The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on a Model of Dyadic Sales Encounters: Shoppers' Perceptions of Ethnically Different Retail Salespersons.

Andrew D. Banasiewicz
Louisiana State University and Agricultural & Mechanical College
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THE MODERATING EFFECT OF COMBINATIONS OF DISSIMILAR SHOPPERS' AND SELLERS' ETHNICITIES ON A MODEL OF DYADIC SALES ENCOUNTERS: SHOPPERS' PERCEPTIONS OF ETHNICALLY DIFFERENT RETAIL SALESPERSONS

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in
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by
Andrew D. Banasiewicz
B.S, Northwestern State University, 1987
M.B.A, Louisiana Tech University, 1990
December, 1996
DEDICATION

Educational accomplishment is, in terms of its rewards, among the most singular undertakings of our lives. Yet, so much of it is due to those whose names do not appear on a diploma... With this in mind, I would like to dedicate this dissertation to those whose help and support meant so much to me: God, my parents, and Bill Darden, a teacher and a friend.

Andrew D. Banasiewicz

New York, 1996
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ABSTRACT

An empirical assessment of the moderating effect of combinations of ethnically dissimilar shoppers and sellers on the nature of retail sales encounters is undertaken. Following the similarity-attraction paradigm (Bochner 1982; Byrne 1961), it is theorized that ethnically similar shoppers and sellers are more attracted to each other than ethnically dissimilar ones, resulting in shoppers' perceptions of sellers' behaviors and personality traits being adversely effected. Operationally, the entire model of sales encounters is moderated by combinations of ethnically dissimilar shoppers and sellers (global moderation hypothesis), or dyadic ethnic dissimilarity. A 2x2 experimental design is employed, with the levels of factor 1 being shoppers and sellers and levels of factor 2 being Anglo and Cajun ethnicity. To test the global moderation hypothesis, a model of sales encounters is fitted to (1) four ethnically distinct shopper-seller contrasts (i.e., samples comprised of ethnically similar and ethnically dissimilar shopper-seller combinations), and (2) an overall, ethnically heterogeneous sample (i.e., a grand sample combining the four ethnically distinct samples). Comparing goodness-of-fit for the ethnically undifferentiated sample (a single-group model) with the four ethnically distinct samples (a multi-group model) yields an increase in the goodness-of-fit, which suggests some initial support for the thesis of the global effect of moderation of combinations of dissimilar shoppers' and sellers' ethnicities. The moderation of individual relationships is then examined by comparing the pattern and/or directionality of the structural coefficients calculated on each of the ethnically distinct samples.
CHAPTER 1: OVERVIEW

1.1 INTRODUCTION

Personal selling is an important competitive tool in an increasingly crowded business environment (Hair, Notturno, and Russ 1991). In light of this, a number of marketing researchers have turned their attention towards examining the influences on salespersons' performance and the nature of dyadic sales encounters. As a result, it has been suggested that the young sales management discipline has already attracted some of the most prolific researchers in marketing (Bush and Grant 1991). The resulting research streams could be broadly grouped into: (1) those aiming to examine the influences on, and determinants of, salespersons' performance; and (2) the ones directing their efforts towards investigating the interpersonal aspects of sales encounters.

Some of the major thrusts of the first of two research streams include the following: gender differences (Comer and Jolson 1991), predictors of sales success (Szymanski 1988), salesperson adaptiveness (Saxe and Weitz 1982; Weitz, Sujan, and Sujan 1986), personality traits (Grewal and Sharma 1991), salesperson motivation (Szymanski and Churchill 1990), and salesforce evaluation (Mowen, Fabes, and LaForge 1986).

The second of the major streams of sales management research examines the interpersonal aspects of sales encounters (Dwyer, Schurr, and Oh 1987). Here, some of the areas of interest are: frequency of contact (Heide and Miner 1992), length of the relationship (Rao and Bergen 1992), nature of the relationship (Ganesan 1994), initial...
impression of salespeople (Henthome, LaTour, and Williams 1992), credibility (Sharma 1990), and trustworthiness (Hawes, Rao, and Baker 1993).

Among the areas of dyadic sales encounters that received limited attention is the impact of ethnic and cultural diversity on sales practices. McGee and Spiro (1991) found some support for the effect of salespersons' country-of-origin on customers' product evaluation, but little empirical work has been done examining the effect of possible ethnic encounters of ethnically dissimilar shoppers' and sellers' on the effectiveness of salespeople, as perceived by consumers. Also, little work has been done examining consumers' perceptions of salespersons' performance in the context of dissimilar ethnicities. However, in light of the heightening of ethnic awareness in the United States (Time 1993), and in agreement with the similarity-attraction paradigm (Bochner 1982; Byrne 1961), it appears conceivable that combinations of dissimilar shoppers' and sellers' ethnicities (i.e., an encounter taking place between ethnically dissimilar shoppers and sellers) may moderate a model of consumer-seller encounters, in which case the impact of ethnic diversity on consumer-seller relationships may be of interest to both marketing researchers and practitioners. The latter have already began to recognize the possible influence of ethnic diversity, as exemplified below:

• Information Resources, Inc. (IRI), nation's leading syndicated information and software company, and Market Segment Research and Consulting (MSR&C), leading ethnic market research and consulting firm, joined forces to offer consumer-based market diagnostics to firms in consumer product goods industry. This approach, called the Demographic Target Marketing Analysis, sources the best in volumetric scanner data-IRI's InfoScan Census, and MSR&C's ethnic segmentation expertise, to gain insights into consumer's ethnicity-specific tastes and preferences.
• Kinney Shoe Corporation recently set up a program to recruit its workforce in a manner that mirrors the company's diverse customer base (Santora 1991).

• A number of chemical companies have implemented a policy of corporate diversity which impacts their productivity and market share (Brennan 1993).

• Levi Strauss and Company spends $5 million a year promoting ethnic diversity of its workforce, 56% of which is composed of ethnic minorities (Cuneo 1992).

• Cosmetic companies, in a drive to boost shrinking sales, are beginning to offer a wide array of ethnic skin products (Scruby 1992; Lebowitz 1991).

• Kraft Foods will step up ethnic marketing in 1996, boosting marketing budgets about 33% to $24 million and introducing ethnic sub-brands. They report sales among Hispanics growing at 95% compared to 25% mainstream growth (Spethman 1995).

• Ford Motor Company introduces Hispanic scholarship programs in Texas, Miami, and Southern California (Gelsi 1995).

• Also, the heightening of ethnic awareness in the American marketplace is beginning to impact practices in healthcare (Friedman 1992; Eubanks 1990), personnel management (Nilufer 1993; Dominiquez 1992), accounting services (Bialer 1993), computing services (Kiely 1991), and publishing (Hulin-Salkin 1987).

• Even retailers have followed the suit, with the sales of ethnic products exceeding $1 billion mark in 1990 (Rosendahl 1990).

It appears plausible to conclude that, as illustrated above, growing ethnic and cultural diversity may lead not only to heterogeneous consumption patterns but also to dissimilar salesforces. The following is a limited illustration of the extent of the aforementioned ethnic heterogeneity:

• The index of ethnic diversity (computed using the Census data) has increased 20% during the 1980-90 decade (Meyer and McIntosh 1992). The index, using a 0 to 1 metric, estimated the ethnic diversity of the United States to be 0.40, with Dubusque, Iowa, being the least diverse place (0.02), and Los Angeles earning the distinction of the most diverse one (0.71).
During the last decade (1980-1990), the overall U.S. population grew by 9.8%, but the white population grew by only 6%, whereas the black population grew by 13.2%, the Native American/Eskimo/Aleut population by 37.9%, the Asian/Pacific Islander population by 107.8%, and the Hispanic population by 53%.

In 1976 there were 67 Spanish-speaking radio stations. In 1993 there were 311 such stations, plus 3 Spanish-language TV networks and 350 Spanish-language newspapers (Time 1993).

In 1990, 8% (19.8 million) of the U.S. population was foreign-born, with some cities (Miami, Miami Beach, Fla., Huntington Park, Calif., Santa Ana, Calif.) posting over 50% of their residents being foreign-born (U.S. Census Bureau 1990).

There are more than 100 different languages being spoken in the school systems of New York City, Chicago, Los Angeles, and Fairfax County, Va. (Time 1993).

Ethnic foods is perhaps one of the most visible landmarks of multiculturalism in this country. According to the Food Marketing Institute (Time 1993), 39% of Americans ate Italian cuisine (excluding pizza) at least once a week, 21% ate Mexican food at least once a week, 18% ate Chinese, and 5%, 3%, 3%, and 1% ate Cajun, French, Middle Eastern, and Indian food, respectively. In addition to that, it has been found that ethnic dishes are being increasingly served in nonethnic restaurants (Kate 1992), including popular chains like Denny's (Sims 1994).

The above are just a few examples of the growing impact of ethnic diversity on marketing practices. Unfortunately, the theory development in this area has been somewhat limited (Hirshman 1981). The present study aims to add to the dyadic sales encounters theory by investigating the effect of combinations of dissimilar shoppers' and sellers' ethnicities on a model of retail patronage behavior. Hence, in keeping with the similarity-attraction paradigm (Bochner 1982; Byrne 1961), it is theorized that combinations of dissimilar shoppers' and sellers' ethnicities may moderate the nature of an entire sales encounter. More specifically, high involvement sales situations are of
interest, as it is believed that highly involved salespeople are generally viewed as more effective (Hair, Nottumo, and Russ 1991).

A highly involved salesperson is likely to engage in the customer-oriented selling, or more broadly, practice of the marketing concept (Saxe and Weitz 1982). Also, such salespersons, in order to be effective, must be perceived as being trustworthy (Hawes, Rao, and Baker 1993) and a highly expert (Crosby, Evans, and Cowles 1990). Thus, in a high involvement selling situation, salespersons' selling-specific traits (trustworthiness and expertise) and behaviors (practice of the marketing concept) may be affected more readily by combinations of shoppers' and sellers' ethnicities (Byrne 1961).

As previously mentioned, the present research aims to add to the understanding of dyadic sales processes by examining high involvement retail dyadic sales encounters in the context of dissimilar shoppers' and sellers' ethnicities. In keeping with this, and to be able to assess the impact of ethnicity in this context, salespersons should exhibit high levels of ethnic identification1 to assure that their ethnicity is clearly perceived by shoppers. Conversely, shoppers should also exhibit high levels of ethnic identification in order to increase the salience of ethnic feelings on the part of sellers. Then, the impact of combinations of dissimilar shoppers' and sellers' ethnicities on the aforementioned

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1 The issues relating to ethnicity and ethnic identification will be fully discussed in Chapter 2; however, a brief outline of the key conceptualizations may enhance the clarity of the present discussion. Broadly speaking, there are two general approaches to the analysis of ethnicity. The first is called structural frame of reference (Despres 1975), according to which, ethnic groups are viewed as having an objective and independent existence which is an outcome of socially programmed cultural values and primordial loyalties (Isajiw 1974; Mitchell 1974). The second approach is termed the phenomenological frame of reference (Barth 1969; DeVos 1975), which postulates that "...ethnicity is essentially a cognitive category predicated on the presumption of share social, cultural, or even biological origins...membership in such category is self-ascribed, ascribed by others, or both" (Despres 1975, page 5). It follows that since ethnicity can be defined in either objective or subjective terms, high ethnic identification on the part of sellers will help to ascertain that their ethnicity is perceived by shoppers.
selling-specific salespersons' traits and behaviors may be assessed. Thus, the purpose of this research is to empirically examine the combined effects of dissimilar shoppers' and sellers' ethnicities, or the hypothesized ethnic moderation of a model of dyadic retail sales encounters.

The above discussion suggests that an investigation of the previously-described ethnic moderation should consider ethnicities of both shoppers and sellers. This reasoning is in agreement with the similarity-attraction paradigm (Bochner 1982; Byrne 1961), according to which, the reciprocal effect of both ethnicities and the resulting ethnic similarity may have a significant effect on the strength of the interpersonal attraction between interacting individuals. Thus, from a modeling point of view, when the ethnicities of the members of a sales dyad are different, and this difference is perceived, path coefficients in a behavioral model of sales encounters may vary significantly (depending on the ethnic composition of a sales dyad) with perceptions of ethnic differences between shoppers and sellers. More specifically, as implied by the similarity-attraction paradigm (Bochner 1982; Byrne 1961), combinations of dissimilar shopper-seller ethnicities may moderate the size and/or direction of the aforementioned coefficients. Directionally speaking, combinations of dissimilar shoppers' and seller' ethnicities should have an adverse effect on shoppers' perceptions of sellers' job-specific traits and behaviors. At the same time, combinations of similar shoppers' and sellers' ethnicities should have no moderating influence on a model of dyadic sales encounters, as logic dictates that ethnic similarity should not effect interpersonal perceptions. This

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implies that ethnicity may need to be conceptualized as a global moderator, rather than a lower-order construct (a traditional view).

1.1.1 The Purpose of the Dissertation

The above discussion supports the following conclusions:

- There is evidence pointing to the growth in ethnic diversity and ethnic awareness among consumers in American marketplace.

- Retail salesforces are impacted by ethnic diversity of the American population.

- The impact of growing ethnic diversity on sales management and dyadic relationships has not yet been fully explored.

- The presence of ethnic dissimilarities between shoppers and sellers in the context of shoppers' perception of significant ethnic distance may effect shoppers' perceptions of sellers' job-specific traits and behaviors.

- Combinations of dissimilar shoppers' and sellers' ethnicities may moderate a model of dyadic sales encounters.

- The strength of ethnic identification, along with ethnic group membership, are of key importance in the analysis of the combined reciprocal effects of consumers' and sellers' ethnicities.

In view of the above conclusions it is proposed that diverse\(^2\) consumers' and sellers' ethnicities may moderate the nature of dyadic relationships, particularly when both shoppers and salespeople exhibit high degrees of ethnic identification (Bochner 1982; Byrne 1961). More specifically, the effect of combinations of dissimilar shoppers' and sellers' ethnicities on a model of dyadic sales encounters should be examined. Thus.

\(^2\) This term refers to the degree of ethnic ascription on the part of both consumers and salespeople. As explicated later, ethnic background of an individual is not necessarily self-evident as it is not always manifested in terms of physical traits. In light of this, the strength of ethnic identification on the part of the salesperson is of crucial importance as it may be viewed as a determinant of consumers' perceptions of sellers' ethnicity.
an empirical investigation of such moderation of a model of dyadic sales encounters constitutes the thrust of the present study. More specifically, it is theorized that combinations of dissimilar shoppers' and sellers' ethnicities moderate shoppers' perceptions of sellers' job-specific traits and behaviors. Should this be the case, shoppers' perceptions of sellers' overall performance may be adversely effected.

Thus, to accomplish the above described objectives, this dissertation examines a conceptual model of dyadic sales encounters in the context of different combinations of ethnically similar and dissimilar shoppers and salespeople. Employing two distinct ethnicities (Cajuns and Anglos, the choice of which is discussed in Chapter 3), four possible contrasts (combinations) will result, with two combining shoppers and sellers of similar ethnic backgrounds, and the remaining two of dissimilar ethnicities. Following the selection of the appropriate ethnic samples, two scripts (one describing an Anglo seller, and the other describing a Cajun seller) portraying a hypothetical sales encounter will be randomly presented to the two ethnic samples. Hence, a conceptual model of dyadic sales encounters will be fitted to each of the four cells (i.e., combinations of shoppers' and sellers'), which will then be examined by means of structural analysis. As the sellers' ethnic group membership will be the only variable experimentally manipulated, provided an adequate experimental control (to be described in Chapter 3), statistically significant differences in path coefficients across the cells will be indicative of ethnic moderation.

As asserted above, ethnic moderation is operationalized in the context of experimental manipulations of sellers' and shoppers' ethnicities. Hence, it implies that
objectively-determined (i.e., by means of outside sources) ethnic group membership will be employed. However, conceptually, it may be a function of structural (Despres 1975) and phenomenological (DeVos 1975) frames of reference of ethnic attachments. Thus, objectively determined ethnic group memberships may need to be amended by subjectively judged strength of ethnic attachments in order to provide a better explanation for the aforementioned ethnic moderation. Hence, high ethnically identified shoppers and sellers are of interest, which is in agreement with the previously discussed high involvement model.

Therefore, to assess the hypothesized moderating impact of combinations of dissimilar ethnicities, the nature of retail consumer-seller encounters taking place in the context of two distinct ethnic groups of shoppers and sellers will be examined by means of varying of scenarios of sales encounters. As discussed above, four such ethnic scenarios will be used to moderate a conceptual model (see Figure 1) of dyadic encounters. Figure 2 and Table 1 present the theorized moderation of combinations of dissimilar ethnicities.

1.1.2 Contributions of the Present Research

It has been suggested in the preceding discussion that the effect of growing ethnic diversity on a retail sales dyad has not yet been fully examined. Furthermore, with virtually everyone being a potential shopper and about 10% of the workforce being employed in retail sales (1990 U.S Census), the possible moderating effect of combinations of dissimilar shoppers' and salespersons' ethnicities appears to be potentially significant.
The present study theorizes that, as stipulated by the similarity-attraction paradigm (Bochner 1982; Byrne 1961), the combinations of dissimilar shoppers' and sellers' ethnicities will moderate a behavioral model of dyadic sales encounters. Although the similarity-attraction paradigm will be described shortly, and fully discussed in Chapter 2, it may be helpful to mention that it posits that similar people are likely to perceive each other more favorably than dissimilar ones. Hence, its application to dyadic sales encounters may enhance marketers' understanding of the nature of such encounters.

Regarding the theoretical contribution of the present research, the similarity-attraction paradigm (Bochner 1982; Byrne 1961), which is the conceptual driver of this study, hypothesizes that combinations of dissimilar shoppers' and sellers' ethnicities impact shoppers' perceptions of sellers' job-specific traits and behaviors. In light of this, the contribution of this research lies in the empirical examination of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities on the nature of dyadic sales encounters. Thus, the overall effect of ethnic dissimilarity on sales dyads will be assessed.

A meaningful effect of ethnic dissimilarity (as operationalized in this study) in the context of ethnically dissimilar sales encounters carries a number of implications for both marketing theoreticians and practitioners. Regarding the first group of constituents, the dyadic sales theory development may benefit from viewing ethnicity as an overall moderator, rather than a variable (a traditional treatment of ethnicity). Additionally, the importance of not considering only ethnic group memberships but also the strength of
ethnic identification (for both shoppers and sellers) in examining the potential role of ethnic dissimilarity in the context of dyadic sales encounters will be demonstrated.

A significant moderating influence of ethnic dissimilarity on dyadic sales encounters seems particularly pertinent in view of the recent heightening of interest in the relationship marketing and micro-marketing among academicians (e.g., Ganesan 1994) and practitioners (e.g., the consulting practices of Market Segment Research and Consulting, Information Resources, Inc., and other leading consulting firms). Here, combinations of dissimilar shoppers' and sellers' ethnicities may effect the relationship building process. Also, the existence of a statistically significant ethnic moderation may impact micro-marketing-based initiatives and the Efficient Consumer Response among others.

A number of other practice-related implications can also be delineated. As illustrated by the examples of corporate efforts aimed at accommodating growing ethnic diversity (pages 2-3), significant resources are being invested into salesforce diversity and "ethnic" market segmentation. It appears that, implicit to such actions is the belief that a significant ethnic interaction exists. However, no explicit analysis of such assumption has yet been undertaken. Therefore, an empirical examination of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities on the dyadic sales encounters will provide an initial assessment of the aforementioned assumption.

Thus, the present research may provide managers with some additional guidance to salesforce recruitment and training. In the event that the combined effect of dissimilar shopper-seller ethnicities does not produce significant results, the present research carries...
equally strong implications for both marketing scholars and practitioners. Concerning the first group, the lack of significant relationships may point to a relatively weak impact of ethnic dissimilarity on a dyadic sales theory development process. Considering marketing practitioners, the lack of positive relationships may be indicative of rather negligible effect of ethnic diversity on the outcome of sales encounters. In other words, ethnic dissimilarity may have no significant impact on retail dyadic sales encounters. Should this be the case, the present research may carry equally strong strategic implications, not at all obvious in the context of the previously described heightening of ethnic awareness in the U.S.

More specifically, considering the illustrations of corporate efforts to foster ethnic diversity (pages 2-3), it can be seen that they include the following: (1) salesforce recruitment and training (Kinney Shoes, Levi Strauss), (2) market segmentation (chemical and cosmetic companies), and (3) service delivery (personnel management, computing services, etc.). In the event that the relationships theorized in this research were found to be not significant, managers may not need to consider the ethnic factors in their marketing attempts. In short, as asserted above, significant resources are being invested in ethnic diversity, which in light of the possible lack of significance of dyadic ethnic dissimilarity may be viewed as unnecessary. Thus, a firm may decide not to "waste" resources on ethnic strategies under these conditions. Given positive or negative results, the research should be valuable to managers.
1.1.3 Plan of the Dissertation

This dissertation will proceed as follows:

Chapter 1: Introduction and General Overview

• The opening discussion presented some conceptual and empirical evidence indicative of the potentially significant role of ethnicity in the context of dyadic sales encounters.

• Next, building on the opening discussion, a more focused (on a retail context) delineation of the effect of ethnic diversity on retail selling will be presented. This discussion will serve as a conceptual background to the behavioral model of dyadic sales encounters of interest in this research.

• The conceptual model (as depicted in Figure 1) will be described, following which, the nature of the hypothesized ethnic moderation (see Figure 2 and Table 1) will also be recounted.

• Lastly, a brief discussion of the conceptual background of the theorized ethnic moderation will be provided.

Chapter 2: Research Background and Hypotheses Development

• First, the conceptual background will be presented, including the discussion of the two general paradigms promoting different views of the long term nature of ethnic interactions.

• Next, the underlying sources of the potentially significant ethnic interactions will be described in terms of the economic and attitudinal sources of ethnic differences.

• Following these general discussions, the review of the relevant literature, framed in the context of the focal constructs will be presented.

• Lastly, the research hypotheses will be developed and discussed.

Chapter 3: Measurement, Experimental Design, and the Analytical Approach

Ensuing the development of the hypotheses in Chapter 2, the proposed research approach will be addressed, the discussion of which will be build around the following four key issues:

• assessment of the measurement properties of the endogenous and exogenous variables' scales,
• description of the data gathering approach.
• presentation of the plan of data analysis and experimental design.
• instrument validation.

Chapter 4: Data Collection and Analysis

• First, the data collection process will be discussed in the context of the two ethnic samples.

• Next, an assessment of internal consistency of the individual constructs and discriminant validity among those constructs will be undertaken.

• Following the description of construct validity, a discussion of model identification and specification issues will be presented.

• A test of the ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities will follow.

• Next, tests of the individual hypotheses will be described.

• Lastly, a general description of the research findings will be presented.

Chapter 5: Conclusions and Recommendations

• First, a brief restatement of the purpose of the present study will be provided to afford a proper conceptual background for the discussion of the findings.

• Next, a general discussion of the major findings of the study will be undertaken. Also, a discussion of the limitations of the present research will be presented.

• Following the discussion of the findings, the key theoretical implications will be reviewed.

• Next, the recommendations for future research will be addressed.
• Lastly, the managerial implications will be discussed.

Next, as outlined in the above plan, the conceptual foundations of the behavioral model of dyadic sales encounters will be discussed. Following this, a description of the aforementioned model will be presented.
Hiring and maintaining "right" salespersons is of great importance to a retailer, as by some accounts (James, Walker, and Etzel 1981) salespeople's salaries can constitute up to a third of retailer's operating expenses. Also, retail salespeople are an important element in the marketing mix (Berry 1969).

Considering the diverse nature of selling situations, it may be difficult to delineate the optimal mix of salespersons' attributes. Nonetheless, it has been suggested that shoppers' perceptions of salespersons' trustworthiness may be the most important trait of a retail salesperson (Hawes, Mast, and Swan 1989). In keeping with this, in the context of ethnically diverse salesforces, there is evidence pointing to the assertion that information relating to ethnicity may be associated with the nature of judgment of trustworthiness and personal integrity (Foon 1986; Goebel and Cole 1975). Consequently, it could be hypothesized that consumers' perceptions of salespersons' ethnicity may effect the latter's effectiveness and thus adversely impact productivity of a store's marketing mix. Even more importantly, the combined effect of shoppers' and sellers' ethnicities may moderate the general nature of dyadic sales encounters.

As outlined above, the potential effect of combinations of ethnically dissimilar retail salespeople and consumers deserves attention because of the importance of the role of salespersons to the success of a retail establishment. Considering the importance of the retailing industry to the economy, the potential effect of the ethnic moderation seems worth investigating from a conceptual as well as a practical point of view. To elaborate, the total non-food retail sales, which in 1992 reached the $788 billion mark (Peter 1994), 

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which is further accentuated by the size of the workforce employed in the retail industry where, according to the 1990 Census, out of a total of 191,829,271 employable (16 years of age and older) residents of the United States, 19,485,666, or 10.2%, are employed in the retail sector. Furthermore, considering that it has been argued that there are 106 identifiable ethnic groups in the United States (Abramson 1980), and many of which are becoming more visible (Time 1993), a potentially significant ethnic mix may exist. Consequently, it seems reasonable to assume that, just as consumer markets have been effected by the heightened ethnic awareness of the last two decades (e.g., Hirshman 1981, 1983; Stayman and Deshpande 1989; Wallendorf and Reilly 1983), the makeup of the retail salesforces has also been impacted by the growth of ethnic diversity, and hence the occurrence of ethnic contrast seems likely.

Consequently, the potential effect of the aforementioned ethnic dissimilarity needs to be investigated at the level of the most fundamental marketing unit: shopper-seller dyad. To carry out this examination, a behavioral model of dyadic sales encounters will be empirically tested in the context of ethnic similarity and dissimilarity. The behavioral model of interest will be described next.

1.3 THE CONCEPTUAL MODEL

Hypothesized relationships are depicted in Figure 1. Here, the theorized effects of shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' practice of the marketing concept on shoppers' perceptions of sellers' job-specific traits and behaviors are depicted. Ethnic group memberships of both shoppers' and sellers' are not explicitly included in the model due to their moderating effect. Also, as delineated
earlier, the strength of sellers' ethnic identification representing the phenomenological element of sellers' ethnicity is not explicitly included in the model depicted in Figure 1: this construct, in keeping with the previously discussed high involvement model, is "high" for both scenarios. The impact of ethnic moderation on salespersons' job-specific traits and behaviors is summarized in Table 1. Figure 2 illustrates the moderating effect of combinations of shoppers' and sellers' ethnicities on the overall model of dyadic sales encounters, and particularly, directions of the hypothesized relationships.

Thus, the discussion of the conceptual model of interest is presented in two stages: First, the dyadic model of sales encounters depicted in Figure 1 is discussed under the designation of a Causal Model. Next, the theorized ethnic moderation of this model is described in the Modeling Ethnic Moderation section.

1.3.1 Causal Model

Figure 1 presents a model of sales encounters of ethnically dissimilar shoppers and sellers in a retail context. As previously noted, two job-specific salespersons' attributes are of particular importance in the context of retail dyadic sales relationships. These are shoppers' perceptions of sellers' (1) trustworthiness, and (2) expertise (Hawes, Mast, and Swan 1989; Schurr and Ozanne 1985). These constructs are theorized as being impacted by the "ethnic" variables, which include shoppers' strength of ethnic identification and shoppers' perceptions of ethnic distance (Byrne, McDonald, and Mikawa 1963; Foon 1986). The upcoming Research Background chapter will entertain a more in-depth rationalization of these relationships. A more thorough treatment of the individual variables will be presented in Chapter 2.
FIGURE 1

The Model of Sales Encounters of Ethnically Dissimilar Shoppers and Salespersons
Sellers' attempt to practice the marketing concept, as perceived by shoppers, is the last exogenous variable included in the model. Conceptualized by Saxe and Weitz (1982) as customer-oriented selling, this approach seems necessary in the context of dyadic sales encounters as it incorporates problem solving behavior on the part of salespeople (Gwinner 1968). Furthermore, according to Shanteau (1992), the ability to solve problems is one of the key determinants of perceived expertise. Consequently, it is theorized that shoppers' perceptions of sellers' practice of the marketing concept may impact shoppers' perceptions of sellers' expertise, and ultimately, performance.

In short, it is hypothesized that the dependent variables of interest (i.e., shoppers' perceptions of sellers' performance, shoppers' perceptions of sellers' trustworthiness, and shoppers' perceptions of sellers' expertise) are explained by shoppers' perceptions of sellers' attempt to practice the marketing concept, the strength of shoppers' ethnic identification, and shoppers' perceptions of ethnic distance. Also, these relationships are theorized as being moderated by combinations of dissimilar shoppers' and sellers' ethnicities. The next section describes the nature of this moderation.

1.3.2 Modeling Ethnic Moderation

As suggested by the similarity-attraction paradigm (Bochner 1982; Byrne 1961), ethnically dissimilar individuals may be less attracted to each other. In this vein, combinations of divergent ethnic backgrounds of shoppers' and sellers' may have a moderating effect on a model of shoppers' perceived outcomes of sales encounters (Bahr, Chadwick, and Stauss 1979) in general, and shoppers' perceptions of sellers' job-specific
traits and behaviors (Byrne 1961), in particular. The hypothesized outcomes are summarized in Table 1 and depicted in Figure 2.

It has been previously mentioned that the ethnic moderation is theorized to have an effect on the entire model of a dyadic sales encounter. In other words, when a shopper and a seller are of divergent ethnic backgrounds (and this divergence is clearly perceivable to them) the nature of their encounter may be different than it would be should their ethnicities be the same. To take this a step further, shoppers' perceptions of sellers' actions and attributes may be evaluated in the context of ethnic dissimilarity, and thus ethnicity (of both the shopper and the seller) may play a moderating role in shoppers' perceptions of the sales encounter.

More specifically, concerning the nature of such moderation, the similarity-attraction paradigm (Bochner 1982; Byrne 1961) suggests that the aforementioned ethnic dissimilarity may negatively impact shoppers' perceptions of salespersons' job-specific traits and behaviors. Thus, when ethnically dissimilar shoppers and sellers interact, shoppers may perceive sellers as being less trustworthy, and also may view their expertise and performance as being lower/weaker. In addition to that, shoppers' may also perceive an attempt on the part of sellers to practice the marketing concept as being less appealing and reliable. Hence, a negative ethnic moderation is theorized when the ethnicities of the members of a sales dyad are dissimilar, and no ethnic moderation is posited when both

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3 The (-) signs depicted in the quadrants 1 and 4 of this Figure are used to denote the theorized adverse effect of the combinations of dissimilar shoppers' and sellers' ethnicities on the relationships portrayed in the model. In other words, as fully explicated in the following section, dyadic ethnic dissimilarity is hypothesized to negatively impact shoppers' perceptions of sellers' job-specific traits and behaviors.
TABLE 1
The Impact of Ethnicity of a Seller on Buyer's Perception of the Shopping Environment

<table>
<thead>
<tr>
<th>SELLER</th>
<th>SHOPPER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo</td>
<td>Anglo</td>
</tr>
<tr>
<td></td>
<td>Unaffected Perception of the Shopping Environment AND Increased Sales Encounter Satisfaction</td>
</tr>
<tr>
<td>Cajun</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diminished Perception of the Shopping Environment AND Decreased Sales Encounter Satisfaction</td>
</tr>
</tbody>
</table>
FIGURE 2

The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on Hypothesized Relationships
shoppers and sellers are of the same ethnic background. In other words, when shoppers' sellers' ethnicities are the same, the ethnicity should not effect shoppers' perceptions of dyadic sales encounters.

Table 1 presents the theorized impact of combined effects of shoppers' and sellers' ethnicities, which are tabulated in the context of a 2x2 full factorial design. The similarity-attraction paradigm (Bochner 1982; Byrne 1961) suggests that when members of a sales dyad exhibit divergent ethnic group memberships, and this divergence is perceived, the combinations of their respective ethnicities are likely to moderate consumers' perceptions of salespersons' job-specific traits and behaviors. Thus, operationally speaking, a behavioral model of dyadic sales encounters may be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.

Although the impact of combinations of dissimilar shoppers' and sellers' ethnicities has not yet been investigated by marketing scholars, the possibility of its existence has been implied by a few studies. Two of the better known examples include Stayman and Deshpande (1989) and Gans (1979). In the former, the authors empirically investigate a concept of 'situational ethnicity,' according to which, members of an ethnic group exhibit varying degrees of ethnic identification, depending on a social situation. Similarly, Gans (1979), in his 'symbolic ethnicity' thesis, concludes that the strength of ethnic attachments is, in part, a function of the presence of ethnic symbols. Thus, it appears that the combined effect of ethnically dissimilar shoppers and sellers in the context of dyadic sales encounters may result in either situational-ethnicity- or symbolic
ethnicity-type of effect. Hence, ethnic moderation of a model of dyadic sales encounters seems likely.

Figure 2 presents a depiction of the patronage model moderation. Broadly speaking, in a manner suggested by the similarity-attraction paradigm (Bochner 1982), and homophily-heterophily paradigm (Anderson and Alpert 1974), and as described above, ethnic dissimilarity (in a context of dyadic sales encounters) may produce a response not present in the context of dyadic ethnic similarity. In other words, when a sales encounters model is evaluated in the conditions of similar vs. dissimilar shoppers' and salespersons' ethnic backgrounds, the combined effects of dissimilar ethnicities may moderate model's path coefficients, as portrayed in Figure 2. It is also theorized that high ethnic identification on the part of shoppers and sellers constitutes a logical precondition for significance of such moderation. The next section presents the underlying rationale.

1.3.3 Theoretical Overview of Ethnic Moderation

Although usually not explicitly examined, shoppers and salespeople tend to be strangers to each other. Therefore, as theorized by Byrne (1961) and Bochner (1982), it appears that increasing degrees of customer-seller dissimilarity may be associated with the growing extent of uncertainty felt by shoppers. Also, in a manner suggested by the homophily-heterophily paradigm (Anderson and Alpert 1974), perceptions of the interpersonal communication effectiveness may be impacted by the degree of dyadic similarity (homophily) or dissimilarity (heterophily). Therefore, shoppers' perceptions of ethnically dissimilar salespersons may be marked by a larger perceived interpersonal distance (Byrne 1961) and an impression of poor communication (Foon 1986). Thus, as
suggested by the similarity-attraction paradigm (Bochner 1982; Byrne 1961). the more ethnically dissimilar shoppers and sellers are, the less they may be attracted to each other.

