparison – the ingroup members will only act in solidarity with the ingroup or in conformance ingroup norms after the ingroup members have identified the outgroup and have compared the ingroup to the outgroup. The researcher expected that black consumer's affective attachment to and bias in favour of Black Professional Service Providers would translate into purchase behaviour that was favourable towards Black Professional Service Providers.

According to the social identity theory, if ingroup members compare the social, political or economic status of the ingroup with that of the outgroup and conclude that the status of the ingroup is inferior to the outgroup, the ingroup members will typically resort to, the following self-enhancement strategies (Mols & Weber, 2013; Wheelan & Hogg, 2016):

- Individual upward mobility - individuals from the lower status group attempt to move to the higher status group. Individuals will usually pursue upward individual mobility where it is possible to migrate to the higher status group, i.e. when the intergroup boundaries are not insurmountable. For this research, individual upward mobility was not relevant because:
  - This research was concerned with the black population group as a collective, as opposed to focusing on individuals.
  - As much as black consumers may have been able to move into higher economic strata over a period of time, a black consumer is not able to migrate into the white population group, thus terminating membership of the black population group (as defined in the BBBEE Act). The moderating effects of upward class mobility in black consumers did not fall within the scope of this research.
- Collective enhancement strategies – the members of the ingroup collectively challenge the social, political and economic status of the superior or dominant group. The members of the ingroup usually do so when intergroup boundaries are believed to be impermeable or insurmountable, and the position of the dominant group is illegitimate. Since this research was concerned with collective or group solidarity that black consumers have towards Black Professional Service Providers, collective enhancement strategies were more appropriate as opposed to individual upward mobility. If a person possesses a devalued or stigmatised social identity, it would probably depress his/her self-esteem. To buffer themselves against a devalued social identity and improve their self-esteem, ingroup members are expected to use collective self-enhancement strategies (Coleman & Williams, 2013; Wheelan & Hogg, 2016).

### 2.7.3.2        Self-enhancement in the South African context

Black people in South Africa perceive themselves as having a lower economic status (Dumont & van Lill, 2009). This perception is supported by South Africa's economic reality of racial inequality. Despite economic transformation policies such as BBBEE, South African society has struggled to arrest the scourge of racial inequality. The continued economic dominance of the white population group has its roots in the societal design of the apartheid system, a political, social and economic system that has been unanimously rejected as illegal and evil (Ntim & Soobaroyen, 2013; Phooko

& Radebe, 2016). The current status divide between South Africa's white and black populations appears to be both illegitimate and impermeable. Accordingly, collective enhancement strategies seem to be the most appropriate strategies of self-enhancement.

Collective self-enhancement may come in the form of social competition (Hogg et al., 2017; Tajfel & Turner, 1986). Social competition is an attempt to equalise the positions of the lower status group and the higher status group (Martiny & Kessler, 2014). The lower status group puts in place measures to increase its status so that it is on an equal footing with the higher status group. South Africa's government chose to improve the economic position of black people by creating a legislated framework for social competition. As participants in, and beneficiaries of BBBEE, it was expected that black people (including black consumers) also desire an improvement in their socio-economic status (self-enhancement). South Africa's black population (including black consumers) was expected to continually struggle to achieve a more favourable economic position (Hogg & Adelman, 2013). Self-enhancement has been found to be an underlying reason for consumer identification with a brand or a service provider (Chinomona, 2016). In a competitive setting, consumers are expected to act in solidarity with their ingroup (Dono et al., 2010; Fielding & Hornsey, 2016). For example, those consumers who are environmentally conscious will further group interests by purchasing items that are environmentally friendly (Fielding & Hornsey, 2016), while other consumers procure goods and services from with their own race, or pay more for goods and services received from their ingroup (Bartlett et al., 2016). Accordingly, this research expected to find a preference for Black Professional Service Providers among black consumers.

A bias in favour of Black Professional Service Providers, and purchase behaviour consistent with that bias was thought to be compatible with the objective of improving the status and self-esteem of black people. In the context of this research, purchase behaviour was inclusive of repeat visits and purchases, positive word-of-mouth and willingness to try (Sharma, 2015; Toufaily, Ricard, & Perrien, 2013), that represent manifestations of collective self-enhancement strategies that the researcher expected to confirm.

## 2.8    Ethnocentrism and the social identity theory

The main theoretical underpinnings of this research have been derived from the social identity theory. However, to operationalise and measure the dimensions of affective reaction, cognitive bias and behavioural preference, the research relied upon some of the principles and measurement instruments that emanate from consumer ethnocentrism literature. The social identity theory and consumer ethnocentrism have their genesis in human ethnocentrism (Zeugner-Roth et al., 2015). Accordingly, the researcher found prudent it to rely on some of the concepts of consumer ethnocentrism to operationalise the study (see Table 2 and Table 3).

### 2.8.1   Human ethnocentrism

Human ethnocentrism is the tendency to believe that one's social group (usually an ethnic or cultural group) is superior to other groups and is the centre of the universe (Bizumic, 2018; De Dreu, Greer, Van Kleef, Shalvi, & Handgraaf, 2011). Human ethnocentrism was one of the theories that influenced the conceptualisation of the social identity theory (Wheelan & Hogg, 2016). Human ethnocentrism is believed to be one of the key underlying reasons for phenomena such as prejudice, xenophobia, intergroup violence and ingroup favouritism (De Dreu et al., 2011; Kessler & Fritsche, 2012). To survive and prosper, individual members of a group need to contribute and coordinate their collective resources, assets and knowledge. This coordination and corporation create a social group out of group members that have a natural distrust for each other is ethnocentrism (De Dreu et al., 2011). Human ethnocentrism will ordinarily present itself in the form of a positive view of the ingroup (Bizumic, 2018). Such in-group favouritism is viewed as a requirement for loyalty and commitment to the group. Members of the outgroup are evaluated in a negative light and are usually discriminated against and excluded from the contribution and coordination of resource (Bizumic, 2012). Such negative feelings about the out-group indicate to in-group members which persons should be excluded from in-group activities. This also means that members of the ingroup are less likely to share resources with outgroup members. Human ethnocentrism can be summarised as the following (Bizumic, 2012):

- Liking and preferring one's own social group.
- The belief in the superiority of one's own ethnic group.
- The purity of one's social group.

- The supremacy of the interests of one's own social group, at the expense of outgroups.
- High levels of integration, unity and cooperation.
- A strong emotional connection and loyalty for one's social group.

### 2.8.2 Consumer ethnocentrism

Tajfel viewed ethnocentrism as an umbrella concept that encompasses many concepts, such as the social identity theory (Bizumic, 2012). Human ethnocentrism has also been considered as the conceptual basis of consumer ethnocentrism (Zeugner-Roth et al., 2015). According to the theory of consumer ethnocentrism, it is moral and correct for consumers to buy goods produced in their home nation (El Banna, Papadopoulos, Murphy, Rod, & Rojas-Méndez, 2018; Shimp & Sharma, 1987). The ingroup is comprised of a person's fellow citizens (including the local producers), and foreigners comprise the outgroup (foreign producers) (Zeugner-Roth et al., 2015). Consumers with a high level of consumer ethnocentrism will refrain from purchasing products that have been imported and also discourage their fellow citizens from buying products that have been imported (Sharma, 2015). Consumer ethnocentrism consists of the following elements (Sharma, 2015):

- The identification of points of differentiation between groups.
- A bias towards the interests of the ingroup (i.e. producers from the home nation).
- Viewing the ingroup as the centre of the universe.
- Mistrust and dislike of the outgroups (producers from foreign nations).
- Perceiving one's own group as being superior and honest.
- Seeing the outgroup as inferior and dishonest.

Consumer ethnocentrism requires consumers to perceive themselves as members of a broader group rather than idiosyncratic individuals, which means they adopt a social identity as opposed to personal identity (Zafar et al., 2013). The beliefs, ideas, attitudes, values, and behaviours of consumers with high levels of consumer ethnocentrism tend to be reflective of the practices if the ingroup (Shoham & Gavish, 2016). Researchers have previously utilised social identity theory to explain consumer ethnocentric behaviour and phenomena (Li & He, 2013; Zafar et al., 2013).

In terms of a recent reconceptualisation of consumer ethnocentrism (see Figure 2), consumer ethnocentrism has been said to be a 3-dimensional concept comprising of the following aspects (Sharma, 2015):

- Affective reaction – this affective dimension is concerned with the emotional responses indicative of consumer ethnocentrism. In addition to differentiating between the ingroup and outgroups, ethnocentric consumers distrust and dislike the outgroups.
- Cognitive bias – a cognitive bias in favour of the ingroup on matters such as the virtues of the ingroup, outcomes favourable to the ingroup, the superiority and importance of the ingroup.
- Behavioural preference – as an outcome of consumer ethnocentrism, foreign products must be rejected and domestic products accepted. This dimension also looks at positive word-of-mouth and willingness to try.

The basic principles of human ethnocentrism and consumer ethnocentrism are analogous to those of the social identity theory, which include the process of social categorisation, the development of ingroup bias and the development of a less favourable view of outgroups (Mols & Weber, 2013) The similarities between these concepts are summarised in Table 2 below.

As indicated in 2.4.3 above, the social identity theory is a multidimensional theory that can be operationalised using various constructs. As shown in Figure 2 (conceptual framework) and Table 3 (operationalisation table) below, the researcher's perspective on the social identity theory borrows some of the constructs of Sharma's reconceptualised consumer ethnocentrism to operationalise the research. Accordingly, this research interrogated ingroup affection and behavioural preference in addition to bias, the latter being the focal point of many marketing studies that use the social identity theory to explain consumer behaviour.
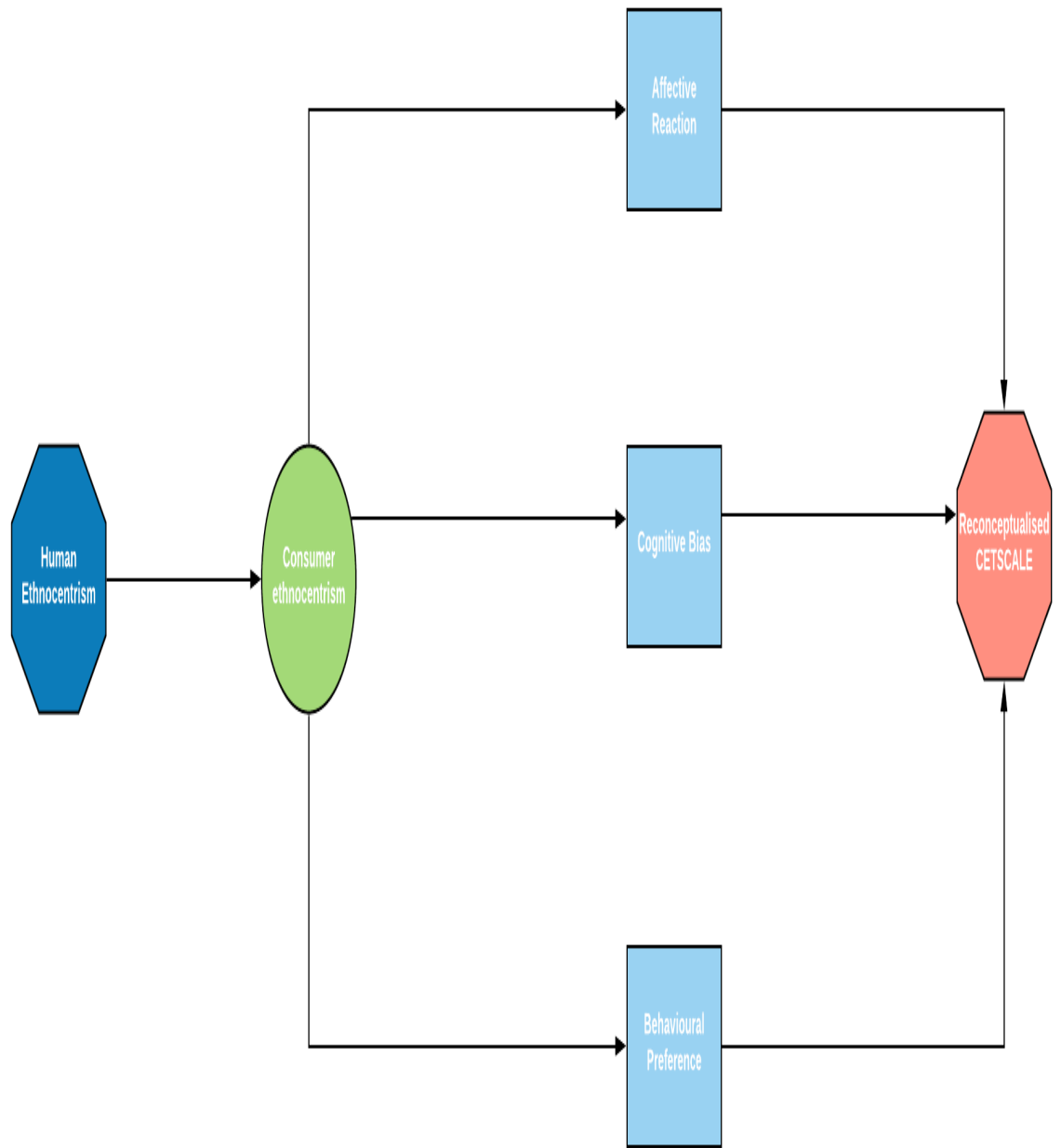
Figure 2. Reconceptualised consumer ethnocentrism dimensions.

Table 2

*Similarities between ethnocentrism and the social identity theory*

| Human Ethnocentrism | Consumer Ethnocentrism | Social Identity Theory |
|---|---|---|
| Involves an ingroup (usually an ethnic or cultural group) and an outgroup (any competing social group). | Involves an ingroup in the form of natural and legal persons of the same nationality or residing in the same nation. The ingroup is comprised of consumers and local producers (and their staff). The outgroup members are foreign-based producers of goods or service providers. | Is based on a collective view of self in the form of an ingroup, which is different and/or competes with the outgroup. The groups may be formed around racial classification, nationality, physical disability, religion, gender, geography, shared purpose or various other types of social constructs. |
| Members of the ingroup identify with each other based similarities such as ethnicity or culture. After that, the social groups develop a set of rules and expectations of members of the ingroup, which facilities intragroup corporation and reduces distrust amongst members of the ingroup. | Consumer ethnocentrism assumes that consumers have already differentiated themselves (and the locally-based producers or service providers) from producers/service providers that are not located in their home nation. | The social group is formed and maintained through the processes of categorisation, identification and social comparison. One of the motivations of the formation of social groups is uncertainty reduction and the facilitation of intragroup corporation. |
| Human ethnocentrism usually manifests through ingroup favouritism and outgroup discrimination. The members of the ingroup have an inclination to like and prefer the ingroup, and there is a strong emotional connection between the members of the ingroup. This affects the behaviour of the ingroup members as there are high levels of integration, unity and cooperation. Members of the ingroup will behave in a manner that preserves this unity and corporation (i.e. in a way that prefers members of the ingroup at the expense of the outgroup). | Consumer ethnocentrism has 3 primary dimensions, namely – affective reaction, cognitive bias and behavioural preference. The ingroup is perceived as superior, and there is a dislike/distrust for the outgroup. This bias or favouritism informs the consumer's evaluation of foreign-made goods or services. As an outcome of consumer ethnocentrism, foreign products must be rejected, and domestic products/services accepted. Accordingly, consumer behaviour is modified in accordance with the principle that requires the rejection of foreign products or services. | Ingroup affection, bias and behavioural preference are embedded in the components of categorisation, identification and social comparison. Ingroup affect is an essential part of the social identity theory. As a person categorises people and identifies with a specific group, that person is likely to have positive feelings about the group they have identified with as this reinforces their self-esteem. As a person compares the ingroup and the outgroup, they are more likely to view the ingroup in a positive light and have a negative view of the outgroup. These perceptions manifest as ingroup favouritism and outgroup discrimination. The processes of identification and social comparison are then used to explain the behaviour of an ingroup member in relation to the outgroup. For example, the members of the ingroup will behave in a manner that |

| | | |
|---|---|---|
| | | promotes or reinforces the collective interests of the ingroup. |
| Human ethnocentrism has been used in the fields of political science, intergroup conflict, marketing, anthropology, international business, geopolitics, psychology and various other social sciences. | Consumer ethnocentrism is the branch of human ethnocentrism that is concerned with consumer behaviour (marketing). | The social identity theory has been developed into a mainstream socio-psychological theory that explains social and cognitive phenomena across various fields of research such as social psychology, leadership, conflict management, ethics and marketing. |

# Chapter 3: Research Aim and Hypotheses

## 3.1 Research aim

This research investigated the preference of black consumers vis-a-vis Black Professional Service Providers using the social identity theory. This research examined the influence of racial social identity on South African black consumers' acquisition of professional advisory services from black service providers, with a focus on:

- the existence of ingroup affection amongst South Africa's black consumers in their dealings with professional service providers;

- possible racial ingroup bias amongst South Africa's black consumers in terms of their choice of professional service providers; and

- the behavioural tendencies of black consumers towards black service providers.