Considering the above reasoning, a shopper, in an attempt to diminish the aforementioned uncertainty and the perception of communication ineffectiveness, may give a stronger preference to similar, rather than dissimilar, sellers. As previously mentioned, the similarity-attraction paradigm (Bochner 1982; Byrne and Clore 1970) provides an elegant explanation of the aforementioned phenomenon, and it will be briefly discussed next.

1.3.3.1 Similarity-Attraction Paradigm

The similarity-attraction paradigm considers attitudinal differences as sources of ethnic interactions (Bochner 1982; Byrne 1961). Borrowing from reinforcement and cognitive balance theories of interpersonal behavior (Byrne 1969; Heider 1958; Newcomb 1956), this framework posits that similar people are more likely to perceive each other more favorably than dissimilar ones. This view parallels the "homophily-heterophily" paradigm, where communication effectiveness is examined both in the context of similarity and dissimilarity (Anderson and Alpert 1974).

A more focused variant of the similarity-attraction paradigm is Rokeach's belief-similarity hypothesis (Rokeach 1960), which tries to account for cross-ethnic dissimilarity in the belief systems of interacting individuals. Further elaboration is provided by Triandis' concept of subjective culture, according to which, different ethnic groups have idiosyncratic ways of perceiving their social environment. Therefore, when members of such groups interact, their subjective cultures may not overlap either in
context or structure, thus leading to participants making faulty attributions about one another (Triandis et al. 1972).

The similarity-attraction paradigm is of key importance to the present study, and as such, it will be discussed at length in Chapter 2. The next section provides a brief outline of the proposed research design utilizing this paradigm.

1.3.3.2 Similarity-Attraction Paradigm and Ethnically Dissimilar Sales Encounters

Examining Figure 2 and Table 1, it can be seen that ethnic combinations are theorized as having the following effects:

- Anglo shoppers and Cajun sellers - the ethnic combination is hypothesized to have a negative impact on the parameters of the model (see quadrant 3 in Figure 2).

- Cajun shoppers and Anglo sellers - the ethnic combination is hypothesized to have a negative impact on the parameters of the model (see quadrant 2 in Figure 2).

- Shoppers and sellers of the same ethnicities - (quadrants 1 and 4) - ethnicity is hypothesized as having no impact on model parameters; these groups represent a control panel.

Thus, as suggested by the similarity-attraction paradigm (Bochner 1982; Byrne 1961), ethnic distinctiveness on the part of shoppers and sellers may moderate a model of dyadic sales encounters. In keeping with this assertion, the model depicted in Figure 1, examined in the comparative contexts of similar vs. dissimilar shoppers' and sellers' ethnicities, may yield statistically significant differences in its path coefficients. Hence, shoppers' perceptions of sellers' job-specific traits and behaviors may be significantly different when shoppers' and sellers' ethnicities are similar vs. when they are dissimilar. However, as suggested by Hirshman (1981, 1983), considering the effect of ethnicity on
marketing interactions, care should be taken to control for some possibly confounding variables. Consequently, the following section will discuss the proposed treatment of such extraneous variance.

1.4 RESEARCH CONTROLS

Following Kirk (1982), extraneous variance can be controlled for by means of experimental controls. The technical aspects of these controls are discussed in Chapter 3, hence the following section is limited to a general overview of the proposed methods for controlling extraneous variance.

It has been suggested by Hirshman (1981) that researchers analyzing the impact of ethnicity on marketing transactions should account for the effects of some potentially moderating variables, such as education, social class, income level, etc. Consequently, attempting to examine a potentially moderating impact of combinations of shoppers' and salespersons' ethnicities on dyadic sales encounters, it appears desirable to control for spurious associations, such as antecedent emotional states of consumers, their age, or gender.

As mentioned above, experimental controls will be relied on to minimize a potential effect of the variance extraneous to the purpose of the study. These will be composed of: (1) randomization, (2) instrument validation, and (3) demographic sample matching.

The justification behind these three experimental controls is presented in depth in Chapter 3. According to Neter, Wasserman, and Kutner (1990), these methods should

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reduce the error term variability, thus resulting in a more robust estimate of the effect of the interaction of consumers' and salespersons' ethnicities.

1.5 SUMMARY OF THE THEORIZED RELATIONSHIPS

As depicted in Figure 2, it is hypothesized that when shoppers and sellers are of divergent ethnic backgrounds, shoppers' perceptions of salespersons' attributes (trustworthiness and expertise), behaviors (practice of marketing concept), and performance will be adversely effected. In short, combinations of dissimilar shoppers' and sellers' ethnicities may moderate a behavioral model of dyadic sales encounters. Operationally speaking, combinations of dissimilar shoppers' and sellers' ethnicities are theorized to have a statistically significant effect on structural coefficients of a behavioral model of dyadic sales encounters.

Lastly, to be able to attribute the aforementioned effect to ethnic manipulations, the potentially confounding influences of variables extraneous to the purpose of this study need to be minimized through experimental controls.

Figure 1 presents the conceptual model of interest; Table 1 offers a concise summary of the expected impact of ethnic combinations on the key salespersons' attributes (expertise and trustworthiness) and behaviors (practice of the marketing concept). Lastly, Figure 2 presents the hypothesized effects of ethnic moderation on a model of dyadic sales encounters.

Next, in keeping with the plan of this dissertation, the research background section provides a discussion of the relevant literature.
CHAPTER 2: RESEARCH BACKGROUND

This chapter purports to provide a review of the philosophical foundations of the present research, along with the review of the relevant conceptual and empirical findings from the previous research. The discussion will be organized in accordance with the following schedule.

2.1 CHAPTER OUTLINE

• First, the conceptual background will be presented, including the discussion of the two general paradigms promoting different views of the long term nature of ethnic interactions.

• Next, the underlying sources of the potentially significant ethnic interactions will be described in terms of the economic and attitudinal sources of ethnic differences.

• Following these general discussions, the review of the relevant literature, framed in the context of the focal constructs, will be presented.

• Lastly, the research hypotheses will be developed and discussed

2.2 RESEARCH BACKGROUND

It stems from the preceding discussion that, broadly speaking, focal (to this research) model of dyadic sales encounters (Figure 1) is comprised of two fundamental elements: (1) selling-specific personality traits and behaviors deemed as being predictive in the context of dyadic sales encounters; and (2) ethnicity-rooted variables viewed as having explanatory potential in the setting of ethnically divergent shoppers' and sellers' ethnic encounters. The second group of variables can further be organized into: (1) the ones comprising ethnic moderation (ethnic group membership and the strength of ethnic identification), and (2) those descriptive of "within-the-model" effects of ethnicity (shoppers' perceptions of ethnic distance).
Consequently, such a division appears to be an appropriate schema for organizing the review of the relevant research background. To this end, the "ethnic" issues will be examined first, followed by the sellers' job-specific traits and behaviors.

2.3 SALES-SPECIFIC CONCEPTS OF ETHNICITY

Although the concept of ethnicity has received some attention from marketing scholars (e.g., Hirshman 1981, 1983; Stayman and Deshpande 1989; Deshpande, Hoyer, and Donthu 1986), its importance to the study of dyadic sales encounters has not yet been fully examined (McGee and Spiro 1991). Thus, a background discussion of the potential influence of ethnicity on retail dyadic sales encounters may provide a good starting point to the description of the sales-specific concepts of ethnicity.

Additionally, in the initial discussion of ethnicity in Chapter 1, it was implicitly assumed that ethnic diversity exhibits a long-term persistence warranting the investigation of its effects. Although the evidence presented in support of this view appears to support such long-term persistence of ethnic diversity, an overview of the conceptual treatment of this phenomenon may enhance the understanding of its potential effect.

Lastly, as discussed above, the ethnic variables of interest may be divided into those comprising the ethnic moderation, and the ones included in the conceptual model of interest. Thus, the discussion of the ethnic constructs pertinent to the purpose of the study will be organized around this distinction.

In keeping with the above discussion, the analysis of the sales-specific constructs of ethnicity will proceed as follows: First, the role of shoppers' and sellers' ethnicities in
the context of retail selling will be addressed. Secondly, a discussion of the conceptual
treatment of the persistence of ethnic diversity will be presented. Lastly, the ethnic
constructs of interest will be described, with the presentation of the moderation-specific
constructs being followed by a discussion of the model-specific ethnic variables.

2.3.1 Ethnicity and Personal Selling

Hirshman (1981) points out that the research addressing ethnicity is mostly
descriptive in nature. Her empirical analysis of Jewish ethnic consumption patterns
(1981) and cognitive structures across consumer ethnic subcultures (1983) brought
ethnicity to the attention of marketing scholars. Since then, among the consumption-
specific ethnic dimensions examined in the context of consumer behavior were: (1)
assimilation (Wallendorf and Reilly 1983), (2) acculturation (O'Guinn and Faber 1986),
(3) cultural interpenetration (Andreasen 1990), and (4) situational ethnicity (Stayman and
Deshpande 1989).

Ethnic diversity has received somewhat less attention from personal selling
researchers. In the context of consumer-seller relationships, the impact of salespersons'
country-of-origin on product evaluations has been investigated (McGee and Spiro 1991).
Trying to understand the meaning of ethnic cues in this case, it could be theorized that
the main effect of salespersons' ethnicity may be used by consumers as a summary
construct (Han 1989) providing some effective global evaluation of the seller's
credibility, trustworthiness, or expertise (Crosby, Evans, and Cowies 1990).

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4 Also see Dunn and Thomas 1986; Hawes, Rao, and Baker 1993; Hawes, Mast, and Swan 1989;
Shepherd and Rentz 1990
It appears that, although it has not been explicitly examined, consumers and sellers tend to be strangers to each other. With this in mind, it seems plausible that consumers' perceptions of low ethnic distance may reduce the degree of the initial strangeness, through facilitation of the initial interpersonal attraction (Bochner 1982; Byrne and Clore 1970).

In a conceptually related manner, few studies have investigated the effect of consumer-seller similarity on the outcomes of dyadic sales encounters (Churchill, Collins, and Strang 1975; Fine and Gardial 1990; Woodside and Davenport 1974). In these studies, "similarity" was conceptualized in terms of the closeness of the socio-economic status (Churchill, Collins, and Strang 1975), attitudinal similarity (Fine and Gardial 1990), gender similarity (Neu, Graham, and Gilly 1988), or salespersons' country-of-origin (Kale and Barnes 1992).

Some of the findings suggest that attitudinal similarity effects the processes employed by salespeople to guide their interactions with customers (Fine and Gardial 1990). Also, gender was found to be a factor effecting negotiations in the context of retail customer-salesperson interactions (Neu, Graham, and Gilly 1988). Similarly, salespersons' ethnicity appears to have some impact on buyers' evaluations of salespeople (McGee and Spiro 1991). However, the possible impact of consumer-seller ethnic dissimilarity on shoppers' perceptions of sellers' performance has not yet been investigated.

In the present study, it is believed that in the context of dyadic sales relationships, combinations of dissimilar consumers' and sellers' ethnicities moderating the nature of the
behavioral model of interest, should be empirically investigated. It is theorized that such combinations may moderate shoppers' perceptions of ethnically divergent salespersons' attributes and behaviors. Furthermore, consumers' perceptions of sellers' ethnicity may, to a large degree, depend on what consumers' own ethnicities are, as well as, the nature of consumers' beliefs with regards to sellers' ethnicity. Consequently, shoppers' perceptions of ethnic distance may be indicative of the effects of ethnicity which are independent of the theorized ethnic moderation.

However, the above conclusions implicitly assume that the American ethnic diversity exhibits long-term persistency. Although the nature of the ethnic mechanics falls outside of the scope of this dissertation, it should be noted that no agreement exists with respect to the character of ethnic diversity. Furthermore, given the critical role consumers' and salespersons' ethnicity plays in this research, particularly in the context of ethnic moderation, a brief discussion of the character of interethnic relations may add to the understanding of the potential impact of interacting ethnicities.

2.3.2 The Melting Pot\(^5\) of Assimilation vs. Cultural Pluralism\(^6\)

As outlined in Chapter 1, the emphasis of this study is on examining the combined effects of dissimilar shoppers' and sellers' ethnicities. Given the focal importance of ethnicity to the present research, it seems that the basis of ethnic attachments should be briefly reviewed. In other words, significant ethnic interactions (as

\(^5\) This term can be traced back to 1908, the year of the first staging of Israel Zangwill's play entitled The Melting Pot.

\(^6\) Cultural pluralism was first coined by Horace Kallen in 1915. As originally conceptualized, it took a position of extreme anti-assimilationism in recognizing America's unique sociological fabric.
hypothesized in the latter part of this Chapter) are predicated upon an enduring nature of ethnic feelings. However, keeping in mind that ethnicity may be subjectively or objectively rooted, an enduring nature of ethnic ascriptions should not be automatically assumed. Thus, the best known conceptual treatments of the American ethnics' mechanics will be briefly reviewed.

It is important to emphasize that there is no wide-spread agreement regarding the future of the American ethnics. Broadly speaking, two competing paradigms, one advocating a long-term assimilation\(^7\) of minor ethnic groups (Gordon 1964; Park 1950) and the other promoting a long-term persistence of ethnic diversity (Hansen 1952; Kellen 1915), advance two divergent views of the mechanics of American ethnics. A researcher's choice of either of the two perspectives will, to a great extent, determine his/her treatment of the ethnic phenomenon in the context of the consumer-seller relationships. Therefore, a closer look seems warranted.

It has traditionally been believed that ethnic diversity lacked a long-term persistence (Gordon 1964; Park 1950). According to this view, members of minor ethnic groups would soon lose their distinctiveness and become assimilated into the dominant culture (Yancey, Eriksen, and Juliani 1976). This belief is commonly known as the "melting pot" theory (Alba and Chamlin 1983; Gans 1979), the working of which is depicted in the traditional assimilation model (Gordon 1964; Wallendorf and Reilly

\(^7\) Technically, as delineated by the Harvard Encyclopedia of American Ethnic Groups, assimilation can result in either 1. minor ethnics assimilating into some dominant ethnic group, a process known as incorporation; or 2. both minor and major ethnics may create an entirely new ethnicity by means of ethnogenesis, a process referred to as amalgamation. Although not always explicitly stated, the original conceptualizations of the "melting pot" appear to be pointing towards the latter of the two as being the end product of the process.
1983). In the context of marketing, implicit to this treatment of cultural diversity is the argument that the American consumption patterns and the salesforce makeup are homogenous.

This view, however, has been challenged on both theoretical (Cohen 1978: Mayhew 1968) as well as empirical8 (Hirshman 1983, 1981) bases. Those rejecting the tenets of the assimilationistic perspective point towards cultural pluralism (Glazer and Moynihan 19759), or a position advocating sustainable persistence of diversity (Greeley 1981). Consequently, accepting a diversity perspective, it seems likely that the American consumption patterns are heterogeneous (Deshpande, Hoyer, and Donthu 1986; Wallendorf and Reilly 1983) and salesforces are, in some cases, ethnically diverse (McGee and Spiro 1991).

The choice between the two paradigms is a difficult one; however, considering the recently documented impact of ethnic diversity on the American consumption patterns10 (evidenced by the sales of ethnic products surpassing $1 billion mark in 1990 [Rosendahl 1990]) and salesforce management (Dominiquez 1992; Nilufer 1993), the diversity perspective appears to be more appropriate. As stated by Nathan Glazer and Daniel P. Moynihan (1963),

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8 The empirical evidence mentioned here could be summarized by what Greeley (1981) refers to as “the persistence of ethnicity.” Implicitly incorporating Hansen’s (1952) “U-curve of ethnic attachments” and Gans’ (1979) notion of “symbolic ethnicity”, Hirshman and others argued that Jewish ethnicity often leads to distinct differences in consumption patterns and other behaviors. Deshpande, Hoyer, and Donthu (1986) drew similar conclusions regarding Hispanic ethnicity.

9 Also, Alba and Chamlin 1983; De Vos 1975; Greeley 1974 and 1981; Gleason 1992; Glazer and Moynihan 1970 and 1975; Royce 1982

10 See Bialer 1993; Brennan 1993; Eubanks 1990; Friedman 1992; Hulin-Salkin 1987; Lebowitz 1991; Rosendahl 1990; Scruby 1992

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"The notion that the intense and unprecedented mixture of ethnic and religious groups in American life was soon to blend into a homogenous end product has outlived its usefulness, and also its credibility. In the meanwhile the persisting facts of ethnicity demand attention, understanding, and accommodation. The point about the melting pot...is that it did not happen."

In conclusion, the two broad paradigms of ethnic ascriptions (assimilation and cultural pluralism) suggest two different treatments of ethnicity. Following the review of some of the best-known arguments of the proponents of the two views, it appears that no clear evidence exists in favor of either of the two paradigms. It seems that given the very large scope of the problem (i.e., the nature of ethnic ascriptions of the American ethnics), the choice of a paradigm should be, at least in part, governed by the problem at hand.

Hence, considering the previously cited illustrations of rising ethnic attachments (pages 2-4), coupled with the significance of ethnicity to consumption patterns (e.g., Deshpande, Hoyer, and Donthu 1986; Hirshman 1981, 1983; Stayman and Deshpande 1989), it seems reasonable to conclude that, at least in the context of dyadic sales encounters, ethnic attachments may exhibit long-term persistence.

The remainder of this chapter will describe the research background of the hypothesized relationships depicted in Figure 1. The relevant research addressing the roots of combined effects of shoppers' and sellers' ethnicities, issues of ethnic groups memberships, the strength of ethnic identification, shoppers' perceptions of ethnic distance, and shoppers' perceptions of sellers' trustworthiness and expertise will be examined. Subsequent to the research background, research hypotheses will be developed, following which, the experimental research design and the hypotheses testing will also be discussed.
2.3.3 Shoppers' and Salespersons' Ethnicities as Moderators

Bochner (1982) asserts that the literature dealing with psychological effects of cross-ethnic contacts is mostly a-theoretical. Consequently, little theoretical guidance regarding the nature of the hypothesized statistical cross-ethnic combinations exists. However, a few conceptual bases for such combinations can be delineated, and these are briefly discussed.

2.3.4 Exploring Ethnic Blending: The General Approaches

Two broad theoretical paradigms outlining the sources of cross-ethnic encounters have been proposed: the economic view and the similarity-attraction paradigm. A discussion of the two follows.

2.3.4.1 The Economic View

Sherif (1970) suggests that significant ethnic encounters are due to the competition for scarce resources, a view which had been mirrored in the split labor market thesis (Bonacich 1972). This explanation implies that, as argued by the contact hypothesis (Amir 1969), frequent cross-ethnic encounters should reduce perceived dissimilarity. However, in spite of its conceptual appeal, empirical evidence appears not to support this view (Amir 1976; Brein and David 1971; Cook and Selltiz 1954). Quite to the contrary, some research indicates that cross-ethnic contacts may increase perceived dissimilarity (Bloom 1971; Mitchel 1968; Tajfel and Dawson 1965).

Also, according to Tajfel (1970), evidence exists suggesting that a mere division of people into groups is sufficient to trigger perceptions of inter-group differences. Furthermore, as posited by Chesler (1976), such perceptions are not necessarily
economically-based. It follows that noticeable ethnic distinctiveness may give rise to a perception of interpersonal differences.

Considering these conclusions in light of the economic view, differences do not seem to diminish as a function of the frequency of contact (Amir 1976), which suggests that enduring nature of significant reciprocal effects of consumers' and salespersons' ethnicities is likely. This, in turn, may point to such interactions being attitudinally based. Thus, an alternative explanation appears warranted, as it seems that the economic view falls short of explaining the enduring nature of ethnic encounters. As an attitudinal explanation seems logically plausible, the similarity-attraction paradigm (Bochner 1982; Byrne 1961) emerges as perhaps the most conceptually complete of such theories.

2.3.4.2 Similarity-Attraction Paradigm

It has been suggested that human beings in general are highly concerned with classifying environmental stimuli into 'punishing' and 'rewarding' categories (Berscheid and Walster 1978). This view seems to be supported by an assertion that virtually all words in all languages are strongly evaluative11 (Triandis and Osgood 1957). Therefore, the extent of the interpersonal attraction, or "...an individual's tendency or predisposition to evaluate another person or symbol of that person in a positive/negative way (Walster and Walster 1976, page 280)," appears to be an outcome of individuals' evaluations of others. Trying to explore the nature of such evaluations in the context of ethnically dissimilar sales encounters, it may be useful to consider perhaps one of the best known

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11 Most of the 18,000 English adjectives commonly used by individuals to describe each other are either complimentary or insulting (Berscheid and Walster 1978).
interpersonal attraction models—the Byrne-Clore reinforcement-effect model (1970).

According to this conceptualization, our interpersonal likes and dislikes are based on the feelings we associate with other individuals. Positive feelings are associated with what we consider to be rewarding stimuli whereas negative feelings are associated with punishing stimuli. Consequently, in general, a person tends to approach an individual associated with positive (i.e., rewarding) feelings, and avoid one associated with negative (i.e., punishing) feelings. Furthermore, these feelings may also be extended to surroundings associated with either liked or disliked individuals, as explained by Baron and Byrne (1976, page 204):

"To take an obvious example, if a stranger were to walk up to you on the street and give you a swift kick in the shins, negative feelings would be aroused. If you were asked to evaluate the experience, you would say that you didn't like getting kicked and didn't like the person who kicked you. It may be less obvious, but your negative feelings would also be likely to extend to any innocent bystander who happened to be there, to the street where the kicking took place, and to anything else that was associated with the unpleasant interaction. In an analogous way, of on the following day, another passing stranger gave you a year's supply of free movie passes, your feelings would be positive and you would probably express liking toward your surroundings."

The above reasoning is reflected in the similarity-attraction paradigm (Bochner 1982; Byrne 1961), which in contrast to the previously discussed economic explanation, considers attitudinal differences as sources of moderation in ethnic interactions.

Borrowing from reinforcement and cognitive balance theories of interpersonal behavior (Byrne 1969; Heider 1958; Newcomb 1956), this framework posits that similar people (e.g., of the same ethnicity) are more likely to perceive each other more favorably than dissimilar ones. The reason for this may lie in ethnically dissimilar individuals tending to be associated with punishing stimuli, whereas similar ones with rewarding stimuli (Byrne
and Clore 1970). Thus, when individuals interact with persons from other cultures, the
differences that separate the two tend to become more salient (Bochner and Ohsako 1977;
Bochner and Perks 1971; Hartley and Thompson 1967). Furthermore, as stated by
Bochner (1982, page 10),

"When we have dealings with members of other cultures, their physical
appearance and language and/or accent provide inescapable cues to their ethnic
origin, and by implication to their status as strangers. We immediately place
such people in the category "they", distinguishing "them" from "us.""

A further elaboration of the reasoning outlined in the similarity-attraction
paradigm (Bochner 1982; Byrne 1961) is suggested by Rokeach's belief-similarity
hypothesis (Rokeach 1960), which tries to account for cross-ethnic dissimilarity in the
belief systems of interacting individuals. Here, dissimilar people are often perceived as
possessing significantly different belief systems, which, as suggested by Festinger's
(1954) social comparison theory, leads to negative perceptions.

Still the same principle is evident in Triandis' concept of "subjective culture",
according to which, different ethnic groups have idiosyncratic ways of perceiving their
social environment. Therefore, when members of such groups interact, their subjective
cultures may not overlap either in context or structure, thus leading to participants
making faulty attributions about one another (Triandis et al. 1972). One of the most
immediate sources of such attributions is suggested by the homophily-heterophily
paradigm, which focuses on the effects of similarity/dissimilarity on communication
effectiveness (Anderson and Alpert 1974). Much like the similarity-attraction paradigm,
the homophily-heterophily framework implies a negative effect of ethnic dissimilarity on
the nature of sales encounters.
In the context of the above discussion, the similarity-attraction paradigm suggests the following reasons for ethnic similarity leading to attraction (Berscheid and Walster 1978):

(1) Assuming we like ourselves, we are cognitively consistent if we like those who are similar to us (Heider 1958; Newcomb 1956).

(2) Festinger's (1954) theory of social comparison. This theory takes into account perceived cross-ethnic attitudinal similarity. In other words, culturally rooted opinions and beliefs tend to be more homogenous within ethnic groups, and somewhat more heterogeneous between such groups. Thus, according to this view, we learn early in life that if our opinions and beliefs are incorrect, we are likely to be punished as a result. We test our beliefs in context of (1) physical and (2) social realities. The latter is provided by opinions of others, and so when others express attitudes similar to ours, our attitude is given social validation. When the reverse is true, cognitive discomfort is likely to occur. Therefore, in view of the possible attitudinal divergence accompanying ethnic dissimilarity, a direct relationship between ethnic similarity and attraction seems plausible.

(3) The aforementioned attitudinal similarity can also be helpful in predicting other person's behavior. In this context, interpersonal ethnic similarity appears to alleviate some of the uncertainty usually associated with dealing with strangers, which may be particularly evident in the context of interpersonal communication (Anderson and Alpert 1974).
2.3.5 Towards Understanding of the Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities

As outlined in Chapter 1, combinations of dissimilar shoppers' and sellers' ethnicities are theorized to moderate the nature of dyadic sales encounters. In this vein, it has been suggested that the nature of ethnic encounters "...depends on attractiveness or unattractiveness of the subjects of communication (Kulikov, Sushkov, and Tsipsuk 1991. page 38)." As explicated by the authors, "attractiveness" is used to mean the perception of cross-ethnic distinctiveness. Thus, members of different ethnic groups should find each other less attractive and more suspicion-arousing than members of the same ethnic group (Bahr, Chadwick, Stauss 1979; Greeley 1981; Marger 1991). Consequently, a significant ethnic moderation of the previously-described model of retail sales encounters is expected to occur when shoppers and sellers are of divergent ethnic backgrounds, a reasoning which parallels that of the similarity-attraction paradigm (Bochner 1982; Byrne 1961).

2.3.5.1 Explaining Ethnic Moderation

As delineated in the previous section, several possible explanations of the theorized moderation of combinations of shoppers' and sellers' ethnicities have been suggested. First of all, shoppers' cognitive consistency may account for the diminished attractiveness between dissimilar members of sales dyads (Berscheid and Walster 1978). According to this view, an average shopper may be assumed to like himself/herself, thus it seems reasonable to expect him/her to be more attracted to a similar seller.

Festinger's (1954) theory of social comparison suggests a second possible explanation. Here, given that most human interactions are evaluative in nature (Triandis
and Osgood 1957), resulting in either positive or negative evaluations (Byrne and Clore 1970), the context of social reality validation may provide perceived incentives towards associating with similar people. In other words, the perceived threat of negative disconformation of shoppers' beliefs may result in them feeling more comfortable (given everything else being equal) around ethnically similar individuals, which translates into being more attracted to similar sellers.

A yet another possible conceptual elaboration of the similarity-attraction paradigm may be provided by the homophily-heterophily theory of interpersonal communication (Anderson and Alpert 1974). This conceptualization suggests that ethnic dissimilarity, as perceived by shoppers, may impact shoppers' perceptions of the ease of communication. Therefore, shoppers may perceive a communication gap to exist between themselves and ethnically dissimilar sellers, which may result in a diminished interpersonal attraction.

2.3.5.2 Some Evidence

It follows from the above discussion that, as outlined earlier, in the context of shopper-seller encounters, ethnic distinctiveness may have a moderating effect on a dyadic model of sales encounters, as evidenced in the outcomes of such sales encounters (Bahr, Chadwick, Stauss 1979). More explicitly, when both members of the dyad are of the same ethnic background, ethnicity should have little or no impact on the sales encounter. Conversely, when shoppers and sellers are members of distinctly different ethnic groups, and these differences are perceived, the combinations of their ethnicities
may moderate the outcomes of dyadic relationships, such as shoppers' perceptions of
sellers' attributes and behaviors.

In partial support of the above presented reasoning, research suggests that
information (such as an accent) relating to ethnicity has been associated with the
judgment of social attractiveness and personal integrity (Foon 1986; Goebel and Cole
1975). In this vein, it has also been proposed that interpersonal dissimilarity may
moderate perceptions of person's intelligence, knowledgableibility, and honesty (Byrne
1961). Considering the ethnic dissimilarity, it has been suggested that one's ethnic
attitudes are largely influenced by the strength of ethnic identification exhibited by an
individual (Kulikov, Sushkov, and Tsipsuk 1991).

It has also been proposed that approach and avoidance behaviors (Mehrabian and
Russell 1974) can be influenced by interpersonal interaction cues (Byrne, McDonald, and
Mikawa 1963). In congruence with this reasoning, it has been found that perceived
ethnic distance may be, among other things, a function of perceived interpersonal
attitudinal dissimilarity (Muraskin and Iverson 1958). Therefore, consumers' and sellers'
ethnic group memberships and the strength of their respective ethnic identifications can
be conceptualized as being descriptive of the nature of ethnic moderation of a model of
dyadic sales encounters. In this vein, the moderation-specific constructs of ethnicity will
be discussed next.

2.4 THE MODERATION-SPECIFIC CONSTRUCTS OF ETHNICITY

As previously discussed, there are two frames of reference (a structural and a
phenomenological one) attempting to explain the nature of ethnic attachments. A
structural frame of reference considers ethnicity to be objectively determined, while the
latter views ethnicity as being primarily a function of subjective beliefs. Thus, the
treatment of ethnic moderation needs to take into account both the structural and
phenomenological frames of reference to be conceptually complete. In keeping with this
reasoning, ethnic group membership represents the structural, or objective, frame of
reference, as it ascribes membership in ethnic groups based on objective indicators, such
as the place of birth, language, etc. In contrast to that, the phenomenological, or
subjective, frame of reference focuses on the strength of individuals' ethnic feelings.
hence it is operationalized with the strength of ethnic identification. Both constructs are
described below.

2.4.1 Ethnic Group Membership

Much has been written in the area of ethnicity\(^\text{12}\) (e.g., Despres 1975; Glazer and
Moynihan 1970; Gordon 1964\(^\text{13}\)). In spite of such obvious interest in the construct of
ethnicity and ethnic relations, most of the work in the area is descriptive\(^\text{14}\) in nature
(Hirshman 1981), and a-theoretical (Bochner 1982). Consequently, just as the

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\(^\text{12}\) According to Petersen, Novak, and Gleason (1982), the word ethnic derives via Latin from the Greek
ethnikos, the adjectival form of ethnos, or nation or race.

\(^\text{13}\) In addition, some of the other better known sources include the following: Abramson 1980; Amir
1969; Bahr, Chadwick, and Stauss 1979; Barth 1969; Brand, Ruiz, and Padilla 1974; Brigham 1971;
Caltabiano 1984; Christian et al. 1976; Cohen 1978; Devereux 1975; De Vos 1975; Driedger 1976; Foote
1993; Lieberson and Waters 1988; Okamura 1981; Phinney 1990; Roosens 1989; Royce 1992; Sollors
1989; Thompson 1989; Yancey, Eriksen, and Juliani 1976; Yinger 1985)

\(^\text{14}\) Some of the more cited conceptualizations also include Cohen 1974; Despres 1975; Epstein 1978;
Foltz 1974; Gans 1979; Gleason 1992; Jiobu 1982; Kahn 1978; McLeish 1993; Mitchell 1974; Petersen,

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descriptions, so did the definitions abound\(^{15}\) (e.g., Barth 1969; Marger 1991; Weber 1961).

In this research, ethnic group (Abramson 1980) is conceptualized as a "...self-perceived group of people who hold in common a set of traditions not shared by others with whom they interact" (De Vos 1975, page 5). Therefore, in the context of dyadic sales encounters, both the ethnic group membership (objective dimension of ethnic ascription, as captured by the structural approach to ethnicity), and the strength of ethnic identification (subjective dimension of ethnic ascription, or stemming from the phenomenological frame of reference) are of importance.

The aforementioned dichotomous treatment of ethnicity is evident in the sales management research. According to McElroy, Morrow, and Eroglu (1990), "...the physical characteristics of the seller...are expected to produce specific emotional responses in the consumer that effect his/her purchase probability (p.31)." Furthermore, Tsalikis, DeShields, and LaTour (1991) found that for an American audience a sales pitch in the standard American accent evoked more favorable judgments than other types of accents. In yet another study, Stayman and Deshpande (1989) found that the nature of social situations and the strength of ethnic identification of individuals comprising the immediate social environment were also indicative of the degree of the situational ethnic

\(^{15}\) Broadly speaking, there are two general approaches to the analysis of ethnicity. The first is called the structural frame of reference (Despres 1975), according to which, ethnic groups are viewed as having an objective and independent existence which is an outcome of socially programmed cultural values and primordial loyalties (Isajiw 1974; Mitchell 1974). The second approach is termed the "phenomenological frame of reference" (Barth 1969; DeVos 1975), which postulates that "...ethnicity is essentially a cognitive category predicated on the presumption of share social, cultural, or even biological origins...membership in such category is self-ascribed, ascribed by others, or both" (Despres 1975, page 5).
ascription. These findings appear to be in agreement with the similarity-attraction paradigm (Bochner 1982; Byrne 1961). Thus, examining the ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities, it seems desirable to delineate and consider both the objective and subjective indicators of ethnicity. The former have been described in this section, and the discussion of the strength of shoppers' and sellers' ethnic identification is presented next.

2.4.2 Strength of Shoppers' and Sellers' Ethnic Identification

For both consumers and salespeople, ethnic identification is involved in the process by which persons came to realize what groups are significant to them, what attitudes concerning them they should form, and what kind of behavior is appropriate (Gleason 1992, page 129). Considering ethnically dissimilar consumer-salesperson encounters, ethnic identification of both members of sales dyads can be conceptualized as an emotional merging of consumers and sellers with other members of their respective ethnic groups (Allport 1954), by means of a conscious processes (Foote 1951), which yield emotional significance (Tajfel 1981). Thus, its importance to the analysis of the ethnic moderation seems clear.

It appears to be conceptually plausible to assert that high levels of shoppers' and sellers' ethnic identifications are desirable in the context of the similarity-attraction paradigm (Bochner 1982). In keeping with this, Rosenthal and Hrynevich (1985) suggest that one of the key bases for ethnic identification is the awareness of the boundaries of

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16 Linguistically, identification can be derived from a Latin root idem, meaning "the same" (Gleason 1992). Formally, it has been introduced by Sigmund Freud to describe the process by which an infant assimilates to itself external persons or objects.
one's own as well as others' ethnic groups. Giles and Johnson (1981) assert that the stronger the group boundaries the more salient the ethnic identification. Furthermore, Christian et al. (1976), Harris (1980), and Rosenthal and Cichello (1986) point out that identification should be viewed as a dynamic, multidimensional process arising out of intergroup interactions.

Operationally, the efforts to assess the dimensionality of ethnic identification yield mixed results:

- single factor (Garcia and Lega 1979)
- two factors, differing widely among studies (Constantinov and Harvey 1985; Driedger 1976; Leclezio et al. 1986)
- three factors (Hogg, Abrams, and Patel 1987)
- four or more factors (Caltabiano 1984; Driedger 1975; Garcia 1982; Makabe 1979; Rosenthal and Hrynevich 1985)

However, "...it appears that self-identification, a sense of belonging, and pride in one's group may be key aspects of ethnic identity that are present in varying degrees, regardless of the group" (Phinney 1990, page 507). In line with this assertion, Phinney (1990) focuses on self-identification as a key aspect of ethnic identification; others consider feelings of belonging and commitment (Singh 1977; Ting-Toomey 1981; Tzuniel and Klein 1977); still others point to the sense of shared values and attitudes (White and Burke 1987); and lastly, the attitudes towards one's ethnic group have also been singled out (Parham and Helms 1981; Teske and Nelson 1973).

Considering the reciprocal influence, or the combined effects, of shoppers' and salespersons' ethnicities, it has been suggested that when individuals interact with persons from other ethnic groups the differences that separate such individuals tend to become more salient (Bochner and Ohsako 1977; Hartley and Thompson 1967). This reasoning
is applied by Stayman and Deshpande (1989) in their analysis of situational ethnicity. They conclude that social situations influence the strength of ethnic identification, which implies that ethnic distinctiveness manifested by members of sales dyads may reinforce the strength of ethnic feelings. In a similar vein, it has also been suggested by the cross-ethnic research that reciprocal ethnic attitudes are important in assessing possible outcomes of cross-ethnic encounters (Kulikov, Sushkov, and Tsipsuk 1991). Ethnic distance is among the best known conceptualizations of cross-ethnic attitudes (Marger 1991), and it is deemed as being potentially useful in examining the nature of the encounters of shoppers' and sellers' ethnicities, independently of the ethnic moderation.

Following the discussion of the elements of ethnic moderation, the next section presents some of the relevant research dealing with individuals' attitudes towards members of divergent ethnic groups. As previously mentioned, the concept of ethnic distance is of focal interest in the analysis of the model-specific issues of ethnicity.

2.5 THE MODEL-SPECIFIC ISSUES OF ETHNICITY

In this section, a discussion of the model-specific issues of ethnicity is presented. In contrast to the moderation-specific issues, the present construct is included in the conceptual model depicted in Figure 1. This construct, shoppers' perceptions of ethnic distance, is descriptive of shoppers' attitudes towards members of other ethnic group and it is deemed capable of yielding attitudinal explanations of the potential effect of shoppers/sellers ethnic diversity, independently of the ethnic moderation.
2.5.1 Shoppers' Perceptions of Ethnic Distance

Originally conceptualized by Park (1924), the concept of ethnic distance is defined as the degree of intimacy that the members of the in-group are willing to establish with the members of the out-group\(^{17}\). It is believed that ethnic differences in general (Banton 1967), and physically-based ethnic contrast in particular (Burns 1977), are the most significant criteria of ethnic distance\(^{18}\) in the United States.

Research indicates that there is some evidence pointing to the interpersonal distinctiveness moderating consumers' perceptions of sellers' attributes and behaviors (Byrne 1961). In this vein, the approach and avoidance behaviors (Mehrabian and Russell 1974) can be influenced by interpersonal interaction cues (Byrne, McDonald, and Mikawa 1963). This view is further supported by Foon (1986) who writes that observer's feelings related to the ethnicity of others appertained to social attractiveness and personal integrity. Thus, ethnically dissimilar individuals may be viewed as being less socially attractive and trustworthy. Furthermore, Schwartz et al. (1991) believe that emotions directed at various ethnics influence the desire for ethnic distance, which may lead to consumers' negative evaluations of sales encounters. In other words, shoppers' feelings towards the ethnicity of the seller may be indicative of the amount of ethnic distance, as implied by the similarity-attraction paradigm (Bochner 1982; Byrne 1961).

\(^{17}\) According to Marger (1991), the cross-ethnic judgment is made along cognitive and effective dimensions, where the former reflects an individual's perception of different ethnic groups, whereas the latter one represents the emotions that one associates with these groups.

\(^{18}\) As discussed later, this represents a narrower conceptualization of the notion of social distance. Such confining of scope seems justified given that the present research focuses only on ethnic distinctiveness as opposed to a much broader idea of social distinctiveness.
Consequently, as suggested by attribution theory (Kelley 1973), consumers dealing with sellers of dissimilar ethnic backgrounds may exhibit differing levels of trust towards such salespeople, depending on shoppers' attitudes towards sellers' ethnic background. More specifically, consumers' perceptions of ethnic distance, or closeness, may impact their opinions of salespersons' trustworthiness (Swan and Nolan 1985). In other words, when shoppers perceive ethnically dissimilar sellers as also being ethnically distant, their perceptions of sellers' trustworthiness may be adversely effected, or diminished. Considering that trust has been proposed to be an indispensable component of cooperation (Blau 1964; Deutch 1958, 1973; Pruitt 1981; Schurr and Ozanne 1985) in general, and particularly, the most important attribute of a retail salesperson (Hawes, Mast, and Swan 1989), the importance of consumers' perceptions of ethnic distance seems evident.

It has also been suggested that, as implied by the contact hypothesis (Amir 1969), frequent cross-ethnic encounters should reduce consumers' perceptions of ethnic distance that may be present in the context of dyadic sales encounters. However, empirical evidence appears not to support this view (Amir 1976; Brein and David 1971; Cook and Selltiz 1954). Much to the contrary, some research indicates that cross-ethnic contact may increase perceived interpersonal dissimilarity (Bloom 1971; Mitchel 1968; Tajfel and Dawson 1965), thus pointing to the enduring nature of shoppers' perceptions of ethnic distance. Therefore, considering dyadic sales encounters of ethnically dissimilar shoppers and sellers, shoppers' perceptions of ethnic distance may be conceptualized as
one of the variables effecting shoppers' perceptions of sellers' job-specific traits and behaviors.

This section provided a review of the conceptual and empirical developments relating to the sales-specific concepts of ethnicity. Next, as outlined in the beginning of this chapter, the research relating to the sellers' job-specific traits and behaviors will be analyzed.

### 2.6 SELLERS' JOB-SPECIFIC TRAITS AND BEHAVIORS

This section provides a background discussion of the selling-specific traits and behaviors, most relevant to the retail dyadic sales encounters. The constructs of interest are: shoppers' perceptions of sellers' (1) trustworthiness, (2) expertise, and (3) performance, along with shoppers' perceptions of sellers' attempt to practice the marketing concept. The literature-rooted discussion will begin with shoppers' perceptions of sellers' trustworthiness and expertise.

The aforementioned constructs, although exhibiting discriminant validity (Rotter 1980; Shanteau 1992), are conceptualized as being indicative of the overall source credibility. Hence, the analysis of the shoppers' perceptions of sellers' trustworthiness and expertise will be carried out in the context of the concept of source credibility.

#### 2.6.1 The Importance of Source Credibility in the Context of Ethnically Dissimilar Shopper-Salesperson Encounters

The focus of the present research lies in the empirical examination of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities in the context of dyadic sales encounters. Thus, it appears that the potential effect of the
aforementioned ethnic moderation on shoppers' perceptions of source (i.e., sellers') credibility should be assessed.

As originally conceptualized by Hovland, Janis, and Kelley (1953), source credibility encompasses two dimensions: (1) perceived trustworthiness, and (2) perceived expertise. The two-dimensional nature of source credibility was employed in a number of marketing studies (e.g., Grewal, Gotlieb, and Marmorstein 1994; Ohamian 1991; Strenthal, Phillips, and Dholakia 1978); it was also posited that the perceived expertise may lead to the perceptions of trustworthiness (Busch and Wilson 1976).

In the context of ethnically dissimilar sales encounters, it has been suggested that a strong source credibility may positively effect interpersonal attractiveness (Patzer 1983), which is consistent with the similarity-attraction paradigm (Bochner 1982; Byrne 1961). Additionally, it has been posited that ethnically distinct accents may have a negative impact on shoppers' evaluations of salespeople (Tsalikis, Ortiz-Buonafina, and LaTour 1992). Consistent with this is the finding that the source credibility is likely to be higher if the communicator (i.e., a salesperson) is a member of a positive reference group (Mika 1981), or the in-group (Marger 1991). Thus, it seems that shoppers' perceptions of the sellers' credibility, as operationalized by shoppers' perceptions of sellers' trustworthiness and expertise, is likely to be effected by the previously discussed sales-specific constructs of ethnicity.

Given the previously mentioned discriminant validity of perceived trustworthiness and expertise (Rotter 1980; Shanteau 1992), it appears that the individual effects of these two constructs could be obscured should their distinctiveness not be recognized in the
model of dyadic sales encounters. Thus, the shoppers' perceptions of sellers' trustworthiness will be examined independently of the shoppers' perceptions of sellers' expertise. The discussion of the two constructs follows.

2.6.2 Shoppers' Perceptions of Salespersons' Trustworthiness

The concept of interpersonal trust and trustworthiness has been of considerable interest to social psychologists, and more recently, marketers (for example, Schurr and Ozanne 1985). According to Wheeless (1978), interpersonal trust can be conceptualized as "...a process of engaging in certain types of dependent behaviors which are related to favorable perceptions of the trustworthiness of another person in somewhat risky situations where the expected outcomes that are dependent upon other person are not known with certainty" (page 144). Given its definition, perceived trustworthiness appears to be of importance in the context of ethnically dissimilar sales encounters.

It has been suggested that trustworthiness is the most important attribute of a retail salesperson (Hawes, Rao, and Baker 1993; Hawes, Mast, and Swan 1989). Most significantly, trust is believed to facilitate exchange relationships (Schurr and Ozanne 1985). Conceptually, the importance of trust can be partially attributed to it being related to liking of the other person (Rotter 1980), which is of particular value when considering that ethnic distinctiveness may adversely impact interpersonal closeness (Swan and Nolan 1985). Some of the better known studies include Berlo, Lemert, and Mertz 1969; Foon 1986; Goebel and Cole 1975; Giffin 1967; Hovland and Mandel 1952; Hovland, Janis, and Kelly 1953; McConiskey 1966; McConiskey, Jensen, and Valencia 1973; Wheeless and Groz 1977.

20 Also see Dwyer, Schurr, and Oh 1987; Hawes, Rao, and Baker 1993; Hawes, Mast, and Swan 1989; Swan and Nolan 1985; Swan, Trawick, and Silva 1985
1985). In support of this view, there is some evidence indicating that ethnic dissimilarity may effect perceived trust in customer-salesperson relationships (Henthome, LaTour, and Williams 1992). Thus, shoppers' perceptions of trustworthiness should be higher when shoppers and sellers are of the same ethnicity, than when they are of dissimilar ethnicities, as implied by the similarity-attraction paradigm (Bochner 1982; Byrne 1961).

To this end, perceptions of salespersons' trust have been found to be one of the factors determining the length of the relationship (Ganesan 1994). Also, there appears to be some theoretical support for ethnicity impacting perceived trust since theories of dyadic behavior have long held that trust is an indispensable component of cooperation (Blau 1964; Deutch 1958, Schurr and Ozanne 1985). Consequently, it follows that ethnicity may impact the potential outcome of the interpersonal communication (Hecht and Ribeau 1984; MacGinnies and Ward 1980) and the degree of customer self-disclosure (Wheeless and Grotz 1977). Considering that it is rather common for consumers to distrust salespeople (Swan and Adkins 1980-1981), the extent of shoppers' cooperation, the nature of dyadic communications, and the degree of self-disclosure on the part of shoppers, may all impact shoppers' perceptions of salespersons' trustworthiness.

Recently, it has been suggested that the perception of interpersonal similarity and the perception of sellers' expertise are of fundamental importance in establishing relational selling behaviors (Crosby, Evans, and Cowles 1990). In this context, perceived trustworthiness appears to be more important than the perceived expertise in facilitating interpersonal communication (Lui and Standing 1989; McGinnies and Ward 1980). Also,
it has been suggested that non-verbal behaviors (such as culture-determined size of personal space) may also impact shoppers' perceptions of salespersons' trustworthiness (Lee, Uhlemann, and Haase 1985).

In summary, it appears that shoppers' perceptions of sellers' trustworthiness seem to be of fundamental importance in the context of ethnically dissimilar dyadic sales encounters. In this vein, it has been suggested that ethnic dissimilarity may also effect perceptions of interpersonal trust (Swan and Nolan 1985; Henthome, LaTour, and Williams 1992), thus directly effecting the nature of retail sales encounters. In other words, shoppers' perceptions of sellers' trustworthiness (as depicted in the model of dyadic sales encounters) may be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Shoppers' perceptions of sellers' expertise is a conceptually related concept and it is discussed next.

2.6.3 Shoppers' Perceptions of Salespersons' Expertise

Research suggests that dissimilar individuals may be judged as less knowledgeable (Byrne 1961). Considering consumers' perceptions of salespersons' expertise in the context of ethnically dissimilar dyadic sales encounters, it has been implied that when individuals interact with persons from other ethnic groups, relatively small differences can be distorted to provide negative images of sellers' expertise (Bochner 1982; Campbell 1967). Here, in the context of ethnically dissimilar dyadic sales encounters, the choice of words (Rohrer 1994) or the nature of sellers' voice (Knudsen 1990) can impact consumers' perceptions of salespeople's expertise (Tsalikis, DeShields, and LaTour 1991). Thus, ethnic moderation seems likely.
It has also been posited that expertise and perceived similarity are essential in sustaining dyadic sales relationships (Crosby, Evans, and Cowles 1990). Consequently, it is important that salespeople are perceived (by consumers) as problem solvers (Callahan 1992), and also that they view themselves as problem solvers (Jacobs 1986). Lagace, Dahlstrom, and Gassenheimer (1991) propose that in order for salespeople to successfully project a problem-solving image, their behavior must be viewed as ethical and appealing to the social style of shoppers (Ingrasci 1981).

Much as it is the case with shoppers' perceptions of sellers' trustworthiness, consumers' perceptions of sellers' expertise are important in establishing relational consumer-salesperson behaviors (Crosby, Evans, and Cowles 1990). This may partially be explained by sellers' expertise being related to the perception of trust in salespersons' knowledgeability (Busch and Wilson 1976). Perceived similarity has also been found to interact with expertise in forming favorable evaluations of sales encounters (Woodside and Davenport 1974).

Operationally, according to Shanteau (1992), the perception of expertise can be impacted by a strong content knowledge, the ability to simplify complex problems, and the ability to provide relevant information. Therefore, shoppers' and sellers' ethnic dissimilarity may impact the formers' perceptions of the elements comprising the perceptions of salespersons' expertise. For example, in the context of dyadic sales encounters, an ethnically dissimilar salesperson, who also exhibits strong degree of ethnic identification, may be judged as not being sufficiently knowledgeable (low content knowledge), unable to provide a clear solution to shoppers' problems (low ability to
simplify complex problems), and lastly, being unprofessional (not providing relevant information). Overall, such salespeople may be significantly less effective.

In closing, in a manner which parallels the effect of a conceptually-related construct of shoppers' perceptions of sellers' trustworthiness, ethnic dissimilarity may adversely impact shoppers' perceptions of sellers' expertise (Byrne 1961). Also, related to shoppers' perceptions of sellers' expertise are shoppers' perceptions of sellers' practice of the marketing concept, a background discussion of which follows.

2.6.4 Shoppers' Perceptions of Salespersons' Attempt to Practice the Marketing Concept

The marketing concept (Kotler 1980) has been conceptualized in the context of salesforce management as the customer-oriented selling, which is defined as the practice of the marketing concept at the level of the individual salesperson-customer interaction (Saxe and Weitz 1982). It has been suggested that such practice incorporates the principles of customer orientation, profit direction, and integrated effort (Lusch and Laczniak 1987).

More specifically, as delineated by Saxe and Weitz (1982), a salesperson's attempt to practice the marketing concept, or the willingness to engage in the customer-oriented selling, is

"...a way of doing business on the part of salespeople. The term refers to the degree to which salespeople practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs. Highly customer-oriented salespeople engage at behaviors aimed at increasing long-term customer satisfaction. In addition, they avoid behaviors that might result in customer dissatisfaction. Thus highly customer-oriented salespeople avoid actions which sacrifice customer interest to increase the probability of making an immediate sale (page 344)."
The importance of the marketing concept has been well-documented. The significance of the practice of the concept in the context of the retail selling has also been pointed out (Ellis and Marino 1992). In the present research, it is asserted that shoppers' perceptions of salespersons' attempt to practice the marketing concept may be moderated by combinations of customers' and sellers' ethnicities. This assertion appears to be plausible considering that interpersonal ethnic dissimilarity may lead to adversely effected shoppers' perceptions of sellers' traits (Byrne 1961). Thus, a less credible seller may be less able to successfully practice the marketing concept.

The possible effect of shoppers' and sellers' ethnic dissimilarity becomes clear considering that the customer-oriented sales approach is characterized by a high concern for others and a high concern for self (Saxe and Weitz 1982), low pressure selling (Bursk 1947), and a need satisfying or a problem solving behavior (Gwinner 1968). Therefore, it appears that as such it would be positively received by customers. However, it may be argued that, just as in the case of shoppers' perceptions of sellers' trustworthiness and expertise, ethnic dissimilarity may adversely effect shoppers' perceptions of sellers' practice of the marketing concept. Hence, it seems plausible that an examination of the potential effects of shoppers' and sellers' ethnicities, or more importantly, the combined effect of the two ethnicities on shoppers' perceptions of sellers' practice of the marketing concept, seems warranted not only from the standpoint of marketing theory development, but just as importantly, marketing practice.

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The following segment discusses the relevant literature dealing with shoppers' perceptions of sellers' performance. Traditionally, the sales research relied on this construct to assess a potential impact of numerous exogenous and intermediate variables. The next section offers a more in-depth discussion.

2.6.5 Shoppers' Perceptions of Sellers' Performance

There is some evidence in support of the view that the perception of salespersons' performance may be impacted by customers' appraisal of sellers' perceived trustworthiness (Hawes, Mast, and Swan 1989; Hawes, Rao, and Baker 1993), perceived expertise (Crosby, Evans, and Cowles 1990), and the practice of the marketing concept (Lusch and Laczniak 1987). Furthermore, it has also been posited that sellers' communication style, including the usage of ethnic cues, impacts shoppers' perceptions of salespersons' performance (Dion, Notarantonio 1992). Consequently, it follows that a potential exists for consumers' to exhibit aversion towards interacting with ethnically dissimilar sellers, which can be brought about by various ethnically-rooted interpersonal interaction cues (Byrne, McDonald, and Mikawa 1963).

In light of the above reasoning, it seems reasonable to conclude that shoppers' perceptions of the interpersonal ethnic dissimilarity may negatively impact their impressions of sellers' performance. Thus, such dissimilarity may act as a moderator of consumers' perceptions of salespersons' personality traits, such as dependability (Byrne 1961), as it may moderate the entire model of dyadic sales encounters.

Lastly, in agreement with the above reasoning, and as supported by expectancy theory (Kelley 1973, 1967), shoppers' perceptions of salespersons' expectations of
tangible or intangible rewards are posited as one of the key determinants of perceived performance motivation (Ford, Walker, and Churchill 1985). Considering a possible impact of ethnically heterogeneous values on shoppers’ perceptions of performance (Swenson and Herche 1994), ethnically divergent salespeople may be viewed by shoppers as exhibiting differential levels of performance, depending upon the ethnicity of customers. Thus, at least in part due to divergent ethnic backgrounds of shoppers’ and sellers’, disparity in perceptions of service delivery may exist among ethnically dissimilar shoppers.

In closing, ethnic dissimilarity in the context of dyadic sales encounters may effect shoppers’ perceptions of sales performance, along with other job-specific sellers’ traits and behaviors, as previously described. Hence, the combinations of dissimilar shoppers’ and sellers’ ethnicities may moderate the entire model of dyadic sales encounters.

This section provided a review of the relevant literature. Broadly speaking, it can be concluded that, although the issue of ethnic diversity received a fair amount of attention, most of the work can be described as a-theoretical (Bochner 1982) and descriptive in nature (Hirshman 1981). Furthermore, the potential moderating effect of combinations of shoppers’ and sellers’ ethnicities has not yet been examined. Thus, in keeping with the plan of the proposal, the next section develops the research hypotheses.

2.7 HYPOTHESIZED RELATIONSHIPS

Figure 1 presents the conceptual model of dyadic retail sales encounters in the context of dissimilar shoppers' and sellers' ethnicities. This model is theorized as being
moderated by combinations of dissimilar shoppers' and sellers' ethnicities, as depicted in
Figure 2 and Table 1. As previously discussed, it is theorized that shoppers' perceptions
of salespeople's job-specific traits (trustworthiness and expertise) and behaviors (sellers'
attempt to practice the marketing concept and performance) are impacted by the "ethnic"
variables, which include shoppers' strength of ethnic identification and shoppers'
perceptions of ethnic distance.

This section presents a literature-based reasoning yielding the upcoming research
hypotheses. Rooted in the relationships depicted in Figure 1, these hypotheses are
presented as a logical consequence of the supporting research background. Also, a brief
conceptual background of the nature of ethnic moderation will be outlined.

2.7.1 Ethnic Moderation of a Model of Dyadic Sales Encounters: The Effects of
Dissimilar Shoppers' and Sellers' Ethnicities on Shoppers' Perceptions of Ethnic
Distance

It has been suggested that when individuals interact with persons from other
ethnic groups the differences that separate such individuals tend to become more salient
(Bochner and Ohsako 1977; Hartley and Thompson 1967). Furthermore, relatively small
differences between ethnic groups can become very noticeable to the members of
respective groups and these differences can also be distorted to provide mutually negative
images, and somewhat exaggerated notions of interpersonal dissimilarities (Allport

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22 As used in this context, ethnic distance can be viewed as a narrower conceptualization of Park's (1924)
concept of social distance, which is defined as the degree of intimacy that the members of the in-group are
willing to establish with the members of the out-group. Therefore, ethnic distance may be described as a
judgment of social distance made only in relation to a person's ethnicity. When applied in the framework
of dyadic sales encounters, shoppers, whose perceptions of sellers are of focal interest, may be viewed as
members of the in-group which judges the perceived closeness and likability of salespersons' ethnicity in
relation to their own.
1954). Consequently, it appears that consumers' perceptions of ethnic distance are largely subjective in nature and, as such, may be strongly influenced by the character and salience of shoppers' perceptions of a particular ethnic group. Thus, as depicted in Figure 1, sellers' job-specific traits and behaviors are directly impacted by shoppers' perceptions of ethnic distance. Additionally, as presented in Figure 2, combinations of dissimilar shoppers' and sellers' ethnicities may act as moderators of the entire retail sales encounter model.

In order to provide a conceptually complete picture of the ethnic moderation theorized in the present study, the research hypotheses should have sound theoretical bases. Hence, the next section presents the propositions encapsulating the conceptual foundations of the ethnic moderation.

2.7.1.1 The Guiding Propositions

Research in the area of social psychology indicates that there is some evidence pointing to the interpersonal dissimilarity being a moderator of consumers' perceptions of salespersons' intelligence, knowledgeability, abilities, and dependability (Bochner 1982; Byrne 1961; Byrne and Clore 1970). It has also been proposed that the approach and avoidance behaviors (Mehrabian and Russell 1974) can be influenced by interpersonal interaction cues (Byrne, McDonald, and Mikawa 1963). Furthermore, as suggested by the similarity-attraction paradigm (Bochner 1982; Byrne 1961), the perceptions of consumer-seller similarity may provide basis for the behavioral reinforcement (Newcomb 1956) and the attainment of the cognitive balance (Heider 1958) in the context of interacting with strangers. Consequently, dyadic ethnic encounters can be hypothesized
to moderate shoppers' perceptions of ethnically dissimilar salespeople. The following propositions summarize the above reasoning:

Proposition 1: Shoppers' ethnicity will moderate shoppers' perceptions of salespeople.

Proposition 2: Sellers' ethnicity will moderate shoppers' perceptions of salespeople.

Proposition 3: The combinations of shoppers' and salespersons' ethnicities will moderate shoppers' perceptions of salespeople.

As outlined in Chapter 1, the combinations of dissimilar shoppers' and sellers' ethnicities are theorized as having a moderating (negative) effect on the model of dyadic sales encounters. In keeping with this, in the context of the high involvement model described in Chapter 1, the ethnicities of high ethnically involved shoppers' and sellers' may together form an overall ethnic moderation.

2.7.2 The Global Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities

Considering the above arguments in light of the similarity-attraction paradigm (Bochner 1982; Byrne 1961), the moderating effect of combinations of dissimilar shopper/seller ethnicities on the entire model of dyadic sales encounters needs to be empirically investigated. Therefore, the following hypothesis will be tested:

HI: Combinations of dissimilar shoppers' and sellers' ethnicities will not moderate the entire behavioral model of dyadic sales encounters. Specifically, the behavioral model of dyadic sales encounters first fitted to an ethnically undifferentiated sample combining respondents of both ethnicities will show a decrease in its goodness-of-fit when fitted to each of the four ethnically distinct shopper-seller contrasts.

This global moderation hypothesis will test the 'macro' effect of combinations of dissimilar shoppers' and sellers' ethnicities. To provide a more focused examination of
the individual relationships encapsulated in the model of dyadic sales encounters, several hypotheses testing the moderating effect of combinations of dissimilar shoppers’ and sellers’ on the individual relationships will also be empirically tested. These ‘micro’ hypotheses will test the overall ethnic moderation through the examination of its effect on individual relationships (paths). In keeping with this, the effect of shoppers' and sellers' combinations of dissimilar ethnicities is assessed as it impacts the following variables: (1) shoppers' perceptions of sellers' trustworthiness (Hawes, Mast, and Swan 1989), (2) shoppers' perceptions of sellers' expertise (Crosby, Evans, and Cowles 1990), and (3) shoppers' perceptions of sellers' performance (Weitz 1978). Also, shoppers' perceptions of sellers' attempt to practice the marketing concept (Saxe and Weitz 1982) will be assessed in the context of dissimilar dyadic ethnicities. It is believed that the aforementioned path coefficients computed in the context of shopper-salesperson ethnic dissimilarity will be significantly different than those computed when shoppers and sellers are ethnically similar. Figure 2 and Table 1 provide a concise summary of the directionality of the theorized relationships. The upcoming section presents the research hypotheses along with their literature-based rationale.

2.7.3 The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on Shoppers' Perceptions of Salespeople's Trustworthiness

Research suggests that information relating to ethnicity has been associated with judgments of social attractiveness and trustworthiness (Foon 1986; Goebel and Cole 1975), where trustworthiness can be defined as situation specific (Scott 1980). In light of this, it has also been proposed that encounters of ethnically dissimilar people may moderate perceptions of persons' (e.g., salespeople) trustworthiness (Byrne 1961).
In keeping with the above reasoning, it has been proposed that trustworthiness is the most important attribute of a retail salesperson (Hawes, Mast, and Swan 1989). Partially, it may be so because, in the context of dyadic behaviors, feelings of trust have been found to be related to liking (Rotter 1980), and further, it is believed by some (i.e., Marger 1992) that ethnic dissimilarity may adversely impact interpersonal closeness and thus the feelings of liking (Swan and Nolan 1985). There appears to be some theoretical support for this reasoning since theories of dyadic behavior maintain that trust is an indispensable component of cooperation (Blau 1964). This assertion seems to be of particular importance when considering that a tendency exists among consumers to distrust salespeople (Swan and Adkins 1980-1981).

Consequently, in a manner suggested by attribution theory (Kelley 1973), a consumer dealing with a seller of a different ethnic background may exhibit varying levels of trust towards that salesperson, depending on his/her attitude towards that particular ethnic background. More specifically, consumers' perceptions of the existence of a significant ethnic distance (between themselves and sellers) may adversely impact their perceptions of salespersons' trustworthiness (Swan and Nolan 1985). With this in mind and considering the potency of the ethnicity-rooted evaluations of sellers' trustworthiness, cross-ethnic interactions research hints that such ethnic attitudes may be largely influenced by the strength of ethnic identification exhibited by focal individuals, such as salespeople (Kulikov, Sushkov, and Tsipsuk 1991).

It follows from the above discussion that it appears to be plausible to hypothesize that when ethnically dissimilar salespersons and shoppers exhibit high degree of ethnic
identification, the combinations of their ethnicities may moderate shoppers' perceptions of salespersons' trustworthiness. Furthermore, as explicated before, shoppers' perceptions of sellers' job-specific traits also depend on the former's ethnic group membership. In view of this, the following relationships can be hypothesized:

**H1:** The relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

**H2:** The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

**H3:** The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

**H4:** The relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.
2.7.4 The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on Shoppers' Perceptions of Sellers' Attempts to Practice the Marketing Concept

It could be theorized that when consumers' perceptions of sellers' trustworthiness are adversely effected by the ethnic moderation, the perception of salespersons' intentions may also suffer. Shoppers' perceptions of sellers' attempts to engage in a problem solving behavior, as conceptualized by the salespersons' practice of the marketing concept (Kotler 1980), represents perhaps the most relevant example of such intentions. In the context of retail shoppers-salespeople encounters, the practice of the marketing concept at the level of an individual salesperson and customer has been termed customer-oriented selling (Saxe and Weitz 1982). Consequently, it appears that combinations of dissimilar shoppers' and sellers' ethnicities may moderate consumers' perceptions of salespersons' attempts to practice the customer-oriented selling, or the marketing concept.

Therefore, the moderating impact of combinations of shoppers' and sellers' ethnicities needs to be assessed. In view of this, the following relationship can be hypothesized:

\[ H_5: \text{The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' performance will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.} \]

Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.
2.7.5 The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on Shoppers' Perceptions of Sellers' Expertise

It has been proposed that perceptions of others' intentions may be a function of the extent to which reciprocal inducements are present in the context of interpersonal interactions (Newcomb 1956). In a similar manner, it has also been hinted that the perception of a significant ethnic distance between interacting individuals may constitute one possible source of such inducements (Byrne 1961). Thus, it could be concluded that, in the context of cross-ethnic encounters, ethnically-described individuals may be judged as less knowledgeable by other ethnically-described individuals, when the latter perceive the former as being ethnically distant (Byrne 1961). Given that, when shoppers perceive salespeople as being ethnically distant, their perceptions of salespersons' expertise may be potentially adversely affected. Such a reaction on the part of shoppers may conceivably carry both some short-run (decreased probability of a sale) as well as the long-run (diminished likelihood of establishing an ongoing relationship) implications. Thus, in keeping with the similarity-attraction paradigm (Bochner 1982; Byrne 1961), combinations of dissimilar shoppers' and sellers' ethnicities may moderate shoppers' perceptions of sellers' expertise.

Concerning the plausibility of such effects, it has recently been suggested that interpersonal similarity and the perception of sellers' expertise are of fundamental importance in establishing relational selling behaviors (Crosby, Evans, and Cowles 1990). Research also indicates that perceptions of sellers' expertise are positively related to perceptions of salespersons' trustworthiness (Busch and Wilson 1976). This relationship appears to be of importance considering some believe that the impression of
trustworthiness is the most important attribute of retail salespeople (Hawes, Mast, and Swan 1989).

Considering the salespersons' image of expertise in the context of ethnically divergent dyadic sales encounters, it has been posited that when individuals interact with persons from other, ethnically distant, groups, the differences that separate such individuals tend to become more salient (Bochner and Ohnsako 1977). Additionally, relatively small objective differences between ethnically divergent shoppers and sellers can become very noticeable to the former in the presence of perceived ethnic distance, and furthermore, these differences can also be distorted to provide negative images of sellers' expertise (Allport 1954). Lastly, the strength of such distortions may be theorized as being largely influenced by the strength of ethnic identification exhibited by both members of a sales dyad (Kulikov, Sushkov, and Tsipsuk 1991).

It follows from the above argument that, given high ethnic identification on the part of ethnically dissimilar consumers and sellers, shoppers' perceptions of sellers' expertise may be adversely effected by the dissimilarity of their ethnicities. The following hypotheses depict this assertion.

**H6:** The relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' expertise will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

**H7:** The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' expertise will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to
each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

H8: The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' expertise will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.

Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a direct (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

2.7.6 The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on Consumers' Perceptions of Salespeople's Performance

It has been argued that performance of retail salespeople increased in the presence of contingent reinforcement (Luthans, Paul, and Baker 1981). In keeping with reinforcement theory (Newcomb 1956), the willingness to help others may be a function of the extent to which reciprocal inducements are present in the context of interpersonal interactions. Consequently, as implied by the similarity-attraction paradigm (Bochner 1982), perception of ethnic similarity may be viewed as one such inducement.

Given the above reasoning, it has been pointed out that the interpersonal ethnic dissimilarity may act as a moderator of consumers' perceptions of salespersons' personality traits, such as dependability (Byrne 1961), thus resulting in adversely effected perceptions of sellers' performance. Taking this thinking a step further, it has been proposed that sellers' communication style, such as utilization of ethnic idiosyncrasies, effects shoppers' perceptions of salespeople's performance (Dion, Notarantonio 1992).
This is in agreement with the assertion that consumers’ desire to interact with sellers can be influenced by interpersonal interaction cues (Byrne, McDonald, and Mikawa 1963).

Helpful in understanding these relationships is attribution theory (Kelley 1973, 1967), which states that individuals try to identify causes of others' behaviors and then, basing upon these interpretations, react to these behaviors (Dubinsky, Skinner, and Whittler 1989). Therefore, in the context of dyadic sales encounters, where consumers perceive themselves as being ethnically different from sellers, high ethnic identification on the part of ethnically dissimilar salespersons may result in them being judged as unprofessional and/or poorly performing.

Also, considering the sellers' end of the dyadic continuum and in congruence with the above reasoning and expectancy theory, reward expectations have been theorized as one of the determinants of performance motivation (Ford, Walker, and Churchill 1985). It has been suggested that the presence of sellers' perceptions of significant ethnic differences between the interacting individuals in a sales dyad constitutes one likely source of such motivators (Byrne 1961). In light of this, ethnically divergent salespeople may themselves feel less inclined to provide outstanding service. This possibility of a diminished motivation may also be partially explained by the impact of ethnically heterogeneous values on performance (Swenson and Herche 1994).