The researcher has operationalised the study through the exploration of affective reaction, cognitive bias and behavioural preference. Based on the theoretical concepts explored in Chapter 2, a process of deductive reasoning was used to develop the hypotheses set out in this Chapter 3.

## 3.2 Hypotheses

### 3.2.1 Hypothesis 1

Pursuant to the categorisation and identification processes, South Africa's black consumers were expected to develop a strong psychological and emotional bond with the members of South Africa's black population, including Black Professional Service Providers (Tajfel & Turner, 1986; Tse & Chiu, 2014). The conception of ingroup affect or affective reaction in this research is similar to the conception of affective reaction described in Sharma's reconceptualised CETSCALE (Sharma, 2015).

H1: Black consumers have a strong positive affective reaction towards Black Service Providers.

### 3.2.2 Hypothesis 2

Pursuant to the categorisation and social comparison processes, and the need to reinforce group self-esteem and collective interests, black consumers in South Africa were expected to view Black Professional Service Providers positively when compared to outgroups (Coleman & Williams, 2013; Zeugner-Roth et al., 2015). The conception of ingroup bias or cognitive bias in this research is similar to the conception of cognitive bias described in Sharma's reconceptualised CETSCALE (Sharma, 2015).

H2: Black consumers are cognitively biased in favour of Black Professional Service Providers.

### 3.2.3 Hypothesis 3

Pursuant to the identification and social comparison processes, black consumers in South Africa were expected to have a behavioural preference for the services of Black Professional Service Providers, in furtherance of the ingroup's collective interest and goals (Ding et al., 2017; Harmeling et al., 2017). The conception of behavioural preference in this research is similar to the conception of behavioural preference described in Sharma's reconceptualised CETSCALE (Sharma, 2015).

H3: Black consumers have a strong behavioural preference for Black Professional Service Providers.

## 3.3 Conceptual framework

As indicated above, the researcher has operationalised the study through the exploration of affective reaction, cognitive bias and behavioural preference. Based on the theoretical concepts explored in Chapter 2, the researcher used a process of deductive reasoning to develop the hypotheses set out in this Chapter 3.
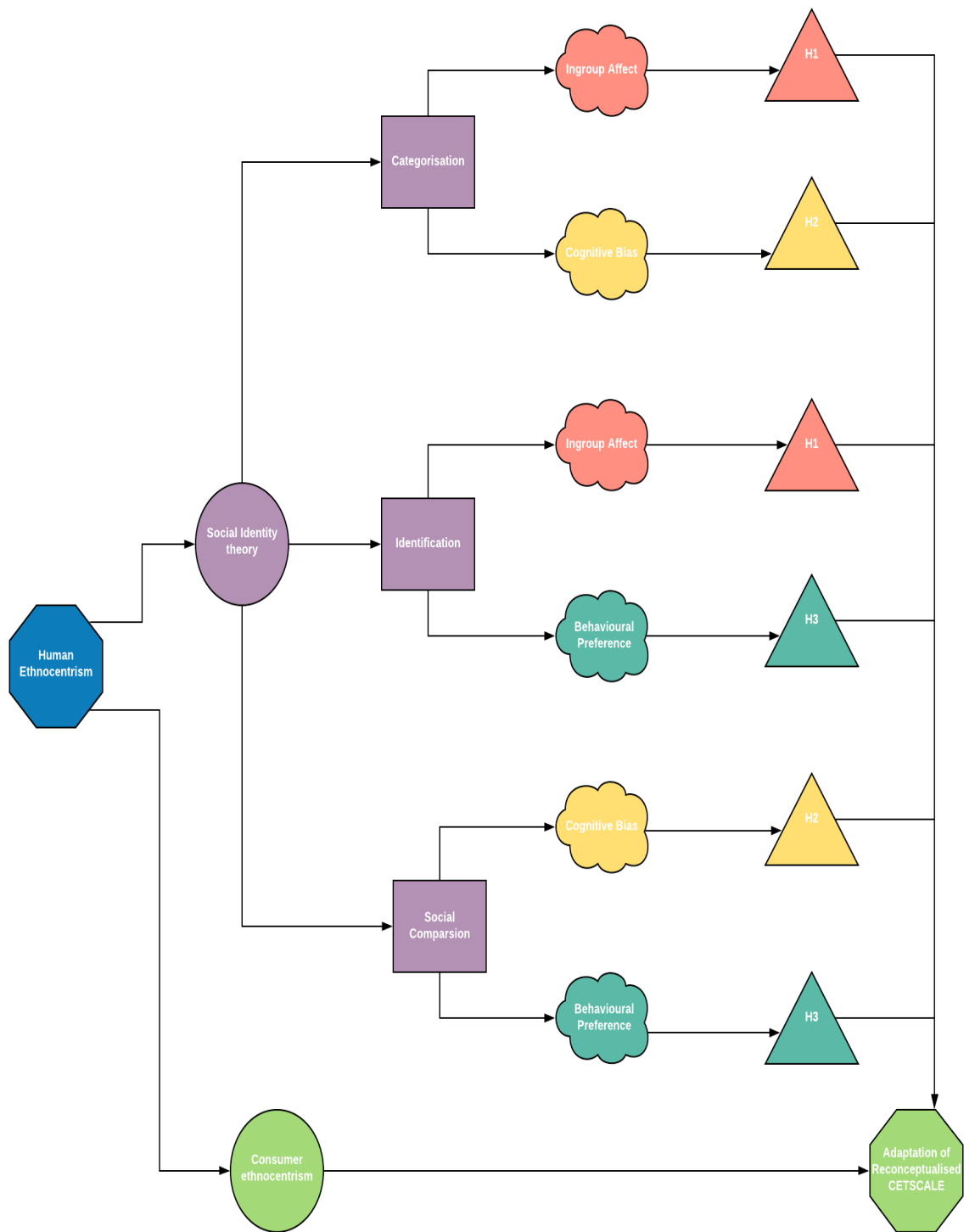
Figure 3. Conceptual framework.

## 3.4    Operationalisation table

The operationalisation table below indicates the linkages between the research objectives theoretical underpinnings of this research, the measurement instrument and the data analysis.

Table 3

*Operationalisation table*

| Research Objective | Sub-Objectives and hypotheses | Constructs | Dimensions | Indicators | Measurement | Data Analysis |
|---|---|---|---|---|---|---|
| 1. To examine and describe possible racial in-group bias amongst South Africa's black consumers in terms of their choice of professional service providers. | 1.1 To investigate and describe the emotional or affective reaction that South Africa's black consumers have towards Black Professional Service Providers.<br><br>**[H1: Black consumers have a strong positive affective reaction towards Black Service Providers.]** | Categorisation[1] and identification component of the social identity theory[2]<br><br>Consumer ethnocentrism[3] | Ingroup affect/affective Reaction | Affective emotional outcomes of identification<br><br>Positive feelings about the ingroup<br><br>Emotional affinity with Black Professional Service Providers, irrespective of quality<br><br>Disdain for outgroup service providers | Measurement instrument adapted from the reconceptualised consumer ethnocentrism scale/CETSCALE (see Appendix A) | **Descriptive statistics** Percentages, means, standard deviations<br><br>**Inferential statistics** PLS-SEM |

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[1] Categorisation – In order to develop an emotional connection with a social group, a person must first categorise between different social groups. The categorisation in this instance is based on racial classification.

[2] Identification - Persons adopt the identity of the group that they belong to, and act in ways that they perceive members of that group act. As a consequence of that person's identification with that group, that person will develop emotional and psychological attachment and significance to that identification, and their self-esteem will be dependent on their membership of the ingroup.

[3] Consumer Ethnocentrism – Social identity theory and consumer ethnocentrism have a common genesis (i.e. human ethnocentrism) and are analogous, save for the fact that consumer ethnocentrism only differentiates on the basis of nationality/country of origin and is limited to the study of consumer behaviour, whereas social identity theory can applied to the study of various types of intergroup and intragroup phenomena. In order to operationalise this study, the researcher will incorporate consumer ethnocentrism constructs that are analogous to the components of social identity theory.

| Research Objective | Sub-Objectives and hypotheses | Constructs | Dimensions | Indicators | Measurement | Data Analysis |
|---|---|---|---|---|---|---|
| | 1.2 To investigate and describe the bias that South Africa's black consumers have towards Black Service Providers.<br><br>**[H2: Black consumers are cognitively biased in favour of Black Professional Service Providers.]** | Categorisation and social comparison components of the social identity[4]<br><br>Consumer ethnocentrism | Cognitive bias | Perception of Black Professional Service Providers<br><br>Perception of outgroup service providers<br><br>Evaluation bias in favour of Black Professional Service Providers | Measurement instrument adapted from the reconceptualised consumer ethnocentrism scale/CETSCALE (see Appendix A) | **Descriptive statistics** Percentages, means, standard deviations<br><br>**Inferential statistics** PLS-SEM |

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[4] Social Comparison – Ingroup members compare themselves to the outgroup. To maintain self-esteem, the ingroup members will compare the ingroup favourably against the outgroup. This helps explain, bias prejudice and discrimination, since members of the ingroup will tend to view members of competing groups negatively to increase self-esteem.

| Research Objective | Sub-Objectives and hypotheses | Constructs | Dimensions | Indicators | Measurement | Data Analysis |
|---|---|---|---|---|---|---|
| 2. To investigate and describe the behavioural tendencies of black consumers towards Black Professional Service Providers. | 2.1 To investigate and describe the behavioural preference of South Africa's black consumers have towards Black Professional Service Providers.<br><br>**[H3: Black consumers have a strong behavioural preference for Black Professional Service Providers.]** | Identification[5] and social comparison[6] components of the social identity theory<br><br>Consumer ethnocentrism | Behavioural preference | Self-enhancement strategies<br><br>Purchase Decisions<br><br>Acceptance of services from Black Service Providers<br><br>Rejection of outgroup service providers<br><br>Positive word-of-mouth<br><br>Willingness to try | Measurement instrument adapted from the reconceptualised consumer ethnocentrism scale/CETSCALE (see Appendix A) | **Descriptive statistics** Percentages, means, standard deviations<br><br>**Inferential statistics** PLS-SEM |

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[5] Identification – A person that identifies with the ingroup, is motivated to behave in accordance with a collective interest and goals of the ingroup.

[6] Social Comparison – When one social group perceives that their group status is lower when compared to another group, they resort to various self-enhancement strategies and behaviours, including social competition.

# Chapter 4: Research methodology

## 4.1 Research design and methodology

The researcher took a positivist approach to the research question (Saunders, Lewis, & Thornhill, 2018). The data collected was specific, measurable and precise (Brewer, Headlee, & Salkind, 2012). The researcher aimed to make unambiguous and accurate findings in respect of the prevalence of the affective reaction, cognitive bias and behavioural preference of black consumers vis-a-vis Black Professional Service Providers. The researcher adopted a deductive research approach as the research questions were based on existing literature relating to the social identity theory and consumer ethnocentrism (Saunders et al., 2018). The study was a cross-sectional study as it was a snapshot of black consumer preference at a specific period in time (Creswell, 2013).

The researcher elected to adapt the reconceptualised CETSCALE (Sharma, 2015) and use it to measure the preferences of black consumers based on race (as opposed to bias based on the location or nationality or a producer). The similarities between the social identity theory and consumer ethnocentrism are discussed in 2.8 above. Tables 2 and 3 establish the merits of using the reconceptualised CETSCALE. The reconceptualised CETSCALE is a quantitative research measurement instrument. Accordingly, this research was conducted using a quantitative research method. Quantitative research methodology can be used to describe the general tendencies of a population (Creswell, 2013).

This research was both descriptive and exploratory (descripto-exploratory). The research was descriptive because the researcher sought to test and confirm predictions based on the literature review conducted (Saunders et al., 2018). The research was focused on using phenomena to describe real-life occurrences (descriptive study). Because of the multidimensional nature of the social identity theory, the researcher sought to operationalise the study by assimilating components that comprise the reconceptualised CETSCALE. This portion of the research was exploratory. The descripto-exploratory research allows for a deep dive into the theory in the form of a detailed description, plus an assessment of the structural or conceptual model of the research (Saunders et al., 2018).

## 4.2    Population

The research population consisted of South Africa's black consumers. Blacks consumers were comprised of are African, Coloured and Indian South African citizens (by birth or descent) (Morris, 2018). Black people comprise 90% of South Africa's economically active population (Department of Labour Republic of South Africa, 2018). Since the researcher was studying consumer preference amongst black South Africans, any consumer that was not black South African was excluded from the sample. If a respondent indicated that they were not a black consumer, the electronic questionnaire.

The researcher wanted to target a portion of South Africa's black population that was able to access professional advisory services. Accordingly, the researcher required respondents that have a minimum monthly income of R5 800, which is the average monthly salary for black Africans who are employed (Statistics South Africa, 2015). Africans have the lowest average monthly income amongst the sub-groups that comprise black people (as defined for purposes of this research). In a recent study on consumer ethnocentrism and bias amongst South Africa's black consumers, the researchers utilised R5 000 as a minimum income threshold for respondents (Pentz, Terblanche, & Boshoff, 2017). Accordingly, the income threshold used to delineate the population for this research was consistent with similar studies in the South African context. In the analysis of the demographic data, it was also borne in mind that females comprise 51% of the South African population, whereas males constitute 49% of the country's total population (Statistics South Africa, 2018). This informed the analysis of the generalisability of the results.

As the researcher was not permitted to solicit responses from minors, the minimum age of the respondent was 18 years. The population was limited to South Africans residing in urban areas. South Africa's urban areas have better access to professional advisory services when compared to rural areas. About 65% of South Africans live in urban areas (National Treasury, 2018). Accordingly, the population of this research was generally representative of South Africa's black consumers with access to professional advisory services.

## 4.3    Unit of analysis

The unit of analysis for this research was a black South African consumer residing in an urban area, who meets the income threshold set out in 4.2 above.