It stems from the above discussion that it could be hypothesized that when both shoppers and sellers exhibit high degrees of ethnic identification, and both are of divergent ethnic backgrounds, dyadic combinations of shoppers’ and sellers’ ethnicities

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may moderate consumers' perceptions of salespersons' performance. Therefore, in
keeping with the above reasoning, the following can be hypothesized:

H9: The relationship between the strength of shoppers' ethnic identification
and shoppers' perceptions of sellers' performance will not be moderated
by combinations of dissimilar shoppers' and sellers' ethnicities.
Considering that the model of dyadic sales encounters will be fitted to
each of the four ethnic contrasts, there will be a positive (directionally
or magnitudinally) relationship between the pattern of structural
coefficients of ethnically homogenous and heterogeneous shopper-seller
combinations.

H10: The relationship between shoppers' perceptions of ethnic distance and
shoppers' perceptions of sellers' performance will not be moderated
by combinations of dissimilar shoppers' and sellers' ethnicities.
Considering that the model of dyadic sales encounters will be fitted to
each of the four ethnic contrasts, there will be a positive (directionally
or magnitudinally) relationship between the pattern of structural
coefficients of ethnically homogenous and heterogeneous shopper-seller
combinations.

H11: The relationship between shoppers' perceptions of sellers' expertise and
shoppers' perceptions of sellers' performance will not be moderated
by combinations of dissimilar shoppers' and sellers' ethnicities.
Considering that the model of dyadic sales encounters will be fitted to
each of the four ethnic contrasts, there will be a positive (directionally
or magnitudinally) relationship between the pattern of structural
coefficients of ethnically homogenous and heterogeneous shopper-seller
combinations.

H12: The relationship between shoppers' perceptions of sellers' trustworthiness and shoppers' perceptions of sellers' performance will not
be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.
Considering that the model of dyadic sales encounters will be fitted to
each of the four ethnic contrasts, there will be a positive (directionally
or magnitudinally) relationship between the pattern of structural
coefficients of ethnically homogenous and heterogeneous shopper-seller
combinations.

The above hypothesized relationships are graphically depicted in Figure 1 (Chapter 1).

Also, the theorized moderation is graphically presented in Figure 2 (Chapter 1).
Following the plan of this dissertation, the upcoming chapter discusses operationalizations of the previously described constructs. Hence, the data collection methods, along with the plan of analysis of data are described.
CHAPTER 3: RESEARCH APPROACH

3.1 CHAPTER OUTLINE

This section outlines the operational elements of the research design. To facilitate the clarity of the presentation, the research approach is presented in the following stages:

**Measurement of the theoretical constructs.** In this section, the measurement properties of the scales of interest are reviewed.

**Invariance of the measurement properties across samples.** The purpose of this part is to address the issues of invariance of the measurement properties across scales as well as to describe the choice of ethnicities and examine their distinctiveness.

**Experimental design.** This section describes the operationalization of the sampling approach, data collection procedure, and the experimental controls.

**Hypotheses testing.** Here the approach to the operationalization of the hypotheses testing will be discussed.

**Instrument validation.** Lastly, a discussion of the investigation of the instrument validation will be provided.

### 3.2 MEASUREMENT OF THE THEORETICAL CONSTRUCTS

The effect of the shopper-seller ethnicity on dyadic sales relationships is assessed by means of a sales script (Fine and Gardial 1990; Pilling and Eroglu 1994; Thompson 1989). With this in mind and considering the relationships depicted in Figure 1, sellers' ethnic group membership, strength of sellers' ethnic identification, and sellers' attempt to practice the marketing concept are all "written" into the sales script.

#### 3.2.1 Scripted Variables

In a manner outlined in Chapter 1, a salesperson will be described as exhibiting high levels of ethnic identification and the practice of the marketing concept. High
ethnically identified salespersons will be used because of the ethnicities under consideration being a part of the so-called "white ethnics" (Marger 1991). As such, the outsiders' (i.e., members' of other ethnic groups) perceptions of sellers' ethnicities are believed to be directly proportional to the strength of sellers' ethnic identification. In other words, the white ethnics (such as Cajuns) are defined primarily in the context of their cultural or phenomenological traits (Abramson 1980), and less importantly, geographic origin (see the Ethnic Group Membership and the Strength of Shoppers' and Sellers' Ethnic Identification sections). With this in mind, it can be seen that the potential impact of their ethnicities can only be examined in the context of high ethnic identification. Otherwise, the ethnicity of sellers' is not likely to be perceived by shoppers.

A similar reasoning can be applied to the sellers' attempt to practice the marketing concept. As discussed in Chapter 2, the impact of salespersons' attempt to practice the marketing concept has already been investigated in a number of studies (e.g., Ellis and Marino 1992; Lusch and Laczniak 1987; Saxe and Weitz 1982). Therefore, the incremental contribution of this research, as it relates to sellers' attempt to practice the adaptive selling, lies in the investigation of the moderating effect of combinations of shoppers' and sellers' ethnicities on shoppers' perceptions of such behaviors on the part of sellers. Thus, it follows that, in order to examine the impact of ethnicity on sellers' practice of the marketing concept, this experimental stimulus should be held constant across cells and it should also be perceivable to shoppers. Hence, the high level of sellers' attempt to practice the marketing concept.
In keeping with the above logic, the only experimental stimulus that will be manipulated will be the ethnic group membership of shoppers' and sellers'. As outlined in the previous section, manipulations of shoppers' and sellers' ethnicities are essential when attempting to assess the theorized moderating effect of ethnicity on a model of dyadic sales encounters. Therefore, two separate sales scripts (two ethnicities of sellers) will be evaluated by two groups of shoppers (two ethnicities of shoppers).

The above-described ethnic manipulations are designed to facilitate the assessment of the moderation of a model of dyadic sales encounters. More specifically, the impact of shoppers' perceptions of sellers' expertise, shoppers' perceptions of sellers' trustworthiness, and shoppers' perceptions of sellers' performance will be assessed in the context of ethnic manipulations. All of these constructs will employ multiple indicators and will be assessed with Likert-type statements or semantic differentials. Table 2 presents a summary of the operationalizations of the aforementioned constructs, including scale names, sample items, reliabilities, and sources. Next, the scaling properties of the moderation-specific constructs of ethnicity will be discussed.

3.2.2 Assessing Ethnic Group Membership

Ethnic group membership is the ethnic label one uses for oneself (Phinney 1990). According to the Harvard Encyclopedia of American Ethnic Groups (Abramson 1980) there are 106 identifiable ethnic groups in the United States. These groups have been delineated based on emic measures of ethnic identification. The most common methods of ethnic self-identification (emic measures) are the following:

1. multiple choice items (e.g., Ullach 1985)
2. parents' ethnicity
TABLE 2
A Summary of the Measurement Instruments

<table>
<thead>
<tr>
<th>Scale Name</th>
<th>Sample Item</th>
<th>Alpha</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic Identification</td>
<td><em>I am a person who feels strong bonds toward</em> (an ethnic group).</td>
<td>.90</td>
<td>Driedger (1976)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Phinney (1992)</td>
</tr>
<tr>
<td>Ethnic Group Membership</td>
<td><em>My ethnic background can be best described as:</em></td>
<td>NA(^{23})</td>
<td>Cohen (1978)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hirshman (1981)</td>
</tr>
<tr>
<td>Ethnic Distance(^{24})</td>
<td><em>I would welcome</em> (an ethnic group) <em>person to a close kinship by marriage.</em></td>
<td>.94</td>
<td>Bogardus (1925)</td>
</tr>
<tr>
<td>Salesperson's Trustworthiness</td>
<td><em>I feel that I can completely trust this salesperson.</em></td>
<td>.86</td>
<td>Swan et al. (1988)</td>
</tr>
<tr>
<td>Salesperson's Expertise</td>
<td><em>I feel I can rely on this salesperson's expertise.</em></td>
<td>.93</td>
<td>Simpson and Kahler (1980-81)</td>
</tr>
<tr>
<td>SOCO</td>
<td><em>This salesperson tried to help me achieve my goals.</em></td>
<td>.86</td>
<td>Saxe and Weitz (1982)</td>
</tr>
<tr>
<td>Antecedent Emotional State</td>
<td><em>At this moment I am feeling good.</em></td>
<td>.72</td>
<td>Allen and Janiszewski (1989)</td>
</tr>
<tr>
<td>(Mood)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Professionalism</td>
<td>1. <em>I feel that the salesperson did not allow his own self interest to interfere with providing the best possible professional service.</em></td>
<td>.66</td>
<td>Snizek (1972)</td>
</tr>
<tr>
<td>2. Self-Orientiation of Salesperson</td>
<td>2. <em>This salesperson was more interested in what he had to say than in what I had to say.</em></td>
<td>.66</td>
<td>Williams and Spiro (1985)</td>
</tr>
</tbody>
</table>

\(^{23}\) As recommended by Cohen (1978) and Hirshman (1981), emic measures, such as self-labeling, seem most appropriate for assessing ethnic group memberships. Therefore, no coefficient alpha can be computed.

\(^{24}\) This is a narrower application of the Bogardus' Social Distance Scale. The reliability (coefficient alpha) of the original scale was reported to be .90.
3. individuals can match labels of themselves in terms of similarity to others with particular labels (e.g., Rosenthal and Hrynevich 1985)

Emic measures of ethnic group membership appear to be preferred as they allow an individual to ascribe the source of ethnic feelings to himself/herself (Hirshman 1981). Furthermore, according to Cohen (1978), self-labeling is the only valid measure of ethnicity since it represents the internal beliefs of the individual, and hence, it reflects the salience and reality of the ethnic affiliation s/he experiences.

The above-mentioned ten traits (which hereon will be referred to as the Ethnic Index) encompass both objective as well as the subjective indicators of ethnic group membership. Its multidimensionality combined with the explicit nature of the indicators points to the index's usefulness in not only assessing, but also devising, ethnic pictures (such as script presentations).

Combining suggestions of Hirshman (1981, 1983) and Cohen (1979) with the aforementioned Ethnic Index, it is proposed that the customer ethnic group membership will be assessed on two steps:

1. First, out of a list of several ethnic groups, a shopper will be asked to select one which best describes his/her ethnic background.

2. Following that, the shopper will be referred to the Ethnic Index and asked to identify the dimensions of his/her asserted membership.

Employing this approach, it is believed that both the nature of ethnic group membership as well as the bases of ethnic ascriptions will be measured. This will be in keeping with the approach recommended by Hirshman (1981, 1983) and Cohen (1979).
3.2.3 Appraising the Strength of Ethnic Identification

Broadly speaking, among the most often studied components of ethnic identification are a sense of belonging to an ethnic group, and attitudes about one's group membership (Phinney 1990).

**Sense of Belonging.** It may be evidenced in the sense of peoplehood (Lax and Richards 1981), the importance attributed to one's ethnicity (Davids 1982), or feeling of concern for one's culture (Christian et al. 1976). The items are listed in Appendix A. The first four statements measure the "sense of belonging."

**Attitudes About One's Ethnic Group.** The absence of positive or the presence of negative attitudes can be seen as a denial of one's ethnic identity (Phinney 1990). The positive attitudes most commonly employed are: pride, pleasure, satisfaction, and contentment. Again, the items are listed in Appendix A, with the last three statements measuring "attitudes about one's ethnic group."

Both dimensions will be explored with Likert-type statements measured on a scale employing six response categories. The possible responses will range from "Strongly Disagree" to "Strongly Agree."

3.2.4 Scaling Consumers' Perceptions of Ethnic Distance

Ethnic distance refers to the degree of "...understanding and feeling that persons experience regarding each other" (Bogardus 1925, page 299). It has been suggested that the original (i.e., social distance) scale (Bogardus 1925) exhibits the necessary validity and reliability (Marger 1991); however, it has been designed to assess the extent of
distance of various foreign nationalities. In keeping with this, an individual was asked to
classify the members of various ethnicities in a number of classes.

According to Shaw and Wright (1967), the split-half reliability of the Bogardus
scale is .90, which leads them to conclude that the scale "...has shown highly consistent
results in its measurement of attitudes which prevail in the United States toward various
minority and dominant groups" (page 408). Qualitatively, a similar conclusion has been
reached by Newcomb (1950), who concludes that "...for measuring an individual's
general social distance, and measuring his order of preference among ethnic groups...both
its reliability and validity seem satisfactory" (page 167). Also, Triandis and Triandis
(1960) assert that due to its wide applicability, Bogardus' scale was credited with making
possible "...a reliable ranking of ethnic groups" (page 110).

Several attempts to validate the cross-cultural applicability of the measures of
social distance have also been undertaken (e.g., Brown 1973; Triandis and Triandis 1960.
1962). In one of the studies (Brown 1973), the original Bogardus scale was modified and
tested in a multi-ethnic setting. According to the author, the modified scale exhibits
satisfactory levels of construct validity and reliability.

In light of the above discussion, it appears reasonable that the above scale is
capable of adequately estimating the extent of perception of ethnic distance between
ethnically dissimilar shoppers and salespersons. However, the last four statements
exhibit a strong foreign orientation, which seems rather inappropriate in the context of the
American-born ethnics. At the same time, given the nature of the data collection
(individually administered survey) and the items themselves, respondents may be
reluctant to freely express their feelings. Consequently, it is proposed that the first three items will be rephrased in the like of Likert-type statements (see Appendix A). The scale items will be measured on a scale ranging from "Strongly Disagree", to "Strongly Agree". In view of the above-described modifications to the original Bogardus' scale, the reliability of the updated instrument was examined with a pretest. The coefficient alpha for the modified six items is .94 which compared favorably with .90 reported by Shaw and Wright (1967). An explicit discussion of the pretests is provided at the end of this chapter.

3.2.5 Evaluating Shoppers' Perceptions of Salespersons' Trustworthiness

Broadly speaking, it has been proposed that both the cognitive and effective components of trust need to be assessed (Johnson-George and Swap 1982; Swan et al. 1988). Consequently, this construct is measured with a scale adopted from Swan et al. (1988). Unlike some of the more general interpersonal trust scales (e.g., Rotter 1971), the Swan’s scale has been designed especially for use in the context of personal sales, and it has been reported as exhibiting satisfactory levels of validity and reliability\textsuperscript{25}. The Likert-type items will be measured on a scale ranging from "Strongly Disagree" to "Strongly Agree". Again, the items are listed in Appendix A.

3.2.6 Measuring Shoppers' Perceptions of Salespersons' Expertise

According to Simpson and Kahler (1980-1981), "...the level of credibility that the respondent assigns to the salesman effects how he views the salesman's ideas, products or services" (page 18). It has also been suggested (Shanteau 1992) that the perceptions of

\textsuperscript{25} As reported by authors, Cronbach's alpha is .86.
expertise can be impacted by a strong content knowledge, the ability to simplify complex problems, and the ability to provide relevant information. Therefore, the expertness subscale of the source credibility scale (Simpson and Kahler 1980-1981) seems particularly appropriate as it has been validated in the context of personal selling\textsuperscript{26}. Here, shoppers' perceptions of salespersons being "trained", "skilled", and "intelligent" appear to be operational equivalents of content knowledge, the ability to simplify complex problems, and the ability to provide relevant information, respectively.

In a manner similar to the operationalizations of other constructs in the present study, the instrument will employ Likert-type items which will be measured on a scale ranging from "Strongly Disagree" to "Strongly Agree". Appendix A provides the list of scale items.

3.2.7 Assessing Shoppers' Perceptions of Sellers' Attempt to Practice the Marketing Concept

Saxe and Weitz (1982) introduced the concept of a customer-oriented selling, which has been defined as the practice of the marketing concept at the level of the individual salesperson and customer. They have also proposed a 24-item Likert-type summated ratings scale that measures the degree to which a salesperson emphasizes behaviors aimed at increasing long-term customer satisfaction. The scale is called Selling-Orientation Customer-Orientation (SOCO), and has been reported as exhibiting satisfactory levels of construct validity and reliability (Hart, Moncrief, and Parasuraman 1989; Michaels and Day 1985).

\textsuperscript{26} The authors'-reported coefficient alpha is .93.
The original SOCO scale was worded to reflect salespeople describing themselves. In the present study, consumers' evaluations of salespeople are of interest, consequently, the reworded scale items will be adapted from Michaels and Day\(^{27}\) (1985). The Likert-type items are measured on a scale ranging from "Strongly Disagree" to "Strongly Agree". Appendix A contains the list of items.

### 3.2.8 Measuring Shoppers' Perceptions of Salespersons' Performance

It appears to be intuitively plausible to view the following dimensions of customers' perceptions of sellers' performance as important:

- salespersons' drive to satisfy customers' needs (helpfulness)
- salespersons' professionalism

The first dimension assesses salespersons' effort put into solving customers' needs. The Self-Orientation of Salesperson scale (Williams and Spiro 1985) attempts to measure the extent to which salespeople appear to be interested in pursuing their own rather than shoppers' goals (see Table 2). In view of the goal of the present research, this scale appears to be particularly appropriate.

The second dimension aims to appraise shoppers' perceptions of the degree of salespersons' realization of their professional role. Snizek's (1972) Professionalism scale purports to measure the extent to which salespersons may put shoppers' needs before their own and provide the best service possible. See the Appendix for the list of scale items. Again, given the purpose of this research, these two dimensions seem most appropriate.

\(^{27}\) Alpha values of .91 and .84 were reported by Michaels and Day (1985) and Hart, Moncrief, and Parasuraman (1989), respectively.
Both the Self-Orientation of Salesperson and the Professionalism scales have been found to be reliable28 (Snizek 1972; Williams and Spiro 1985). As before, the above Likert-type items are measured on a scale ranging from "Strongly Disagree" to "Strongly Agree".

This section described the measurement of the theoretical constructs. However, given the nature of the study (i.e., investigation of the moderating effects of dissimilar ethnicities on a model of dyadic sales encounters), care should be taken to ascertain that no measurement bias across cells exists. The upcoming section addresses this concern.

3.3 INVARiance OF MEASUREMENT PROPERTIES ACROSS CELLS

According to Bochner (1982, page 8), "...there is a major difference regarding within-society and between-society cross-cultural contacts." As explicated by the author, the within-society cross-cultural contacts take place on numerous occasions, ranging from streets, to schools, to work places. Therefore, unlike cross-cultural contacts in the between-society context, being a full participant of a society at large, members of various ethnic groups (here, subcultures of society) differ not in the degree of their relative exposures to the societal stimuli (such as shopping), but rather in their idiosyncratic cultural backgrounds and preferences.

Considering the Anglo and Cajun ethnicities, which (as fully discussed in the Choice of Ethnicities section) will comprise the ethnic contrast, it is quite clear that their encounters should be evaluated in the context of the within-society contact. Perhaps most importantly, in spite of Cajuns' French heritage, they and Anglos share a common

28 Coefficient alpha of .66 was reported for both instruments.
functional language (English) in schools and workplace, as mandated by the Louisiana legislature. Thus, there should be no difference in their abilities to process the experimental stimuli contained in the sales script, which means that the measurement properties should be invariant across cells. This view appears to be supported by the findings of Kenyon (1988), who having studied differences in comprehension of English words between Anglos and bilingual Cajuns, found no significant differences.

Similar conclusions regarding the within-society ethnic encounters are also evident in a number of studies examining ethnic distinctiveness in the context of marketing interactions. A few of the better known of such studies include Hirshman's (1981) analysis of Jewish consumption patterns, Stayman and Deshpande's (1989) and Deshpande, Hoyer, and Donthu's (1986) investigation of Hispanic consumption patterns, and McGee and Spiro's (1991) examination of the impact of Japanese ethnicity on shoppers' perceptions of salespersons. These studies suggest that examining the potential impact of ethnicity in the context of the American ethnics, it can be assumed that ethnic individuals should not be biased in their abilities to process the functional information, such as contained in a sales script. Hence, no bias should exist on the part of Cajuns in their ability to process the experimental stimuli contained in the sales script.

The above reasoning suggests that the measurement of the functional (e.g., salespersons' job-specific traits and behaviors) attributes across cells should be unbiased. Regarding the ethnicity-specific measures, the guidelines put forth by Hirshman (1981) and Cohen (1978), and stressing the use of emic measures of ethnic group membership and the strength of ethnic identification, are followed. Lastly, keeping in mind that all of
the aforementioned measurement instruments have been validated (see Table 2). It appears that invariant measurement properties across cells can be assumed.

It is mentioned throughout the discussion that the Anglo and Cajun ethnic groups will comprise the ethnic contrast focal to the purpose of the study. The next section provides a more explicit treatment of the choice of ethnicities.

3.4 THE choice of ethnicities

As previously mentioned, Anglo and Cajun ethnicities are used in the experiment. Anglo (or more precisely, Anglo-Saxon) ethnicity is commonly considered to be the dominant ethnic group in the United States (Abramson 1980). Members of this ethnic group are often referred to as WASPs (White Anglo-Saxon Protestant), and typically descend from the North Europeans and Scandinavians. The majority of the U.S population is of this ethnic background.

In contrast to Anglos, Cajuns represent a relatively small portion of the U.S population (slightly over 1.2 million in 1980) and are concentrated primarily in the 22 contiguous parishes in southwest Louisiana (Clarke 1988). In spite of their smaller size, the Cajuns have been called "...one of the most distinctive and one of the oldest North American minorities" (Spindler and Spindler 1985). Broadly speaking, the most pervasive factors differentiating Cajuns from Anglos are: religion (Cajuns as a rule are Roman Catholic), language (French), lifestyle (primarily rural), traditions (various Cajun folk festivals), distinct food preferences, and institutions that specifically serve and maintain the distinctiveness of this ethnic group (e.g., the Council for the Development of French in Louisiana).
Referring to the Ethnic Index (the Appendix), the Cajun ethnicity seems to meet the criteria put forth by the Harvard Encyclopedia of American Ethnic Groups (cf. Abramson 1980). Therefore, it can be assumed to be sufficiently different from the other (i.e., Anglo) ethnic group. A similar conclusion has been reached by Esman (1985), who writes that "...Cajuns do remain a separate and viable ethnic group with a culture and an identity on their own" (page 2), and that "Although Cajuns no longer live in the ways of their nineteenth-century ancestors, they still consider themselves to be Cajun and feel strongly about this identity" (page 10).

In support of the above assertions, a recent study (Clarke 1988) examining the assimilation of the traditional Cajun community into the mainstream (here, Anglo-dominated) society, concludes that in spite of some structural assimilation at the secondary level (economic and educational institutions), the key features of Cajun ethnicity have been preserved. Also, the creation of the Council for the Development of French in Louisiana in 1968 appears to have strengthened the persistence of Cajun ethnicity, as it has been termed "the French Renaissance Movement in Louisiana" (Angers 1989).

Accepting the viability of Cajun ethnicity, one area of concern has been a possible difference in the comprehension of English words between the English-speaking Anglos and bilingual Cajuns. However, an experiment testing for such differences in comprehension between Cajun-French (Francophone) and Anglophone children yielded no significant differences between the two groups (Kenyon 1988). Therefore, it can be

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29 For example, 40 percent of the populace in the Acadian region (the 22 contiguous parishes in southwest Louisiana) identify with French heritage. Also, nearly a fourth of the adult population speak French at home (Clarke 1988).
concluded that the Anglo and Cajun ethnicities are sufficiently different, yet both equally capable (in a linguistic sense) of processing the experimental stimuli.

Having discussed the issues pertaining to the scaling properties of the constructs of interest, along with the ethnicity-related concepts, the operational aspects of the experimental design need to be addressed. The upcoming section provides an explicit treatment of this topic.

3.5 EXPERIMENTAL DESIGN

This section describes the experimental design to be employed in the study. It is organized in the following manner: First, a brief overview of the nature of the research design is entertained, following which, a more detailed description of the design is presented. Next, the sampling approach is described, followed by the data collection procedure, and lastly, the research controls.

3.5.1 A Brief Overview

As depicted in Figure 1, a causal model of dyadic sales encounters taking place in the context of similar and dissimilar shoppers' and sellers' ethnicities will be investigated. This model, as shown in Figure 2, will be evaluated in the context of two shoppers' and sellers' ethnicities, or four possible ethnic dyads. Thus, a two mutually-exclusive samples of respondents are required to carry out the comparisons.

The above mentioned two samples are descriptive of ethnic moderation, assessment of which constitutes the purpose of this dissertation. To this end, a causal model of dyadic sales encounters will be evaluated in the context of the experimental manipulations (i.e., different ethnic contrasts), which means that the effect of these
manipulations on the previously described (Chapter 2) relationships will be assessed. As previously discussed, sellers' ethnic group membership being the only variable experimentally manipulated makes possible the assessment of the effect of combinations of dissimilar shopper/seller ethnicities on a behavioral model of dyadic sales encounters.

The research design used in this analysis parallels a randomized block design (Kirk 1982), as it emphasizes the following two elements:

- Blocking - in order to assess the effect of ethnicity across cells, each of the two ethnicities has to be contained to their respective cells. In other words, since the ethnic group membership (ethnicity) is the experimental variable being manipulated, it must be homogenous within samples and heterogeneous between samples (see Figure 2).

- Randomization - within each cell all assignments are made randomly, to control for the effect of any confounding variables, such as age, gender, etc.

A more detailed description of the research design follows.

3.5.2 The Design

As described in the previous section, the moderating effect of the experimental manipulations of shoppers' and sellers' ethnicity on a causal model of dyadic sales encounters constitutes the focus of the present study. Thus, in this section, the nature of the experimental design (or more specifically, the approach to the assessment of ethnic moderation) is discussed.

Generally speaking, an experiment, such as the one employed in the present study, is capable of providing more convincing evidence of causal relationships than exploratory
or descriptive designs (Churchill 1991). However, in order for an experiment to produce valid and reliable results, several key points need to be addressed. According to Dillon, Madden, and Firtle (1990), these are:

1. the treatment conditions to be manipulated
2. the respondents to be exposed to the manipulations
3. the dependent variables to be measured
4. the procedure to be used in testing.

3.5.2.1 The Treatment Conditions to be Manipulated

To restate, the focus of this dissertation is on the investigation of the moderating influences of combinations of dissimilar shoppers/sellers ethnicities on a behavioral model of dyadic sales encounters. To ascertain a possible existence of such moderation, the ethnic group memberships of retail salespeople will be manipulated. More specifically, there will be two treatment levels: (1) Anglos and, (2) Cajuns. As discussed in the upcoming Data Collection Procedure section, the experimental manipulations will be accomplished by means of varying the ethnicity of a seller written into a sales script, or a scenario describing sales encounters in a retail context. In addition to this, only highly ethnically identified sellers and shoppers are of interest.

3.5.2.2 The Respondents to be Exposed to the Manipulations

In congruence with the purpose of this study, Anglo and Cajun ethnic groups will be employed as respondents. In other words, two ethnically-different sales scripts (one describing a Cajun seller and the other an Anglo one) will be presented to the two ethnically-different ethnic groups. Given that the two ethnicities described in the sales
scripts are identical to the ethnicities of the respondents, a 2x2 research design will result. Also, following Hirshman (1981), an attempt will be made to control for possibly confounding variables, such as age or gender; the extraneous variance due to the effect of these variables will be controlled for through randomization.

3.5.2.3 The Dependent Variables to be Measured

It is important to keep in mind that this research does not employ the analysis of variance model. In other words, unlike the conventional ANOVA model, the present research aims to examine the effect of the experimental variable (combinations of shoppers’ and sellers’ ethnicities) on the entire model of dyadic sales encounters. In keeping with this, rather than merely making comparisons among groups of respondents (here, shoppers), the research embodied in this dissertation examines the combined effect of dyadic ethnic dissimilarity on the nature of shoppers’ evaluations of sales encounters. Consequently, the shoppers’ perceptions of sellers’ personality traits (trustworthiness and expertise) and performance the comprise the dependent variables in this research.

3.5.2.4 The Procedure to be Used in Testing

As previously mentioned, the research design used in this dissertation purports to ascertain the moderating effect of the experimental manipulations on a causal model. Hence, the analysis will be carried out by means of covariance structure analysis. More specifically, a single-group (combining all four cells depicted in Figure 2) LISREL model (Joreskog and Sorbom 1988) will be tested against a multi-group approach (a model is fitted to each cell individually). This approach, which is discussed at length in Assessing Ethnic Moderation section, allows a direct comparison of the goodness-of-fit (given the...
chi square additivity) of the aforementioned single-group and multi-group models.\(^{30}\)

Conceptually, it is similar to the method employed by Anderson and Gerbing (1988), where a correlated one-factor model was tested against all possible combinations of two-factor models with purpose of examining discriminant validity among constructs of interest.

Operationally, pooled-across cells assessment of fit (i.e., the summation of the individual chi square and the corresponding numbers of the degrees of freedom) of the multi-group model contrasted with the single-group model's goodness-of-fit, will provide evidence in support of the significant effect of combinations of shopper-seller ethnicities on the nature of dyadic sales encounters. Here, a significantly (in terms of the difference in the chi square statistics adjusted for the number of degrees of freedom) better fit on part of the multi-group model will be taken as indication of the ethnic moderation.

An important consideration in the analysis of multiple samples (particularly, ethnic ones) is the equality of measurement properties across samples. At least two approaches can be used here: Perhaps the most obvious method is the one employing a comparison of multiple confirmatory factor analyses, where a separate factor analysis would be computed for each ethnic samples. Unfortunately, given the necessity to

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\(^{30}\) It is important at this point to explicitly address the operational distinctiveness of multi-group (as employed in this research) and multisample (Joreskog and Sorbom 1989). The former is based on fitting each of the cells (i.e., combinations of shopper-seller ethnicities) separately, or having four separate LISREL models, whereas the latter utilizes simultaneous estimation of all parameters across all cells. The present research utilizes the multi-group approach because combinations of dissimilar shopper and seller ethnicities are theorized to moderate the entire model (i.e., all paths) of dyadic sales encounters (see Chapter 2). It logically follows that such global moderation makes the use of multisample approach unjustified as "...stacking groups together allows some of the effect coefficients to constrained to be equal between the groups while other coefficients vary between the groups" (Hayduk 1987, page 277).
specify the assignments for all indicators, only the relative weights could be compared. An alternative method has been suggested by MacKenzie et al. (1991).

First, the respondents are divided into two ethnically homogenous groups: Anglos and Cajuns. Next, the invariance of factor measurement loadings ($\lambda_x$) between the two groups is examined. (This is accomplished by comparing the degree-of-freedom-adjusted chi squares for two specification: (1) $LX=PS$, and (2) $LX=IN$). If reasonable evidence of invariance is found, the more stringent test is carried out where the cross-sample measurement invariance is examined in the context of factor measurement loadings ($\lambda_x$) and the corresponding error terms (TD). If no statistically significant differences in the chi square associated with the two competing formulations (i.e., $LX$, $TD=PS$ and $LX,TD=IN$) is found, the measurement invariance can be assumed (MacKenzie et al. 1991).

It should, however, be pointed out that given that the emphasis of this research is on examining the effect of dyadic ethnic dissimilarity on the nature of sales encounters, the attainment of strict measurement invariance between the two ethnic samples is less critical. In other words, the role of ethnicity in the present research is not to constitute a background for comparisons, but to give rise to interpersonal differences and thus form tangible bases for comparing the effects of dyadic (ethnic) similarity and dissimilarity. Therefore, the empirical investigation will be centered around comparing the effects of dyadic ethnic similarity and dissimilarity, rather than any cross-ethnic (i.e., Anglo-Cajun) comparisons. This is in keeping with the similarity-attraction paradigm (Bochner 1982), which is the theoretical driver of this research.
The present section described the operational elements of the research design and analysis employed in this dissertation. Next, the sampling procedure will be discussed.

3.5.3 Sampling Approach

Churchill (1991) recommends the following procedure for drawing a sample:

1. define the population
2. identify sampling frame
3. select a sampling procedure
4. determine sample size

As previously discussed, two ethnicities are of interest: Anglos and Cajuns. Consequently, two separate populations need to be considered, which means that two separate sampling frames, or lists of population elements from which samples will be drawn (Tull and Hawkins 1993), will have to be determined. Given the nature of the experiment and the data collection method to be employed, the populations will be defined in the context of ethnic group memberships and geographic considerations. Therefore, the samples will be drawn from two mutually exclusive populations (Anglos and Cajuns), in the following manner:

1. Population 1 - all potential Anglo shoppers residing in the location of interest;
2. Population 2 - all potential Cajun shoppers residing in the location of interest.

Sampling frames for the two populations will be comprised of all adult potential shoppers of Anglo and Cajun ethnicities available during the data collection. To control
for the type of a potential shopper (employment status, age, gender, etc.), the data collection will be undertaken in several stages, where each stage will be carried out during a different time (e.g., morning vs. evening/afternoon, weekday vs. weekend).

To reiterate, the sampling plan will proceed as follows:

(1) First, two independent samples of respondents will be selected. One sample will be composed of Anglo potential shoppers, and the other one of Cajun potential shoppers, both of which residing in the area of interest. As previously mentioned, both samples will be mutually-exclusive, as only those individuals classifying themselves (emic approach, recommended by Hirshman 1981) as either Cajun or Anglo will be selected. Also, as implied by the high involvement model, only high ethnically identified individuals will be considered.

(2) Following the selection of the two samples, the subjects within each ethnic group will be randomly assigned to the experimental stimuli (Anglo and Cajun scenarios).

(3) Lastly, a conceptual model depicted in Figure 1 will be fitted to each cell, as shown in Figure 2.

Keeping in mind the previously discussed method of analysis, sufficient sample must be collected to allow a statistically meaningful cross-sample comparison. Unfortunately, no explicit guidelines exist delineating the optimum sample size. A sample not large enough may result in a misapplication of the maximum likelihood estimation, while a sample size that is too large, may, according to Hayduk (1987, page
lead to "...even minute differences [becoming] detectable as being more than mere sampling fluctuations and hence significant." Consequently, sample size of 100-150 respondents per cell appears to be reasonable (Hayduk 1988), which will result in a total sample of 400-600 potential shoppers, or 200-300 Anglo and 200-300 Cajun respondents.

As previously outlined, a sales script will be used as a part of the data collection procedure. The next section details the data collection approach.

3.5.4 The Data Collection Procedure

Potential shoppers of desired ethnicities will be approached and requested to participate in the experiment. There will be two levels of ethnicity (Anglo and Cajun) for both potential shoppers and (scripted) sellers, resulting in the sales dyad being examined in the context of four possible contrasts. For instance, a Cajun potential shopper could be assigned to either a Cajun, or an Anglo seller. All within-cell assignments will be fully randomized.

In keeping with the previously discussed high involvement model, high ethnically identified respondents are of interest to this study. Therefore, the ethnic samples will be collected as follows:

- Cajun respondents: The Council for the Development of French in Louisiana, located in Lafayette, Louisiana, will be contacted to help identify areas of highest Cajun concentration. Next, in order to avoid any interviewer bias, local (to each area) interviewers will be recruited for the purpose of data collection. All interviewers will be trained regarding the purpose as well as the nature of this study.
• Anglo respondents: Here, the 'familiar-but-not-affiliated' criteria will be employed in the data collection process. The members of the Anglo sample are desired to be 'familiar' with the Cajun ethnicity in order to be able to closely identify with the sales script (and thus increase its validity), and 'unaffiliated' to ascertain cultural (and ethnic) distinctiveness.

As previously mentioned, once approached, the subjects will be requested to participate in the study, and given their agreement, will be briefly instructed regarding the nature of the experiment. Subsequent to the initial interview, the subjects will then be presented with a written, or scripted, scenario describing a particular shopping situation. In essence, the intercepted shoppers are to be asked to role play (Myers 1992; Rigney and Smith 1991; Richmond, Anderson, and Morris 1990). This methodology is believed to yield psychometrically-sound results (Kipper 1992; Kipper 1988) in general, and it was also found to exhibit satisfactory levels of reliability, as well as convergent, discriminant, and external validity (Kern 1991).

Using role playing or scripts in dyadic relationships research is not new. It has been employed in the context of personal selling in assessing the impact of situational differences on the consumer-seller interaction (Fine and Gardial 1990), in evaluating contact employees' adaptability potential (Thompson 1989), in salesperson selection (Randall, Cook, and Smith 1985), and in sales training (Leigh 1987). Overall, role playing was found to be effective in inducing a temporary attitude change (Kidron 1977), in which case it appears to be appropriate to be used in the "on-the-spot" interview, which will be the data collection technique employed in this research.

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A possible concern during the data collection arises frequently out of the possibility of confounding of the experiment-specific information with extraneous variation. According to Kirk (1982), one of the possible approaches for dealing with this problem is the experimental control. This approach will be discussed next.

3.5.5 Experimental Controls

Many of the popular marketing research textbooks (e.g., Churchill 1991; Dillon, Madden, and Firtle 1990; Tull and Hawkins 1993) point out a need to control for extraneous causal factors. Experimental controls can take on various forms, such as random assignment of subjects to treatment levels, or refinement of the experimental stimuli (Kirk 1982). Also, given the demands of the present study, the demographic sample matching appears important.

1) **Randomization.** Here, an attempt is made to control for the differential effect of extraneous causal variables across the various treatment conditions. Therefore, all respondents will be assigned randomly to treatments. Also, the effect of some of the possibly confounding demographic variables, such as age, or gender, will be randomized out.

2) **Demographic sample matching.** To further ascertain that the aforementioned demographic variables do not become confounded with the experimental manipulations, attempt will be made to collect ethnic samples that are comparable in terms of age, gender, and education. Given the experimental nature of this study, the attainment of such demographic invariance will make possible a more valid and reliable
attribution of the outcomes of the experimental manipulations and causal
factors.

(3) **Instrument refinement.** The stimulus used in this study has to be
capable of generating ethnicity-based feelings on the part of respondents
to successfully examine the effect of ethnicity on dyadic sales encounters.
Thus, a two-stage pretest procedure will be implemented to ascertain
scripts' internal validity (see the Instrument Validation section).

Thus far, the scaling properties of the focal constructs, the operationalization of
the experimental design, and the approaches for controlling extraneous variance have
been discussed. Next, an approach for testing individual hypotheses will be presented.

3.6 HYPOTHESES TESTING

3.6.1 The General Approach

The primary purpose of this investigation is to examine the effect of the
hypothesized moderation of combinations of dissimilar shoppers' and sellers' ethnicities
on a conceptual model of dyadic sales encounters in a retail context. With this in mind,
the experiment will employ two distinct ethnicities, where the combinations of dissimilar
ethnicities of the selling dyad will moderate paths in the behavioral model (see Figure 2
and Table 1). Combinations of similar shoppers' and sellers' ethnicities will be used as a
control panel, as they are theorized to have no moderating effect on the conceptual model
of dyadic sales encounters (see Figure 2 and Table 1), as suggested by the similarity-
attraction paradigm (Bochner 1982). In other words, the comparison will be carried out
between the conditions of ethnic similarity and dissimilarity.
Additionally, in an attempt to control for any systematic extraneous variance (and thus reduce the error term variability), influences of independent variables extraneous to the purpose of the study will be minimized by means of randomization.

The empirical analysis will be carried out in two stages:

(1) First, an assessment of global moderation of the behavioral model of dyadic sales encounters will be undertaken. The analysis will be carried out by means of comparing the goodness-of-fit of single-group and multi-group models.

(2) Next, the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities on the individual relationships will be investigated. This will be accomplished by means of the multi-group analysis, where a comparison between ethnically homogenous and heterogeneous shopper-seller dyads will be carried out in terms of the differences in their patterns of coefficients.

3.6.2 Assessing the Global Moderation of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities

In a manner previously suggested, the overall moderating impact of dissimilar shopper/seller ethnic combinations will be analyzed by means of utilization of the multi-group and single-group structural analysis. As previously discussed, the multi-group approach used in this research is operationally equivalent to fitting the behavioral model of dyadic sales encounters (Figure 1 in Chapter 1) to each cell separately. Therefore, the full information maximum likelihood estimators employed by the LISREL model are maximized in the context of the information and data constraints that are limited to a
single ethnic contrast (e.g., Anglo shopper-Cajun seller, or Cajun seller-Anglo shopper).

As previously mentioned, this approach is conceptually equivalent to method recommended by Anderson and Gerbing (1988), where a single-group vs. two-factor comparison was used in examining discriminant validity among constructs.

This approach differs from the multisample structural analysis (Joreskog and Sorbom 1989), in that the latter of the two uses the information pooled across cells (i.e., ethnic contrasts) in conjunction with the cell-specific information to find the optimum values for the maximum likelihood estimators. As delineated by Hayduk (1987, page 277), it is desirable to use the multisample approach when "...some of the effect coefficients [are] to be constrained to be equal between the groups while other coefficients vary between the groups." In light of the fact that the similarity-attraction paradigm (Bochner 1982; Byrne 1971) is the leading theoretical driver of this research, and it postulates a global moderating effect, no theoretical or empirical bases exist for hypothesizing some paths as being invariant across groups. Therefore, given the above reasoning, a multisample LISREL model seems inappropriate.

3.6.2.1 Operationalization of the Global Ethnic Moderation

To be able to discern the presence of ethnic moderation, the multi-group approach will be compared (in terms of the degree-of-freedom-adjusted chi square) to the single-group model. The single-group operationalization is based on fitting the behavioral model of dyadic sales encounters to a grand sample combining the individual four ethnic

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31 Typically, the coefficient estimates of the measurement model are computed by pooling information across individual cells or subsamples, whereas the structural coefficients are specified as either invariant (pooled across cells) or free (estimated within an individual cell).
contrasts. It follows that unlike the multi-group approach, the LISREL's full information maximum likelihood estimators will be maximized in the context of the aforementioned grand sample. Thus, fitting the behavioral model of dyadic sales encounters to the aforementioned grand sample will yield an assessment of the fit of the model under the conditions of no moderating effect of ethnicity.

From a conceptual standpoint, the following is the rationale behind the single-group operationalization: Recalling that the only experimentally manipulated variable will be the ethnicity of shoppers and sellers, it follows that the only distinction between the Cajun and Anglo samples (and more specifically, among the four ethnic contrasts) is ethnicity. With this in mind, and recounting that the purpose of the single-group formulation is to provide a test of the implicit hypothesis of no moderation of combinations of dissimilar shoppers' and sellers' ethnicities, it appears that combining the ethnic samples into a single sample is not only logically correct but also desirable.

It is logically correct because implicit in the 'no ethnic moderation' argument is the belief that ethnic dissimilarity has no significant impact on the outcome of dyadic sales encounters, thus combining samples that only differ in terms of ethnicity is operationally equivalent to combining four samples drawn from a homogenous population. Such an approach is desirable due to it being the most direct method of examining a model fit under the presumption of no effect of dissimilar ethnic combinations of shoppers and sellers (i.e., ethnic dissimilarity).

Returning to the assessment of the global moderation, it has been previously mentioned that the initial test of such moderation of combinations of dissimilar shopper
and seller ethnicities will utilize a comparison of multi-group and single-group structural analysis. Thus, the single-group approach will fit the behavioral model of dyadic sales encounters (Figure 1) to the combined sample (a grand sample). Given that each respondent, regardless of his/her ethnicity, will be presented with the same instrument it seems logically correct that all of the respondents could be pooled into a single sample. Fitting the model of dyadic sales encounters to that grand sample will yield an assessment of the goodness-of-fit under the assumption of no ethnic moderation. Given that, it also seems plausible that the nature of the ethnic contrast (i.e., Anglo shopper--Cajun seller, Cajun shopper--Anglo seller, or Cajun shopper--Cajun seller) would be inconsequential under the presumption of a lack of ethnicity-specific effect. Hence, operationally speaking, the single-group model is believed to assess the lack of ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities, while the multi-group method tests the global presence of such moderation.

The presence of the above-discussed global moderation will be investigated with the help of the following hypothesis:

HI: Combinations of dissimilar shoppers’ and sellers’ ethnicities will not moderate the entire behavioral model of dyadic sales encounters. Specifically, the behavioral model of dyadic sales encounters first fitted to an ethnically undifferentiated sample combining respondents of both ethnicities will not show a decrease in its goodness-of-fit when fitted to each of the four ethnically distinct shopper-seller contrasts.

3.6.3 Assessment of the Moderating Effect of Combinations of Dissimilar Shoppers’ and Sellers’ Ethnicities on the Individual Relationships

Having investigated the existence of global moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities (as stipulated by the similarity-attraction
paradigm), the focus will be shifted to examining the individual relationships in the context of the aforementioned moderation. The assessment of moderation of the individual relationships will be carried out in two stages: First, the total sample is to be subdivided into four sub-samples, in accordance with the following schedule:

1. Anglo seller and Anglo consumer
2. Anglo seller and Cajun consumer
3. Cajun seller and Cajun consumer
4. Cajun seller and Anglo consumer

Four separate covariance matrices (one for each of the above four samples) will be computed. The structural model (see Figure 2 in Chapter 1) will then be fitted to each of the four cells employing covariance structure analysis. This will result in four separate structural coefficient estimates being computed for each of the relationships. Next, the patterns of coefficients will be compared between ethnically homogenous and heterogeneous shopper-seller contrasts. Directional and/or magnitudinal differences in the aforementioned patterns of coefficients will be taken as evidence of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities.

Operationally, the hypotheses focusing on the individual relationships will be assessed according to the following schedule:

H1: The relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.
This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{11}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H2: The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{12}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H3: The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{13}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H4: The relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' trustworthiness will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\beta_{31}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).
FIGURE 3

The Structural Model of Sales Encounters of Ethnically Dissimilar Shoppers and Sellers
H5: The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' performance will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{33}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H6: The relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' expertise will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{21}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H7: The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' expertise will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{22}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H8: The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' expertise will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.
Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{23}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H9: The relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' performance will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{31}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H10: The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' performance will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\gamma_{32}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

H11: The relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' performance will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.
This hypothesis will be accepted when the pattern of parameter estimates for path $\beta_{32}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

**H12:** The relationship between shoppers' perceptions of sellers' trustworthiness and shoppers' perceptions of sellers' performance will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

This hypothesis will be accepted when the pattern of parameter estimates for path $\beta_{31}$ are statistically different between cells 1-3 and 2-4 (see Figure 3).

The above discussion described the research methodology to be employed in this dissertation. The next section provides a description of the instrument validation undertaken on the onset of the analysis.

### 3.7 INSTRUMENT VALIDATION

Recalling Table 2, it can be seen that all measurement instruments were adapted from the literature. These scales appear to exhibit satisfactory psychometric properties, including validity and reliability. However, the ethnic distance scale, given its original wording, should be modified to enhance its validity in the context of this research, which will necessitate an assessment of its psychometric properties. Also, given the nature of the experiment (shoppers' evaluations of a sales script), it seems appropriate to examine the ability of the instrument to invoke ethnically-related attitudes. Therefore, internal validity of the scripts (i.e., the distinctiveness of the descriptions of sellers' ethnic group memberships) needs to be examined, which will be accomplished with manipulation checks.
Concerning the operational aspects of the manipulation checks, there seems to be no single, universally employed approach. A review of the recent literature suggests two procedures that may be deemed appropriate for the present study: one exemplified by Heath et al. (1994), and the other illustrated by Alba et al. (1994).

Heath et al. (1994) examination of spokesperson fame and vividness effects employs two spokespersons (a celebrity and a fictitious one), which necessitates an examination of the perception of the two spokespersons on the relevant dimensions. In other words, the study entails that the two treatment levels (spokesperson A and B) are significantly different in terms of the perceptions they generate on the dimensions of interest (e.g., fame, likability, etc.). Likert-type statements are used to measure respondents' attitudes regarding the two spokespersons. The distinctiveness is ascertained with the help of F-test and $\chi^2$. Here, the F-test is used to measure the statistical significance of the differences, while the $\chi^2$ is used to measure the practical importance of these differences (Lindman 1974).

A somewhat different approach to manipulation checks is employed by Alba et al. (1994). These researchers attempt to differentiate between perceptions of price images (levels) for two real-life stores in order to ascertain the influence of prior beliefs and other cues on consumers' perceptions of comparative price data. In doing so, they solicited opinions from 63 subjects regarding relative expensiveness of the stores, following which they computed a ratio of the respondents who believed that one store's prices were lower than the other's. Having found a high level of agreement among subjects, they concluded that the price images were sufficiently distinct.
Choosing between the two above-described approaches, it seems that the one employed by Alba et al. (1994) may be more appropriate, as the experimental stimulus used in their study appears to be more similar to the present research than the approach employed by Heath et al. (1994). Hence, the method used by Alba et al. (1994) will be relied on in the present research.

The manipulation checks will be performed in two stages: First, a focus group interview will be conducted in order to delineate the dimension(s) on which the scripts are perceived as being different. Secondly, the two scripts will be tested for distinctiveness on the above-mentioned dimension(s).

The initial pretest, which focuses on the investigation of the psychometric properties of the updated ethnic distance scale, will be discussed first. The second pretest provides an initial assessment of the manipulation checks of the levels of the experimental variable (sellers' ethnic group membership). Lastly, the final pretest examines the scripts' distinctiveness on the dimension(s) identified in the Pretest 2.

3.7.1 Pretest 1

One hundred ten undergraduate business students, all enrolled in the introductory marketing course, filled out a short questionnaire containing the modified ethnic distance scale (see Appendix). They were informed that the questionnaire was a part of the dissertation research, and were requested to respond to the items in a way that best described their feelings towards the focal ethnicities.

The completed questionnaires were encoded and analyzed using the SPSS statistical software package. First, the reliability of the updated scale was assessed with
the help of the coefficient alpha, which was determined to be .94\textsuperscript{32}. Next, the unidimensionality of the instrument was assessed with principal component analysis. As evidenced in Table 3, a single factor has been extracted (accounting for 80\% of variance) which seems to attest to the scale's unidimensionality.

### 3.7.2 Pretest 2

Focal to the present research is a successful manipulation of sellers' ethnic group membership. The ethnic descriptions of salespersons have to be clearly perceivable by shoppers in order to be capable of generating the latter's reactions to sellers' ethnicities. At the same time, the two scenarios have to be viewed as being clearly different in the context of sellers' ethnic group memberships. Furthermore, the scenarios need to be accurate in their descriptions of ethnic types. To ascertain all this, a focus group interview was conducted in order to assess the distinctiveness of Anglo and Cajun types, and also to examine the face validity of both ethnic descriptions, with particular emphasis on the somewhat more involved Cajun ethnic scenario.

It is commonly believed that the standard focus group interview involves 8 to 12 individuals and it is typically designed to reflect the characteristics of a particular group of interest (Tull and Hawkins 1993). In keeping with this, and also in accordance with the previously outlined sampling plan, participation of 4 Anglo and 4 Cajun individuals was solicited. Five of the eight participants were women, and the age of all participants ranged from 20 to 42 years of age.

\textsuperscript{32} The Reliabilities procedure, which is a part of the SPSS statistical package, was used for this purpose.
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³³ Ethnic Distance
The focus group members were briefly introduced to the nature of the experiment, following which they were all given a copy of the two scenarios. Next, they were requested to discuss any differences between the two scenarios. No cues were provided regarding the nature of the differences they were to discuss.

The participants were quick to point out the differences in sellers' ethnicities. Once the ethnic distinctiveness of the two levels of experimental variable was established, the interview was directed towards examining the face validity of the description of the Cajun type. Particularly, the correctness and the perceived appropriateness of the French expressions was ascertained. Overall, the focus group members agreed that the scenarios were both ethnically distinct and correct.

3.7.3 Pretest 3

To provide further validation of the manipulations of the salesperson's ethnicity, an additional pretest was carried out. One hundred and sixteen undergraduate business students enrolled in junior-level advertising and sales promotion courses were exposed to the experimental manipulations. They were briefed regarding the nature of the research and requested to respond based on the information provided to them. Two separate versions of the data collection instrument were distributed: the 'Cajun' scenario was presented first in half of the instruments, whereas the 'Anglo' scenario was presented first in the other half. This manipulation was undertaken to control for a possible order bias.

One hundred and six students returned usable surveys. Sixty eight percent of those surveyed identified themselves as Anglos, sixteen percent as Cajun, and the
remaining sixteen percent as members of various other ethnic groups (e.g., Hispanics, Asians, African Americans, etc.).

Of the one hundred and six that were surveyed, one hundred and four respondents judged the two scenarios as being different in terms of ethnicities of the salespersons. A further examination of the responses points to an encouraging finding: In congruence with the similarity-attraction paradigm (Bochner 1982; Byrne 1961), there appears to be some initial evidence in support of the moderating impact of combinations of dissimilar shoppers' and seller' ethnicities. An Anglo respondents notes: "The Cajun pushed his background onto the individual." Exposed to the same script, a Cajun respondent notes: "Passage one [Anglo salesperson] seemed more business-oriented, as passage two [Cajun salesperson] had a little more in common with me. Being Cajun I feel they develop more trust with more [ethnic] dialogue as it makes me more comfortable personally."

In conclusion, sufficient ethnic differences have been found between the descriptions of Cajun and Anglo salespeople. Therefore, it may be concluded that the experimental manipulations of sellers' ethnic group memberships appear to have the capability to evoke ethnicity-specific feelings on the part of shoppers. Lastly, some initial evidence in favor of similarity-attraction paradigm was also uncovered.
CHAPTER 4: DATA ANALYSIS

4.1 CHAPTER OUTLINE

This chapter describes the collection of the data and its analysis. The presentation is built around the data collection process, construct validity assessment, model identification and specification issues, examination of the overall moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities (global moderation), investigation of the relationship-specific effects of combinations of dissimilar shoppers’ and sellers’ ethnicities, and the general discussion of the research approach. Also, a brief assessment of the theorized ethnic moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities in the context of present findings will be presented. The following steps are required to accomplish the above objectives:

- **A brief recounting of the purpose of the study:** A short discussion of the conceptualization and operationalization of the present study will be provided to facilitate the description of the analysis.

- **Data collection:** The outcome of the data collection process will be discussed for both the Cajun and Anglo samples. Also, the issues pertaining to the demographic invariance between the two samples will be addressed.

- **Construct validity and model specification and identification:** Internal consistency of each of the exogenous and endogenous constructs will be examined, along with the analysis of discriminant validity among these constructs. Also, an examination of the measurement invariance between samples and across cells will be presented. Following the validity assessment, empirical examination of model specification and identification will be undertaken.

- **Examination of the ethnic moderation thesis:** The empirical investigation will be organized around the key elements of the study:
  - **First, an assessment of the global moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities will be presented.** In this section, the appraisal of the global effect of ethnic moderation (of combinations of dissimilar shoppers’ and sellers’ ethnicities) on a model of dyadic sales encounters will be addressed. The discussion will include
a comparison of the goodness-of-fit of the single-group model operationalizing the lack of the global moderation, and the multi-group model, operationalizing the presence of such moderation. Thus, this stage will provide an examination of the macro effect of the theorized moderation.

- **Secondly, an examination of the moderating effect of combinations of dissimilar shoppers’ and sellers’ ethnicities on the individual relationships:** Here, the individual model-specified relationships will be examined in the context of combinations of homogenous/heterogeneous ethnic sales encounters. Hence, this stage will yield an assessment of the micro effect of the hypothesized ethnic moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities.

- **Ethnic moderation in the context of present findings:** This section will provide an evaluation of the global ethnic moderation hypothesis, stipulated by the similarity-attraction paradigm, in the context of the empirical findings of this study.

### 4.2 THE STUDY

As described in previous chapters, the contribution of this study is twofold: (1) a conceptualization of the moderating effect of ethnic dissimilarity on dyadic sales encounters, and (2) an operationalization of such moderation by means of combinations of dissimilar shoppers’ and sellers’ ethnicities. To facilitate clarity of the presentation of the results of the study, these two implications will be discussed next.

#### 4.2.1 Conceptual Contribution

The present study posits that, as postulated by the similarity-attraction paradigm (Bochner 1982; Byrne 1969), the combined effect of a shopper-seller ethnic dissimilarity will moderate the nature of dyadic sales encounters. Figures 4 and 5, first depicted in Chapter 1 (as Figure 2 and Table 1, respectively), provide a succinct summary of the theorized relationships. It can be seen that shoppers’ perceptions of the key personality traits (trustworthiness and expertise) and behaviors (adaptive selling behavior and
FIGURE 4

The Moderating Effect of Combinations of Dissimilar Shoppers’ and Sellers’ Ethnicities on Hypothesized Relationships
FIGURE 5

The Impact of Ethnicity of a Seller on Buyer's Perception of the Shopping Environment
performance) are theorized as being moderated by combinations of shoppers’ and sellers’ ethnic dissimilarity. More specifically, in the context of dyadic ethnic dissimilarity, shoppers’ perceptions of the aforementioned traits and behaviors are theorized as being adversely effected.

4.2.2 Operational Contribution

The approach to the assessment of the above described dyadic ethnic moderation constitutes an operational contribution of this study. From the standpoint of the analysis, the operationalization of the present study can be best described in the context of its global (or macro) effect as well as the path- or hypothesis-specific (micro) impact.

Concerning the former of the two, the global effect of dyadic ethnic dissimilarity is discerned when the nature of the entire behavioral model of sales encounters is moderated by combinations of dissimilar shoppers’ and sellers’ ethnicities. To test for this a comparison of the single-group vs. multi-group operationalizations is carried out. The former operationalization is suggestive of lack of (statistically) significant moderating effect of combinations of shoppers’ and sellers’ ethnicities, whereas the latter of the two is representative of presence of such moderation. Also, the aforementioned micro impact of dyadic ethnic dissimilarity is examined in the context of the individual, model-specified, relationships.

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34 This operationalization will be described at length in the Ethnic Moderation - Single-group vs. Multi-Group section of this chapter.
4.3 DATA COLLECTION PROCESS

As outlined in Chapter 3, two samples were collected: one comprised of Anglo respondents and a second one containing Cajun respondents. The following describes the data collection process for these two ethnic samples.

4.3.1 Cajun Sample

As previously discussed, Cajuns continue to live in relatively distinct ethnic enclaves in rural parishes of southwestern Louisiana (Clarke 1988). Considering this, it seems reasonable to assume that there might be a considerable degree of reluctance on their part to cooperate with an "outside" researcher. To avoid such a possible interviewer bias, eight Cajun interviewers were recruited to conduct most of the data collection. Each interviewer was thoroughly trained and instructed regarding the purpose of the experiment. Additionally, the interviewers were instructed to seek a wide cross-section of respondents, particularly in terms of age. Also, to avoid any systematic bias brought about by the time of week (i.e., weekday vs. weekend) or the time of day (morning vs. afternoon), the interviews were conducted over a three-month period in the following parishes:

- Acadia
- Avoyelles
- Evangeline
- Lafayette
- Point Coupee
- St. Landry
The above parishes were used because they have been identified as yielding the highest concentration of Cajun population (Clarke 1988). The respondents were randomly exposed to the two levels of experimental stimuli (i.e., scripted Anglo and Cajun salespersons), as built into the selling scenarios. A total of 295 Cajun questionnaires were collected, of which 246 were deemed usable. 

4.3.2 Anglo Sample

Anglo ethnicity is commonly believed to be the predominant ethnic group in the United States, hence, its members are widely and easily available (Abramson 1980). In view of this, it was determined that the availability of Anglo ethnicity be used to customize the demographic makeup of the Anglo sample to that of the Cajun sample. Attainment of such demographic invariance between the two samples is believed to be of importance in order to constrain the sources of the between-group variance. If uncontrolled, sources of between-group variance may introduce a high degree of confounding with the experimental manipulations.

In a manner similar to the one used in collecting the Cajun sample, the potential effect of interviewer and the time of week/day biases were controlled by means of local interviewers and varying interviewing time, respectively. Consequently, five thoroughly trained and instructed interviewers were relied upon to conduct the interviews in East Baton Rouge Parish. Collecting the sample in this location presented two distinct

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35 There were two selection criteria used: First, in keeping with the importance of emic measure of ethnic self-identification (Cohen 1978; Hirshman 1981), only the questionnaires marked (by the respondents) as "Cajun" were retained. Secondly, a visual check of the response distribution was conducted, with the objective of delineating the "constant response" bias (i.e., an individual giving the same response across all positively and negatively valenced items).
advantages: First of all, Anglos residing in this area can be assumed to be familiar with Cajun ethnicity, enabling them to better role-play (Myers 1992; Rigney and Smith 1991; Richmond, Anderson, and Morris 1990), or identify with the sales encounter described in the sales script. Secondly, collecting an Anglo sample in a metropolitan area assures a higher degree of representatives of the sample.36

Again, the experimental stimulus was randomly assigned to the respondents. In total, 310 questionnaires were collected, of which 221 were deemed usable in accordance with the aforementioned criteria. After collecting the two ethnic samples, a final examination of the between-samples demographic invariance was undertaken. The next section describes the results of this analysis.

4.3.3 Demographic Similarity Across Samples

It has been previously mentioned that a considerable amount of effort was expended to acquire a high degree of demographic similarity between the Anglo and Cajun samples; this effort was expected to diminish the significance of any non-experimental variation. A close demographic similarity was sought with regards to the average age of respondents, the distribution of age, gender breakdown, and education. Table 4 depicts the summary statistics for the demographic variables across the two samples:

36 Given its multidimensional makeup (Abramson 1980), the Anglo ethnicity appears to be considerably more diverse (culturally and otherwise) than the Cajun ethnicity. In light of this, it is important to capture a relatively representative sample of Anglo respondents while adhering to the demands of the demographic cross-sample invariance, the importance of which is discussed in the upcoming section.
TABLE 4
Summary Statistics for the Cross-Sample Demographic Comparison

<table>
<thead>
<tr>
<th>Measure</th>
<th>Cajun Sample</th>
<th>Anglo Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age: Average</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>Age: Range</td>
<td>18-64</td>
<td>19-71</td>
</tr>
<tr>
<td>Gender Ratio</td>
<td>60% Female - 40% Male</td>
<td>66% Female - 34% Male</td>
</tr>
<tr>
<td>Education</td>
<td>69% HS or Some College</td>
<td>78% HS or Some College</td>
</tr>
</tbody>
</table>

Examining the above cross-sample demographic comparison, it appears that the Cajun and Anglo samples seem sufficiently similar in terms of the key demographic traits in order to assume that the experimental manipulations were not confounded with any extraneous differences. In other words, randomly selected Cajun and Anglo respondents appear to be very similar in terms of their demographic characteristics; hence, the difference in their responses should not be a function of the demographically-driven factors, but should reflect ethnicity-rooted interpersonal differences. To elaborate on this point, it should be emphasized that the success of the experimental manipulations of shoppers' and sellers' ethnicities is, at least in part, dependent on absence of other sources of dissimilarity.

Consider the age of an respondent—it could be argued that if the two ethnic samples differed significantly in terms of the average age and its distribution, the opinions of the respondents could be attributed to either differences in their age or ethnicity. Operationally, it would be impossible to separate the effect of one (e.g., age) from the other (e.g., ethnicity). This argument becomes even more convincing when one
considers differences in the level of education. Clearly, it is important to diminish the likelihood of the occurrence of such confounding. Next, the issues of construct validity and model specification and identification will be discussed.

**4.4 CONSTRUCT VALIDITY AND MODEL SPECIFICATION AND IDENTIFICATION**

This section is organized as follows: First, the scaling properties of individual constructs are discussed, including internal consistency of each construct, along with discriminant validity among the constructs. Next, the properties of the overall model of dyadic sales encounters are examined. Finally, the issues of identification and specification are discussed.

**4.4.1 Scaling Properties**

The importance of scaling properties in assessing the validity and reliability of research findings cannot be overstated (Churchill 1991). Considering that research in the social sciences makes heavy use of latent constructs, care should be taken to ascertain valid and reliable relationships between indicators and their unobservable conceptual formulations. Also, conceptual and operational distinctiveness of constructs of interest should be carefully examined.

The scaling properties of all of the constructs of interest were discussed at length in Chapter 3. In this section, the emphasis is placed on the model-assessment-specific scaling considerations. These can be broadly grouped into the investigation of the cross-sample measurement invariance, internal consistency, and discriminant validity.
4.4.2 Assessing the Measurement Similarity

In a manner delineated in the beginning of this chapter, strong controls were put in place during the data collection process to ascertain that any non-experimental variance would not become confounded with the experimental manipulations. Also, a considerable degree of effort was expended to ensure demographic comparability of the two ethnic samples. Having reviewed the issues of unbiased sample collection and demographic similarity in the beginning of this chapter, it is also important to assess the invariance of the measurement properties across scales.

As described in Chapter 3, two approaches have been proposed for testing measurement invariance across samples:

- The first method employs a comparison of multiple confirmatory factor analysis, where separate factor analysis were computed for each sample. Table 5 presents a comparison of factor loadings for Cajun and Anglo samples. Although there are some random differences between the "Anglo" and "Cajun" coefficients, it seems reasonable to conclude that no sample-specific bias can be detected.

- As the above comparison appears somewhat qualitative and thus lacking of objective criteria, the second approach attempts to circumvent this shortcoming by means of a more quantitative operationalization. To this end, an approach employed by MacKenzie et al. (1991) was followed; it proceeded as follows:

---

37 Due to the fact that there are two levels of ethnicity, the factor loadings for the two ethnic groups have been averaged across these two levels of experimental stimuli.
TABLE 5
Factor Loadings

<table>
<thead>
<tr>
<th>Scale</th>
<th>Anglo Respondents</th>
<th>Cajun Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller's Trustworthiness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Trust2</td>
<td>0.91</td>
<td>0.85</td>
</tr>
<tr>
<td>Trust3</td>
<td>0.75</td>
<td>0.82</td>
</tr>
<tr>
<td>Seller's Expertise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expert1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Expert2</td>
<td>0.93</td>
<td>0.92</td>
</tr>
<tr>
<td>Expert3</td>
<td>0.80</td>
<td>0.91</td>
</tr>
<tr>
<td>Seller's Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perform1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Perform2</td>
<td>0.96</td>
<td>0.62</td>
</tr>
<tr>
<td>Perform3</td>
<td>0.85</td>
<td>0.51</td>
</tr>
<tr>
<td>Ethnic Identification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnic1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Ethnic2</td>
<td>0.85</td>
<td>0.66</td>
</tr>
<tr>
<td>Ethnic3</td>
<td>0.81</td>
<td>0.49</td>
</tr>
<tr>
<td>Ethnic Distance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distanc1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Distanc2</td>
<td>0.77</td>
<td>0.93</td>
</tr>
<tr>
<td>Distanc3</td>
<td>0.73</td>
<td>0.71</td>
</tr>
<tr>
<td>Seller's Adaptiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOCO1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>SOCO2</td>
<td>0.99</td>
<td>0.85</td>
</tr>
<tr>
<td>SOCO3</td>
<td>0.91</td>
<td>0.77</td>
</tr>
</tbody>
</table>
First, the factor measurement loadings ($\lambda$) for the two ethnic groups were examined for evidence of measurement invariance. Operationally speaking, a chi square/number of degrees of freedom comparison was carried out between a model specifying only the same pattern of coefficients between the Cajun and Anglo samples ($L_X=PS$), and a competing model restraining the two measurement models to be invariant between the two groups ($L_X=IN$). The difference between the two formulations ($\chi^2=9$ with 6 d.f.) seems negligible, hence it was concluded that there was some initial evidence in support of the cross-sample measurement invariance.

Next, the same approach was extended to incorporate not only the factor measurement loadings, but also their corresponding error terms (TD). The result was a comparison of the goodness-of-fit of the measurement model where the coefficients were free to vary between the ethnic groups ($L_X=PS\ TD=PS$) and a competing model restraining the coefficients to be invariant between the groups ($L_X=IN\ TD=IN$). This time, the difference between the two formulations ($\chi^2=83$ with 18 d.f.) appeared to be statistically significant, which may be indicative of lack of measurement invariance between the two groups.

The results of the above analysis may cast some doubt on the viability of comparing structural coefficients in the context of divergent measurement models. However, as postulated by the similarity-attraction paradigm, it is not the purpose of this research to make any cross-ethnic coefficient estimates comparisons—rather, in keeping with the similarity-attraction paradigm, the focus of this dissertation is on investigating the theorized moderation of combinations of dissimilar shoppers' and sellers' ethnicities.
To elaborate, it seems logically plausible that the idea of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities relies on contrasting ethnically similar and dissimilar shopper-seller encounters, hence in this context, the role of ethnicity is reduced to that of a source of interpersonal differences. It follows that the hypotheses testing will not be carried out in the cross-ethnic context, as any such comparisons fall outside of the focus of the present research. Rather, the unit of analysis will be an ethnically similar vs. ethnically dissimilar shopper-seller dyad. In light of this, it appears that the above-noted lack of cross (ethnic) sample measurement invariance seems less critical, as no direct comparison between Anglo and Cajun shoppers will be made.