## 4.4    Sampling method and size

It was quite complicated to survey a complete set of black consumers falling within the population described in 4.2 above. Accordingly, the research sampling technique took into account practical considerations such as the amount of time and financial resources available to the researcher (Creswell, 2013). The sample size that the researcher aimed for was between 250 and 300 respondents. Non-probability sampling methods were considered by the researcher, as the researcher was not able to get a full list of the population (Saunders et al., 2018). Non-probability sampling can be split into the following sampling methods:

- Volunteer or snowball sampling - in which a respondent volunteers (self-selection) or is volunteered (snowballing) to be a sample member (Saunders et al., 2018).
- Quota sampling - researchers look for a specific characteristic of the respondents. After identifying respondents that meet this specific characteristic, a tailored sample is take in proportion to a population of interest (Clow & James, 2013).
- Purposive or judgment sampling - in which the researcher uses their judgement or discretion to select respondents based on various reasons or premises. Varieties of purposive sampling include (i) typical case (considered typical of the population but not statistically), (ii) critical case (sample is essential to research objectives), (iii) extreme case (sample consists of outlying members of the population), (iv) heterogeneous (diverse sample which will provide the most variation), and (v) homogenous (a specific grouping within the population with similar features and little variation) (Saunders et al., 2018).
- Convenience sampling - the researcher chooses respondents that are convenient for the researcher to survey (Clow & James, 2013).

Apart from probability sampling, quota sampling produces the most generalisable research findings (Creswell, 2013). Convenience sampling presents the least generalisable research findings. However, this can be dealt with by recruiting as large as possible a sample to reduce error (Clow & James, 2013).

A volunteer or snowball sampling approach was used for this research. The questionnaire was distributed via electronic communication to existing networks of

the researcher. The researcher used email addresses social media applications to target black consumers in the researcher's professional and social network. The researcher was already in possession of the contact details of black consumers in the researcher's network and did not require consent to access those details. The researcher requested initial respondents to share the questionnaire with other potential respondents. Respondents that are volunteered for a snowball sample are most likely to distribute the questionnaire to other volunteers with similar characteristics, thus resulting in a homogenous sample (Saunders et al., 2018). The researcher sought to compensate for generalisability of the study by aiming to recruit at least 250 black respondents. The sample was supposed to be inclusive of black consumers of any sex, gender and sexual orientation, provided they meet the qualification criteria set out above.

## 4.5    Measurement instrument

### 4.5.1   Historical use of the CETSCALE

The researcher slightly adapted Sharma's reconceptualised CETSCALE to make it relevant to the context of this research (Sharma, 2015). As opposed to measuring affective reaction, cognitive bias and behavioural preference amongst South African vis-à-vis foreign goods, the researcher sought to examine these constructs amongst South Africa's black consumers vis-à-vis Black Professional Service Provides. Sharma developed the reconceptualised consumer ethnocentrism scale, an alternative to Shimp and Sharma's traditional CETSCALE (Shimp & Sharma, 1987). Shimp and Sharma's traditional CETSCALE covers broad social norms in respect of the buying of domestic products versus foreign products (see Figure 4) (Sharma, 2015; Zeugner-Roth et al., 2015), was developed for studying the general consumer tendencies in the United States of America and the resultant impact on the country's economic activity. The traditional CETSCALE measured general local consumer attitudes towards foreign products and the purchase intentions of local consumers (Shimp & Sharma, 1987). The traditional CETSCALE became the most commonly used scale to understand in-group bias amongst consumers of the home country (Siamagka & Balabanis, 2015). This scale has since been applied in various jurisdictions in the developed and developing world (Makanyeza & Du Toit, 2017), and more recently, the scale was reconceptualised into a 3 construct measurement

instrument which examines affective reaction, cognitive bias and behavioural preference (Sharma & Wu, 2015).

| No. | Item |
|-----|------|
| 1 | American people should always buy American-made products instead of imports. |
| 2 | Only those products that are unavailable in USA should be imported. |
| 3 | Buy American-made products. Keep American working. |
| 4 | American products, first, last, and foremost. |
| 5 | Purchasing foreign-made products is un-American. |
| 6 | It is not right to purchase foreign products. |
| 7 | A real American should buy American-made products. |
| 8 | We should purchase products manufactured in America instead of letting other countries get rich off us. |
| 9 | It is always best to purchase American products. |
| 10 | There should be very little trading or purchasing of goods from other countries unless out of necessity. |
| 11 | Americans should not buy foreign products, because this hurts American business and causes unemployment. |
| 12 | Curbs should be put on all imports. |
| 13 | It may cost me in the long-run but I prefer to support American products. |
| 14 | Foreigners should not be allowed to put their products on our markets. |
| 15 | Foreign products should be taxed heavily to reduce their entry into the USA. |
| 16 | We should buy from foreign countries only those products that we cannot obtain within our own country. |
| 17 | American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work. |

Figure 4. 17-item CETSCALE. Adapted from "Consumer Ethnocentrism Construction and the validation of the CETSCALE," by T. Shimp. and S. Sharma, 1987, *Journal of Marketing Research*, 24(3), p. 282. Copyright 1987 T. Shimp. & S. Sharma.

### 4.5.2  CETSCALE development and validation

The reconceptualised consumer ethnocentrism scale, a modified version of the traditional CESTSCALE, was developed after Sharma's study into the construct validity, dimensionality and cultural measurement invariance of the traditional CETSCALE (Sharma, 2015). The reconceptualised CETSCALE is divided into 3 sections which examine affective reaction, cognitive bias and behavioural preference. Sharma aimed at creating a version of the CETSCALE with improved applicability and generalisability across different types of nations, whether developed or developing, and whether heavily or less dependent on foreign products (Sharma, 2015).

To ensure that the reconceptualised CETSCALE was a representation of socio-psychological dimensions for consumers in different socio-economic and socio-cultural contexts, Sharma used the following process (Sharma, 2015):

- Sharma conducted an exhaustive review of international marketing literature to develop the most relevant and widely used dimensions. After conducting an exploratory factor analysis, dimensions with factor loadings below 0.40 and item-to-total correlations below 0.50 were eliminated.

- A sub-scale was developed for each of affective reaction, cognitive bias and behavioural preference, individual reliability was measured using Cronbach's alpha. Reliability of each sub-scales was established based on the showed high reliability scores (Cronbach's $\alpha = 0.80$ to $0.86$). The average scores for each sub-scale were found to be normally distributed with adequate variance.

- A confirmatory factor analysis was conducted and it showed a good fit based on measures such as the standardised root mean square residual (SRMR) which came in at 0.059.

- There was also an examination of convergent validity and discriminant validity, including the use of average variance extracted (AVE) by each factor.

- To test for cross-cultural measurement invariance, Sharma used Steenkamp and Baumgartner's multi-step procedure. This process assessed configural, factor covariance and factor variance.

- Predictive validity was tested using 2 sets of hierarchical multiple regression analyses. When compared to other types of scales, the reconceptualised CETSCALE outperformed similar socio-psychological consumer scales relating to cosmopolitanism, consumer animosity, patriotism, internationalism, nationalism and national identification. The 3 sub-scales of the reconceptualised CETSCALE (affective reaction, cognitive bias and behavioural preference) also showed significantly higher regression coefficients.

- Multicollinearity was not a major problem as low variance inflation factor (VIF) values (<2) were found.

Sharma's reconceptualised CETSCALE has been accepted as measurement instrument that can be applied to measure consumer ethnocentrism in multicultural contexts (De Nisco, Mainolfi, Marino, & Napolitano, 2016; Swoboda & Hirschmann, 2016). The reconceptualised CETSCALE appears in Figure 5.

**Revised Consumer Ethnocentrism Scale (CES)**

| Scale Items |
| --- |

**Affective Reaction**
1. I love the products and services from [Home Country].
2. I am proud of the products and services from [Home Country].
3. I admire the products and services from [Home Country].
4. I feel attached to the products and services from [Home Country].
5. I hate the products and services from foreign countries.
6. *I despise the products and services from foreign countries.*
7. **I am embarrassed by the products and services from foreign countries.**
8. **I feel no attachment with the products and services from foreign countries.**

**Cognitive Bias**
1. East or West, the products and services from [Home Country] are the best.
2. Products from [Home Country] are examples of best workmanship.
3. Service providers from [Home Country] have the best work attitudes.
4. Products and services from foreign countries are no match for those from [Home Country].
5. [Home Country] has the hardest working people in manufacturing industry.
6. *Service providers from [Home Country] are more caring than those in any foreign country.*
7. **Products from [Home Country] are guaranteed for best performance.**
8. **[Home Country] provides the most pleasant service experience.**

**Behavioral Preference**
1. For me, it's always the products from [Home Country] first, last and foremost.
2. If I have a choice, I would prefer buying products and services from [Home Country].
3. I prefer being served by service providers from [Home Country].
4. As far as possible, I avoid buying products and services from foreign countries.
5. I often refuse to buy a product or service because it is from a foreign country.
6. *I would much rather not buy a product or service, than buy one from a foreign country.*
7. **It may cost me in the long run but I support products and services from [Home Country].**
8. **I will never regret buying a product or service from [Home Country].**

Notes: 1) Items in bold were dropped due to low factor loadings and item-to-total correlations.
2) Items in *italics* do not show metric invariance (equal factor loadings) across the four groups.

Figure 5. Revised Consumer Ethnocentrism Scale. Adapted from "Consumer Ethnocentrism: Reconceptualization and Cross-cultural Validation," by P. Sharma, 2015, *Journal of International Business Studies*, 46(3), p. 386. Copyright 2015 P. Sharma.

### 4.5.3 Adaptation of the CETSCALE for this research

The questionnaire was made available in electronic format, in English. The questionnaire has an introductory paragraph explaining the reason why the questionnaire should only be responded to by black consumers and the respondent was required to confirm that they are black. The introductory paragraph also assured the respondent that the survey was responded to on an anonymous basis and that the respondents' responses would be kept confidential. No names or identity

numbers were required for the questionnaire. The questionnaire also required the respondent to supply some basic demographic information such as their age, gender and income group. This information was used for the researcher's descriptive statistical analysis.

The measurement instrument that was developed using the reconceptualised CETSCALE is attached as Appendix A. Different questions relate to different constructs - affective reaction, cognitive bias and behavioural preference (see Appendix A). As is the case with the traditional and reconceptualised CETSCALEs, the measurement instrument was a 7-point Likert-type agreement scale (El Banna et al., 2018). Likert-type scales are well suited to the measurement of tendencies, attitudes and beliefs of the people or groups about some object or event (Gracyalny, 2017). The items in the measurement instrument were phrased using particularly strong or definitive language to elicit meaningful responses. For example, the statement that "black service providers have the best work attitudes" is much more significant than a statement that provides that "black service providers have satisfactory work attitudes" (Gracyalny, 2017). To decrease the likelihood of confusion, the measurement instrument did not contain double negatives, double-barrelled and ambiguous terms (Horst & Pyburn, 2018).

The questions were scrambled to avoid order bias - i.e. to avoid respondent's tendency to choose alternative answers based on the position occupied by the question (Pentz et al., 2017). The measurement instrument had statements that are framed in both the negative and the positive. It has been found that Likert-type scale response is susceptible to acquiescence bias when questions are framed in a single manner (Gracyalny, 2017). Likert-type scales are also susceptible to the central tendency bias - in which respondents avoid extreme positions. Respondents may also tend to answer questions in a manner that will be viewed favourably by others (social desirability bias). The scrambling of the questions was meant to lead to consumers shuffling between positive declarations and negative declarations, which decreases the likelihood of acquiescence bias, central tendency bias and the social desirability bias (Horst & Pyburn, 2018). These influence of these biases is also averted by testing of validity and reliability of the data.

## 4.6    Data gathering process

Data was collected through a web-based questionnaire using Google Forms. A questionnaire is commonly used for descriptive research (Clow & James, 2013). A questionnaire allows the researcher to take a snapshot of social and economic conditions (Saunders et al., 2018). The questionnaire was distributed via electronic communication formats such as email and social media. The researcher aimed to distribute the questionnaire to at least 50 initial respondents and to get around four referrals per initial respondent. The Google Forms questionnaire service automatically recorded the responses which decreased the likelihood of errors when recording and sorting data (Saunders et al., 2018). No incentives, monetary or otherwise, were offered to the respondents.

The researcher conducted a pre-test amongst 20 respondents to identify any problems such as wording that creates confusion, spelling mistakes and disproportionately longer than anticipated completion time. Since no significant amendments needed to be made after pre-testing, no further ethical clearance was sought.

## 4.7    Analysis approach

The data set that was produced by Google Forms included basic descriptive statistics relating the age, sex and income groups of the respondents. The statistical tool SPSS and SmartPLS were be used for statistical analysis.

### 4.7.1   Descriptive statistics

After decoding the raw data, the researcher analysed and presented basic descriptive statistics, including:

- The sample size and the implications thereof for this research.
- The proportion of the respondents that are male or female.
- The proportion of the respondents in each of the age segments.
- The proportion of the respondents in each of the income segments.

### 4.7.2    Likert-type scales

The proper classification of the Likert-type scale appears to be contested ground (Joshi, Kale, Chandel, & Pal, 2015). Some scholars argue these scales are ordinal whilst others argue they are interval measures. With ordinal scales, numbers are

used to identify a particular response and to create some form of order (Clow & James, 2013). For example, children and adults will have the numbers one and two assigned to them as a differentiator between the group. The participant chooses a number to indicate the group they fall into. With interval scales, numbers are also used to show different data categories, but the distance between those categories is considered to be equal (Saunders et al., 2018). For example, if the range between the numbers representing worst, bad, good and best would be the same.

Scholars in favour of the ordinal view argue that its unrealistic to expect participants to perceive equal distances between the points. However, in the social sciences (like social psychology and marketing) the dominant view is that the Likert-type scale generally is an interval-level measure (Gracyalny, 2017; Wu & Leung, 2017). For purposes of this research, the measurement instrument will be regarded as an interval measure.

As is the case with most Likert-type scales, the higher the numeric value, the higher the agreement with the statement (Gracyalny, 2017). The midpoint response of the Likert-type scale, the neutral/uncertain response option, may be interpreted differently by various participants. This inconsistent interpretation may be a source of measurement error into the research (Gracyalny, 2017). Some participants that feel that the question is controversial may choose the midpoint to avoid answering the question. However, the researcher will persist with the 7 point Likert-type scale that contains a midpoint to preserve the design of the reconceptualised CETSCALE (Sharma, 2015) that has been adapted for racial categorisation. It has also been found that the 7-point scale increases the likelihood of gauging the objective reality as it provides participants with a greater variety of options (Joshi et al., 2015; Wu & Leung, 2017).

The traditional CETSCALE requires the use of mean scale value to establish the consumer ethnocentrism, with higher mean scale values indicating higher levels of consumer ethnocentrism (Pentz et al., 2017). The reconceptualised CETSCALE requires the use of a mean centred average score to examine dimension measured by the scale – affective reaction, cognitive bias and behavioural preference (Sharma, 2015). The intensity of each dimension will be determined using the following range:

- A mean equal to or greater than 5 – strong agreement.

- A mean equal to or greater than 3.5 but less than 5 – relatively strong agreement.
- A mean equal to or greater than 2.5 but less than 3.5 – weak.
- A mean of less than 2.5 – non-agreement.

The higher the mean centred average, the more intense the level of the respective dimension. A similar approach applied to this research.

### 4.7.3 Inferential statistics

The reliability and validity of the traditional CETSCALE and the reconceptualised CETSCALE are well established (De Nisco et al., 2016; Sharma, 2015; Siamagka & Balabanis, 2015; Swoboda & Hirschmann, 2016). The adaptation of this scale to an analogous inquiry (i.e. one based racial classification), does not diminish Sharma's work in respect of testing the validity and reliability attributable to the reconceptualised CETSCALE. Given that Likert-type scales (including the measurement instrument attached as Appendix A) are often concerned with the study of intangible items such as bias and emotions, it is was important to interrogate the reliability and validity of inferences drawn from the results (Horst & Pyburn, 2018).