As discussed in Chapter 3, testing of the hypotheses describing the individual relationships will be carried out by means of comparing the patterns of coefficients for ethnically homogenous and heterogeneous shopper-seller dyads. It follows that it is of importance to establish that there are no significant directional and/or magnitudinal differences in inter-factor correlations between the two ethnic samples. To accomplish this objective, the approach recommended by Joreskog and Sorbom (1989) was followed. This approach, employing confirmatory factor analysis, specifies the factor pattern of indicators ($\lambda$) and error variances ($\theta$) as being invariant across groups. Therefore, any of the aforementioned directional and/or magnitudinal differences between the two ethnic

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38 To this point, a number of other demographic variables could be employed, such as gender, age, etc. The recent rise in ethnic awareness visible in the American marketplace (as exemplified in Chapter 1) made ethnicity most attractive to this dissertation.

39 As previously discussed, the test of the global moderation hypothesis will be based on comparing the goodness-of-fit for single-group and multi-group models.
groups (i.e., Anglos and Cajuns) should manifest themselves by means of factor correlation matrices ($\Phi$). Table 6 presents the comparison of the Anglo and Cajun inter-factor correlation matrices.

Although some differences in the magnitude of the correlations can be observed, no directional divergence between the two (i.e., Anglo and Cajun) trends are evident. Therefore, it seems plausible to conclude that the inter-factor correlation matrix yields no evidence suggesting an existence of any systematic differences confounding the comparisons of ethnically homogenous and heterogeneous shopper-seller dyads.

**TABLE 6**

A Cross-Ethnic Comparison of Inter-Factor Correlations

<table>
<thead>
<tr>
<th>SCALE</th>
<th>Trust</th>
<th>Expertise</th>
<th>Perform.</th>
<th>EthnicId</th>
<th>EthnicDist</th>
<th>SOCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expertise</td>
<td>.84</td>
<td>.90</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(.39)</td>
<td>(.45)</td>
<td>(.56)</td>
<td>(.58)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perform.</td>
<td>(.39)</td>
<td>(.45)</td>
<td>(.56)</td>
<td>(.58)</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>EthnicId</td>
<td>.51</td>
<td>.51</td>
<td>.53</td>
<td>(.11)</td>
<td>(.21)</td>
<td>1.0</td>
</tr>
<tr>
<td>(.34)</td>
<td>(.43)</td>
<td>.47</td>
<td>.50</td>
<td>.53</td>
<td>.72</td>
<td>1.0</td>
</tr>
<tr>
<td>EthnicDist</td>
<td>.74</td>
<td>.76</td>
<td>.66</td>
<td>.79</td>
<td>(.34)</td>
<td>.47</td>
</tr>
<tr>
<td>(.34)</td>
<td>(.43)</td>
<td>(.47)</td>
<td>.50</td>
<td>.53</td>
<td>.72</td>
<td>1.0</td>
</tr>
<tr>
<td>SOCO</td>
<td>.65</td>
<td>.80</td>
<td>.89</td>
<td>(.42)</td>
<td>(.37)</td>
<td>.29</td>
</tr>
<tr>
<td>(.42)</td>
<td>(.37)</td>
<td>.29</td>
<td>.31</td>
<td>.53</td>
<td>.72</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Having provided some initial examination of the cross-sample measurement issues, a more in-depth investigation focusing on the sampling properties of the focal (to this study) constructs will be undertaken. Thus, the next section provides a discussion of the empirical assessment of the internal consistency of the constructs.

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40 Anglo respondents
41 Cajun respondents

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4.4.3 Assessment of Internal Consistency

In a manner discussed in Chapter 3, an empirical examination of the global moderation (of the model of dyadic sales encounters) of combinations of dissimilar shoppers’ and sellers’ ethnicities will be operationalized by means of a comparison of the goodness-of-fit of the ethnically undifferentiated grand sample and the ethnically homogenous sub-samples (single-group vs. multi-group). In light of this, the psychometric properties of the scales of interest need to be examined in context of the aforementioned grand sample as well as the individual sub-samples. To this end, an examination of the scaling properties of the grand sample will be carried out first, followed by an examination of the ethnicity- and cell-specific properties.

Among the tools most frequently used to assess internal consistency of individual constructs are: composite reliability, variance extracted (it reflects the amount of variance captured by a measure relative to a random measurement error), t-values, and item-to-total correlations. Hence, the aforementioned three step (1. ethnically undifferentiated grand sample; 2. Anglo and Cajun samples; and 3. four shopper-seller ethnic contrasts) analysis of the psychometric properties of the six constructs employed in this study will be built around these measures.

4.4.4 Examination of the Scaling Properties in the Context of the Combined Grand-Sample

Considering that the ethnicity of shoppers and sellers is the only variable experimentally manipulated in this research, the two ethnic samples (Anglo and Cajun) can be combined into an overall, ethnically undifferentiated sample. Hence, an assessment of the psychometric properties of the focal constructs was be carried out in the
context of this ethnically undifferentiated sample\textsuperscript{42}. Operationally speaking, the following methods were employed:

- Top three items (i.e., those with the highest factor loadings) were chosen from each scale for the purpose of model estimation\textsuperscript{43}. The choice of items was invariant between the Cajun and Anglo samples. Composite reliability for the six constructs was as follows:

  - Strenght of Shoppers' Ethnic Identification: 0.89
  - Shoppers' Perceptions of Ethnic Distance: 0.88
  - Shoppers' Perceptions of Sellers' Practice of Marketing Concept: 0.94
  - Shoppers' Perceptions of Sellers' Trustworthiness: 0.86
  - Shoppers' Perceptions of Sellers' Expertise: 0.79
  - Shoppers' Perceptions of Sellers' Performance: 0.75

- The amount of variance extracted compared favorably with the threshold of 0.5 advocated by Fornell and Larcker (1981). Individually, the scales yielded the following results:

  - Strenght of Shoppers' Ethnic Identification: 0.82
  - Shoppers' Perceptions of Ethnic Distance: 0.81
  - Shoppers' Perceptions of Sellers' Practice of Marketing Concept: 0.88
  - Shoppers' Perceptions of Sellers' Trustworthiness: 0.79

\textsuperscript{42} As delineated in the upcoming discussion of the single-group and multi-group formulations, combining ethnically different samples seems logically plausible when it is believed that the ethnicity of shoppers' and sellers' has no impact on the nature of dyadic sales encounters.

\textsuperscript{43} The same three items were used with both the Anglo and Cajun samples. Only three items per construct were retained to avoid using indicators with factor loadings lower than .6 (see Table 7). Although some scales (e.g., SOCO)exhibited more than three items meeting this criterion, retaining only the three highest loaded indicators increased model’s parsimony and the unidimensionality of measurement.
- Shoppers' Perceptions of Sellers' Expertise: 0.74

- Shoppers' Perceptions of Sellers' Performance: 0.66

- The t-values for the aforementioned indicators are all significant at P>.01.

- The item-to-total correlations are generally above the 0.5 level (see Table 7).

The totality of the above presented evidence points to the scales attaining recommended levels on the key indicators. Hence, the constructs of interest demonstrate satisfactory levels of internal consistency, when examined in the context of the ethnically undifferentiated grand sample. Next, the psychometric properties will be examined in the context of the ethnically homogenous Cajun and Anglo samples. Following this, cell-specific assessment of the scaling properties will be described.

4.4.5 Examination of the Scaling Properties Across the Anglo and Cajun Samples

The key psychometric properties of the focal constructs were next examined in the context of the two ethnically dissimilar samples. In other words, the assessment of the scaling properties was undertaken separately for the Anglo and Cajun samples. Among the tools used to assess the scaling properties in the context of the aforementioned two samples were: coefficient alpha, item-to-total correlations, composite reliabilities, and the t-values. Table 8 contains the summary statistics.

As evidenced in Table 8, the item-to-total correlations are generally above the 0.5 level. The coefficient alpha, as well as the composite reliability estimate (computed across all six constructs) appear to be comparable between the two ethnic samples. Lastly, the t-values are all significant at P>.01.
### TABLE 7

Item-to-Total Correlations Computed for the Grand Sample

<table>
<thead>
<tr>
<th>Scale</th>
<th>Indicator</th>
<th>Item-Total Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic Identification</td>
<td>ETHNICI1</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>ETHNICI2</td>
<td>0.63</td>
</tr>
<tr>
<td></td>
<td>ETHNICI3</td>
<td>0.60</td>
</tr>
<tr>
<td>Ethnic Distance</td>
<td>ETHNICD1</td>
<td>0.52</td>
</tr>
<tr>
<td></td>
<td>ETHNICD2</td>
<td>0.48</td>
</tr>
<tr>
<td></td>
<td>ETHNICD3</td>
<td>0.46</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>TRUST1</td>
<td>0.51</td>
</tr>
<tr>
<td></td>
<td>TRUST2</td>
<td>0.47</td>
</tr>
<tr>
<td></td>
<td>TRUST3</td>
<td>0.44</td>
</tr>
<tr>
<td>Expertise</td>
<td>EXPERT1</td>
<td>0.64</td>
</tr>
<tr>
<td></td>
<td>EXPERT2</td>
<td>0.62</td>
</tr>
<tr>
<td></td>
<td>EXPERT3</td>
<td>0.57</td>
</tr>
<tr>
<td>Adaptive Selling</td>
<td>SOCO1</td>
<td>0.52</td>
</tr>
<tr>
<td></td>
<td>SOCO2</td>
<td>0.48</td>
</tr>
<tr>
<td></td>
<td>SOCO3</td>
<td>0.46</td>
</tr>
<tr>
<td>Performance</td>
<td>PERFORM1</td>
<td>0.67</td>
</tr>
<tr>
<td></td>
<td>PERFORM2</td>
<td>0.59</td>
</tr>
<tr>
<td></td>
<td>PERFORM3</td>
<td>0.58</td>
</tr>
</tbody>
</table>
In light of this evidence, it can be concluded that although cross-sample measurement invariance cannot be assumed, additional investigation indicates that no strongly biasing scaling differences exist between the two ethnic samples. Next, an assessment of the cross-cell psychometric properties will be undertaken.

4.4.6 Examination of the Cross-Cell Scaling Properties

This section aims to provide an assessment of the psychometric properties of the constructs employed in this research in the context of the four ethnically-distinct shopper-seller contrasts. Table 9 provides a summary of the assessment of key psychometric properties undertaken for Anglo respondents. In a similar manner, Table 10 provides an overview of the scaling properties examined in the context of Cajun respondents.

Examining the aforementioned tables points to the following conclusions:

Item-to-total correlations: Relative to the results of the grand-sample and the cross-sample examination of the psychometric properties of the scales, the present analysis reveals stronger covariation between the cell-specific coefficients. Although the magnitude of the correlations remains generally at or above the prescribed levels, the cross-cell differences are notable.

Reliability: In a similar fashion, some fluctuations can be observed among the cross-cell reliability estimates. However, generally speaking, the estimates appear to the sufficiently strong, particularly given the exploratory nature of the present research. It may, however, be necessary to develop new scales in the future stages of this research.

*A-S* denotes an Anglo Seller and *C-S* denotes a Cajun Seller
TABLE 8
Summary of the Cross-Sample Psychometric Properties

<table>
<thead>
<tr>
<th>Scale/Items</th>
<th>Item-Total Correlations</th>
<th>Coefficient Alpha</th>
<th>Composite Reliability</th>
<th>T-values level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Anglos</td>
<td>Cajuns</td>
<td>Anglos</td>
<td>Cajuns</td>
</tr>
<tr>
<td>Ethnic Ident.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHNICI1</td>
<td>.73</td>
<td>.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHNICI2</td>
<td>.73</td>
<td>.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHNICI3</td>
<td>.67</td>
<td>.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnic Dist.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHNICD1</td>
<td>.68</td>
<td>.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHNICD2</td>
<td>.55</td>
<td>.52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHNICD3</td>
<td>.53</td>
<td>.47</td>
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### TABLE 9
Summary of the Cross-Cell Psychometric Properties - Anglo Respondents

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<th>Coefficient Alpha</th>
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<th>T-values level of significance</th>
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# TABLE 10

Summary of the Cross-Cell Psychometric Properties - Cajun Respondents

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<th>Coefficient Alpha</th>
<th>Composite Reliability</th>
<th>T-values level of significance</th>
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<td></td>
<td>PERFORM3</td>
<td>.42 .56</td>
<td>.01 .01</td>
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</tr>
</tbody>
</table>
In summary, the cell-specific examination of the psychometric properties of the focal constructs reveals some fluctuations in the key estimates. However, the absolute levels of the indicators appear to be sufficiently high to diminish the likelihood of the results being skewed.

### 4.4.7 Assessment of Discriminant Validity

In keeping with the above analysis, discriminant validity among the six constructs comprising the model of dyadic sales encounters was also examined by means of multiple approaches. The following are the methods used and their results:

- Following Anderson and Gerbing (1988), a one-factor model, representing all possible pairwise combinations of the six constructs (Figure 1 in Chapter 1), was compared to a two-factor model. Discriminant validity is inferred when a two-factor model yields a statistically significant improvement in fit (as assessed by means of the difference of chi square test). Table 11 shows the results. The two-factor model yields a significantly better fit across all 15 possible combinations\(^{45}\).

- Discriminant validity can also be inferred if the correlation between the two constructs is significantly less than one (Anderson and Gerbing 1988). As suggested by these researchers, considering a 95% confidence interval, the phi correlation between two constructs plus 1.96 standard deviation should be less than one. Again, this criterion was generally met across all 15 pairwise combinations.

\(^{45}\) The fit statistics were computed on the combined sample of Cajun and Anglo respondents.
**TABLE 11**

Discriminant Validity Assessment: Correlated One-Factor Pairwise Combinations vs. Two Factor Model

<table>
<thead>
<tr>
<th>Constructs</th>
<th>One-Factor Fit ($\chi^2$)</th>
<th>Two Factors Fit ($\chi^2$)</th>
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<td>Performance-Trust</td>
<td>124.2 (9 d.f)</td>
<td>46.3 (8 d.f)</td>
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<tr>
<td>Performance-Expertise</td>
<td>120.9 (9 d.f)</td>
<td>51.9 (8 d.f)</td>
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<tr>
<td>Performance-Ethnic Ident.</td>
<td>211.2 (9 d.f)</td>
<td>19.9 (8 d.f)</td>
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<td>Performance-Ethnic Dist.</td>
<td>179.9 (9 d.f)</td>
<td>7.9 (8 d.f)</td>
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<tr>
<td>Performance-Adaptiveness</td>
<td>127.1 (9 d.f)</td>
<td>19.1 (8 d.f)</td>
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<tr>
<td>Expertise-Trust</td>
<td>85.4 (9 d.f)</td>
<td>60.8 (8 d.f)</td>
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<td>193.3 (9 d.f)</td>
<td>34.5 (8 d.f)</td>
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<td>Trust-Ethnic Dist.</td>
<td>113.1 (9 d.f)</td>
<td>30.8 (8 d.f)</td>
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<td>Trust-Adaptiveness</td>
<td>204.6 (9 d.f)</td>
<td>56.7 (8 d.f)</td>
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<td>Ethnic Ident.-Ethnic Dist.</td>
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<td>Ethnic Dist-Adaptiveness</td>
<td>194.1 (9 d.f)</td>
<td>21.1 (8 d.f)</td>
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</table>
In light of the above evidence, it appears that both the internal consistency of each of the six scales, as well as the discriminant validity of the scales, can be assumed. Hence, from the modeling point of view, the scales of interest seem to provide reliable\(^{46}\) operationalizations of the constructs. In keeping with the previously discussed plan, model specification and identification will be discussed next.

### 4.4.8 Model Specification and Identification

The issues of model specification and identification are of key importance to structural modeling (Hayduk 1987; Joreskog 1978; Marsh 1994). Hence, an explicit treatment of both issues seems warranted. First, the essence of model specification will be discussed; this will be followed by an examination of model specification in this dissertation.

#### 4.4.8.1 Model Identification

Generally speaking, identification is a process which, combining the forces of theory and data constraints, seeks to locate unique estimates of the structural coefficients. From an operational standpoint, identification may be assumed if the information matrix (here, the covariance matrix of the parameter estimates) can be inverted (Joreskog 1978). Unfortunately, the mere invertability of the information matrix does not constitute a sufficient condition for identification, and "...no general conditions have yet been enumerated that guarantee the identifiability of the diverse types of models that can be accommodated with LISREL's general equations (Hayduk 1987, page 143)." Also, the cross-ethnic nature of this research further compounds the identification challenge.

\(^{46}\) See Chapter 3 for earlier assessments of the coefficient alpha.
In light of the above conclusions, several indicators of the possible identification problem have been employed:

- The information matrix inversion process.
- A possible occurrence of unreasonable coefficient estimates.
- The estimation of impossible coefficients estimates, including negative error variances.

The appraisal of the above conditions was carried out at the level of the individual cell (i.e., a model of dyadic sales encounters evaluated in a context of each of the four possible ethnic contrasts). Since none of the aforementioned conditions were detected; identification was assumed.

4.4.8.2 Model Specification

Much as identification seeks to locate unique parameter estimates, specification aims to assure that a correct representation of true relationships between/among variables is being theorized (Hayduk 1987). Operationally speaking, misspecification arises when "...the contribution of a true common cause to the variance between two variables is modeled as a direct or indirect effect between those variables, or if an incorrect causal sequencing is used (Hayduk 1987, page 150)."

Considering the above, in pragmatic terms, a model is said to be misspecified if anything about it fails to correspond to the real world. The following conditions usually are related to misspecification:

- Important paths being omitted,
- Paths having incorrect causal directions,
- Latent construct—indicator assignments.

Unlike the identification issue, the problem of specification appears to be twofold in nature: First, the structural specification should be addressed, in which case the focus should be on theoretical drivers. Second, the measurement model should be examined to ascertain the validity of the latent construct-indicator assignments.

Regarding the structural identification, the purpose of the present analysis is that of theory testing; hence, the correctness of path specification should be examined in the context of the theory being tested. Having reviewed the past theoretical and empirical developments\(^{47}\), the path specifications of the structural model appear to be in congruence with the theoretical stipulations of the similarity-attraction paradigm (Bochner 1982; Byrne 1969), which is the theoretical driver of the present analysis.

Unlike the structural path specification, the measurement model can be empirically examined. To this end, the top three indicators for each of the latent constructs were submitted to confirmatory factor analysis. Table 12 contains the results of the analysis. The above factor analyses were carried out on the combined sample of Anglo and Cajun respondents. This approach seems to be conceptually plausible given the purpose of the analysis, which is to examine the underlying factor structure of the latent variables. The investigation of this structure suggests that the latent construct to


The empirical work includes the following: Deshpande, Hoyer, and Donthu 1986; Gans 1979; Hansen 1952; Hirshman 1981 and 1983; Kulikov, Sushkov, and Tsipsuk 1991; McGee and Spiro 1991; Stayman and Deshpande 1989; Wallendorf and Reilly 1983.
## TABLE 12

Factor Loadings Structure

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</table>

"-" denotes insignificant loadings

* fixed value
indicator assignments are empirically correct and the measurement identification can be assumed. This section examined the reliability of the scales of interest to the present research along with model specification and identification. Next, the assessment of the overall moderation of combinations of shoppers' and sellers' ethnicities will be presented.

4.5 ASSESSMENT OF THE EFFECT OF ETHNIC COMBINATIONS ON A MODEL OF DYADIC SALES ENCOUNTERS: A TEST OF THE ETHNIC MODERATION THESIS

The theorized effect of combinations of shoppers' and sellers' ethnicities on a model of dyadic sales encounters was examined in the following two stages:

• **STAGE 1:** First, the global effect of combinations of dissimilar shoppers' and sellers' ethnicities on the nature of dyadic sales encounters was investigated. This was accomplished by means of comparison of the goodness-of-fit of the single-group and multi-group models. Regarding the former of the two specifications, the behavioral model of interest was fitted to the single, ethnically undifferentiated grand sample, whereas in the case of latter of the two formulations, the same behavioral model was fitted to ethnically differentiated sub-samples (i.e., individual, ethnically distinct shopper-seller contrasts). The discussion of the conceptual and operational foundations of the two formulations follows.

• **STAGE 2:** In the second stage, an examination of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities on the individual relationships specified in the behavioral model of dyadic sales encounters, was undertaken. Here, each of the model-specific relationships (paths in the structural...
model) were examined in the context of dyadic ethnic similarity and dissimilarity.

Again, the discussion of the conceptual foundations of this approach follows, and the discussion of the analysis of the 'micro' effect of ethnic moderation will be presented in the Assessment of the Moderating effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on the Individual Relationships section.

4.6 HYPOTHESES TESTING

4.6.1 Assessing the Global Effect of the Moderation of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities: The Macro Effect of Dyadic Ethnic Dissimilarity

This section describes the empirical examination of the theorized global moderation of combinations of dissimilar shopper and seller ethnicities on a behavioral model of dyadic sales encounters (Figure 4), which is contained in the following hypothesis:

HI: Combinations of dissimilar shoppers' and sellers' ethnicities will not moderate the entire behavioral model of dyadic sales encounters. Specifically, the behavioral model of dyadic sales encounters first fitted to an ethnically undifferentiated sample combining respondents of both ethnicities will show a decrease in its goodness-of-fit when fitted to each of the four ethnically distinct shopper-seller contrasts.

The first (and perhaps the key) issue to be addressed at the onset of the analysis is that of the aforementioned moderation. This will be accomplished by comparing the single-group (which assumes no moderation of combinations of shoppers' and sellers' ethnicities) model fit to the multi-group one**, with the former postulating a lack of

**The multi-group formulation employed in this research differs significantly, on both philosophical as well as operational bases, from a multisample (Joreskog and Sorbom 1989) or stacked (Hayduk 1987) approach. This difference will be explicitly addressed in the upcoming discussion of multi-group analysis.
ethnic moderation while the latter theorizing a presence of such moderation. A discussion of the rationale underlying these two approaches will be entertained in the upcoming section.

Following the conceptual description of the two approaches, an assessment of the goodness-of-fit for both the single-group as well as the multi-group model will be presented. Here, the two formulations will be compared in the context of several key indicators of the model fit. This examination will provide a test of the global ethnic moderation.

**4.6.1.1 Ethnic Moderation: Single-Group vs. Multi-Group**

Perhaps the most important contribution of the present research lies in the investigation of the moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities. Operationally speaking, this conceptualization postulates that the multi-group model (an operationalization allowing for cross-cell ethnic differences) will yield a superior fit to the single-group (an operationalization stipulating no significant effect of the cross-cell ethnic differences) model. In other words, implicit to the multi-group analysis employed in this research is the belief that such formulation provides a better representation of the structure contained in the two ethnic samples (and four ethnic contrasts).

More explicitly, the multi-group formulation, designed to account for ethnic similarity and dissimilarity between shoppers and sellers, is deemed to be representative of possibly significant effect of moderation of combinations of dissimilar shoppers' and sellers' ethnicities. It is so because the same model of dyadic sales encounters is fitted to
each sub-sample or cell (Figure 4) representing a different ethnic contrast. Therefore, a comparison of the resulting path coefficients can be made between ethnically homogenous and heterogeneous cells, which will result in an empirical evaluation of the differing effect of the aforementioned ethnic combinations of shoppers' and sellers' ethnicities on a model of dyadic sales encounters. In other words, the same model being fitted to the four ethnically differentiated shopper-seller contrasts will yield four estimates of each of the structural path coefficients. Comparing the patterns of these four estimates in the context of dyadic ethnic similarity and dissimilarity should result in the assessment of ethnic moderation on that coefficient.

By contrast, the single-group formulation postulates that ethnicity has no effect on the nature of dyadic sales encounters. Therefore, in contrast to the multi-group model, only a single estimate is computed for the structural path coefficients.

Keeping in mind that ethnicity of shoppers and sellers is the only experimental variable being manipulated (as discussed in Chapter 3), it follows that when ethnicity is believed to have an insignificant effect on the previously mentioned dyadic sales encounters, the four ethnic contrasts (cells) become otherwise homogenous (as they are only heterogeneous in terms of ethnicity) and can be combined into a single grand sample. Furthermore, when the behavioral model of dyadic sales encounters is fitted to that grand sample, the result is an assessment (in terms of the degrees of freedom-adjusted chi square) of the model fit under the assumption of no moderating effect of combinations of dissimilar shoppers' and sellers' ethnicities.
Thus, as described above, an empirical comparison (in terms of their respective degrees of freedom-adjusted chi square) of these two formulations will constitute a test of the theorized overall ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities. This reasoning is encapsulated in HI, which is tested in the context of the single-group vs. multi-group comparison. To facilitate the aforementioned comparison, the multi-group and single-group formulations have been operationalized in the following manner.

4.6.1.1.1 Single-Group Operationalization

First, a single-group model was created in accordance with the outline presented in Chapter 3. The two ethnic samples, or more specifically, four ethnic contrasts, were pooled together and combined into a single grand sample. The behavioral model of dyadic sales encounters was then fitted to this grand sample, and its goodness-of-fit was assessed with the chi square statistic\(^{49}\). Considering that the fit of this single-group model was to be tested against a multi-group model, this approach appears conceptually equivalent to the method recommended by Anderson and Gerbing (1988).

From a conceptual standpoint, the following was the rationale behind the single-group operationalization: Recalling that the only experimentally manipulated variable was the ethnicity of shoppers and sellers, it follows that the only differentiation between the Cajun and Anglo samples (and more specifically, among the four ethnic contrasts) is

\(^{49}\) Although the limitations of only using the chi squared test are widely known and have been thoroughly discussed (e.g., Hayduk 1987; Joreskog and Sorbom 1989), this statistic is nonetheless revealing of the cross-sample differences in the goodness-of-fit, particularly when the number of degrees of freedom varies across cells.
ethnicity. With this in mind, and recounting that the purpose of the single-group formulation is to provide a test of the hypothesis of no ethnic moderation, it appears that combining the ethnically distinct samples into a single sample is not only logically correct but also desirable.

It is logically correct because implicit in the 'no global moderation' argument is the belief that ethnicity has no significant impact on the outcome of dyadic sales encounters; thus, combining samples that only differ in terms of ethnicity is operationally equivalent to combining four samples drawn from an otherwise homogenous population.

4.6.1.1.2 Multi-Group Operationalization

Next, the same model of dyadic sales encounters was fitted to each ethnic contrast independently (see Figure 5). Having the same model fitted to four separate cells (ethnic contrasts), rather than an ethnically undifferentiated grand sample, provided a test of the multi-group formulation. Table 13 provides a summary of the comparison of the goodness-of-fit of the two approaches. The rationale underlying the single-group operationalization has been presented above; the reasoning behind the multi-group approach, as well as its distinctiveness from the multisample approach (Joreskog and Sorbom 1989), are described next. As previously discussed, the multi-group approach differs from the multisample structural analysis (Joreskog and Sorbom 1989), in that the latter aims to examine multiple samples in the context of cross-sample differences as well as similarities. As delineated by Hayduk (1987, page 277), it is desirable to use the multisample approach when "...some of the effect coefficients [are] to be constrained to be equal between the groups while other coefficients vary between the groups." In light
of the fact that the similarity-attraction paradigm (Bochner 1982; Byrne 1971) is the leading theoretical driver of this research, and it postulates a global moderating effect, no theoretical or empirical bases exist for hypothesizing some paths as being invariant across groups. Therefore, the multisample LISREL model seems inappropriate.

The multi-group approach allows for an orthogonal treatment of the four cells (no coefficient invariance across the cells) which is in keeping with theoretical and empirical implications stemming from the above mentioned studies. In other words, unlike the multisample approach, this method constrains the structural coefficient estimates to the information contained in each of the four shopper-seller contrasts. Operationally speaking, the values of the maximum likelihood estimators are maximized within the constraints of individual contrasts, rather than being pooled across shopper-seller ethnic combinations.

Capitalizing on the additivity of the chi square statistic, a direct comparison of the goodness-of-fit (in terms of the chi square) between the single-group and multi-group formulations was undertaken. The results appear in Table 13.

Examining Table 13, it can be seen that following the adjustment for the inequality in the number of degrees of freedom and given that the expected value for the chi square statistic is its number of degrees of freedom, the multi-group approach yields a
TABLE 13

Single-Group vs. Multi-Group Model Fit

<table>
<thead>
<tr>
<th>Measure</th>
<th>Single-Group</th>
<th>Multi-Group</th>
<th>Avg. M-G Fit$^{51}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square (d.f)</td>
<td>325 (124)</td>
<td>753$^{52}$ (496$^{53}$)</td>
<td>188 (124)</td>
</tr>
<tr>
<td>Chi Square/d.f Ratio</td>
<td>2.6</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

statistically significant improvement in fit. It should, however, be pointed out that the improvement in fit is of relatively small magnitude which may be indicative of mixed evidence in support of the global ethnic moderation of combination of dissimilar shopper's and sellers' ethnicities. Restated in the context of ethnically dissimilar shopper-seller contrasts, it appears that there are ethnicity-specific differences which are not being investigated by a single-group model, but these differences may not be uniform across the entire model and all cells.

Next, as previously mentioned, a more detailed examination of the goodness-of-fit of these two formulations will be presented. The single-group model will be scrutinized first, followed by the assessment of fit of the multi-group formulation.

4.6.1.2 Single-Group and Multi-Group Model Fits

Thus far, evidence has been presented pointing to the multi-group model as providing a better representation of the structural relationships embodied in a behavioral model of dyadic sales encounters being evaluated in the context of similar/dissimilar

$^{51}$ Average Multi-Group Fit - this statistic computes an average fit across the four ethnically differentiated subsamples. The individual assessments of fit are described in the Multi-Group Model Fit section.

$^{52}$ Summated across the four cells.

$^{53}$ Summated across the four cells.
shopper-seller ethnicities. Hence, some support has been uncovered for Hypothesis 1.

Next, both formulation will be scrutinized in more detail.

4.6.1.2.1 Single-Group Model Fit

As previously discussed, the two ethnic samples (and more specifically, four ethnic contrasts) were combined into a grand sample, to which a behavioral model of dyadic sales encounters was fitted. The following is the assessment of model fit:

<table>
<thead>
<tr>
<th>Test</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square Test</td>
<td>325.3 (124 d.f) P=.000</td>
</tr>
<tr>
<td>Goodness-of-fit Index</td>
<td>0.90</td>
</tr>
<tr>
<td>Adjusted Goodness-of-fit Index</td>
<td>0.89</td>
</tr>
<tr>
<td>Root Mean Square Residual</td>
<td>0.11</td>
</tr>
<tr>
<td>Tucker-Lewis Index</td>
<td>0.90</td>
</tr>
<tr>
<td>Bentler's CFI</td>
<td>0.90</td>
</tr>
</tbody>
</table>

As evidenced in Table 14, the single-group model exhibits relatively poor fit, which is in congruence with previous findings (i.e., single-group model vs. multi-group model comparison). Again, it appears that an ethnically undifferentiated sample provides an inadequate representation of the structure contained in the behavioral model of dyadic sales encounters depicted in Figure 1, tested in the context of ethnic heterogeneity of shoppers and sellers.
4.6.1.2.2 Multi-Group Model Fit

An alternative to the single-group model is a model taking into account ethnic heterogeneity. Consequently, each of the ethnic contrasts (i.e., combinations of similar or dissimilar shopper-seller ethnicities) is treated as a separate sample; hence, a model of dyadic sales encounters was tested against each sample individually. As previously discussed, these samples collectively yield a better fitting model than does a single-group model (see Table 13). An assessment of the model fit of each individual sample (as depicted in Figure 4) is presented in Table 15.

As evidenced in Table 15, the goodness-of-fit varies across the four ethnic contrasts, ranging from good for Cajun Respondent - Anglo Salesperson contrast (P=.33), to mediocre for Cajun Respondent - Cajun Salesperson contrasts (P=.05), to poor for Anglo Respondent - Cajun Salesperson and Anglo Respondent - Anglo Salesperson (P=.01). Overall, across the aforementioned four cells, the fit for the multi-group model appears to be somewhat better than the fit for the single-group model.

More specifically, although the goodness of fit indices and the adjusted goodness of fit indices are comparable between the two formulations, the \textit{chi square / degrees of freedom} ratio for the single-group model is 2.6, thus it is consistently higher than the same ratio for the individual ethnic contrasts, which ranges from of low of 1.1 (Cajun Respondent - Anglo Salesperson) to a high of 1.8 (Anglo Respondent - Cajun Salesperson). Considering that the chi square measures the total error between the actual and the predicted values, a higher \textit{chi square / degrees of freedom} ratio is indicative of more significant departures from an ideal fit.
### TABLE 15
Goodness-of-Fit Measures for the Multi-Group Model

<table>
<thead>
<tr>
<th>Test</th>
<th>AR-AS&lt;sup&gt;54&lt;/sup&gt;</th>
<th>AR-CS&lt;sup&gt;55&lt;/sup&gt;</th>
<th>CR-AS&lt;sup&gt;56&lt;/sup&gt;</th>
<th>CR-CS&lt;sup&gt;57&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square Test</td>
<td>221.6 (124&lt;sup&gt;58&lt;/sup&gt;)</td>
<td>226.2 (124)</td>
<td>134.3 (124)</td>
<td>170.8 (124)</td>
</tr>
<tr>
<td>Probability</td>
<td>0.01</td>
<td>0.01</td>
<td>0.33</td>
<td>0.05</td>
</tr>
<tr>
<td>GFI</td>
<td>0.88</td>
<td>0.86</td>
<td>0.94</td>
<td>0.92</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.82</td>
<td>0.80</td>
<td>0.89</td>
<td>0.85</td>
</tr>
<tr>
<td>RMSR</td>
<td>0.18</td>
<td>0.14</td>
<td>0.12</td>
<td>0.15</td>
</tr>
<tr>
<td>Tucker-Lewis Index&lt;sup&gt;59&lt;/sup&gt;</td>
<td>0.89</td>
<td>0.87</td>
<td>0.96</td>
<td>0.91</td>
</tr>
<tr>
<td>Bentler's CFI&lt;sup&gt;60&lt;/sup&gt;</td>
<td>0.90</td>
<td>0.88</td>
<td>0.96</td>
<td>0.92</td>
</tr>
</tbody>
</table>

<sup>54</sup> Anglo Respondent — Anglo Salesperson cell.

<sup>55</sup> Anglo Respondent — Cajun Salesperson cell.

<sup>56</sup> Cajun Respondent — Anglo Salesperson cell.

<sup>57</sup> Cajun Respondent — Cajun Salesperson cell.

<sup>58</sup> Number of degrees of freedom.

<sup>59</sup> This is a non-LISREL generated test computed based on the following formula:

\[
\frac{(c^2_{null}/df_{null}) - (c^2_{model}/df_{model})}{((c^2_{null}/df_{null}) - 1)}
\]

<sup>60</sup> Again, this is a non-LISREL generated test, computed as follows:

\[
\frac{(c^2_{null} - c^2_{model})}{(c^2_{null} df_{model})}
\]
This trend is further supported by Tucker-Lewis index and Bentler's corrected fit index. Considering the former of the two indices, the single-group model's index was computed to be 0.90, which again is surpassed by all but one of the four cells of the multi-group model (see Table 15). This conclusion is also mirrored by Bentler's corrected fit index, where individual multi-group cells yield consistently higher index numbers than the single-group model.

The above discussed evidence appears to be pointing to the multi-group model as yielding an overall better fit, and thus yielding some support for the thesis of global moderation of combinations of dissimilar shoppers' and sellers' ethnicities. However, it should be pointed out that neither of the two formulations yields a consistently satisfactory fit. This may be indicative, among other things, of a lack of uniform effect of ethnicity on the nature of dyadic sales encounters, as modeled in this research. Hence, the theorized moderation of combinations of dissimilar shoppers' and sellers' ethnicities will be examined in the context of the individual relationships.


Earlier in the discussion a comparison was made between the single-group and multi-group representations. Thus far, the data suggests that there is evidence pointing to the multi-group formulation as yielding a superior depiction of the cross-ethnic shopper-seller interactions. Hence, it can be concluded that, given the constraints of the present research, there is some support for the global moderation (of a model of dyadic sales encounters) of combinations of dissimilar shoppers' and sellers' ethnicities.
Admittedly, however, some of the cross-sample variation could arise due to random sampling fluctuations\textsuperscript{61}. As previously discussed, the evidence stemming from the examination of the thesis of ethnic moderation, although generally supportive of such moderation, is not convincingly consistent. For example, it has been shown that the multi-group formulation appears to be superior in terms of the assessed goodness-of-fit, but its strength varies across cells. Also, it has been suggested that the effect of ethnicity may vary across the individual relationships. Thus, it would be of considerable interest from a theory-building perspective to analyze the individual paths to gain insights into the behavior of individual relationships. Therefore, this section describes the analysis of the individual hypotheses.

To reiterate, the goal of this research is to examine the theorized moderating effect of combinations of dissimilar shopper-seller ethnicities on the behavioral model of dyadic sales encounters. The previous section investigated the existence of the global moderation and concluded that there is some evidence pointing to the presence of such moderation. The present section aims to provide an investigation of the 'micro’ effect of the aforementioned moderation. Therefore, the individual hypotheses will be empirically tested in the context of the four ethnic contrasts:

1. Anglo Shopper - Anglo Seller
2. Anglo Shopper - Cajun Seller
3. Cajun Shopper - Cajun Seller
4. Cajun Shopper - Anglo Seller

\textsuperscript{61} It should, nonetheless, be pointed out that the extent of such variation has presumably been limited by means of the previously discussed measures that were taken to bring about a high degree of demographic invariance across the two ethnic samples.
Here, as described in Chapter 3, ethnically dissimilar shopper-seller combinations (number 2 and 4 above) will be contrasted with the ethnically similar shopper-seller combinations (numbers 1 and 3). Such comparison should be empirically meaningful because, as postulated by the similarity-attraction paradigm (Bochner 1985; Byrne 1961), dyadic ethnic similarity should have no moderating effect on the nature of interpersonal evaluations. Hence, significant differences between ethnically similar and dissimilar shopper-seller combination should be indicative of the presence of ethnic moderation.

Operationally speaking, the presence of moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities (in the context of the individual hypothesis) will be inferred when the pattern of structural path coefficients associated with the hypothesis in question shows distinct differences in directionality and/or magnitude across the ethnically similar and dissimilar dyadic combinations. In other words, when a causal relationship between two constructs in the model of dyadic sales encounters varies between ethnically similar and dissimilar cells (either in terms of coefficient magnitude or directionality), ethnic dissimilarity is believed to have a moderating impact on the nature of dyadic sales encounters. Hence, the comparison will be carried out in the context of contrasting the pattern of coefficients for ethnically homogenous and heterogeneous shopper-seller contrasts.

Hypothesis 1:

The relationship between the strength of shoppers’ ethnic identification and shoppers’ perceptions of sellers’ trustworthiness ($\gamma_{11}$) will not be moderated by combinations of dissimilar shoppers’ and sellers’ ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or
magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

Although the structural path coefficients are of relatively low magnitude and hence not significant at a 95% level of confidence (their t-values are less than 1.96), there is a clear difference in directionality between ethnically homogenous and heterogeneous combinations of shoppers and sellers, as shown below:

TABLE 16

Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 1

<table>
<thead>
<tr>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>-.18 (n.s)</td>
<td>.05 (n.s)</td>
</tr>
<tr>
<td>Cajun Shopper—Cajun Seller</td>
<td>Cajun Shopper—Anglo Seller</td>
</tr>
<tr>
<td>-.12 (n.s)</td>
<td>.18 (n.s)</td>
</tr>
</tbody>
</table>

The directional consistency of the above coefficients provides support for Hypothesis 1. In other words, the nature of the ethnic contrast (i.e., similar vs. dissimilar shopper-seller ethnicities) seems to impact the relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' trustworthiness. However, the directionality of the relationships is somewhat counterintuitive, as the ethnically-homogenous shopper-seller contrasts exhibit inverse relationships, whereas the ethnically-heterogeneous shopper-seller contrasts demonstrate positive relationship.

An intuitive explanation of the above differences may be that when both a shopper and a seller are of the same ethnicity, an increasing level of ethnic identification

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62 Not Significant at the 95% confidence interval
on the part of seller may be perceived by the shopper as an attempt on the part of seller to
ingratiate himself/herself with the shopper (by using the communality of ethnic
backgrounds) in order to make a sale. Considering that shoppers tend to distrust
salespeople (Swan and Adkinns 1980-1981), they may attribute (Kelley 1973) an increase
in ethnic identification on the part of a seller to the latters’ economic goals, which
ultimately may result in the decrease in shoppers’ perception of sellers’ trustworthiness.

On the other hand, an ethnically heterogeneous context would not arise such
suspicion on the part of a shopper, hence a lack of negative relationships. If correct, these
conclusions would suggest a need to consider ethnic moderation as a context-specific
phenomenon, which would represent a conceptual departure from the similarity-attraction
paradigm (Bochner 1982; Burne 1969).

Hypothesis 2:

The relationship between shoppers’ perceptions of ethnic distance and
shoppers’ perceptions of sellers’ trustworthiness ($\gamma_{12}$) will not be moderated by
combinations of dissimilar shoppers’ and sellers’ ethnicities.
Considering that the model of dyadic sales encounters will be fitted to each of
the four ethnic contrasts, there will be a positive (directionally or
magnitudinally) relationship between the pattern of structural coefficients of
ethnically homogenous and heterogeneous shopper-seller combinations.

Table 17 depicts the structural coefficients representing the test of this hypothesis.

Table 17 contains mixed results, but generally speaking, this hypothesis seems not
to be supported as there are no uniform differences in coefficient directionality across the
two samples (and four contrasts). Nonetheless, divergent coefficient valence across the
two ethnically homogenous samples demands attention. It is suggestive of a need to
explicitly account for major (i.e., dominant) vs. minor ethnic distinctiveness in the
TABLE 17

Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 2

<table>
<thead>
<tr>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>-.13 (n.s)</td>
<td>.38 (n.s)</td>
</tr>
<tr>
<td>Cajun Shopper—Cajun Seller</td>
<td>Cajun Shopper—Anglo Seller</td>
</tr>
<tr>
<td>.36 (n.s)</td>
<td>.22 (n.s)</td>
</tr>
</tbody>
</table>

context of the overall ethnic moderation of combinations of dissimilar shopper and seller ethnicities. In other words, the effect of ethnicity may not be constant across ethnic groups, thus the nature of ethnic moderation may vary with the type of ethnicity.

In a manner similar to the conclusions stemming from Hypothesis 1, the results presented by the empirical examination of Hypothesis 2 may be suggestive of a need to conceptualize ethnic moderation as a context-specific phenomenon. Again, contextualization of the similarity-attraction paradigm (Bochner 1982; Byrne 1969) may be desirable.

Hypothesis 3:

The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' trustworthiness \( (\gamma_{13}) \) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.

Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

The test of the above hypothesis is reflected in the following table:
TABLE 18

Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 3

<table>
<thead>
<tr>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>.98 (p&lt;.01)</td>
<td>.06 (n.s)</td>
</tr>
<tr>
<td>Cajun Shopper—Cajun Seller</td>
<td>Cajun Shopper—Anglo Seller</td>
</tr>
<tr>
<td>-.40 (p&lt;.10)</td>
<td>-.01 (n.s)</td>
</tr>
</tbody>
</table>

In the context of ethnic moderation conceptualized by the similarity-attraction paradigm, this hypothesis appears to be drawing mixed support as there is little uniformity in the coefficient directionality. However, a distinct pattern of coefficients suggests the possibility of an underlying relationship.

Considering the aforementioned major-minor ethnicity distinction, there could be a moderating effect of shopper-seller ethnic combinations, as the ethnically homogenous shopper-seller contrast exhibits strong (although, directionally divergent) relationships, whereas heterogeneous shopper-seller contrasts are similar. In other words, a seemingly strong relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' trustworthiness can be observed in the ethnically homogenous contrast, while virtually no relationship between the aforementioned constructs is observed in the ethnically dissimilar context.

A somewhat perplexing observation is the difference in coefficient directionality between the two ethnically homogenous samples. It appears that when a shopper and seller are both members of the major (i.e., Anglo) ethnic group, the seller's attempt to
practice the marketing concept appears to be very favorably received by the shopper, as
reflected in the latter's perception of seller's trustworthiness. An opposite reaction on the
part of a shopper is observed when both actors are members of the minor ethnic group
(i.e., Cajun). Although many possible explanations could be offered to try to dissect this
phenomenon, the frequency-of-contact thesis (Amir 1969) seems to be among the more
plausible. As originally conceptualized by Amir, there appears to be a positive
relationship between the frequency of contact and a possible bias in the context of
interpersonal evaluations. In this vein, given the predominance of Anglo ethnicity and
the relative scarcity of Cajun ethnicity, a Cajun shopper may have a somewhat low level
of exposure (in terms of frequency) to a Cajun seller, thus the latter's attempt to engage in
adaptive selling may be misperceived by the former (due to the aforementioned relatively
low frequency of exposure). Should this hold true, an attempt to engage in customer-
oriented selling by an Anglo seller may seem more trustworthy than the same behavior
exhibited by a Cajun seller.

The above reasoning (based on the empirical evidence and Amir's contact
hypothesis) may also suggest an explanation stemming from attribution theory (Kelley
1973). Rather than assuming that a mere difference in ethnicities may cause a shopper to
exhibit varying level of trust towards a seller, it could be theorized that it is the frequency
of ethnic contact that may effect the perception of trustworthiness, which has been
theorized as being situation specific (Scott 1980). In other words, regardless of the nature
of ethnic contrast (i.e., homogenous vs. heterogeneous ethnic combination of shoppers
and sellers), shoppers may attribute varying levels of trust to a salesperson not because of
differences in their ethnicities per se, but because of limited contact. Such conclusion seems intuitively correct, as it is commonly believed that distrust tends to be a natural reaction to uncertainty.

Hypothesis 4:

The relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' trustworthiness ($\beta_{31}$) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

Table 19 depicts the structural coefficients representing a test of this hypothesis:

<table>
<thead>
<tr>
<th></th>
<th>Anglo Shopper--Anglo Seller</th>
<th>Anglo Shopper--Cajun Seller</th>
<th>Anglo Shopper--Cajun Seller</th>
<th>Anglo Shopper--Anglo Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-.15 (n.s)</td>
<td>.60 (n.s)</td>
<td>.95 (p&lt;.01)</td>
<td>.55 (n.s)</td>
</tr>
<tr>
<td>Cajun Shopper</td>
<td>.95 (p&lt;.01)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anglo Seller</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In a manner similar to Hypothesis 3, the test of the present hypothesis yields mixed results. The relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' trustworthiness does not appear to be moderated by homogenous/heterogeneous combinations of the ethnicities of members of the sales dyad, as implied by the similarity-attraction paradigm. Based on this alone, the hypothesis appears to have been rejected.
However, the previously suggested major-minor ethnicity conceptualization, coupled with Amir's (1969) frequency-of-contact thesis, seem to again suggest an intriguing explanation: In light of the fact that a sales dyad comprised of the members of the dominant (Anglo) ethnicity has a high frequency of occurrence, it seems reasonable to believe that, with time, the ethnic similarity becomes unimportant (due to its mere frequency), and thus unable to counterbalance consumers' distrust of salespeople (Swan and Adkins 1980-81). A severely (at times) limited frequency of exposure most likely characterizing a Cajun sales dyad may, on the other hand, be translated into shoppers projecting their feelings of ethnic solidarity onto their evaluations of sellers' traits and/or behaviors. Hence, when a seller is viewed as an expert, the shoppers' perceptions of sellers' expertise may be confounded with shoppers' feelings of ethnic solidarity, and ultimately result in the seller being also evaluated as being more trustworthy.

Again, this explanation can be further elaborated in the context of Kelley's attribution theory (1973). Altogether, it seems reasonable to theorize that the conceptualization of shoppers' perceptions of sellers' trustworthiness in the context of ethnically homogenous and heterogeneous encounters may be best explained through not only the similarity attraction paradigm (Bochner 1982; Byrne 1969), but also attribution theory (Kelley 1973) and contact hypothesis (Amir 1969).

Hypothesis 5:

The relationship between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' performance (γ33) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or
magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

Table 20 illustrates the test of the above hypothesis:

| Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 5 |
|-----------------------------------------------|-----------------------------------------------|
| **Anglo Shopper—Anglo Seller**                | **Anglo Shopper—Cajun Seller**                |
| **.84 (p<.05)**                               | **-.28 (p<.10)**                             |
| **Cajun Shopper—Cajun Seller**                | **Cajun Shopper—Anglo Seller**                |
| **.30 (n.s)**                                 | **.74 (p<.05)**                              |

The present hypothesis is not empirically supported and thus the similarity-attraction paradigm does not hold in the context of this relationship. In spite of the strong relationships between shoppers' perceptions of sellers' attempt to practice the marketing concept and shoppers' perceptions of sellers' performance that were found, no meaningful pattern of correlations is evident. It appears that overall, adaptive selling on the part of the salesperson was favorably received by the shopper, with the exception of the Anglo Shopper--Cajun Seller contrast. Remembering that the salesperson (in the scenario) made a heavy use of Cajun expressions, it could be postulated that the shopper felt biased toward this behavior with regards to the seller's performance.

Again, in a manner similar to the previous hypotheses, noticeable differences can be observed between the shoppers' perceptions of Anglo and Cajun sellers. As evidenced in Table 15, there are significant (magnitude-wise) differences between shoppers' perceptions of Cajun sellers' attempt to practice the marketing concept and shoppers'
perceptions of Cajun sellers' performance, and shoppers' perceptions of Anglo sellers' engaging in the same behavior. This finding can not be explained solely by the similarity-attraction paradigm (Bochner 1982; Byrne 1969) because the somewhat "diminished" perception of the Cajun sellers' performance is shared by Anglo and Cajun shoppers alike. However, considering the previously suggested contextualization of this paradigm to account for the frequency of contact (Amir 1969) and the attribution-based predictions (Kelley 1973), a conceptually appealing explanation emerges.

Keeping in mind the above distinction between "major" and "minor" ethnics, the consistency of shoppers' negative perceptions of Cajun sellers' performance may be caused by a combination of low exposure of both Cajun and Anglo shoppers to Cajun salespeople and the Cajun sellers' high level of ethnic identification. Hence, it could be concluded that the relative unfamiliarity (for both Cajun and Anglo shoppers) with Cajun seller has an adverse effect on shoppers of both ethnicities. Furthermore, given that both Anglo as well as Cajun shoppers seem to show higher preference for dealing with Anglo sellers postulates that the somewhat more negative evaluations of Cajun salespeople are not driven primarily by negative ethnic evaluations, but perhaps a relative lack of exposure and/or experience.

**Hypothesis 6:**

The relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' expertise ($y_{21}$) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.

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63 This appears to be a viable conclusion given the rural concentration of the majority of Cajun population which may explain a relative scarcity of Cajun representation in a predominantly metropolitan-centered department store environment.
Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

Table 21 depicts the structural coefficients representing the test of this hypothesis:

<table>
<thead>
<tr>
<th></th>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
<th>Cajun Shopper—Cajun Seller</th>
<th>Cajun Shopper—Anglo Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo Shopper—Anglo Seller</td>
<td>-.01 (n.s)</td>
<td>.38 (n.s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cajun Shopper—Cajun Seller</td>
<td>.28 (p&lt;.10)</td>
<td>.12 (n.s)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This hypothesis, examining the relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' expertise, has not been empirically supported. The pattern of coefficients across the two ethnic samples does not conform to the conceptualized moderation of dissimilar shopper-seller ethnicities. Also, the pattern of coefficients across the four cells does not seem to be suggestive of an underlying structure.

Hypothesis 7:

The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' expertise \((\gamma_{22})\) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

Table 22 presents the results of the empirical examination of the above hypothesis:
TABLE 22
Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 7

<table>
<thead>
<tr>
<th></th>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.07 (n.s)</td>
<td>-.47 (p&lt;.10)</td>
</tr>
<tr>
<td>Anglo Shopper—Cajun Seller</td>
<td></td>
<td>Cajun Shopper—Cajun Seller</td>
</tr>
<tr>
<td></td>
<td>.06 (n.s)</td>
<td>-.40 (p&lt;.05)</td>
</tr>
</tbody>
</table>

In a manner suggested by the similarity-attraction paradigm, the relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' expertise appears to be moderated by combinations of dissimilar shopper-seller ethnicities. The hypothesis is accepted based on the directional pattern of coefficients evident between ethnically homogenous and ethnically heterogeneous cells. It seems likely that ethnic distance would play little or no role when both members of the selling dyad are of the same ethnic membership. At the same time, it seems plausible that, in the context of dissimilar ethnic group memberships, shoppers' perceptions of high ethnic distance (between themselves and ethnically dissimilar sellers) may adversely influence their evaluations of sellers' expertise.

The significance of the present hypothesis stems in part from its close conceptual similarity to the leading proposition of this research, which is that ethnic dissimilarity will moderate the nature of dyadic sales encounters (operationalized as ethnically homogenous vs. ethnically heterogeneous shopper-seller interactions). Ethnic distance is a very strong measure of the effect of ethnic dissimilarity primarily because it reflects...
shoppers' perceptions of such dissimilarity. Also, the direct support of this hypothesis lends additional support for an earlier suggestion that ethnic moderation should be operationalized as a contextual (i.e., taking into account the implications of the frequency of contact thesis and attribution theory) phenomenon.

Hypothesis 8:

The relationship between shoppers' perceptions of sellers' attempts to practice the marketing concept and shoppers' perceptions of sellers' expertise (γ23) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

The empirical examination of this hypothesis yields the following results:

**TABLE 23**

Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 8

<table>
<thead>
<tr>
<th></th>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
<th>Cajun Shopper—Cajun Seller</th>
<th>Cajun Shopper—Anglo Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.96 (p&lt;.01)</td>
<td>.55 (p&lt;.05)</td>
<td>.89 (p&lt;.01)</td>
<td>.89 (p&lt;.10)</td>
</tr>
</tbody>
</table>

It is logically consistent that the relationship between shoppers' perceptions of sellers' attempts to practice the marketing concept and shoppers' perceptions of sellers' expertise would be strongly and positively correlated. Particularly, remembering that the customer-oriented selling (i.e., practice of the marketing concept) can be characterized by a high concern for others (Saxe and Weitz 1982), low pressure selling (Bursk 1947), and
a problem solving behavior (Gwinner 1968), it seems plausible that such a behavior
would be positively related to the shoppers' evaluations of sellers' expertise.

The directionally uniform pattern of coefficients across the two ethnic samples
suggests that the hypothesis of ethnic moderation of the above-described relationship
should be rejected. Ethnic makeup of the selling dyad appears not to have a moderating
effect on the relationship of interest.

Hypothesis 9:

The relationship between the strength of shoppers' ethnic identification and
shoppers' perceptions of sellers' performance ($y_{31}$) will not be moderated by
combinations of dissimilar shoppers' and sellers' ethnicities.
Considering that the model of dyadic sales encounters will be fitted to each of
the four ethnic contrasts, there will be a positive (directionally or
magnitudinally) relationship between the pattern of structural coefficients of
ethnically homogenous and heterogeneous shopper-seller combinations.

Table 24 depicts the structural coefficients representing the test of this hypothesis:

TABLE 24

Comparison of Ethnically Homogenous and Heterogeneous Structural
Coefficients for Hypothesis 9

<table>
<thead>
<tr>
<th>Comparison</th>
<th>Coefficient</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anglo Shopper—Anglo Seller</strong></td>
<td>-0.01</td>
<td>n.s</td>
</tr>
<tr>
<td><strong>Anglo Shopper—Cajun Seller</strong></td>
<td>-0.44</td>
<td>n.s</td>
</tr>
<tr>
<td><strong>Cajun Shopper—Cajun Seller</strong></td>
<td>-0.06</td>
<td>n.s</td>
</tr>
<tr>
<td><strong>Cajun Shopper—Anglo Seller</strong></td>
<td>-0.03</td>
<td>n.s</td>
</tr>
</tbody>
</table>

The above hypothesis investigates the relationship between the strength of
shoppers' ethnic identification and shoppers' perceptions of the sellers' performance.
Although there is no clear evidence in support of the hypothesis, invoking the previously
made distinction between the major and minor ethnic groups along with the frequency-of-contact hypothesis (Amir 1969), may yield an alternative partial explanation.

As previously discussed, a relatively low frequency of exposure of Anglo shoppers to Cajun sellers would, as suggested by the contact hypothesis, result in high perceived dissimilarity (Amir 1969), diminished attraction (Byrne 1961), and negative evaluation (Bochner 1982). Hence, in the context of the present research, highly ethnically identified Anglo shoppers may be more likely to view a Cajun salesperson as a poor performer. The opposite view (i.e., Cajun shoppers forming ethnically-biased performance evaluations of Anglo sellers) should logically not be true, as Cajun shoppers are very frequently exposed to Anglo salespeople (as implied by the major-minor ethnic distinction.)

Hypothesis 10:

The relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' performance ($y_{12}$) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities.

Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

The results of the empirical test of this hypothesis are depicted in Table 25.

The present hypothesis, testing the ethnic moderation of the relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' performance, has not been supported. As evident in Table 25, the pattern of correlations across the two ethnic samples is incongruent with the uniformity in difference in coefficient directionality, and thus there is no evidence to conclude that the aforementioned
relationship was moderated by a combination of dissimilar shopper-seller ethnicities, as hypothesized in this research.

This finding is somewhat troubling given that support has been found for ethnic moderation of the relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' expertise. It is possible that, given the operationalization of shoppers' perceptions of sellers' performance (measured as shoppers' perceptions of sellers' professionalism and self-orientation), this measure was less discriminating, or less descriptive, in the context of cross-ethnic dyadic sales encounters.

Hypothesis 11:

The relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' performance ($\beta_{32}$) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

Table 26 demonstrates the results of the empirical tests of this hypothesis:
TABLE 26

Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 11

<table>
<thead>
<tr>
<th>Anglo Shopper—Anglo Seller</th>
<th>Anglo Shopper—Cajun Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>.90 (p&lt;.05)</td>
<td>.85 (p&lt;.01)</td>
</tr>
<tr>
<td>Cajun Shopper—Cajun Seller</td>
<td>Cajun Shopper—Anglo Seller</td>
</tr>
<tr>
<td>.08 (n.s)</td>
<td>.92 (p&lt;.01)</td>
</tr>
</tbody>
</table>

Hypothesis 11 investigates the moderating influence of combinations of dissimilar shopper-seller ethnicities on the relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' performance. In general, there seems to be strong positive relationship between these two constructs, with the exception of Cajun Shopper—Cajun Seller contrast. Here, the common ethnicity of the two members of the selling dyad may account for most of the variation. There does not appear to be sufficient evidence to support this hypothesis.

Hypothesis 12:

The relationship between shoppers' perceptions of sellers' trustworthiness and shoppers' perceptions of sellers' performance ($\beta_{31}$) will not be moderated by combinations of dissimilar shoppers' and sellers' ethnicities. Considering that the model of dyadic sales encounters will be fitted to each of the four ethnic contrasts, there will be a positive (directionally or magnitudinally) relationship between the pattern of structural coefficients of ethnically homogenous and heterogeneous shopper-seller combinations.

The structural coefficients testing the viability of the last hypothesis are presented in Table 27:
TABLE 27
Comparison of Ethnically Homogenous and Heterogeneous Structural Coefficients for Hypothesis 12

<table>
<thead>
<tr>
<th>Ethnically Homogenous</th>
<th>Ethnically Heterogeneous</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anglo Shopper—Anglo Seller</strong></td>
<td><strong>Anglo Shopper—Cajun Seller</strong></td>
</tr>
<tr>
<td>.56 (p&lt;.05)</td>
<td>-.60 (p&lt;.01)</td>
</tr>
<tr>
<td><strong>Cajun Shopper—Cajun Seller</strong></td>
<td><strong>Cajun Shopper—Anglo Seller</strong></td>
</tr>
<tr>
<td>-.62 (p&lt;.05)</td>
<td>.91 (p&lt;.05)</td>
</tr>
</tbody>
</table>

The last hypothesis, examining the relationships between shoppers' perceptions of sellers' trustworthiness and shoppers' perceptions of sellers' performance, shows strong but mixed results. Directionally speaking, there is a lack of consistency among coefficients across the ethnically homogenous and heterogeneous samples. However, in light of the previously suggested explanation employing the major-minor ethnicity distinction in the context of Amir's (1969) contact hypothesis, a possible alternative may be suggested.

Considering the Anglo dyad, the performance of a seller is strongly and positively impacted by his/her perceived expertise (Hypothesis 11) and, in the case of present hypothesis, trust. It could be argued that given the preponderance of the major ethnic group, a shopper who is also a member of this dominant ethnic group should not be significantly effected by ethnic similarity in the process of evaluating seller's performance. The high frequency of contact which seems to be a logical outcome of the proliferation of the major ethnicity may result in a diminished sense of ethnic solidarity which ultimately may lead to the performance-type evaluations being based primarily on
the aforementioned two traits, rather than the perception of ethnic similarity. This reasoning is in keeping with the logic of similarity attraction paradigm.

The above assertion seems to be supported by a strongly negative relationship between Anglo shoppers and Cajun sellers, where a relatively low level of (ethnic) contact is typically present. This results in shoppers' evaluations of sellers' performance being driven by ethnic dissimilarity, rather than objectively-rooted criteria. Interestingly, the same conclusion can be reached by examining the Cajun Shopper - Cajun Seller contrast. This conclusion may seem somewhat counterintuitive; however, considering the previously discussed contact hypothesis (Amir 1969) the presence of a negative relationship within an ethnically homogenous Cajun dyad may be nonetheless plausible.

More specifically, given the relatively low frequency of contact between Cajun shoppers and sellers (recounting the framing of the experiment, the dyadic sales encounters were taking place in a department store environment, which would typically not be located in a rural setting which is where most Cajuns could be found), it could be posited that shoppers' evaluations may be driven by the infrequency-of-exposure-rooted subjective processes. Therefore, the idea of ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities may need to be conceptualized on ethnicity-specific and contextual rather than global bases.

4.7 ETHNIC-DISSIMILARITY-ROOTED MODERATION IN THE CONTEXT OF PRESENT FINDINGS

Chapter 2 provides a discussion of two possible sources of ethnic interactions: (1) the economically-rooted differences (Bonacich 1972; Sherif 1970; Tajfel 1970), and (2) the attitudinal differences (Bochner 1982; Byrne 1961; Byrne and Clore 1970). It is
further suggested that the empirical evidence (e.g., Amir 1976; Chesler 1976; Byrne 1969) points towards the latter of the two as being a more plausible explanation for possible cross-ethnic differences. Thus, given the nature of dyadic sales encounters depicted in Figure 1 (Chapter 1), the similarity-attraction paradigm (Bochner 1982; Byrne 1969) emerges as the most conceptually fitting explanation for such differences.

As discussed in Chapters 1 and 2, the aforementioned paradigm postulates that the nature of interpersonal cross-ethnic interactions will be effected by ethnic dissimilarity. It follows that a behavioral model of dyadic sales encounters may be moderated by such dissimilarity, which results in the theorized global ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities.

The present chapter focuses on empirical examination of the global nature of the above mentioned moderation as well as the investigation of the individual relationships in the context of ethnic dissimilarity among shoppers and sellers. Recounting the results of the empirical tests of HI, it can be concluded that limited evidence has been found in support of global ethnic moderation. A comparison of the goodness-of-fit of the single-group and multi-group models points to the latter of the two as providing a superior representation of the underlying structure of dyadic sales encounters, thus lending substantiation to the notion of the significant effect of ethnic dissimilarity.

However, it has also been suggested that the effect of ethnic moderation may not be constant across all relationships. Therefore, following the assessment of the global moderation (i.e., the macro effect), the individual relationships were tested in the context of dyadic ethnic homogeneity and heterogeneity (i.e., the micro effects of moderation of
combinations of dissimilar shoppers’ and sellers’ ethnicities). Twelve hypotheses describing the relationships among the three endogenous and three exogenous constructs were tested. The results are mixed. Figure 6 provides a succinct depiction of the outcome of hypotheses testing.

It can be seen that various hypotheses received full, partial, or no empirical support. Grouped into these three categories (full support, partial support, and no support) the hypotheses will next be discussed in the context of the similarity-attraction paradigm.

4.7.1 Fully-Supported Hypotheses

Hypotheses I, 1 and 7 have been fully-supported by the empirical evidence previously presented. Their discussion follows:

Hypothesis I: This hypothesis tests the global moderation of combinations of dissimilar shoppers’ and sellers’ ethnicities. Broadly speaking, this hypothesis may be taken as a test of the similarity-attraction paradigm in the context of dyadic sales encounters. Some evidence has been uncovered pointing to the potentially moderating impact of (ethnic) dissimilarity on the nature of dyadic sales encounters. The following ‘micro’ hypotheses are descriptive of the more substantive elements of the aforementioned moderation.

Hypothesis 1: This hypothesis tests the relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' trustworthiness. Although the structural coefficients are not statistically significant at $\alpha=.05$, the directionality of the relationships is clearly indicative of the moderating effect of dyadic
FIGURE 6

A Summary of the Empirical Examination of the Individual Hypotheses
ethnic similarity and dissimilarity. More specifically, in the context of a heterogeneous ethnic contrast, there are some indications of a positive relationship between the strength of ethnic identification and trustworthiness, while the converse is true for a homogenous ethnic contrast. The directionality of these relationships is somewhat counterintuitive given the similarity-attraction paradigm, considering that it is commonly believed that shoppers tend to distrust salespeople (Swan and Adkins 1980-81). However, such directionality seems plausible in light of the fact that shoppers may perceive the heightened ethnic self-identification on the part of sellers as an attempt to ingratiate themselves (by using the communality of ethnic backgrounds) with the purpose of making a sale. Nonetheless, the empirical evidence supporting this hypothesis seems to be indicative of a more contextual nature of ethnic moderation. In other words, this relationship can be better understood in the context of the previously suggested Amir's (1969) frequency of contact thesis and the major-minor ethnicity distinction.

**Hypothesis 7:** This hypothesis tests the relationship between shoppers' perceptions of ethnic distance and shoppers' perceptions of sellers' expertise. The empirical support for this hypothesis is strong and its directionality is supported by the similarity-attraction paradigm. As shown in Table 21, shoppers' perceptions of ethnic distance play no role in the context of dyadic ethnic homogeneity, while they have a significantly negative effect on shoppers' perceptions of sellers' expertise in the context of dyadic ethnic heterogeneity. It could be concluded that, accepting the previously suggested premise of a contextual character of ethnic moderation (a moderating effect that is not constant across the relationships in the model), shoppers' perceptions of ethnic
distance may be deemed (given the constraints of the present study) as being most representative of the direct influence of ethnic dissimilarity on the nature of dyadic sales encounters.

**Potential communality:** The above discussed hypotheses reveal some interesting results: First of all, some initial evidence has been uncovered suggesting the possibility of the global moderation (of the model of dyadic sales encounters) of combinations of dissimilar shoppers' and sellers' ethnicities of dyadic sales encounters. Nested in this finding are the tests of two very vital (in the context of dyadic sales encounters) links in the sales encounters model: (1) ethnic identification - trustworthiness, and (2) ethnic distance - expertise. Together, these hypotheses are indicative of the potentially significant effect of the strength of shoppers' ethnic identification and shoppers' perceptions of ethnic distance on the key attributes of salespeople: perceptions of trustworthiness and expertise. In other words, combined, these relationships carry strong implications for both theory development and retail practices. To summarize, although the dyadic ethnic dissimilarity does not seem to directly effect shoppers' evaluations of sellers' performance, it does nonetheless appear to have an effect on shoppers' perceptions of sellers' personality traits, and ultimately may adversely impact the sellers' success. An example is the sellers' efforts to establish ongoing relationships with shoppers. Chapter 5 will entertain a more in-depth discussion of these implications.

**4.7.2 Partially-Supported Hypotheses**

Hypotheses 3, 4, 9, and 12 received partial support. These hypotheses have been classified as having received only partial empirical support because (1) their patterns of
coefficients across ethnically homogenous and heterogeneous sales dyads are not in congruence with the similarity-attraction paradigm, but (2) they are nonetheless indicative of an underlying structure. Considering the aforementioned possible contextualization of the theorized ethnic moderation, these relationships are believed to be capable of providing further insight into the nature of cross-ethnic dyadic sales encounters.

**Hypothesis 3:** This hypothesis tests the relationship between shoppers' perceptions of sellers' attempts to practice the marketing concept and shoppers' perceptions of sellers' trustworthiness. As previously discussed, there is a lack of stipulated (by the similarity-attraction paradigm) uniformity in differences-in-coefficient directionality. Nonetheless, a somewhat perplexing observation is the difference in coefficient directionality between the two ethnically homogenous samples (i.e., Anglo Shoppers - Anglo Sellers and Cajun Shoppers - Cajun Sellers). It appears that when a shopper and a seller are both members of the major (i.e., Anglo) ethnic group, the seller's attempt to practice the marketing concept appears to be very favorably received by the shopper, as reflected in the shoppers' perception of seller's trustworthiness.