#### 4.7.3.1 Partial least squares structural equation modelling (PLS-SEM)

Since the researcher had assimilated consumer ethnocentrism constructs in the measurement of a study whose primary theoretical foundation was the social identity theory, the researcher used the partial least squares structural equation modelling (PLS-SEM) inferential statistical approach. PLS-SEM is widely accepted statistical model in the areas of marketing and strategic management (Hair, Ringle, & Sarstedt, 2011; Ken Kwong-Kay Wong, 2013). The PLS-SEM model is usually utilised when, among other things, a researcher expects non-normal data, small sample sizes and formatively measured constructs (Hair et al., 2011; Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). If the structural or conceptual model being tested is complex or recursive or if the latent variable scores will be used subsequent analyses, researchers also use the PLS-SEM model (Hair et al., 2011; Henseler, Dijkstra, et al., 2014). Unlike covariance-based approach structural equation modelling (CB-SEM), PLS-SEM is used for both studies that are confirmatory (to confirm or reject theories) and exploratory (to extend or develop theories) (Hair et al., 2014). CB-SEM, on the other hand, is used for studies that are primarily confirmatory studies.

The main reason that the researcher chose PLS-SEM was the assimilation of consumer ethnocentrism constructs into a study primarily based on the social identity theory. This extension of the social identity theory was exploratory. PLS-SEM also has a combination of high predictive accuracy (Hair et al., 2014; Henseler, Dijkstra, et al., 2014), which was useful for the prediction of the accuracy of the constructs of cognitive bias, affective reaction and behavioural preference, which had not been previously used collectively to operationalise the social identity theory. The PLS-SEM model was also adopted for the following reasons:

- PLS-SEM is most commonly used in the area of marketing (Ringle, Sarstedt, & Straub, 2012). This research was concerned with consumer behaviour.
- When compared to CB-SEM, PLS-SEM demonstrates much better convergence behaviour and generally achieves higher levels of statistical power (Hair et al., 2014). This enabled the results to be generalised to the research population.

The statistical model underlying the structural equation model consists of an inner model (structural model) and the outer model (measurement model) (Hair, Matthews, Matthews, & Sarstedt, 2017). The relationships between the constructs are displayed in the inner model. A structural model assessment forms part of the inner model analysis and involves an assessment of how variables and constructs are connected based on theory and logic (Hair et al., 2014). The outer model is used to evaluate the relationships between the indicator variables and their corresponding construct (Hair et al., 2014).

Sampling is an essential consideration for PLS-SEM. It is commonly accepted that the PLS model should be meet the following sampling requirements (Hair et al., 2014):

- Equal to or greater than 10 times the largest number of formative indicators used to measure one construct.
- Equal to or greater than 10 times the largest number of inner model paths directed at a particular construct in the inner model.

However, this approach is supposed to be used with caution and researcher must consider model complexity, effect size, number of indicators data characteristics, reliability or other factors that are known to affect statistical power (Hair et al., 2014).

### 4.7.3.2       Principal component analysis (PCA)

Before running the PLS-SEM analysis, the researcher conducted principal component analysis (PCA) to verify the sampling adequacy and suitability for factorizability. The PCA is a technique for the processing data and extracting principal components from a large set of measured variables (Jollife & Cadima, 2016). The PCA is a technique for reducing the dimensionality of datasets (Bro & Smilde, 2014). The reduction of dimensionality makes the data more interpretable but at the same time minimises information loss (Jollife & Cadima, 2016). The following assumptions are made when performing a PCA (Hair, Black, Babin, & Anderson, 2010; Zikmund, Babib, Carr, & Griffin, 2013):

- The measured variables need to be of a quantitative and continuous nature.
- A linear relationship between the measured variables.
- Data does not contain any outliers.
- The researcher must have a large enough sample size.

The PCA was conducted in the following manner:

- Interpretation of Kaiser Meyer Olkin (KMO). The KMO is a measure of sampling fairness which indicates the proportion of variance in measured variables that are due to underlying factors. The KMO is measured on a scale of 0 to 1, where a measure greater than 0.5 is adequate (Hair et al., 2010).
- Bartlett's test for sphericity. Bartlett's test for sphericity compares the correlation matrix of the assigned measured variables with its identity matrix (Bro & Smilde, 2014). A PCA can only be performed if the result of Bartlett's test for sphericity is significant (p<0.05) (Hair et al., 2010).
- An assessment of the number of components extracted (Jollife & Cadima, 2016).
- Assessing the cumulative percentage of each variable (Zikmund et al., 2013).

### 4.7.3.3       Outer model analysis

For the outer model analysis, the researcher focused on reliability and validity. The researcher measured the internal consistency of scores for each dimension or construct (i.e. affective reaction, cognitive bias and behavioural preference) in order to determine the extent to which respondents used the scale consistently and the extent to which scores consist of random measurement error (Sharma, 2015;

Zikmund et al., 2013). Cognitive bias, affective reaction and behavioural preference were latent variables in the PLS outer model. Since the measurement instrument contained six questions for each of the main constructs (cognitive bias, affective reaction and behavioural preference), each question was labelled with reference to the main construct (e.g. AR1, CB1 and BP1) so that each questions factor loadings and other reliability and validity data could separately represented

For this purpose, the researcher used Cronbach alpha (co-efficient α), a reliability co-efficient commonly used to test the internal consistency of dimensions (Horst & Pyburn, 2018). The researcher also used composite reliability scores for purposes of reliability (Hair, Matthews, et al., 2017). When one used PLS-SEM, Cronbach's alpha serves as the lower bound of internal consistency reliability, while composite reliability is classified as the upper-bound of internal consistency reliability (Sarstedt, Ringle, & Hair, 2017). This is why the researcher used both measures. The researcher adopted a minimum threshold of 0.7 for the Cronbach alpha score and 0.8 for the composite reliability score, as these are minimums prescribed for the PLS-SEM model (Hair, Matthews, et al., 2017).The reliability of the PLS outer model would be confirmed if all reported reliability indices exceeded the minimum thresholds.

Convergent validity refers to the association between variables of the same construct (Hair, Matthews, et al., 2017). Convergent validity, for which the outer loadings should exceed 0.708, also requires the examination of the outer loadings of the indicators to determine the AVE from each construct (Hair, Matthews, et al., 2017). The convergent validity of the research model was assessed by evaluating the factor loadings of each measured variable on its latent variable as well as the AVE scores for each latent variable in the research model (Henseler, Dijkstra, et al., 2014). Based on the minimum recommended thresholds for factor loadings (>0.6) and AVE (>0.5) (Awang, Afthanorhan, & Mamat, 2016; Awang, Wan Afthanorhan, & Asri, 2015), the measured variables that did not meet these variables were removed from the model.

Discriminant validity denotes that each construct represents a unique phenomenon (Henseler, Ringle, & Sarstedt, 2014). Discriminant validity of the research model was assessed by evaluating the Fornell-Larcker Criterion matrix (Henseler, Ringle, et al., 2014; Sarstedt et al., 2017). If correlations in the Fornell-Larcker Criterion matrix exceeded 0.9, then discriminant validity of the model would be disconfirmed (Henseler, Ringle, et al., 2014). Furthermore, the item cross-loading matrix was assessed.

### 4.7.3.4 Inner model analysis

After concluding that the outer model analysis and provided that the reliability and validity thresholds are satisfied, the researcher then performs the inner model analysis (Hair, Matthews, et al., 2017). The inner model assessment is intended to examine the theoretical model (Henseler, Dijkstra, et al., 2014). The inner model analysis was conducted in the following manner:

- The inner model was assessed for collinearity issues by interpreting the variance VIF scores (Sarstedt et al., 2017). Each construct was examined separately for collinearity. The researcher adopted a maximum VIF score of 5, as per Hair (2017). Collinearity facilitates the merger of problematic indicators, extraction of problematic indicators and the development of higher-order constructs. After confirming the reliability, validity and inner model collinearity assessment, descriptive statistics were reported for the latent variables of the research model. The researcher also sought to assess the distribution of the data by evaluating the Shapiro-Wilk test for normality (Hair, Matthews, et al., 2017). All significance values of less than <0.05 indicated that the data was not normally distributed. However, it must be noted that PLS-SEM also caters for data that is not normally distributed (Hair et al., 2014; Ken Kwong-Kay Wong, 2013).

- The bootstrapping method was run to evaluate the significance of the model fit indices as well as the path co-efficients of the research model (Henseler, Dijkstra, et al., 2014). Bootstrapping involves the utilisation of the consistent PLS algorithm (Hair et al., 2017). The consistent PLS algorithm runs a correction of reflective constructs' correlations (Dijkstra & Henseler, 2015). This is done to make the results compatible with a factor-model. The nonparametric procedure of bootstrapping enables for the assessment of statistical significance of specific PLS-SEM results such as Cronbach's alpha, path co-efficients, $R^2$ values and heterotrait-monotrait ratio of correlations (Dijkstra & Henseler, 2015; J. Hair, Matthews, et al., 2017; Ken Kwong-Kay Wong, 2013).

- The structural model evaluation involved an analysis of co-efficient of determination $R^2$, Cohens $F^2$ and Stone-Geisser's $Q^2$. $R^2$ is a measure of predictive power of the model. The $R^2$ value ranges from 0 – 1. The closer to 1 an $R^2$ value is the higher the predictive power (Dijkstra & Henseler, 2015).

Stone-Geisser's $Q^2$ was evaluated to assess the research model's predictive relevancy. The blindfolding algorithm is run to examine Stone-Geisser's $Q^2$ (Hair, Matthews, et al., 2017). Cohens $F^2$ evaluates the impact of predictor variable on a dependent variable (Hair, Hult, Ringle, Sarstedt, & Thiele, 2017). For both Stone-Geisser's $Q^2$ and Cohens $F^2$ measures, values are weak at 0.02, moderately strong at 0.15 and strong at 0.35 (Hair, Matthews, et al., 2017).

- Furthermore, the SRMR was evaluated for the model fit (Hair et al., 2017). The maximum threshold for a good model fit is 0.10 (Cangur & Ercan, 2015).

## 4.8    Comparison of PLS-SEM to Sharma's approach

Like Sharma (2015), the researcher utilised structural equation modelling in the analysis of the model and the 3 constitutive constructs of the measurement instrument that was adapted for race (affective reaction, cognitive bias and behavioural preference). The following tests conducted by Sharma (2015) were similar to the tests conducted by the researcher:

- A factor loading assessment was conducted in respect of each variable or construct.
- Cronbach's alpha was one of the measures used when examining the reliability of each construct or sub-scale.
- AVE scores for each latent variable were validity indicators.
-  VIF values were used in the multicollinearity analysis.
- An SRMR was used for the evaluation of model fit.

However, unlike Sharma, the researcher used PLS-SEM as opposed to the CB-SEM approach used by Sharma. CB-SEM was appropriate for Sharma's study as his data was normally distributed, and his sample size (N=1448) was significantly higher than the proposed and actual sample size of this research (Sharma, 2015). In light of the sampling limitations of this research (see 4.4 above and 6.2 below), the researcher's use of the PLS-SEM was more appropriate as PLS-SEM is often used for studies with non-normal data and small sample sizes (Hair et al., 2014). The inner model and outer model assessments conducted by researcher are summarised below in Figure 6.
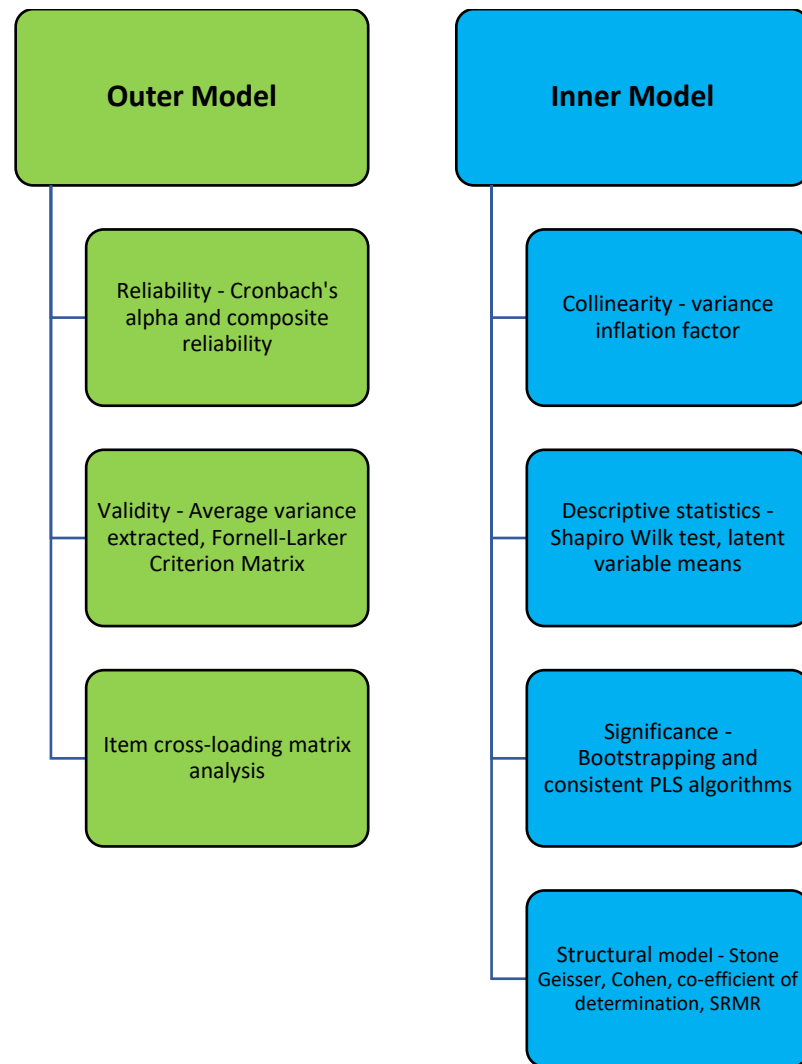
Figure 6. The inner model and outer model of the PLS-SEM.

## 4.9    Ethical considerations

In accordance with the guidance given by Creswell (2013), the researcher was mindful the interests of the respondents and the academic institution (the Gordon Institute of Business Science). The research process to conducted with honesty. The respondents were fully informed of their rights so that they could give informed consent to participating in this research. The researcher gave respondents an assurance that their participation in the research would not prejudice them in any way. The researcher also made confidentiality and anonymity undertakings in favour of the respondents (as contained in the questionnaire). The researcher also ensured that relevant citations were provided where the researcher utilised the ideas of others. The researcher used the Turnitin software to ensure that all opinions and ideas were properly referenced (see Turnitin report and digital receipt in Appendix B).

The researcher obtained ethical approval for the conduct the researcher and the researcher complied with the prescripts of such ethical clearance (see Appendix C).

## 4.10   Limitations

This research was not representative of the consumer preference for consumers or goods and services that fall outside the scope of this research. Since this research is located in urban South Africa, the researcher appreciated it results could be used to explain for the preferences of black consumers in rural communities. This research was not meant to explore differences between the levels of positive affective reaction, cognitive bias and behavioural preference amongst different sub-groups of the black population. These are areas that future researchers may wish to investigate. The researcher bore these limitations in mind when analysing the data (see Chapter 5).

# Chapter 5: Results and analysis

This Chapter presents the results of the research study in accordance with the objectives of the study and the hypotheses that were deduced from a review of the relevant literature. The Chapter begins by presenting descriptive statistics of the sample population to the final sample size and the 3 descriptive analysis administered in the measurement instrument. Following the descriptive analytics, the researcher then presents an inferential statistical analysis based on the process described in Chapter 4 with the primary aim of evaluating black consumers preference for black professional service providers.

## 5.1    Research sample

As presented in Chapter 4, the researcher sought to obtain a sample size of between 250 - 300. The actual raw sample achieved was 264. Based on the process described by Zikmund et al. (2013), through data cleaning, 9 respondents were removed as they failed to complete more than 50% of the questionnaire. As summarised in Table 4, all remaining respondents reported a completion rate of 100%, thus no data imputation was conducted. The final sample size achieved for this research was 255, and the sample size was evaluated as adequate based on the minimum sample size required to perform the PLS statistical test.

Table 4

*Description of the sample size (N = 255)*

| Attribute | Total |
|---|---|
| Raw sample size | 264 |
| Respondents with less than 50% completion | 9 |
| Respondents with 100% completion | 255 |
| Respondents with between 50 - 100% completion | 0 |
| Data points imputed (MAR assumed) | 0 |
| **Final sample size** | **255** |

## 5.2    Descriptive statistics

Three descriptive questions were adopted for this research to gain an understanding of targeted demographic artefacts of the sample population. As summarised in Table 5, the gender representation of the sample was well balanced with slightly more males (52.5%) in the final sample.

Table 5

*Gender of the respondents (N = 255)*

|  | Frequency | Percentage |
|---|---|---|
| Female | 121 | 47.5 |
| Male | 134 | 52.5 |
| Total | 255 | 100.0 |

Table 6 summarises the age categories of the research sample, indicating that more than 80% of the sample were younger than 40 years.

Table 6

*Age distribution of respondents*

| Category | Frequency | Percentage |
|---|---|---|
| < 19 years | 2 | 0.8 |
| 20 - 29 years | 94 | 36.9 |
| 30 - 39 years | 130 | 51.0 |
| 40 - 49 years | 28 | 11.0 |
| 50 - 59 years | 1 | 0.4 |
| Total | 255 | 100 |

Furthermore, as summarised in Table 7, the sample included only 5.5% low-income respondents, with near approximately 56.5% middle income, and just below 38% high-income respondents.

Table 7

*Gross income per month*

| Category | Frequency | Percentage |
|---|---|---|
| R5 800 - R10 000 | 14 | 5.5 |
| R10 001 – R20 000 | 27 | 10.6 |
| R20 001 – R30 000 | 47 | 18.4 |
| R30 001 – R40 000 | 37 | 14.5 |
| R40 001 – R50 000 | 35 | 13.7 |
| More than R50 000 | 95 | 37.3 |
| Total | 255 | 100 |

## 5.4    PCA results

PCA was suitable for this research based on the following:

- The measured variables were of a quantitative and continuous nature as the measurement instrument was an interval type Likert scale (Wu & Leung, 2017).
- There linear relationship between the measured variables.
- The data didn't contain any outliers as there were no data points in excess of 3 standard deviations from the mean.
- That sample size of 255 was large enough (MacCallum, Widaman, Zhang, & Hong, 1999).

As summarised in Table 8, a PCA analysis was conducted to verify the sampling adequacy and suitability for factorizability. All KMO values for the 3 latent variables reported KMO scores >0.50 with affective reaction and cognitive bias scores being classified as meritorious (0.80<KMO<0.89), while behavioural preference was classified as middling (0.70<KMO<0.79). Furthermore, Bartlett's test for sphericity reported significance values <0.05 further indicating that the data was suitable for factor analysis. Each of the latent variables all extracted one component each with a reported cumulative parentage >50%.

Table 8

*Principal component factor analysis*

| Construct | KMO | Bartlett's test of Sphericity | Number of Components extracted | Cumulative % |
|---|---|---|---|---|
| Affective reaction | 0.80 | 0.00 | 1 | 67.60 |
| Behavioural preference | 0.78 | 0.00 | 1 | 67.21 |
| Cognitive bias | 0.86 | 0.00 | 1 | 65.92 |

## 5.5 PLS outer model analysis

Reliability and validity of the research model were assessed by evaluating the PLS outer model as described in Chapter 4. The outer model assessment was an iterative process based on ensuring the overall validity and reliability of the model. Five measured variables (AR5, AR6, BP5, BP6 and CB4) were removed from the model due to validity issues which will be described later in this 5.5.

Internal consistency reliability was assessed by evaluating the Cronbach alpha and composite reliability scores. The researcher applied a minimum threshold of 0.7 for the Cronbach alpha score and 0.8 for the composite reliability score (Hair, Matthews,

et al., 2017). As summarised in Table 9, the latent variable affective reaction initially reported a Cronbach alpha score of 0.73 and a composite reliability score of 0.82, with the removal of the measured variables AR5 and AR6 these reliability scores improved to 0.84 (Cronbach alpha) and 0.89 (composite reliability). Similarly, the latent variable cognitive bias initially reported a Cronbach alpha score of 0.86 and a composite reliability score of 0.90, with the removal of the measured variable CB4 these reliability scores improved to 0.87 (Cronbach alpha) and 0.91 (composite reliability). Finally, the latent variable behavioural preference initially reported a Cronbach alpha score of 0.81 and a composite reliability score of 0.89, with the removal of the measured variables BP5 and BP6, the Cronbach alpha increased to 0.83, and composite reality remained at 0.89. The reported results confirmed reliability of the PLS outer model as all reported reliability indices exceeded the minimum threshold as prescribed by Hair et al. (2017).

Table 9

*Reliability and validity outcomes*

| Latent Variable | Measured variable | Factor loadings | Cronbach's Alpha | Composite Reliability | AVE |
|---|---|---|---|---|---|
| Affective reaction | AR1 | 0.84 | 0.84 | 0.89 | 0.68 |
| | AR2 | 0.85 | | | |
| | AR3 | 0.82 | | | |
| | AR4 | 0.78 | | | |
| | AR5* | 0.29 | | | |
| | AR6* | 0.33 | | | |
| Behavioural preference | BP1 | 0.87 | 0.83 | 0.89 | 0.67 |
| | BP2 | 0.84 | | | |
| | BP3 | 0.89 | | | |
| | BP4 | 0.65 | | | |
| | BP5* | 0.58 | | | |
| | BP6* | 0.49 | | | |
| Cognitive bias | CB1 | 0.85 | 0.87 | 0.91 | 0.66 |
| | CB2 | 0.86 | | | |
| | CB3 | 0.82 | | | |
| | CB4* | 0.57 | | | |
| | CB5 | 0.83 | | | |
| | CB6 | 0.69 | | | |

*removed from model

Convergent validity of the research model was assessed by evaluating the factor loadings of each measured variable on its latent variable as well as the AVE scores for each latent variable in the research model. As summarised in Table 9, the factor loadings for the measured variables AR5, AR6, BP5, BP6 and CB4 all reported factor loadings were <0.6. The AVE for each of the research latent variables was also assessed with

affective reaction reporting an AVE <0.5. Based on the minimum recommended thresholds for factor loadings (>0.6) and AVE (>0.5) the measured variables AR5, AR6, BP5, BP6 and CB4 were removed from the model. All AVE scores improved after deleting these measured variables and all latent variable scores exceeded the minimum threshold prescribed as they were in excess of 0.5 (Awang et al., 2016, 2015). Based on these results convergent validity was confirmed for the research model, therefore, implying that affective reaction, cognitive bias and behavioural preference are representative of valid and reliable dimensions (Sharma, 2015).

The discriminant validity of the research model was assessed by evaluating the Fornell-Larcker Criterion matrix. As summarised in Table 10, no correlations exceeded 0.9 as per the prescribed threshold by Henseler et al. (2017). Furthermore, the item cross-loading matrix was assessed (see Table 11), and all measured variables loaded stronger on their own respective latent variable. Based on the results of the Fornell-Larker criterion matrix and the item cross-loading matrix, discriminant validity of the research model was confirmed.

Table 10

*Fornell-Larcker criterion matrix*

|  | Affective reaction | Behavioural preference | Cognitive bias |
|---|---|---|---|
| Affective reaction | 0.82 | | |
| Behavioural preference | 0.68 | 0.82 | |
| Cognitive bias | 0.76 | 0.57 | 0.81 |

Table 11

*Item cross-loading matrix*

|  | Affective reaction | Behavioural preference | Cognitive bias |
|---|---|---|---|
| AR1 | 0.84 | 0.52 | 0.64 |
| AR2 | 0.85 | 0.51 | 0.70 |
| AR3 | 0.82 | 0.51 | 0.59 |
| AR4 | 0.78 | 0.70 | 0.57 |
| BF1 | 0.62 | 0.87 | 0.55 |
| BF2 | 0.64 | 0.84 | 0.47 |
| BF3 | 0.57 | 0.89 | 0.46 |
| BF4 | 0.37 | 0.65 | 0.36 |
| CB1 | 0.62 | 0.47 | 0.85 |
| CB2 | 0.66 | 0.43 | 0.86 |
| CB3 | 0.61 | 0.44 | 0.82 |
| CB5 | 0.68 | 0.49 | 0.83 |
| CB6 | 0.50 | 0.49 | 0.69 |

## 5.6    PLS inner model assessment

The PLS inner model for the structural or conceptual research model was then evaluated after confirming both reliability and validity of the PLS outer model. The inner model was assessed for collinearity issues by interpreting the VIF scores. As summarised in Table 12, all VIF scores for the measured variables were less than the maximum of 5 as adopted by the researcher, indicating that the research model had no collinearity issues.

Table 12

*VIF scores*

| Item | VIF |
|------|-----|
| AR1 | 2.0 |
| AR2 | 2.1 |
| AR3 | 1.9 |
| AR4 | 2.3 |
| BF1 | 2.3 |
| BF2 | 2.5 |
| BF3 | 2.7 |
| BF4 | 1.4 |
| CB1 | 2.6 |
| CB2 | 3.0 |
| CB3 | 2.0 |
| CB5 | 2.4 |
| CB6 | 1.4 |

### 5.6.1   Construct descriptives

After confirming the reliability and validity of the outer model, and conducting the inner model collinearity assessment, descriptive statistics were reported for the latent variables of the research model (see Table 13). The latent variable affective reaction reported the highest mean at 5.10 followed by behavioural preference at 4.87 and cognitive bias reported the lowest mean at 4.30. All latent variables reported means in excess of the midpoint of the 7 point Likert-type scale adopted, indicating a strong preference towards the trait.

Table 13

*Latent variable descriptive statistics (N = 255)*

| Construct | Mean Statistic | Std. Deviation Statistic | Skewness Statistic | Skewness Std. Error | Kurtosis Statistic | Kurtosis Std. Error |
|---|---|---|---|---|---|---|
| Affective reaction | 5.10 | 1.31 | -0.75 | 0.15 | 0.24 | 0.30 |
| Behavioural preference | 4.87 | 1.49 | -0.53 | 0.15 | -0.36 | 0.30 |
| Cognitive bias | 4.30 | 1.24 | -0.06 | 0.15 | -0.13 | 0.30 |

Furthermore, the research sought to assess the distribution of the data by evaluating the Shapiro-Wilk test for normality. All significance values were <0.05, indicating that the data was not normally distributed (see Table 14). This posed no issue for the PLS model, as the PLS technique caters for data that is not normally distributed (Hair et al., 2014).

Table 14

*Tests for normality*

| Construct | Kolmogorov-Smirnov[a] Statistic | Kolmogorov-Smirnov[a] df | Kolmogorov-Smirnov[a] Sig. | Shapiro-Wilk Statistic | Shapiro-Wilk df | Shapiro-Wilk Sig. |
|---|---|---|---|---|---|---|
| Affective reaction | 0.09 | 255.00 | 0.00 | 0.95 | 255.00 | 0.00 |
| Behavioural preference | 0.08 | 255.00 | 0.00 | 0.96 | 255.00 | 0.00 |
| Cognitive bias | 0.08 | 255.00 | 0.00 | 0.99 | 255.00 | 0.02 |