An opposite reaction on the part of a shopper is observed when both actors are members of the minor ethnic group (i.e., Cajun). Although many possible explanations could be offered to dissect this phenomenon, the frequency-of-contact thesis (Amir 1969) seems to be among the more plausible. As originally conceptualized by Amir, there appears to be a positive relationship between the frequency of contact and a possible bias in the context of interpersonal evaluation. In this vein, given the predominance of Anglo
ethnicity and the relative scarcity of Cajun ethnicity, a Cajun shopper may have a somewhat low level of exposure (in terms of frequency) to a Cajun seller, thus the latter's attempt to engage in adaptive selling may be misperceived by the former (due to the aforementioned relatively low frequency of exposure). Should this hold true, an attempt to engage in the customer-oriented selling by an Anglo seller may be deemed more trustworthy than the same behavior exhibited by a Cajun seller.

Hypothesis 4: This hypothesis tests the relationship between shoppers' perceptions of sellers' expertise and shoppers' perceptions of sellers' trustworthiness. Again, this operationalization was not fully-supported in the context of the similarity-attraction paradigm; however, the previously suggested major-minor ethnics delineation, coupled with the contact thesis (Amir 1969) and attribution theory (Kelley 1973) suggests an alternative explanation:

Considering that a sales dyad comprised of the members of the dominant (Anglo) ethnicity has a high frequency of occurrence, it seems reasonable that, with time, ethnic similarity becomes unimportant (due to its mere frequency), and thus unable to counterbalance consumers' distrust of salespeople (Swan and Adkins 1980-81). On the other hand, a severely (at times) limited frequency of exposure most likely characterizing a Cajun sales dyad (remembering that a typical department store, in a context of which the experiment was framed, would not be located in a more Cajun-inhibited rural area), could be translated into shoppers projecting (or attributing) their feelings of ethnic solidarity onto their evaluations of sellers' traits and/or behaviors. Hence, when a seller is viewed as an expert, the shoppers' perceptions of sellers' expertise may be confounded
with shoppers' feelings of ethnic solidarity, and ultimately result in the seller being also evaluated as being more trustworthy.

**Hypothesis 9:** This hypothesis tests the relationship between the strength of shoppers' ethnic identification and shoppers' perceptions of sellers' performance. To reiterate, the present relationship received mixed support in light of the similarity-attraction paradigm. Nonetheless, considering the previously discussed framework of the frequency of contact (Amir 1969) implying high perceived dissimilarity, diminished attraction (Byrne 1961) and negative evaluations (Bochner 1982), it could be argued that given the low frequency of exposure, Anglo shoppers may view Cajun sellers as poor performers, given their relative lack of experience in dealing with sellers of that ethnicity. From a philosophical point of view, this reasoning is in congruence with the logic of the similarity-attraction paradigm, in that the relative (ethnic) dissimilarity and the low frequency of exposure both lead to diminished attraction. Conversely, given the high frequency of exposure of Cajun shoppers to Anglo sellers, no ethnically reciprocal perceptions are expected to be present.

**Hypothesis 12:** This hypothesis tests the relationship between shoppers' perceptions of sellers' trustworthiness and shoppers' perceptions of sellers' performance. Considering the relationships depicted in Figure 4, it can be seen that the association between the strength of ethnic identification and sellers' trustworthiness, which is causally antecedent to the present relationship, has received support in the context of dyadic ethnic homogeneity and heterogeneity. In other words, dyadic ethnic dissimilarity seems to have a distinct and measurable impact on shoppers' evaluations of sellers'
behavior traits, such as trustworthiness. At the same time, dyadic ethnic dissimilarity seems to have an attenuated impact on shoppers' evaluations of sellers' performance. Thus, behaviorally speaking, ethnic moderation of combinations of shoppers' and sellers' ethnicities appears to have more pronounced effect on shoppers' perceptions of sellers' personality traits than on the former's perceptions of the latter's behaviors.

Potential commonalities: Having reviewed the hypotheses that received full or partial support, some intriguing trends have emerged. First of all, the hypotheses that received full support (H1 and H7) were testing relationships between the ethnic drivers (strength of shoppers' ethnic identification and shoppers' perceptions of ethnic distance) and sellers' personality traits (trustworthiness and expertise). Second, no hypotheses testing the relationships between shoppers' perceptions of sellers' performance and any of its predictors were found to have a full empirical support. It could be concluded that the moderation of combinations of dissimilar shoppers' and sellers' ethnicities, as conceptualized in the present research, appears to have the most pronounced effect on shoppers' evaluations of sellers' personality traits. It can also be seen that the effect of ethnic moderation is attenuating when shoppers' perceptions of sellers' behaviors are considered.

4.7.3 Rejected Hypotheses

Several of the hypotheses have been rejected due to: (1) a lack of similarity-attraction stipulated uniformity in difference in coefficient directionality, and (2) no meaningful pattern of coefficients that might be indicative of a more contextualized explanation. In view of this, hypotheses 2, 5, 6, 8, 10, and 11 have been rejected.
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 CHAPTER OUTLINE

This chapter provides a general synthesis of the research reported herein, with particular emphasis on its theoretical and practical implications. It also puts forth several recommendations with respect to direction for future research. To this end, the presentation will be organized according to the following schedule:

• First, a brief restatement of the purpose of the present study will be provided in order to afford a proper conceptual background.

• Second, a general discussion of the major findings of the study will be undertaken. This discussion will also be supplemented by a description of the limitations of the present research.

• Third, some of the key theoretical implications will be presented.

• Fourth, recommendations for future research will be addressed.

• Finally, the relevance of the research findings to marketing practice will be described.

5.2 THE PURPOSE OF THE STUDY REVISITED

It has been suggested that ethnic diversity of the population of the United States has increased by about 20% during the last decade (Meyer and McIntosh 1992). Given that virtually everyone is a potential shopper and about 10% of the American workforce is employed in retail sales (1990 U.S Census), it appears reasonable to conclude that, in light of the aforementioned rise in ethnic awareness, the potential effect of ethnic dissimilarity ought to be examined in the context of dyadic sales encounters.

To this end, a few studies have investigated the role of ethnicity in the context of marketing interactions (e.g., Hirshman 1981, 1983; Stayman and Deshpande 1989;
Wallendorf and Reilly 1983), however, aside from being mostly descriptive in nature (Hirshman 1981), these studies typically focused on two or three select ethnic groups. Although the significant size and subsequently the impact of these ethnic groups certainly justifies their choice, it would nonetheless be limiting from a theory-building point of view to restrict the marketing-rooted ethnic analysis to only a select few such groups. Thus, to circumvent this potential limitation, the present study concentrated on perhaps a lesser known (Clarke 1988), but "...one of the most distinctive and oldest North American" (Spindler and Spindler 1985) ethnic groups.

The aforementioned ethnic interactions were investigated in the context of a behavioral model of dyadic sales encounters which focus on the effects of shopper and seller ethnic homogeneity and heterogeneity. Operationally speaking, a model encompassing the most relevant ethnic variables (i.e., strength of ethnic identification, ethnic distance, and ethnic group membership), seller personality traits (trustworthiness and expertise), and behaviors (practice of the marketing concept and performance) was examined in the setting of four ethnic contrasts. Having controlled for extraneous sources of variance, the presence of global ethnic moderation was discerned when a multi-group model yielded a statistically better fit than a Single-group model.

Finally, the effect of the aforementioned global ethnic moderation was examined in the context of individual relationships. Chapter 4 provided a detailed treatment of this effect, both in context of the macro as well as micro implications. After a brief

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64 For example, Hirshman (1981 and 1983) focused on Jewish ethnicity, Deshpande, Hoyer, and Donthu investigated Hispanic ethnicity, and McGee and Spiro (1991) concentrated on salespeople of Japanese ethnic background.
discussion of limitations of the present research, a general discussion of the major findings will be presented.

5.2.1 Limitations of the Study

This study had to accept a number of shortcomings in order to be a feasible and manageable project. The most important of these are discussed below:

The choice of ethnicities: As previously described, most of the previous marketing studies focusing on ethnicity or ethnic dissimilarity considered a relatively small number of ethnic groups. Given the relatively large size of these ethnic groups, the attention they attract seems pragmatically justifiable, but it suffers from serious shortcomings from a standpoint of theory development. In light of this, one of the smallest, but most distinct (Clarke 1988) ethnic groups was used in this research, as well as the dominant American ethnicity. On one hand, such an approach addressed the aforementioned limitation, but at the same time, it may have limited the generalizability of the findings. However, it should be pointed out that since Cajuns are a part of the so-called "white ethnics" (Abramson 1980), the significant effect of their ethnicity should be similar to the significant effect of ethnicity in general.

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65 As previously delineated, the ethnic groups most frequently examined by marketing researchers were Hispanics and Jews.

66 To elaborate, the significance of the Cajun ethnicity being a part of the "white ethnics" lies in the definitional properties of white ethnicity considered in the context of ethnic moderation as operationalized in the present research. As delineated in the Research Background section of this dissertation, the "white ethnics" (of which Anglo and Cajun ethnicities are a part) are primarily defined in terms of cultural, or phenomenological, dimensions. This is of importance insofar as it seems logically correct to believe that if the two ethnic groups of interest (i.e., Cajuns and Anglos) differ only along intangible phenomenological dimensions, and still their combined effect moderates the nature of dyadic sales encounters, then such moderation should only be accentuated when the dyadic ethnic dissimilarity is based on more than just cultural traits.
The experimental stimulus: As described in Chapter 3, a written script describing a dyadic sales encounter in a retail context was used as an experimental stimulus. This possible limitation was imposed in light of the sample size requirements necessary given the operational design of the study. More specifically, it would not be feasible to collect a large enough sample of dyadic sales encounters taking place in the context of the desired four ethnic contrasts, after controlling for the previously discussed sources of extraneous variance. It should be noted that, three individual pretests were conducted aiming to ascertain the scaling properties of the ethnic constructs of interest (see Chapter 3), as well as the face and discriminant validity of the experimental manipulations. All of the pretests points to a valid and reliable experimental design.

The data collection method: As previously described, both Cajun and Anglo responses were collected by means of personal interviews. Thus, most of the data was collected in individuals' homes, rather than in retail outlets. However, this approach yields some distinct advantages: First of all, highly ethnically identified respondents could be selected, which was extremely important, particularly in case of Cajun respondents. Secondly, a more demographically representative mix of respondents was collected (see Table 4).

It could be argued that the benefits gained by conducting in-home interviews outweighed the shortcomings. To elaborate, it seems reasonable to assume that an average respondent (regardless of his/her ethnicity) has ample experience in retail-store-based sales encounters. Furthermore, given the somewhat uniform experience found in most major department stores, the sales encounter images visualized by potential
respondents did not vary significantly across respondents. Thus, the usage of a scripted scenario should not have had a biasing effect on the study.

In conclusion, the limitations discussed above potentially limit the study's generalizability; however, they do not seem to be severe enough to jeopardize the conceptual or empirical integrity of the study.

5.3 GENERAL FINDINGS

The similarity-attraction paradigm (Bochner 1982; Byrne 1969) forms the conceptual foundations for the thesis of global ethnic moderation put forth in this dissertation. As postulated by this paradigm, the general nature of interpersonal interactions is moderated by combinations of dyadic ethnic dissimilarity. Hence, the present study attempted to test the viability of this conceptualization in the context of dyadic sales encounters in a retail setting.

Accordingly, the general nature of ethnic moderation of combinations of shoppers' and sellers' ethnicities was tested. Here, a Single-group formulation operationalized a lack of ethnic moderation, whereas a multi-group formulation operationalized a presence of such moderation. As previously discussed, an assessment of the goodness-of-fit of the two models points to the latter of the two as yielding a better representation of the underlying structure of the model, fitted in the context of ethnic similarity and dissimilarity. It was concluded that the study suggests the presence of ethnic moderation of combinations of shoppers' and sellers' ethnicities.

This is a very exciting finding: in a macro sense, it implies that ethnic heterogeneity has a significant effect on the nature of dyadic sales encounters. Therefore,
in a manner postulated by this research, combinations of shopper/seller ethnicity may need to be conceptualized as a global moderator. Considering that the behavioral model of dyadic sales encounters depicted in Figure 1 (Chapter 1) hypothesizes a number of relationships which may be moderated by shoppers' and sellers' ethnicities, individual hypotheses were tested to ascertain a micro-level effect of the aforementioned moderation.

The results of the empirical tests of the individual paths (i.e., hypotheses) were discussed at length in Chapter 4; in this section the emphasis will be placed on the discussion of the effects of dyadic ethnic moderation on the three key components of the behavioral model of dyadic sales encounters. These three general factors are: (1) shoppers' perceptions of sellers' personality traits, (2) ethnic involvement variables, and (3) shoppers' perceptions of sellers' behaviors.

Considering the two hypotheses that received full empirical support (H1 and H7), it can be seen that both focus on the effect of shopper-seller ethnic dissimilarity on shoppers' perceptions of sellers' personality traits. More specifically, H1 shows a significant effect of combinations of dissimilar shoppers' and sellers' ethnicities on shoppers' perceptions of sellers' trustworthiness, whereas H2 denotes a similar results with respect to shoppers' perceptions of sellers' expertise: both can be grouped as shoppers' perceptions of sellers' personality traits. Given these results, the combinations of dissimilar shoppers' and sellers' ethnicities suggest a direct moderating effect on shoppers' perceptions of sellers' personality traits, not present in the context of dyadic ethnic similarity.
On the other hand, considering the hypotheses that received limited support (H3, H4, H9, H12), it can be seen that the effect of dyadic ethnic moderation has been attenuated with respect to shoppers' perceptions of sellers' behaviors. In other words, the effect of combinations of dissimilar shoppers' and sellers' ethnicities is less pronounced in the context of shoppers' evaluations of sellers' behaviors. It could be theorized that, as described in Chapter 4, the effect of ethnic moderation may need to be contextualized in a manner suggested by the contact thesis (Amir 1969) and the major-minor ethnicity distinction. Nonetheless, it seems reasonable to conclude that, generally speaking, the combinations of dissimilar shoppers' and sellers' ethnicities have an attenuated or perhaps indirect impact on shoppers' evaluations of sellers' behaviors.

The above discussion suggests some general conclusions: first, the idea of ethnic moderation postulated by the similarity-attraction paradigm (Bochner 1982; Byrne 1969) is primarily trait-attitudinal, meaning that it effects individuals' (e.g., shoppers') attitudes towards (personality) traits of those of different ethnicities. In other words, in the context of a retail sales dyad, ethnic dissimilarity effects shoppers' perceptions of sellers' ability (i.e., expertise) and objectivity (i.e., trustworthiness).

The second general conclusion suggests that the aforementioned paradigm is less appropriate when trying to ascertain the effect of dyadic ethnic dissimilarity on shoppers' perceptions of sellers' behaviors (practice of adaptive selling, and performance). Here, the effect of ethnic moderation of dissimilar shoppers' and sellers' ethnicities may be more contextualized, and thus is better explained and understood in the context of the
contact thesis (Amir 1969) and the major-minor ethnicity distinction. The upcoming
section will elaborate on these conclusions.

5.4 THEORETICAL IMPLICATIONS

Traditionally, marketing researchers have conceptualized ethnicity as yet another
demographic variable (e.g., Hirshman 1981, 1983; Deshpande, Hoyer, and Donthu 1986;
McGee and Spiro 1991; Stayman and Deshpande 1989). The present research, relying on
the similarity-attraction paradigm (Bochner 1982; Byrne 1969), postulates that ethnicity
should be conceptualized as a global moderator. As previously discussed, the empirical
results reported here provide partial support for this conceptualization. More specifically,
it has been suggested that the similarity-attraction paradigm-theorized moderation is
primarily trait-attitudinal, and, only indirectly behavioral. In other words, the shoppers'
perceptions of sellers' personality traits are being directly effected, or moderated, by
combinations of dissimilar shoppers' and sellers' ethnicities in a manner suggested by the
similarity-attraction paradigm. At the same time, shoppers' perceptions of sellers'
behaviors are only indirectly impacted by this moderation. The next section will explore
this distinction in more detail.

5.4.1 Similarity-Attraction Paradigm and Ethnic Moderation of Behavioral Model
Dyadic Sales Encounters

It has been suggested in the above discussion that the moderating effect of
combinations of dissimilar shoppers' and sellers' ethnicities is most pronounced in the
context of shoppers' evaluations of sellers' personality traits. Also, it has been pointed out
that shoppers' perceptions of sellers' behaviors are not moderated in the fashion
postulated by the similarity-attraction paradigm. This lack of uniformity in ethnic

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moderation of the behavioral model of dyadic sales encounters is perplexing and demands explanation. The following is a possible rationalization for this phenomenon.

Considering that shoppers tend to distrust salespeople (Swan and Adkins 1980-81), it seems that the already somewhat negatively-valenced feelings shoppers may exhibit on the onset of a sales encounter may be accentuated by ethnic dissimilarity, as posited by the Byrne-Clore reinforcement-effect model (1970). Therefore, coupling the potentially negative effect of dyadic ethnic dissimilarity with the implications of reinforcement and cognitive balance theories (Heider 1958; Newcomb 1956), it seems logical that the initial shoppers' evaluations (i.e., those pertaining to sellers' personality traits) would be most strongly impacted by the ethnic moderation. However, the strength of such moderation may diminish when the emphasis is on sellers' behaviors. For instance, favorable product evaluation may contribute to the attenuation of the adverse impact of ethnic dissimilarity. Hence, shoppers' evaluations of sellers' performance may be, at least in part, confounded with their evaluation of the actual product; this ultimately may contribute to the attenuation of the effect of ethnic moderation of dissimilar ethnicities.

This explanation seems to be intuitively plausible given the above implied fundamental differences between personality traits and behaviors. To elaborate, a person's evaluations of another's character and personality traits appear to be highly subjective and intangible, and subsequently prone to potentially biasing effects of various interpersonal differences, such as ethnicity. On the other hand, the same person's evaluations of another's (e.g., seller's) behavior are usually formed in conjunction with
some object of that behavior, and, are consequently likely to be more tangible and less subjective.

Thus, it follows that ethnic moderation may have direct moderating impact on shoppers' evaluations of sellers' personality traits, as such evaluations seem to be prone to subjectively generated feelings, so they can be skewed by perceptions of ethnic dissimilarity. On the other hand, the similarity-attraction paradigm-postulated ethnic moderation may exhibit a significantly weaker effect on the somewhat less subjectively generated evaluations of sellers' performance.

The above conclusions seem to imply that dyadic ethnic dissimilarity may be of secondary importance in the context of sales encounters. Indeed, it could be argued that from a purely functional point of view, the role of a salesperson in the retail dyadic sales encounters is limited insofar as the actual product carries considerably more weight. Such a conclusion carries a high degree of truth when the role of a salesperson is limited to that of order-taking; however, this point of view seems grossly myopic when the role of a salesperson is that of establishing on-going relationships with customers.

Considering the increasing importance of establishing such relationships to the long-term success of a retail establishment (Ganesan 1994), and keeping in mind that seller's trustworthiness is posited to be the most important attribute of a retail salesperson (Hawes, Mast, and Swan 1989), it seems that the effect of ethnic moderation of dyadic combinations of dissimilar shoppers' and sellers' ethnicities should be further investigated. The next section delineates a number of potential future research directions.
5.5 RECOMMENDATIONS FOR FUTURE RESEARCH

The operationalization of the similarity-attraction paradigm by means of ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities is, as far as the author knows, new to the marketing literature. The very idea of a relationship being moderated is not, per se, new to marketing scholars; there have been a number of studies utilizing the concept of moderation. Some of the later studies include: Michaels and Dixon (1994) who studied the moderating effect of role stress - job outcome relationships on dyadic sales encounters; Brown (1995) who examined the moderating effects of insupplier/outsupplier status on buyer attitudes; Ping (1994) who considered the moderating impact of satisfaction on attractiveness of marketing channels; Mitra (1995) who studied the moderating effect of motivation on price cue and product evaluations; and Russ and McNeilly (1995) who examined the moderating effect of gender, experience, and performance on employee satisfaction.

From an operational point of view, the present research extends the idea of moderation by formulating it as a function of the combined effect of the traits (i.e., ethnicity) of both members of the sales dyad. At a glance, it can be seen that the above-cited studies operationalize moderation as a function of a trait, or a property, of one of the two players in the marketing exchange. It appears, however, that additional insight can be gained when a combined effect is considered.

From a conceptual point of view, accepting the premises of the present research points to a number of major (i.e., those pertaining to the general nature of marketing exchanges) as well as minor (i.e., those concerned with the relationships examined in the
present research) implications. Considering the latter of the two, the suggested notion of a contextualized nature of ethnic moderation of dyadic sales encounters needs to be empirically examined. More specifically, the thesis positing the accentuation of ethnic moderation of shoppers' perceptions of sellers' personality traits needs to be tested along with its corollary, which postulates an attenuation of such moderation in the context of shoppers' perceptions of sellers' behaviors. As a part of any such examination, the importance of the contact hypothesis (Amir 1969) and the major-minor ethnicity distinction needs to be assessed as a contributor to such contextualization. Also, the cross-ethnic validation of this research's conclusions needs to be undertaken. This is particularly important insofar as the present research employed the so-called 'white ethnics' (Abramson 1980), or ethnic groups which differ only on cultural, rather than racial, dimensions. It could, however, be argued that using the 'white ethnics' may represent a stronger litmus test, as it attests to the presence of ethnic moderation when the interpersonal differences are limited only to cultural dimensions.

Considering the major implications for future research, a number of potentially (theoretically) fruitful investigation may be foreseen. Keeping in mind that the study of consumer behavior usually examines a "typical" consumer, the exact implications of the aforementioned operationalization may be somewhat unclear given the tenets of ethnic pluralism. The underlying assumption of ethnic pluralism is the sustainable persistence of diversity (Greeley 1981). At the present time the "typical" consumer (presumably of European ancestry) is still the dominant ethnic group in the United States; however, by some accounts (e.g., Time 1993) by the year 2040 it will not be so. To argue that ethnic
distinctiveness creates impermeable walls for consumer behavior seems naive, nihilistic, and unrealistic; however, it could be posited that an explicit treatment of the potential effect of ethnicity should be incorporated into the investigations of consumer behavior.

5.6 MANAGERIAL IMPLICATIONS

On January 29, 1996, Market Segment Research and Consulting in conjunction with Information Resources, Inc., held an ethnic marketing conference under the emblem of Marketing to the New America. This conference was symbolic of the growing recognition of the rise of ethnic diversity in the United States and its significance to successful marketing practices. The present research offers some insights to the practitioners in the field of marketing research, but its potential can be best described in the context of some of the most notable illustrations of the importance of ethnic diversity to the practice of marketing.

Information Resources, Inc. (IRI) is the nation's leading supplier of syndicated information and analytics, and marketing-related software, and Market Segment Research and Consulting (MSR&C) is a leading ethnic market research and consulting firm. Realizing the importance of the potential significance of ethnic differences from the standpoint of Efficient Consumer Response, micro-marketing, and segmentation, these two firms combined the strength of IRI's InfoScan® Census with that of the ethnic segmentation of MSR&C to offer more focused and actionable marketing solutions to firms in the consumer packaged goods industry. In forging this innovative, ethnicity

67 Very briefly, IRI's InfoScan is a service which tracks (by means of the point-of-purchase scanner records) grocery sales in the United States. It gathers data from 20,000+ grocery stores in the U.S. which accounts for about 75% of the grocery ACV (All Commodity Volume).
driven marketing approach, one of the critical issues that emerged was that of proper, ethnicity-sensitive methodology. In the words of a senior IRI executive, "To obtain results never before achieved, we must be prepared to employ methods never before attempted." The idea of ethnic moderation of combinations of dissimilar shoppers' and sellers' ethnicities provides an example of an ethnicity-sensitive methodology that may be employed in a cross-ethnic setting to provide market-driven solutions in an increasingly competitive marketplace.

Focusing on ethnic dissimilarity in the context of dyadic sales encounters, it was noted in Chapter 1 that some retailers, such as Kinney Shoes Corporation and Levi Strauss and Company (Cuneo 1992; Santora 1991) invest heavily in ethnic diversity in their retail salesforces in hopes of better mirroring the ethnic makeup of their retail environments. Underlying this relatively expensive practice ($5 million annually for Levi Strauss and Co.) is the belief that ethnic similarity between shoppers and sellers has a positive impact on long-term profitability. The present analysis provides not only a conceptual explanation for such reasoning, but also proposes a methodology for future investigations. Remembering that one of the key conclusions of the present research is that combinations of dissimilar shoppers' and sellers' ethnicities appear to have the strongest moderating effect on shoppers' evaluations of sellers' personality traits, sales managers can use this information to gain insights into the long-term implications of ethnic dissimilarity (the above-discussed establishment of ongoing relationships), and also be introduced to a method for investigating future issues. The research reported here may be of interest to sales managers concerned with recruitment and training new
salespeople. Given the growing recognition of the importance of establishing ongoing relationships with consumers (i.e., relationship marketing) to the long-term survival and success of a retail establishment, the research reported here suggests a number of interesting and actionable insights.

For example; consider the task of opening a retail outlet in a predominantly Hispanic or Asian neighborhood. Should the ethnic makeup of the salesforce of that particular outlet mirror its environment? Drawing on the conclusions stemming from the present research, this may indeed be a preferred long run strategy. This would be an attractive strategy because the present research demonstrated that, although the combinations of dissimilar shoppers' and sellers' ethnicities may have a relatively diminished impact on the former's evaluations of the latter's performance (which may be due in part to the product-satisfaction-confounding effect), the aforementioned ethnic moderation has a considerably more pronounced effect on shoppers' evaluations of sellers' personality traits. Given the demonstrated (e.g., Hawes, Mast, and Swan 1989; Swan and Adkins 1980-81) importance of these personality traits in establishing ongoing relationships with customers, the importance of hiring a salesforce that is ethnically similar to its clientele becomes clear.

Having recruited an ethnically desirable salesforce, the management now confronts the issues relating to training. Should the salespeople be encouraged to identify with shoppers on overtly ethnic dimensions? In other words, should the ethnic similarity (between shoppers and sellers) be, although perceivable, not "played upon" by salespeople, or should they make an effort to try to relate to shoppers by employing
heightened manifestations of their ethnic similarity? Again, according to the present
research (and particularly the analysis of the individual hypotheses in Chapter 4),
heightened manifestations of ethnic similarity may be perceived by shoppers as an
attempt on the part of sellers to ingratiate themselves in order to make a sale, which is in
agreement with Swan and Adkins' (1980-81) conclusion. This suggests that shoppers
tend to distrust salespeople; therefore, it appears that sales training should not stress the
need for sellers to employ overly-heightened manifestations of ethnic identification
because it may result in the rise of shoppers' distrust.

The above discussed examples constitute only a few of the potentially important
applications of the present research. Considering the broader picture underlying this
research, the rise of ethnic diversity in the United States (estimated at about 20% during
the last decade, according to Meyer and McIntosh 1992), and its impact on marketing
practices is just beginning to be understood. A growing number of studies are beginning
to investigate the effect of ethnic distinctiveness on healthcare (Friedman 1992; Eubanks
1990), personnel management (Nilufer 1993; Dominiquez 1992), accounting services
(Bialer 1993), computing services (Kiely 1991), and publishing (Hulin-Salkin 1987).
Also, a number of manufacturers are beginning to recognize the potential opportunities.
This is illustrated by cosmetic companies that are beginning to offer a wide array of
ethnic skin products (Scruby 1992; Lebowitz 1991), the success of which is evidenced by
the sales of these products exceeding the $1 billion mark in 1990 (Rosendahl 1990).

It can also be seen that catering to ethnic consumers' needs is one of the fastest
growing strategies employed by both manufacturers (e.g., Levi Strauss and Co., Kinney
Shoes) and leading marketing consulting concerns (e.g., IRI and MRS&C). Thus, the potential success of such efforts hinges on innovative research yielding issue-specific insights. As new thinking calls for new approaches, this research suggests a potentially useful and managerially actionable methodology.
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APPENDIX

1. Ethnic Group Membership - The Ethnic Index

- geographic origin
- race
- language of dialect
- religious faith
- ties that transcend kinship, neighborhood, and community
- traditions, values, and symbols
- literature, folklore, and music
- food preferences
- institutions that specifically serve and maintain the group

2. Strength of Ethnic Identification

Sense of Belonging:

1. I am a person who feels strong bonds toward [an ethnic group].
2. My fate and future are bound up with that of [ethnic group].
3. I feel an overwhelming attachment to [ethnic group].
4. It is very important for me to be a member of [ethnic group].

Attitude About One's Own Ethnic Group:

1. I am proud to identify with [own ethnic group].
2. I am similar to people who feel good about their cultural background.
3. I am like/unlike people of other ethnicities who try to hide their background.

3. Ethnic Distance

The revised scale68:

1. I would welcome a person of this salesperson's ethnicity to a close kinship by marriage.
2. I would welcome a person of this salesperson's ethnicity to join a circle of my close personal friends.
3. I would welcome a person of this salesperson's ethnicity to my street as a neighbor.
4. I would welcome a person of this salesperson's ethnicity to employment in my occupation.

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68 For reliabilities, see Table 2.
5. I would welcome a person of this salesperson's ethnicity only as a visitor to my neighborhood.
6. I would exclude a person of this salesperson's ethnicity from my neighborhood.

4. Shoppers' Perceptions of Salespersons' Trustworthiness

1. If this salesperson gave me a compliment I would question if she really meant what was said.
2. I could rely on this salesperson to mail an important letter for me if I couldn't get to the post office.
3. I would be able to confide in this salesperson and know that she would want to listen.
4. I would expect this salesperson to play fair.
5. I am not sure that trusting this salesperson would be a good idea.
6. I have good reason to trust this salesperson.
7. I have doubts about trusting this salesperson.
8. I feel that I can completely trust this salesperson.

5. Shoppers' Perceptions of Salespersons' Expertise

1. I believe this salesperson is very well trained.
2. I have a great confidence in the expertise of this salesperson.
3. I think this salesperson is very intelligent.
4. I am impressed with the professionalism exhibited by this salesperson.
5. I believe this salesperson to be very skilled at his job.
6. I feel very safe following the recommendation of this salesperson.

6. Shoppers' Perceptions of Sellers' Attempt to Practice the Marketing Concept (SOCO)

1. The salesperson tried to help me to achieve my goal.
2. I believe that it was the salesperson's goal to satisfy me.
3. A good salesperson has to have the customer's best interest in mind.
4. The salesperson tried to get me to discuss my needs with him/her.
5. I believe that the salesperson tried to influence me by information rather than by pressure.
6. I believe that the salesperson offered me the products which were best suited to my needs.
7. I believe that the salesperson tried to find out what kind of product would be most helpful to me.
8. I believe that the salesperson answered my questions honestly.
9. I believe that the salesperson tried to help me solve my problem.
10. I believe that the salesperson was willing to disagree with me in order to help me make a better decision.
11. I believe that the salesperson tried to give me an accurate expectation of what the product will do for me.
12. I believe that the salesperson tried to figure out what my needs were.
13. I believe that the salesperson tried to sell me all he could convince me to buy, even if he thought it would be more than I should buy.
14. I believe that the salesperson tried to sell me as much as he could rather than satisfy me.
15. I believe that the salesperson kept alert for weaknesses in my personality so he could use them to put pressure on me to buy.
16. I believe that even if the salesperson was not sure that the product was right for me, would still apply pressure to get me to buy.
17. I believe that the salesperson decides what products to offer on the basis of what he can convince customers to buy, and not on the basis of what will satisfy them in the long-run.
18. I believe that the salesperson painted too rosy a picture of his products, to make them sound as good as possible.
19. I believe that the salesperson spent more time trying to persuade me to buy than he did trying to discover my needs.
20. It is my belief that the salesperson thought that it was necessary to stretch the truth in describing a product to me.
21. I believe that the salesperson pretended to agree with me to please me.
22. I believe that the salesperson implied to me that something was beyond my control when it was not.
23. The salesperson began the sales talk for a product before exploring my needs.
24. I believe that the salesperson treated me as a rival.

7. Performance

Self-Orientation of Salesperson:

1. This salesperson seemed more interested in himself than in me.
2. This salesperson was more interested in what he had to say than in what I had to say.
3. This salesperson talked about his own personal difficulties.
4. This salesperson tried to dominate the conversation.
5. This salesperson really wants to be admired by others.

Professionalism:

1. I feel this salesperson did not allow his own interests to interfere with providing the best possible professional service.
2. I feel this salesperson did not let his personal feelings get in a way of doing the best job possible.
3. I believe that to this salesperson, service to the people who utilize his expertise is the most important priority.
4. I feel this salesperson does not care what quality of work other people in this field do as long as it doesn't interfere directly with him.

5. I believe that this salesperson feels that his own personal career concerns deserve attention ahead of the interests of clients and users.
VITA

Andrew D. Banasiewicz, born into a coal-mining family in Sosnowiec, Poland, on May 19, 1963, as the first of four children. Following elementary school, entered Liceum Ogólnokształcące, a middle school emphasizing languages (Polish, English, Russian, Latin). Having successfully passed the 'maturity exam' (a comprehensive exam covering Polish, Math, and two elective subjects), graduated from the aforementioned school in May of 1982. In September of the same year immigrated to the United States as a consequence of his father's activity in then-outlawed Solidarity union.

Following a year of ad hoc jobs, entered Northwestern State University in August of 1983. Four years later graduated with a bachelor's degree in general studies. For the next year worked as an assistant manager of Hardy's Shoes in Alexandria, LA. In June of 1988 entered the M.B.A program at Louisiana Tech University in Ruston, LA. In March of 1990 graduated with a graduate degree in business administration.

In January of 1991 entered The Graduate School at Louisiana State University, to work towards a degree of Doctor of Philosophy in Business Administration with major in Marketing. In October of 1993 successfully passed the general examinations and was admitted to candidacy for the degree.

In June of 1995 went to work for Information Resources, Inc., a syndicated information and marketing research firm located in Fairfield, NJ. In July of 1996 went to work for AC Nielsen, the world's largest marketing research firm, in New York City. On August 26, 1996 passed final examinations for the degree of Doctor of Philosophy in Business Administration with major in Marketing and minor in International Business.
Candidate: Andrew D. Banasiewicz

Major Field: Business Administration

Title of Dissertation: The Moderating Effect of Combinations of Dissimilar Shoppers' and Sellers' Ethnicities on a Model of Dyadic Sales Encounters: Shoppers' Perceptions of Ethnically Different Retail Salespersons

Approved:

[Signature]

Major Professor and Chairman

[Signature]

Dean of the Graduate School

EXAMINING COMMITTEE:

[Signatures]

Date of Examination: August 26, 1996