a. Lilliefors Significance Correction

### 5.6.2 Structural model assessment

#### 5.6.2.1 Revised model

The conceptual model was developed as a reflective model, as discussed in Chapter 4. The bootstrapping method was run to evaluate the significance of the model fit indices as well as the path co-efficients of the research model. The initial structural or conceptual model is depicted in Figure 7 below. The revised research model based on the inner and outer model assessment is depicted in Figure 8. As indicated in 5.5 above, the measured variables AR5, AR6, BP5, BP6 and CB4 were removed from the structural model.
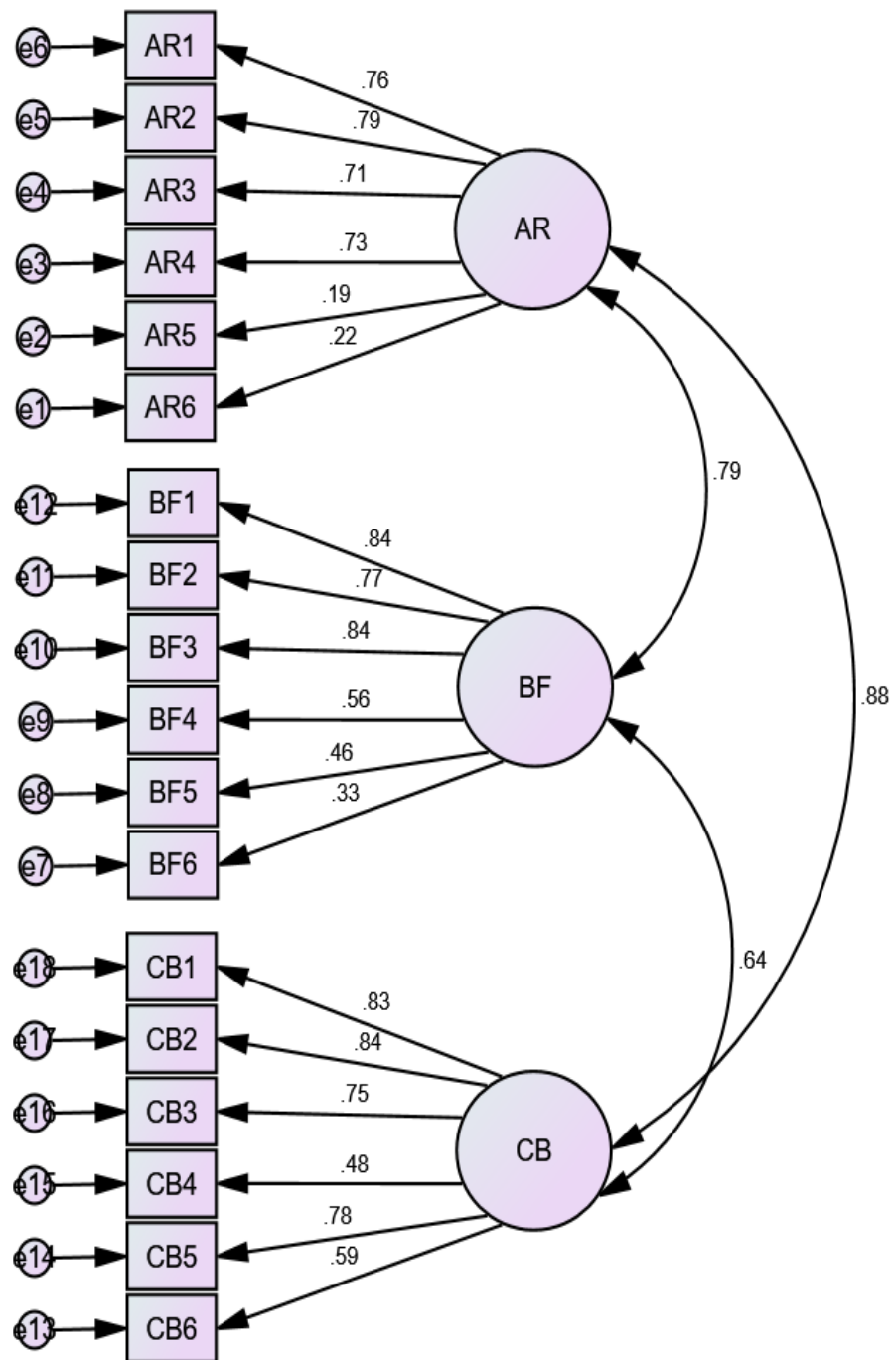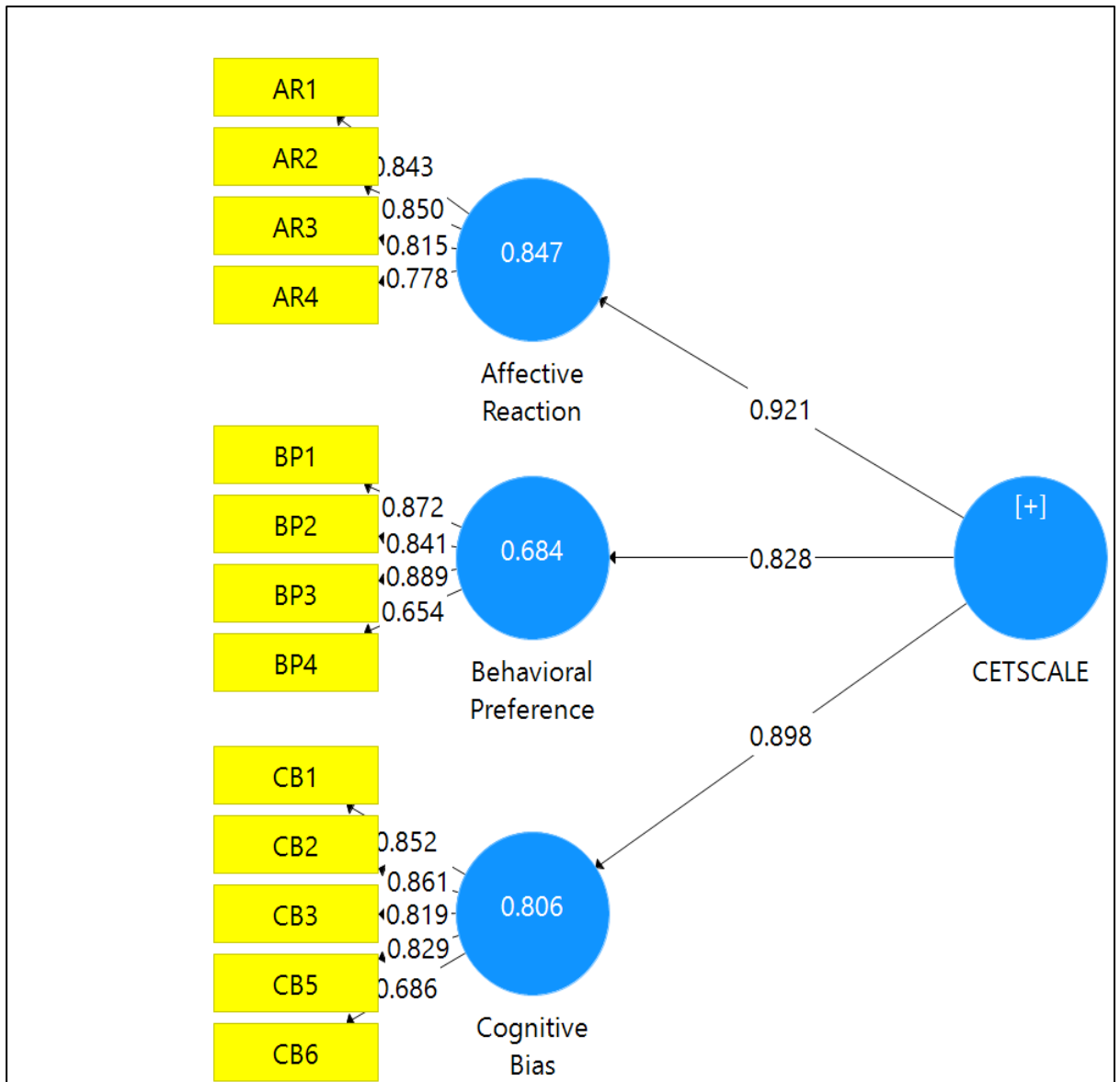
Figure 7. Initial Research Model.

Figure 8. Revised Research Model.

### 5.6.2.2 Hypothesis 1

The first research question sought to establish if there was a significant affective reaction among black consumers towards Black Professional Service Providers. This posited a positive relationship between affective reaction and the reconceptualised CETSCALE (as adapted for race) within the scope of the research on black consumers preferences towards Black Professional Service Providers.

As illustrated in Figure 8, the path co-efficient between the reconceptualised CETSCALE (as adapted for race) and affective reaction was reported as 0.921 (p≤0.05). It was therefore confirmed that there is a strong/significant and positive affective reaction

among black consumers towards Black Professional Service Providers. Furthermore, a strong co-efficient of determination ($R^2$) was reported - 0.8 (p≤0.05).

Therefore, H1, that proposed that Black consumers have a strong positive affective reaction towards Black Service Providers, is supported.

### 5.6.2.3        Hypothesis 2

The second research question sought to establish if black consumers are cognitively biased in favour of Black Professional Service Providers. This posited a positive relationship between cognitive bias and the reconceptualised CETSCALE within the scope of the research on black consumers preferences towards Black Professional Service Providers.

As illustrated in Figure 8, the path co-efficient between the reconceptualised CETSCALE (as adapted for race) and cognitive bias was reported as 0.898 (p≤0.05). It was, therefore confirmed that black consumers are cognitively biased in favour of black service providers. Furthermore, a strong co-efficient of determination ($R^2$) was reported - 0.806 (p≤0.05).

Therefore, H2, that proposed that Black consumers are cognitively biased in favour of Black Professional Service Providers is supported.

### 5.6.2.4        Hypothesis 3

The third research question sought to establish if black consumers have a strong behavioural preference for Black Professional Service Providers. This posited a positive relationship between behavioural preference and the reconceptualised CETSCALE (as adapted for race) within the scope of the research on black consumers preferences towards black service providers.

As illustrated in Figure 8, the path co-efficient between the reconceptualised CETSCALE (as adapted for race) and behavioural preference was reported as 0.828 (p≤0.05). It was therefore confirmed that black consumers have a strong behavioural preference for black service providers. Furthermore, a strong co-efficient of determination ($R^2$) was reported - 0.684 (p≤0.05).

Therefore, H3, that proposed that Black consumers have a strong behavioural preference for Black Professional Service Providers, is supported.

### 5.6.2.5     Model fit assessment

As discussed in Chapter 4, bootstrapping and blindfolding were conducted to evaluate the significance and validity of the research model. The bootstrap results for the path co-efficients are summarised in Table 15 below.

Table 15

*Bootstrapping*

| Hypothesis | Path co-efficient | T Statistics | P Values |
|---|---|---|---|
| CETSCALE -> Affective reaction | 0.921 | 99.238 | 0.00 |
| CETSCALE -> Behavioural reference | 0.828 | 37.96 | 0.00 |
| CETSCALE -> Cognitive bias | 0.898 | 73.269 | 0.00 |

In addition, Stone-Geisser's $Q^2$ was evaluated to assess the research model's predictive relevancy. A very strong predictive relevancy (>0.35) was reported for each of the latent variables (Hair, Matthews, et al., 2017) as summarised in Table 16.

Table 16

*Stone-Geisser's $Q^2$*

| Construct | SSO | SSE | $Q^2$ (=1-SSE/SSO) |
|---|---|---|---|
| Affective reaction | 1,020 | 471.77 | 0.54 |
| Behavioural preference | 1,020 | 580.88 | 0.43 |
| Cognitive bias | 1,275 | 640.48 | 0.50 |

Furthermore, the SRMR for the model fit index was reported as a fair 0.12. This slightly above the maximum threshold for a good model fit, which is 0.10 (Cangur & Ercan, 2015). However, it must be noted that PLS-SEM does not have a standard goodness-of-fit statistic, and various attempts to establish this standard have not succeeded (Hair et al., 2014). Instead, model quality is based on the $R^2$, Cohens $F^2$ and Stone-Geisser's $Q^2$.

## 5.7     Summary

See Table 17 below for a summary of statistical outcomes in relation to the hypotheses.

Table 17

*Summary of statistical outcomes*

| Hypotheses | Results and Hypotheses |
|---|---|
| H1: Black consumers have a strong positive affective reaction towards Black Service Providers | H1 is supported based on the following:<br>• the latent variable affective reaction reported a mean of 5.10, which is in excess of the midpoint of the 7 point Likert-type scale, indicating a strong preference towards the trait;<br>• the path co-efficient between the reconceptualised CETSCALE (as adapted for race) and affective reaction was reported as 0.921 (p≤0.05); and<br>• a strong co-efficient of determination ($R^2$) was reported - 0.8 (p≤0.05), which indicates strong predictive power. |
| H2: Black consumers are cognitively biased in favour of Black Professional Service Providers | H2 is supported based on the following:<br>• the latent variable cognitive bias reported a mean of 4.30, which is in excess of the midpoint of the 7 point Likert-type scale, indicating a strong preference towards the trait;<br>• the path co-efficient between the reconceptualised CETSCALE (as adapted for race) and cognitive bias was reported as 0.898 (p≤0.05); and<br>• a strong co-efficient of determination ($R^2$) was reported - 0.806 (p≤0.05), which indicates strong predictive power. |
| H3: Black consumers have a strong behavioural preference for Black Professional Service Providers | H3 is supported based on the following:<br>• the latent variable behavioural preference reported a mean of 4.87, which is in excess of the midpoint of the 7 point Likert-type scale, indicating a strong preference towards the trait;<br>• the path co-efficient between the CETSCALE (as adapted for race) and behavioural preference was reported as 0.828 (p≤0.05); and<br>• a strong co-efficient of determination ($R^2$) was reported - 0.684 (p≤0.05), which indicates strong predictive power. |

The results summarised in Table 17 are discussed in more detail in Chapter 6 of this report.

# Chapter 6: Discussion of Results

## 6.1    Introduction

The central aim of this research was the investigation of the preference that South Africa's black consumers have for Black Professional Service Providers. This research was carried out in the context of a South Africa struggling with racial inequality, and a country in which racial classification is a salient feature of identity (Meyer et al., 2016). With the introduction of BBBEE, the racial classification of economic participants has become a key feature of economic development conversations in South Africa (Morris, 2018; Ntim & Soobaroyen, 2013). The researcher expected the awareness that black consumers have of the inferior economic position (Dumont & van Lill, 2009), to motivate black consumer to have a preference for Black Professional Services Providers, as this would be beneficial towards the collective interests of black people (Ding et al., 2017; Harmeling et al., 2017).

The research was limited to legal, medical, accounting and auditing professionals. The professions were chosen because most consumers in South Africa would have an elementary understanding of the functions performed by these professionals. These are also professions in which racial transformation was highly relevant (Klaaren, 2015). This research focused on the services sector, as opposed to the physical goods sector, because of the ever-increasing share of spend that the services sector was attracting and the interpersonal nature of the consumer decision-making process (Patterson, 2016). The literature review established that race and ethnicity influence the consumer decision-making process (Bartlett et al., 2016; Tripat et al., 2017; Zeugner-Roth et al., 2015). The researcher expected race to have a more pertinent influence on the procurement of services because of the interpersonal nature of services.

The preference of black people was conceptualised by using the social identity theory as a theoretical base of this research. The literature review revealed that the social identity theory is a multidimensional concept (Postmes et al., 2013) whose primary components are categorisation, identification and social comparison (Hogg et al., 2017; Mols et al., 2015). However, the researcher operationalised this research by using elements of Sharma's reconceptualised dimensions of consumer ethnocentrism which are affective reaction, cognitive bias and behavioural

preference (Sharma, 2015). After examining the basic tenets of the social identity research, the researcher concluded that these dimensions are embedded with the primary components of the social identity theory (see Figure 1, Figure 2 and Figure 3). Based on these similarities (see Table 2 and Table 3) and the multidimensionality of the social identity theory, the manner in which this research was operationalised was appropriate.

Based on the use of the reconceptualised CETSCALE in the operationalisation of this research, the research design was descripto-exploratory (Saunders et al., 2018). The researched focused on using social identity phenomena to describe real-life occurrences, while assimilating components of consumer ethnocentrism into the measurement instrument. As indicated in Figure 9, the researcher used the PLS-SEM model to assess the conceptual model developed after the review of relevant literature and to determine the hypothesised relationships.
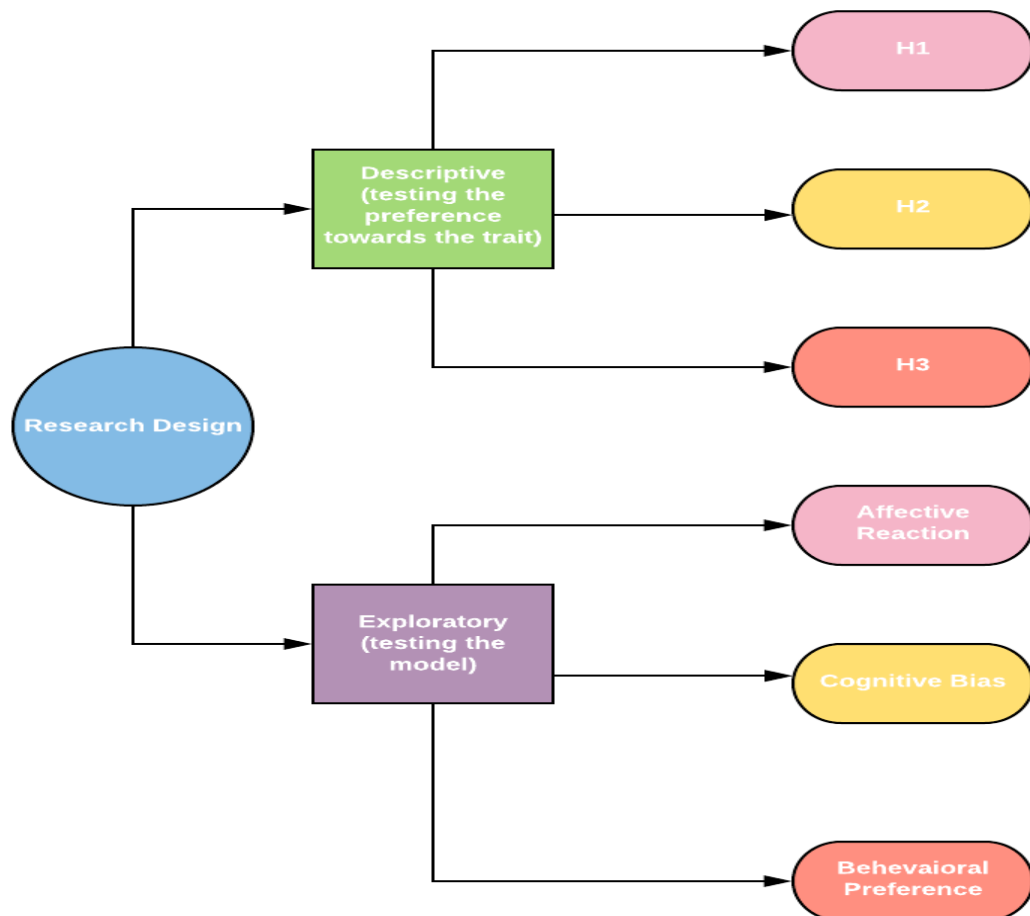


Figure 9. Descripto-explanatory design of the research.

## 6.2    Composition of the sample

As indicated in Chapter 5 of this report, the 255 respondents, included 47.5% black females and 52.5% males. Females constitute 51.1% of the black South African population, whilst males account for the remaining and 48.9% (Statistics South Africa, 2018). Accordingly, the sample was reasonably representative of the black South African population.

Approximately 88.7% of the respondents fell within the 18-40 age group, i.e. the millennials. Black South Africans between the ages of 20-40 only constitute 35% of the black South African population (Statistics South Africa, 2018). Accordingly, the sample was disproportionate in terms of a larger representation of the younger portion of the black population group in South Africa.

As indicated above, the average salary of black South Africans on the lower end is R5 800 per month. However, on the higher end, the average monthly salary for Indian South Africans is R17 982 (Statistics South Africa, 2015). Of the 255 respondents, approximately 5.5% were within the lower-income band and only 10.6% of black South Africans earned between R10 000 and R20 000. This means that more than 80% of the sample earned above the lower- and higher ends of average salary levels of black South Africans. The respondents were therefore disproportionately affluent when compared to the average black South African.

Although the sample was substantively representative of the gender distribution of black South Africans, the sample was not fully representative of the age and income distributions of black South Africans. Since the sample was not fully representative in all aspects, it is subject to sample bias based on youth and affluence (O'Muircheartaigh & Hedges, 2014). Even use of the PSL-SEM methodology does not cure the problems related to non-representative samples (Hair, Risher, Sarstedt, & Ringle, 2019). The researcher's failure to obtain a fully representative sample is in part attributable to the use of non-probability sampling as this sampling approach is less likely to produce fully representative populations (Saunders et al., 2018). According to O'Muircheartaigh and Hedge (2014), the use of probability sampling in social research is not always feasible because of the following reasons:

- Social experiments are expensive and require a significant time investment.
- A researcher does not always have advance knowledge of their population of interest.

- The availability of the inference population may be limited.

As indicated in Chapter 4, some of the researcher's limitations related to financial resources and time, in addition to the fact that the researcher did not have a full list of the population of this study. While a future researcher may face similar challenges, the findings of the research may be supported by a prospective study with similar research questions but which uses probability sampling in order to procure a representative sample.

## 6.3 Discussion of Hypothesis 1

**Black consumers have a strong positive affective reaction towards Black Service Providers**

In a nation where racial social identity is prominent (Dumont & van Lill, 2009; Morris, 2018), the researcher expected black consumers to distinguish between black and white South Africans and identity themselves as black people (Mols & Weber, 2013; Wheelan & Hogg, 2016). As a result of the process of categorisation and identification, South Africa's black consumers were expected to develop a strong psychological and emotional bond with Black Professional Service Providers (Tajfel & Turner, 1986; Tse & Chiu, 2014).

In terms of the adaptation of Sharma's reconceptualised CETSCALE for this research, the affective reaction questions related to a consumer's natural liking for the services of Black Professional Service Providers, and a disinclination for the professional advisory services provided by services providers that are not black. This sub-scale relevant to this hypothesis was comprised of the questions set out in Table 18.

Table 18

*Affective reaction questions*

| No | Question | Label |
|----|----------|-------|
| **Affective Reaction** | |
| 1 | I love the services that are provided by black service providers. | AR1 |
| 2 | I am proud of the services provided by black service providers. | AR2 |
| 3 | I admire the services provided by black service providers. | AR3 |
| 4 | I feel attached to the services provided by black service providers. | AR4 |
| 5 | I hate the services that are provided by service providers that are not black. | AR5 |
| 6 | I despise the products and services that are provided by service providers that are not black. | AR6 |

The latent variable affective reaction reported a mean of 5.10, indicating a strong preference towards affective reaction trait. The path co-efficient between the reconceptualised CETSCALE (as adapted for race) and affective reaction was reported as 0.921 (p≤0.05). A strong co-efficient of determination ($R^2$) was reported - 0.8 (p≤0.05), which indicates strong predictive power. Therefore, H1 was supported. As noted above, the stronger the level of ingroup affection, the stronger the likelihood of consumers acting in furtherance of group interests (Baumeister et al., 2016). Accordingly, black consumers have a relatively strong likelihood of supporting Black Professional Services Providers.

### 6.3.1 Theoretical implications

These results support the ingroup affect theoretical proposition of the social identity theory – that members of the ingroup (black consumers) develop a strong psychological and emotional bond with the members of their chosen social group (Black Professional Service Providers) (Tajfel & Turner, 1986; Tse & Chiu, 2014). The theory holds that the psychological bond is closely related to an individual's self-esteem (Tse & Chiu, 2014). Individuals who identify with a group, generally feel that they belong to that group (Harmeling et al., 2017) and act in the same way that other members of the group do (Steffens et al., 2015). The social identity theory indicates that this sense of emotional attachment or ingroup affection is essential for behavioural outcomes associated with such identification (Ashforth et al., 2016).

The measurement instrument enabled the measurement of the strength of ingroup affection as a stand-alone construct. Future researchers seeking to comprehend social phenomena using the social identity theory may now use the conceptual model developed in this research to measure ingroup affection of consumers when procuring services. When conceptualising the evaluation and post-purchase stages of the consumer decision-making process (Patterson, 2016), researchers must take note of the strong levels of emotional attachment that black consumers have for Black Professional Service Providers (Tripat et al., 2017).

As indicated in Chapter 5, AR5 and AR6 were removed from the model as their reported factor loadings were <0.6 (Awang et al., 2016; Hair, Matthews, et al., 2017). The questions relating to love, pride, admiration and emotional attachment, reported factor loadings of >0.6. The questions labelled as AR5 and AR6 did not relate the positive feelings that an individual has towards their ingroup. Instead, these questions

relative to the negative feelings that an individual has vis-à-vis members of the outgroup (Sharma, 2015). In the context of consumer ethnocentrism, a strong dislike of the outgroup is a prominent feature of consumer behaviour (Sharma & Wu, 2015; Siamagka & Balabanis, 2015). The negative feelings towards the outgroup are not as prominent in the social identity theory, and some scholars argue that dislike of the group is not a necessary element of the social identity theory (Zeugner-Roth et al., 2015). However, the traditional school provides that members of the ingroup have a natural inclination for self-enhancement and self-esteem at the expense of the outgroup (Dimofte et al., 2015; Wheelan & Hogg, 2016). However, for this research, the revised conceptual model didn't take into account the affective reaction sub-constructs relating to a consumer's negative feelings towards the outgroup. This provides fertile grounds for future researchers to develop the model so that it takes into account a consumer's dislike for the racial outgroup, or to support a theoretical construction of ingroup affection that does not necessarily involve an overt dislike of the outgroup.

### 6.3.2 Business implications

From a business perspective, Black Professional Service Providers should take note of the strength of ingroup affection that consumers have for their them. As noted above, consumers usually experience greater levels of evaluation anxiety when choosing professional service providers. Accordingly, they are more likely to be swayed by emotional connections formed with the service providers. There exists great potential to tap into the emotional connection that black consumers have for Black Professional Service Providers marketing services to consumers. Marketing professionals and Black Professional Service Providers need to explore strategies that evoke a sense of pride and unity within the black community.

## 6.4    Discussion of Hypothesis 2

**Black consumers are cognitively biased in favour of Black Professional Service Providers**

Based on the need to reinforce group self-esteem and collective interests, black consumers in South Africa were expected to view Black Professional Service Providers positively when compared to outgroups (Coleman & Williams, 2013; Zeugner-Roth et al., 2015). This process of positive self-evaluation is said to emanate from an ingroup member's need to feel good about themselves/the group or to

improve their self-esteem (and that of the ingroup at large) (Zeugner-Roth et al., 2015). Ingroup bias is present in even the most basic of circumstances (Balliet et al., 2014). With policy instruments such as the BBBEE Act (Morris, 2018), the South Africa government had created a legislated form of social competition. The South African context was anything but the most basic of circumstances. In light of the open racial socio-economic contestation, the researcher expected that ingroup bias of black consumers would be more likely to emerge (Baumeister et al., 2016; Coleman & Williams, 2013).

The questions contained in the questionnaire related to a black consumer's inclination to have a positively biased view of Black Professional Service Providers. These construct specific questions posited that Black Professional Service Providers were more skilled, caring and hard-working when compared to professional service providers that are not black. These perceptions speak to the importance, superiority, strength and virtues of the ingroup compared to outgroups (Sharma, 2015). Future researchers seeking to comprehend ingroup bias may use the conceptual model developed in this research to measure ingroup bias. The sub-scale relevant to this hypothesis was comprised of the questions presented in Table 19.

Table 19

*Cognitive bias questions*

| Cognitive Bias | | |
|---|---|---|
| **No** | **Question** | **Label** |
| 1 | East or West, the services from black service providers are the best. | CB1 |
| 2 | Services from black service providers are examples of best workmanship. | CB2 |
| 3 | Black service providers have the best work attitudes. | CB3 |
| 4 | Services that are not provided by black service providers are no match for those provided by black service providers. | CB4 |
| 5 | Black service providers are the hardest working people in their industries. | CB5 |
| 6 | Black service providers are more caring than those service providers that are not black. | CB6 |

The latent variable, namely cognitive bias, reported a mean of 4.30, which is in excess of the midpoint of the 7 point Likert-type scale, indicating a relatively strong inclination to be biased. The path co-efficient between the reconceptualised CETSCALE (as adapted for race) and cognitive bias was reported as 0.898 (p≤0.05). A strong co-efficient of determination ($R^2$) was reported - 0.806 (p≤0.05), which indicates strong predictive power. Therefore H2 was supported.

### 6.4.1 Theoretical implications

These results support the ingroup bias theoretical proposition of the social identity theory – that members of the ingroup (black consumers) compare the ingroup (Black Professional Service Providers) favourably when compared to the outgroup (service providers that are not black) (Dimofte et al., 2015; Mols & Weber, 2013). This helps explain, bias, prejudice and discrimination since members of the ingroup will tend to view members of competing groups negatively to increase self-esteem (Hogg et al., 2017).

This measurement instrument enabled the measurement of the strength of ingroup bias collectively with ingroup affection and behavioural preference. Future researchers seeking to comprehend social phenomena using the social identity theory may now use the conceptual model developed in this research to measure ingroup bias of consumers when procuring services. When conceptualising the information search and evaluation stages of the consumer decision-making process (Patterson, 2016), researchers must take note of the strong levels of cognitive bias that black consumers have for Black Professional Service Providers (Zeugner-Roth et al., 2015).

Because of a factor loading of <0.6, the researcher removed CB4 from the revised conceptual model (Awang et al., 2016). The sub-construct CB4 related to the positive perceptions of the competence of Black Professional Service Providers and the inferior service quality from service providers that are not black. However, the cognitive bias constructs CB1, CB2 and CB5 also spoke to a positive perception of the competence of Black Professional Service Providers.

As noted in Chapter 2 of this report, the social identity theory has a metacontrast principle, namely that favouritism is accompanied by outgroup discrimination (Balliet et al., 2014). As noted above, CB4 also dealt with perceptions of inferior service quality from service providers that are not black. The removal of the CB4 from the conceptual model indicates that outgroup discrimination was less prominent of a feature in the cognitive bias construct. Considering the elimination of AR5 and AR6, which also dealt with negative perceptions of the outgroup, the need for future researchers to look into the development of the model as suggested in 6.3.1 is reiterated.

### 6.4.2 Business implications

When directing marketing efforts towards black consumers, Black Professional Service Providers should exploit the pre-existing positive bias that black consumers have towards them. Black consumers also view Black Professional Service Providers as better skilled, more hardworking and caring. Advertisements should portray Black Professional Service Providers (and the black community) in this manner. Considering the high levels of information asymmetry in the procurement of services, the impact of ingroup bias and ingroup affection is expected to be stronger in the evaluation stage and post-purchase stage. Black Professional Service Providers should also ensure that they live up to these expectations.

## 6.5 Discussion of Hypothesis 3

**Black consumers have a strong behavioural preference for Black Professional Service Providers is supported.**

Pursuant to the identification and social comparison processes, black consumers in South Africa were expected to have a behavioural preference for the services of Black Professional Service Providers, in furtherance of the ingroup's collective interest and goals (Ding et al., 2017; Harmeling et al., 2017). The scope of this construct extended to a preference for purchase services from Black Professional Service Providers, repeat visits and purchases, positive word-of-mouth and willingness to try (Sharma, 2015). This sub-scale relevant to this hypothesis was comprised of the questions set out in Table 20.

Table 20

*Behavioural preference questions*

| No | Behavioural Preference | Label |
|---|---|---|
| | Question | |
| 1 | For me, it's always the services from black service providers first. | BP1 |
| 2 | If I have a choice, I would prefer buying services from black service providers. | BP2 |
| 3 | I prefer being served by black service providers. | BP3 |
| 4 | As far as possible, I avoid using the services of service providers that are not black. | BP4 |
| 5 | I will refuse to use services because they are from a service provider that is not black. | BP5 |
| 6 | I would much rather not use services than to use the services of a service provider that is not black. | BP6 |

The latent variable behavioural preference reported a mean of 4.87, indicating a strong preference towards the trait. The path co-efficient between the

reconceptualised CETSCALE ( as adopted for race) and behavioural preference was reported as 0.828 (p≤0.05). A strong co-efficient of determination ($R^2$) was reported - 0.684 (p≤0.05), which indicates strong predictive power. Therefore H2 was supported.

### 6.5.1 Theoretical implications

These results support the behavioural outcomes theoretical proposition of the social identity theory – that members of the ingroup (black consumers) that identity with a the ingroup (black South Africans, including Black Professional Service Providers), will behave in a manner that benefits the collective interests of the ingroup, including the economic prosperity of the ingroup (Ding et al., 2017).

This measurement instrument enabled the measurement of the strength of behavioural preference collectively with ingroup affection and ingroup bias. Although not previously a stand-alone construct, the social identity theory has always been premised on the idea that the processes of identification and comparison will have behavioural outcomes (Ashforth et al., 2016). One of the benefits of social identification, is the reduction of uncertainty as to what expectations an individual is required to live up to (Wheelan & Hogg, 2016). Identification with an ingroup has been said to motivate individuals to behave in accordance with the collective interests and goals of the ingroup (Ding et al., 2017). The is more relevant in a legislated environment of social competition (Harmeling et al., 2017), in which black consumers are aware of the inferior economic position of the black population group (Dumont & van Lill, 2009; Hughes & McEwan, 2015).

Some researchers have questioned the translation of cognitive bias and emotional attachment into complementary purchase behaviour (Siamagka & Balabanis, 2015; Wang, 2017). In the context of this research, black consumers' preference of Black Professional Service Providers was consistently strong across all of the 3 constructs that comprised the conceptual model (affective reaction, cognitive bias and behavioural preference). Future researchers seeking to comprehend social phenomena using the social identity theory may now use the conceptual model developed in this research to measure the behavioural preferences of consumers. When conceptualising the purchase decision stage of the consumer decision-making process (Patterson, 2016), researchers must take note of the strong behavioural preference that black consumers have for Black Professional Service Providers.

As discussed in Chapter 5, BP5 and BP6 were removed from the revised conceptual model because of low factor loadings. The BP5 and BP6 sub-constructs were representative of overt discrimination against and the near-absolute avoidance of service providers that are not black. Once more, the comments set out in 6.3.1 and 6.4.1 on ingroup bias not always translating into overt outgroup discrimination, are relevant. Overtly negative feelings for the outgroup did not prominently feature in the revised conceptual model. However, elements of outgroup discrimination featured in BP1 to BP4. Future researchers should consider investigating whether black consumer behavioural preference for Black Professional Service Providers could potentially translate into an absolute or very strong tendency to avoid non-black service providers.

### 6.5.2 Business implications

Black Professional Service Providers will be encouraged to learn that black consumers have a strong behavioural preference for purchasing services from them. Black Professional Service Providers should consider their efficacy of the distribution channels and ensure that they make it easier for black consumers to procure services from Black Professional Service Providers, including the establishment of comprehensive black business databases which may be made available via electronic channels such as mobile applications.

## 6.6    Conclusion

The researcher achieved the central aim of this research – which was the investigation of preference that South Africa's black consumers have for Black Professional Service Providers. After conducting an extensive review of the social identity theory, the researcher assimilated elements of consumer ethnocentrism in the design of this research. Accordingly, the main research questions were centred around:

- Affective reaction/ingroup affection – a strong psychological and emotional bond between black consumers and Black Professional Service Providers (Harmeling et al., 2017; Sharma, 2015);
- Cognitive bias/ingroup bias – the tendency of black consumers to view or evaluate Black Professional Service Providers positively when compared to outgroups (Sharma, 2015; Zeugner-Roth et al., 2015); and

- Behavioural preference – black consumer's behavioural preference for Black Professional Service Providers in furtherance of the ingroup's collective interest and goals (Ding et al., 2017; Sharma, 2015).

Although these dimensions were measured based on an adaptation of the reconceptualised CETSCALE, elements of these dimensions were embedded within the traditional components of the social identity theory (i.e. categorisation, identification and social comparison). Because of the partially exploratory nature of this research, the researcher used PLS-SEM methodology to assess the inner model (structural model) and the outer model (measurement model). After the statistical analysis, all 3 hypotheses were supported. Based on the revised conceptual model presented as Figure 8, future researchers who intend to replicate this research should use the measurement instrument set out in Table 21 below.

Table 21

*Measurement instrument based on the revised conceptual model*

| No | Question |
|----|----------|
| **Affective Reaction** | |
| 1 | I love the services that are provided by black service providers. |
| 2 | I am proud of the services provided by black service providers. |
| 3 | I admire the services provided by black service providers. |
| 4 | I feel attached to the services provided by black service providers. |
| **Cognitive Bias** | |
| 1 | East or West, the services from black service providers are the best. |
| 2 | Services from black service providers are examples of best workmanship. |
| 3 | Black service providers have the best work attitudes. |
| 4 | Black service providers are the hardest working people in their industries. |
| 5 | Black service providers are more caring than those service providers that are not black. |
| **Behavioural Preference** | |
| 1 | For me, it's always the services from black service providers first. |
| 2 | If I have a choice, I would prefer buying services from black service providers. |
| 3 | I prefer being served by black service providers. |
| 4 | As far as possible, I avoid using the services of service providers that are not black. |

# Chapter 7: Conclusion and research limitations

## 7.1 Introduction

This research was inspired by the slow pace of economic transformation in post-apartheid South Africa (Thomas, 2015). In light of the shortcomings of South Africa's BBBEE policies (Morris, 2018; Ntim & Soobaroyen, 2013; Patel & Graham, 2012), the researcher sought to understand the inherent inclinations of consumers who are not incentivised by legislation to contribute to the economic transformation of South Africa. In the absence of formal policies that benefit individual consumers who support black business, the researcher looked towards socio-psychological and marketing related theories that can be used to study consumer preference. That explains why the social identity theory formed the theoretical foundation of this research. As a result of using the social identity theory, this research was limited to the preferences of South Africa's black population group, which comprised of black Africans, Coloureds and Indians (Thomas, 2015).

Following a review of the literature (see Figure 1) relating to the social identity theory and its use in the field of consumer behaviour, the researcher found that the main components of the social identity theory are categorisation, identification and social comparison (Wheelan & Hogg, 2016). Notwithstanding a general acceptance of the main elements of the social identity theory, researchers have developed various other social identity dimensions that can be used to explain social phenomena (Cameron, 2004; Postmes et al., 2013). In light of the multidimensionality of the social identity theory, the researcher framed the research by looking into ingroup bias (Hogg et al., 2017), ingroup affection (Harmeling et al., 2017) and behavioural preference, as stand-alone dimensions (Ding et al., 2017). All of these constructs were embedded in the traditional categories of the social identity theory. Affective reaction, cognitive bias and behavioural preference were measured using the reconceptualised CETSCALE (as adapted for racial preference) (Sharma, 2015).

The hypotheses (see Chapter 3) and the statistical analysis (see Chapters 4, 5 and 6) were based on the dimensions of affective reaction, cognitive bias and behavioural preference. The results confirmed a strong preference for Black Professional Service Providers, across all 3 dimensions.

## 7.2    Principal findings and theoretical implications

This research has contributed to understanding the preferences that black South African consumers have vis-à-vis Black Professional Service Providers. The results of this research confirmed the following theoretical propositions of the social identity theory:

- Following categorisation and identification, members of the ingroup (black consumers) develop a strong psychological and emotional bond with the members of their chosen social group (Harmeling et al., 2017; Wheelan & Hogg, 2016);
- Following identification and social comparison, members of the ingroup (black consumers) compare the ingroup (Black Professional Service Providers) favourably when compared to the outgroup (service providers that are not black) (Dimofte et al., 2015; Mols & Weber, 2013);
- Members of the ingroup (black consumers) that identity with the ingroup (black South Africans, including Black Professional Service Providers), will behave in a manner that benefits the collective interests of the ingroup, including the economic prosperity of the ingroup (Ding et al., 2017; Wheelan & Hogg, 2016), especially when members of the ingroup view themselves as economically inferior to the outgroup (Dumont & van Lill, 2009).

The research was operationalised drawing upon Sharma's reconceptualised CETSCALE, which contains sub-scales relating to affective reaction, cognitive bias and behavioural preference (Sharma, 2015). The assimilation of elements of consumer ethnocentrism to this research led to the development of the conceptual model set out at Figure 8, which included affective reaction, cognitive bias and behavioural preference as stand-alone dimensions or constructs. Future researchers seeking to comprehend social phenomena using the social identity theory may now use the conceptual model developed in this research to measure ingroup affection, ingroup bias and behavioural preference of consumers in their procurement of services (see Table 21). The theoretical implications of this research are also detailed in Chapter 6.

## 7.3    Implications for business and relevant stakeholders

As indicated in Chapter 1, service providers (including Black Professional Service Providers) need to be aware of the impact that racial bias could have on consumer

decision making so that the service provider can predict consumer behaviour and implement marketing strategies that respond to such realities. Black Professional Service Providers and marketing professionals should take note of the following from the results of this research:

- Black consumers have a strong emotional attachment to Black Professional Service Providers. Because of the interpersonal nature of the services industries, there exists great potential to tap into the emotional connection that black consumers have for Black Professional Service Providers;

- When directing marketing efforts towards black consumers, Black Professional Service Providers should exploit the pre-existing positive bias that black consumer have towards them;

- Black consumers have a strong behavioural preference for purchasing services from Black Professional Service Providers. Black Professional Service Providers should consider their efficacy of the distribution channels and ensure that they make it easier for black consumers to procure services from Black Professional Service Providers.

Marketing professionals or entrepreneurs should consider setting up supplier databases that allow black consumers to easily identify black-owned business. These databases may be made available via a mobile application. From a policy-making perspective, it does not appear that any legislative intervention is necessary to incentivise black consumers to support black business. The state's efforts should remain focused on the private and public sector. The implications of this research for business are also detailed in Chapter 6.

## 7.4 Research limitations and recommendations for future research

The scope of this research was limited to black consumers residing in urban areas. Data relating to South Africa's rural black population was not collected. This research was also limited to the procurement of services in the legal, medical, accounting and auditing fields. Accordingly, the future researchers may wish to use the conceptual model developed in this research to investigate the preferences of black consumers in rural areas and preferences towards other types of professions or the purchase of goods as opposed to services. Researchers may also wish to develop the model by investigating trends across different income groups, genders and the impact of any other moderating factors.

The researcher also considered the social identity of consumers as opposed to their personal identities. However, the researcher acknowledges that the black consumer's preferences may be examined using self-categorisation theory or cross-categorisation theory, which recognise various concurrent identities. Future researchers may wish to examine how the personal idiosyncrasies of black consumers impact their preference for Black Professional Service Providers.

As indicated in Chapters 4 and 6, some of the research limitations related to financial resources and time, in addition to the fact that the researcher did not have a full list of the population of this study. This resulted in a sample that was substantively representative of the gender distribution of black South Africans but not fully representative of the age and income distributions of black South Africans. Future researchers may wish to conduct follow-up studies that use probability sampling to procure a fully representative sample.

As acknowledged in Chapter 2, racial identity is a multidimensional construct (Roth, 2016). Accordingly, there may be salient differences between Africans, Indians and Coloureds, which may cause them not to identify with all types of black people as defined in the BBBEE Act (Dumont & van Lill, 2009). Researchers may wish to design a study that compares ingroup bias, ingroup affection and behavioural preferences in respect of each sub-group of the black population.

This research did not explore the underlying reasons between the preferences of black consumers and any inconsistencies between the dimensions measured (i.e. affective reaction, cognitive bias and behavioural preference). These are areas that future researchers may wish to explore. Another area of potential research would be the influence of social identity theory on decision-makers in the corporate environment, and the influence that ingroup affection and ingroup bias have on the corporate procurement process.

Overt outgroup discrimination did not feature as prominently in the conceptual model as suggested by some of the literature regarding the social identity theory (Hogg, 2014; Hogg et al., 2017; Hogg & Adelman, 2013). This provides fertile grounds for future researchers to refine the model so that it takes into account a consumer's dislike for the racial outgroup, or to support a theoretical construction of ingroup affection that does not necessarily involve an overt dislike of the outgroup.

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# Appendices

**Appendix A: Measurement instrument**

<u>Section 1</u>

Dear Respondent

**Background of the Study**

Thank you for your willingness to participate in this study. I am currently a student at the University of Pretoria's Gordon Institute of Business Science (GIBS) completing my research in partial fulfilment of a Master of Business Administration degree. I am conducting research to understand that black consumers' preference for black services providers.

For the purpose of this study, the term "black" has the same meaning given to it in the Broad-Based Black Economic Empowerment Act, 2003 (BBBEE Act). In terms of the BBBEE Act, "black people" is a generic term which refers to natural persons that are African, Coloured or Indian South African citizens (by birth or descent). In this study, a black consumer is a black person over the age of 18 and earns a minimum of R5 800 per month.

This study is only concerned with the preference of black consumers when they engage professional advisory service providers in the legal, medical, accounting and auditing professions. Accordingly, a reference to black service providers is limited to service providers in the legal, medical, accounting and auditing professions that are black people as defined above.

The aim of the study is to examine and describe possible ingroup bias amongst South Africa's black consumers in terms of their choice of professional advisory service providers.

**Your Participation**

Thank you for agreeing to participate in this study. This questionnaire should take no longer than 15 minutes of your time.

**Confidentiality and Anonymity**

Please take note of the following:

- Your participation is voluntary, and all your responses will be anonymous and confidential.
- You may withdraw from this study at any time without any penalty.

By completing this questionnaire you indicate that you voluntarily participate in this study. If you have any concerns, please contact my supervisor or myself using the contact details provided below.

Thank you

Researcher Name: Sihle Bulose

Email: 18378201@mygibs.co.za

Supervisor: Prof. Alet Erasmus

Email: ErasmusA@gibs.co.za

Section 2

You may only participate in this study if you meet the participation requirements set out in section 1.

| Confirmation of Demographic information | |
|---|---|
| 1 | Please confirm that you are a black consumer over the age of 18 who has a gross income of at least R5800 per month. <br> • Yes; or <br> • No. **[Note: If the respondent's answer is "No", the survey terminates.]** |
| 2 | Please confirm that you live in an urban area in South Africa. <br> • Yes; or <br> • No. **[Note: If the respondent's answer is "No", the survey terminates.]** |
| 3 | Please indicate your sex. <br> • Yes; or <br> • No. |
| 4 | Please indicate your age category: <br> • 19 or younger; <br> • 20-29; <br> • 30-39; <br> • 40-49; <br> • 50-59; <br> • 60-65; or <br> • 66 years or older. |
| 5 | Please indicate your gross income per month. <br> • R5800 – R10 000; <br> • R10 001 – R20 000; <br> • R20 001 – R30 000; <br> • R30 001 – R40 000; <br> • R40 001 – R50 000; and <br> • More than R50 000. |

Section 3

Please answer the following questions based on your perceptions. There are no wrong or right answers. For each statement, you may select one of seven response categories, represented in a numerical form, as set out below:

- 1 represents Strongly Disagree
- 2 represents Disagree
- 3 represents Slightly Disagree
- 4 represents Uncertain
- 5 represents Slightly Agree
- 6 represents Agree
- 7 represents Strongly Agree.

As stated above, a reference to black service providers is limited to service providers in the legal, medical, accounting or auditing professions.

| 1 | I love the services that are provided by black service providers. |
|---|---|
| 2 | Black service providers are the hardest working people in their industries. |
| 3 | I will refuse to use services because they are from a service provider that is not black. |
| 4 | East or West, the services from black service providers are the best. |
| 5 | I am proud of the services provided by black service providers. |
| 6 | Services from black service providers are examples of best workmanship. |
| 7 | As far as possible, I avoid using the services of service providers that are not black. |
| 8 | I admire the services provided by black service providers. |
| 9 | Black service providers are more caring than those service providers that are not black. |
| 10 | If I have a choice, I would prefer buying services from black service providers. |
| 11 | I feel attached to the services provided by black service providers. |
| 12 | Services that are not provided by black service providers are no match for those provided by black service providers. |
| 13 | For me, it's always the services from black service providers first. |
| 14 | I hate the services that are provided by service providers that are not black. |
| 15 | I prefer being served by black service providers. |
| 16 | Black service providers have the best work attitudes. |
| 17 | I would much rather not use services than to use the services of a service provider that is not black. |
| 18 | I despise the products and services that are provided by service providers that are not black. |

Thank you very much for participating in this study. You are welcome to share this study with any other qualifying respondents.

* Please note items were scrambled so that related questions were not close to one another, and would not influence subsequent responses.

** See key below indicating which questions related to which construct.

| | |
|---|---|
| | Affective Reaction |
| | Cognitive Bias |

| | Behavioural Preference |
|---|---|

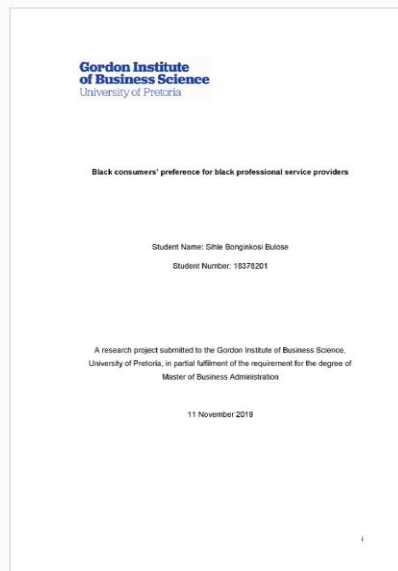**Appendix B: Turnitin report and digital receipt**

# turnitin

## Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

| | |
|---|---|
| Submission author: | Sihle Bulose |
| Assignment title: | Test your originality |
| Submission title: | Business Research Project |
| File name: | 2019-GIA872-YELLOW-MBA-Bulose.. |
| File size: | 2.28M |
| Page count: | 120 |
| Word count: | 30,791 |
| Character count: | 182,739 |
| Submission date: | 11-Nov-2019 01:01AM (UTC+0200) |
| Submission ID: | 1075680498 |

**Gordon Institute of Business Science**
University of Pretoria

Black consumers' preference for black professional service providers

Student Name: Sihle Bonginkosi Bulose
Student Number: 18378201

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirement for the degree of Master of Business Administration

11 November 2019

**Appendix C: Ethical clearance**

**Gordon
Institute
of Business
Science**
University
of Pretoria

20 August 2019

Bulose Sihle

Dear Sihle

*Please be advised that your application for Ethical Clearance has been approved.*

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee