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Consumer Animosity in Cross Cultural Context

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CONSUMER ANIMOSITY IN CROSS CULTURAL CONTEXT

BY

ANNE-MARIE JUNKER

A thesis submitted in partial fulfillment of the requirements for the
Master of Science
Major in Human Sciences
Specialization in Merchandising
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CONSUMER ANIMOSITY IN CROSS CULTURAL CONTEXT

This thesis is approved as a creditable and independent investigation by a candidate for the Master of Science in Human Sciences degree and is acceptable for meeting the thesis requirements for this degree. Acceptance of this does not imply that the conclusions reached by the candidate are necessarily the conclusions of the major department.

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This thesis is dedicated to my mother, Karen-Marie Bryanne, who instilled in me the belief that dignity is a fundamental human right, starting with the genuine freedom to fully be who you are.
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ABBREVIATIONS

AVE ............. Average Variance Extracted
CA ............. Consumer Animosity
CE ............. Consumer Ethnocentrism
CFA ............. Confirmatory Factor Analysis
CFI ............. Comparative Fit Index
COI .......... Country of Origin Image
COO ............. Country of Origin
COR ........... Correlation
CR ............. Composite Reliability
d.f. ............ Degrees of Freedom
EFA ............. Exploratory Factor Analysis
GNAT .......... Go/No-Go Association Task
RMSEA........ Root Mean Square Error of Approximation
SE ............. Social Entrepreneurship
SEM ............. Structural Equation Modeling
S.D. ........... Standard Deviation
SRMR .......... Standardized Root Mean Square Residual
TLI ............. Tucker Lewis Index
SQR AVE....... Square Root of Average Variance Extracted
WLS .......... Weighted Least Squares
WLSR .......... Weighted Least Squares Ratio
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LIST OF SYMBOLS

n............. Sample Size
β .............. Beta
χ.............. Chi-Square
λ.............. Lambda
D² .......... Malahanobis Distance
p............. P-Value
Social Entrepreneurship (SE) has shown to have substantial potential to address social concerns and it prompted the question if an SE might be a viable option for Native American groups in South Dakota. This unique situation could pose an additional challenge for marketers because of the common shared history that contributed to the current inequality. The SE could serve as a cue about unresolved tensions, prompting the question about possible morality and even culpability. Recent government actions regarding restoration and even restitution to Native Americans could signal changing attitudes regarding possible responsibility. Depending on personal beliefs and societal norms, this could be perceived as an economic and even moral threat among non-Native American consumers who, in response, might react with Consumer Animosity toward Native American products. This would undermine the long-term success of the SE. The study indicated that consumers are sympathetic of the plight of the Native American population, but they do not perceive themselves responsible for the current situation and are therefore less willing to accept any cost associated with restoration.
Consumer Animosity in Cross Cultural Context

Based on the Census Bureau’s national statistics, South Dakota ranks as a fairly affluent state (U.S. Census Bureau, 2015). Yet, these state statistics also reflect that South Dakota has for years hosted three of the poorest counties in the U.S. (Our neighbors need our help, 2011; Three poorest U.S. counties in South Dakota, 2012). The significance of these counties is that they include three of the nine Indian Reservations in South Dakota (Native American tribes of South Dakota, n.d.).

The history between the Native American people and the European colonizers is long and disputes regarding the legality and morality of historic actions are far from over (Ablavsky, 2015; United States Bankruptcy Court, n.d., p. 5.2). Regardless of the wide range of opinions on exactly how the common history unfolded and its contribution to today’s socioeconomic climate, it cannot be denied that many Native American tribes are substantially marginalized, living under the oppressing reality of systemic poverty (United States Bankruptcy Court, n.d., p. 5.1).

Over the decades, more or less well intended charitable efforts or government programs do not seem to have resulted in sustainable, long-term changes. Research has shown that charity is ineffective. Not only does it merely perpetuate the dependency, more importantly it does not address the very system that caused and is causing the situation (Schultz & Buys, 2011, p. 94; Dees, 2012, p. 321; Bentley, 2002, p. 25; Barber, 2013, p. 47; Oyugi, 2006, p. 4; Moyo, 2009, pp. 6-7; Guillaumont Jeanneney, & Tapsoba, 2012, p. 216; Ranis, 2011, p. 77; Wilson, 2001, para. 43, 48).

Various other government and economic stimulus programs have shown some initial results, but they do not seem to provide sustainable economic solutions and are in
some ways even adding to the social divide (Chavers, 2013; Akee, Spilde, & Taylor, 2014; Janes & Collison, 2004; Schmickle & Date, 2012; The Economist, 2015; McCarthy, 2004, p. 106; Conner & Taggart, 2013; Momper, 2010, p. 141; Brown & Selk, 2003, p. 15; Benson, Lies, Okunade, & Wunnava, 2011, p. 159; Boxberger Flaherty, 2013, pp. 56-58, 66-77). The programs are mostly top-down approaches, again not addressing the roots that are feeding the system.

Similar to other marginalized groups, many Native American populations sought economic relief in the sale of cultural artifacts (Gilster, 1993, p. 83). For this study, cultural artifacts are defined as cultural artifacts that distinctly represent cultural identity because they are directly related to heritage, traditions, beliefs, and values. Cultural products also include sacred items and products that represent the imaginary stereotype of the Native American Indian. While this might seem like an avenue for economic development, the sale of cultural products could have substantial implications on the reconstruction of the Native American culture, self-reliance, and development.

During the last two decades, we have witnessed a significant increase in the use of Social Entrepreneurship (SE) to address various social injustices or causes (Lepoutre, Justo, Terjesen, & Bosma, 2013, p. 693; Santos, 2012, p. 335; Nicholls, 2006). An SE is an entrepreneurship that employs a for profit component to accomplish a social mission (Martin & Osberg, 2007). The exact form and social mission can vary greatly, but as stated by Dees (1998, 2001), it is an innovative business-like enterprise paired with a passion for a social mission. In this study, social entrepreneurship is defined as an entrepreneurial enterprise for the purpose of providing a sustainable economic solution to socioeconomic disadvantaged groups or members.
This surge is contributed to various factors. It appeals to a new socially minded generation that has become increasingly dissatisfied with the ineffectiveness of government or other institutional social relief efforts (Seager, 2014, para. 16). In contrast, the SE has shown exceptional potential to provide a transformational social change (Alvord, Brown, & Letts, 2003, p. 153). This potential and the unique characteristics of a SE prompted the driving question for this research if an SE could be a sustainable alternative to groups within the Native American population in South Dakota.

While the SE’s potential might appeal to socially minded global citizens, practitioners in this field must be astute to the significance of its overall mission and remember its unique role as a social change agent (Martin & Osberg, 2007, para. 41). Not only does an SE imply a promise of hope to people who have experienced sustained disappointments but ill-considered approaches can destroy the reputation of the SE and effectively undermine its ability to accomplish its goal (Martin & Osberg, 2007, para. 7; Dees, 2012, p. 324). If the SE is to be a sustainable alternative, it must provide economic relief and also change the status quo that is supporting the social inequality. Research has shown that individuals generally support organizations that demonstrate caring and competence (Dees, 2012, p. 324). The SE’s image is therefore essential for its success. While personal passions may be the driving force to continue the hard work, this field must therefore be entered based on analytical frameworks as well as careful examination of potential sociological impact (Dees, as cited in Worsham, 2012, p. 448).

It is therefore imperative that, as a social change agent, the SE considers the discourse between attitudes and the product’s attributes. This becomes particularly relevant when SEs use cultural products as a source of revenues. The interdependent
relationship between attitudes, beliefs, and salient product attributes guides purchase behavior and also shapes attitudes (Schiffman, Kanuk, & Wisenblit, 2010, p. 240). It is therefore essential that the salient product and brand attributes are not inadvertently undermining the social value. This can occur if the product attributes are directly or indirectly perpetuating stereotypes, reinforcing a hegemony that is supporting the inequality, or changing cultural meanings through cultural authentication, as is the case with the ongoing sales of Native American cultural products (Bataille, 2001, pp. 4, 7).

Research has shown that the loss of cultural identity and imposed stereotypes are systematically reinforcing the inequality (Usborne & Sablonnière, 2014, p. 442; Jost, Kivetz, Rubini, Guermandi, & Mosso, 2005; Kay, Czapliński, & Jost, 2009; Lamont & Small, 2006, p. 10; Neill, Hershauer, & Golden, 2009, p. 39). The SE therefore has an opportunity and responsibility to shape attitudes that are favorable toward cultural restoration and must carefully select product attributes that do not perpetuate stereotypical attributes associated with Native Americans. Since cultural products potentially could hinder this aspect of the SE’s mission, cultural products should be eliminated from the merchandise mix.

This, however, changes the value proposition for the consumer and the SE must consider the potential impact on its financial success. Not only does financial success support business growth and the livelihoods of the participants, it also fulfills the implied promise of a sustainable solution in direct contrast to charitable handouts. And as mentioned earlier, financial success is essential for the SE’s image. Considering the need of support from consumers to sustain economic viability as well as the underlying fundamental social change, the SE must not only consider which salient attributes might
appeal to consumers but also which attributes could possibly deter from purchase intention.

Researchers have determined that the Country of Origin plays an increasingly important role as salient brand attribute (Abraham, 2013, p. 1). Country of Origin (COO) is defined as the country where a product or a brand is manufactured, designed, or is otherwise associated with (Verlegh & Steenkamp, 1999, as cited in Garcia-de-Frutos & Ortega-Egea, 2015, p. 168). COO literature states that stereotypes associated with the COO influence consumers’ purchasing decision and the COO serves as a cue about the product’s serviceability (Herz & Diamontopoulos, 2013, pp. 95-96). Alden, Kelley, Riefler, Lee, and Soutar (2013) illustrated that COO effect is not limited to a country-specific construct but can be applied to entities, such as global brands (p. 18). Similarly, Shimp, Dunn, and Klein (2004) demonstrated that the COO effect is evident among different social groups within the same nation (p. 78). The COO construct is therefore not limited to nations only, but can also be applied to social groups such as Native Americans and non-Native Americans.

The Country of Origin image (COI) can be formed based on various factors, including historic events, but it is important to note that the image a consumer forms of a Country of Origin is an emotional response and can have an active component if it influences the consumer’s purchasing behavior (Klein, 1998, as cited in Khan & Lee, 2014, p. 332; Avrill, 1982, as cited in Abraham, 2013, p. 2).

Individual and collective perceptions among non-Native Americans of the historic events and their impact on the current socioeconomic climate could therefore have significant consequences for the overall success of a Native American SE if the salient
brand attributes are influencing or shaped by the consumer’s attitudes toward the shared history, and in particular a possible question about morality and culpability. The interpretation of the shared history, the exact cause for marginalization, and how the current social climate is perpetuating the situation are naturally interpreted by the lens of each stakeholder. However, ongoing legal claims by Native American groups and emerging social changes toward restoration or possibly even restitution could cause cognitive dissonance among consumers which could be expressed in support or boycott of Native American products.

This study will therefore examine how common history influences the Country of Origin effect and explore how it could possibly impact purchase intention among non-Native American consumers.

The results of the study may provide insights necessary for marketers to create an integrated marketing strategy that supports economic development as well as social change. Understanding the underlying attitudes among non-Native American consumers will help marketers create marketing messages that counter stereotypes, and shape attitudes toward purchase behavior and beliefs about the Native American identity.

**Statement of Respect**

It is critical to underscore that this research is not for the purpose of imposing another solution on the Native American population. The mere concept of presenting a solution implies that there is a problem. While it would appear to me that the grinding poverty and living conditions on some of the reservations is a significant hindrance to development, self-reliance, and self-actualization, it would be imposing a dominant role
to imply that there is a need for a solution. In such case, the solution might be more to the benefit of the outsider than the intended population.

It is also not the intention in any way to misuse the reality of marginalization for personal status. Nor is it the intention of the researcher to cast blame on any groups. Instead, this serves as an acknowledgement that the current situation is systemic and multifaceted. The intent of this research is rooted in utmost respect for all global citizens and a personal drive to explore the feasibility of a model that has indicated potential for sustainable and dignified sociological and economic development.

The answer to the driving question behind this research (Is an SE an option for Native American populations?) will depend on many factors, but should include the expertise and perspective of the Native American population during the entire process. The results of this study are therefore to provide insight into the non-Native American consumer market and are fully available to any members of the Native American population if they deem that an SE model could be an appropriate fit for their particular community, mission, and culture.

It should therefore also be noted that this focus determined the parameters of the sampling group and only non-Native American consumers were asked to participate in the survey. While this could give the appearance that the opinion of the Native American population was not considered, it is important to clarify that the study is focusing on attitudes among non-Native American consumers because they could be a significant market segment for an SE.
Significance of the Study

Rationale for the Study

The substantial marginalization on many of the Native American reservations and the SEs potential to provide economic development prompted the question if an SE might be a viable alternative for Native American groups. However, as Dees cautioned, this field must be entered based on analytical frameworks so that the SE has the greatest chance of overall financial success (as cited in Worsham, 2012, p. 448). While SEs have significant potential, they should not be considered a one-size-fits-all solution. The analytical framework must therefore also consider if contextual factors, such as the perceived cause for the marginalization, could influence the image of the SE and consumers’ motives to support. If these factors are not clearly examined and identified, the SE could possibly cause more harm than good if it unknowingly contributes to the situation that is supporting the inequality.

Application for Marketers

Considering the dual goal of the SE, social change and economic development, the design of the marketing strategy must ensure that the right marketing message is conveyed in all aspects of the entrepreneurship activities. Since stereotypes support a system of inequality, the SE cannot merely focus on strategic advantages that promote economic income but must also consider how merchandise and communication strategies shape attitudes. This information will allow SE marketers to reposition the Native American brand in such a manner that it can meet underlying needs of the consumer without compromising the cultural identity of Native American populations. Understanding the formation of attitudes among non-Native American consumers toward
the Native American identity and Country of Origin will assists marketers in creating a value proposition and marketing message that shape attitudes favorable for the SE’s dual mission.

The financial success must support business growth, the livelihoods of participants, and also deliver the implied promise of sustainable alternatives in direct contrast to charitable handouts. However, the financial activities of the SE cannot in any way be at the expense of the social benefit and cultural identity of the population. The research will allow practitioners in the field to design merchandise mixes that have greater chances of success. This would raise the credibility of the SE, the image of the SE, and therefore the chances of long-term success.

Studies have also indicated that SE’s efforts rely on the goodwill of consumers and therefore strongly depend on congruency between the social mission and consumers’ motives for support (Zhao, 2014, p. 90; Hibber, Hogg, & Quinn, 2005, pp. 160-161). This requirement is a restraint that again poses the risk of dependency, especially for marginalized groups who inherently do not have social capital. Understanding the influence of perceived risk will allow marketers to create a value proposition and communication strategy that counters the fear or dissonance from the perceived risk.

Finally, sustainable SE models must consider substantial competition from other SEs in the market (Lepoutre, Justo, Terjesen, & Bosma, 2013, p. 694), including models that could allow the consumers to satisfy their need to participate in social responsibility without the risk of social sanctions or tension from conflicting values. A carefully constructed marketing strategy and value proposition will address these barriers and support the success of the SE.
Literature Review

The Social Entrepreneurship (SE) – A Definition

Historically, charity has been the predominant relief effort to socioeconomic disempowered groups but charity does not possess the power to offer a sustainable solution (Schultz & Buys, 2011, p. 94). Studies have indicated that the level of charity is fickle and that charity perpetuates dependency (Dees, 2012, p. 321; Bentley, 2002, p. 25; Barber, 2013, p. 47; Oyugi, 2006, p. 4; Moyo, 2009, pp. 6-7, Guillaumont Jeanneney & Tapsoba, 2012, p. 216; Ranis, 2011, p. 77; Wilson, 2001, para. 43, 48).

Charity also signals a social divide and fosters a system of social control. Those with resources are in a position to give to those who are in need. They are also in a position to withhold. The social causes of giving are determined by the group with resources based on self-interests and perceived risks versus perceived benefits (Null, 2011; Core & Donaldson, 2010). The magnitude of giving is correlated to internal strength and unity of the group, including common values (Campbell, 2013). It is therefore clear that charity becomes a positive reinforcement for a desired behavior that is deemed appropriate by the group with resources and perceived risks would include any social cause that could jeopardize the hegemony.

Over the past decades, the choice to implement Social Entrepreneurship (SE) as sustainable alternatives has increased over 700% (Lepoutre, Justo, Terjesen, & Bosma, 2013, p. 693; Santos, 2012, p. 335; Nicholls, 2006). Social entrepreneurs are individuals who see themselves as change agents for a social cause, using innovative business strategies to address pressing global social needs (Skoll World Forum, n.d.; ASHOKA, n.d.; Milway, 2014).
Studies have indicated that SE offer great potential for economic and social change for a community and that corporate social programs are susceptible to influences from conflicting interests (Acs, Boardman, & McNeely, 2013; Kuratko, Hornsby, & McMullen, 2011; Parrish, 2010, p. 521). The long-term success, or effectiveness, of the SE lies in its ability to change systems that have caused or perpetuated the social divide and inequality (Skoll World Forum, n.d.; ASHOKA, n.d.; SDPB, 2005). This differs from charity because charity does not address the fundamental cause underlying the system but instead perpetuates the dependency and supports the beliefs and values of the dominant group.

The surge has initiated substantial academic interest in this phenomenon (Santos, 2012, pp. 335-336). Despite the substantial emerging literature, there is still some ambiguity when defining the SE.

While scholars agree that the motivation for an SE is the desire to cause a social change, there is some disagreement about the use of a for-profit model to create a social value (Agafonow, 2014, p. 710). The main argument seems to arise around the interpretation how exactly the social cause stands to benefit from the profits. Porter and Kramer (2011) argue that the social value, or shared value, is merely another way to increase the for-profit margins for the corporations by using the concept of creating societal value (p. 64). In favor of their claim, research supports that many corporations might have recognized the demand for social responsibility as a strategic opportunity to capture a new market share (Acs, Boardman, & McNeely, 2013; Kuratko, Hornsby, & McMullen, 2011). Others are concerned that corporate social programs are susceptible to conflicting interests (Acs, Boardman, & McNeely, 2013; Kuratko, Hornsby, &
McMullen, 2011). Santos (2012) argues that SE should focus on value creation and only use the for-profit element of value capture to sustain the operations and invest in growth (p. 339). In other words, the value creating is effectively the long-term social change and sociocultural development whereas the value capture is the link to the consumer market.

This viewpoint supports the dual mission of the SE and is a fundamental difference from a traditional commercial entrepreneur, but also creates a risk that can undermine its potential to offer a sustainable solution. If the financial success of the SE is based on individual’s willingness to support a cause, it is dependent on fluctuating donations. The SE should therefore instead seek to link the lifeline to the capitalistic marketplace where the product characteristics are driving the consumer’s response. However, Agafonow (2014) illustrates that the very nature of the SE and capitalistic market dynamics will force it to operate in markets with fewer opportunities for value capture (p. 710). Santos (2012) illustrates that social entrepreneurs will succeed in areas where the marginal social benefits far exceed the potential private benefits (p. 342). This is essential because it again limits the social entrepreneurs to operate within the constraints of unequal market dynamics where the value proposition is linked to positive externalities. What happens when the social benefit is incongruent with the affective image of beneficiaries?

For the purpose of this study, I will use Santos’ (2012) definition that SE is defined as an entrepreneurial enterprise for the purpose of providing a sustainable economic solution to socioeconomic disadvantaged groups or members. Models commonly involve, but are not limited to, products produced in developing areas and sold on markets in developed areas. The products often exhibit culturally influenced aesthetic
properties or are made according to traditional production methods and span across many product categories (Littrell & Dickson, 1999, p. 4).

In summary, the SE differs fundamentally from traditional for profit enterprises in two main aspects. An SE is a social change agent that incorporates a for profit element to generate economic support for the social change (Martin & Osberg, 2007, para. 3; Roberts & Woods, 2005, p. 49). The mission of the SE is to create social value (Dees, 1998, para. 11), in contrast to a traditional for profit enterprise that exists for the purpose of capturing profits for the stakeholders (Santos, 2012, p. 339).

Secondly, an SE operates in areas where there is no market value to capture (Agafonow, 2014, p. 710). Attempts to create economic revenues using traditional methods through capture value, in other words traditional business, are not possible. The SE must therefore create a value proposition for the consumer that appeals to the goodwill among consumers and their need for social and emotional rewards (Hibber, Hogg, & Quinn, 2005, p. 161). In order to be a sustainable alternative, the SE must incorporate a strategy to transition from dependency on altruism by offering valued added components. This could be a challenge if historic events could create a societal disposition favorable of animosity toward Native Americans and the affective or cognitive components of the image of the SE are disrupting the consumer’s cognitive harmony.

**Background**

**Common history, cultural identity, and systemic poverty.** The purpose of colonial imperialism was to exploit the resources in a distant territory by controlling the individuals or groups in that area (Fătu-Tutoveanu, 2012, pp.79-80). This dominance was
exerted by various means of force, including the systematic eradication of the native
group’s culture (Fătu-Tutoveanu, 2012, p. 80). The eradication of a group’s culture was
an essential step in removing barriers for power dominance because the loss of culture
equaled a loss of identity and it put a group in a paralyzed state of crisis and fear (Evan-
437).

This method was also used during European colonialism in North America. As
European settlers continued their Westward expansion in search of land and
opportunities, they encountered the Native American tribes on the plains (Horwitz, 2014;
Fur, 2014). Fundamentally different cultural beliefs and values regarding land property
rights and sovereignty of the native tribes resulted in years of clashes (Geisler, 2014;
Horwitz, 2014; Fur, 2014). The Western colonizers’ belief in their right to pursue
happiness and opportunities did not allow room for the native tribes’ rights to continue
their existence on the lands. As a result, a systematic eradication policy by U.S.
government and settlers drastically reduced the native tribes’ population numbers and
their land areas dwindled to a fraction (Thornton, 2005, p. 24; Geisler, 2014, p. 63;
Winlow, 2013, p. 54; Tweedy, 2013, p. 926).

The incongruent cultures and needs resulted in wars, broken treaties, and
significant loss of trust (Helgesen, 2011; Wang, 2015; Boxer, 2009). As a result of the
Treaty of Ft. Laramie, the Lakota people were in 1868 assigned to live on designated
areas in South and North Dakota (Teaching with Documents: Sioux Treaty of 1868, n.d.,
para. 3). In 1877, the US government reclaimed large areas of these reservations,
including the sacred Black Hills in Western South Dakota (United States vs. Sioux Nation of Indians, 1980, para. 1; Albers, 2003, p. 103).

In response to continued clashes between settlers and Native Americans, the “Indian problem” was to be solved by a systematic eradication of the culture, as illustrated in Richard H. Pratt’s infamous saying “Kill the Indian and save the man” (Tarshis, 2014). This philosophy was founded on the belief that the Native American people were unable to survive and provide for themselves because they were not like white Westerners (Tarshis, 2014). To eliminate their inability and reduce the implied animalistic violent response to Western oppression, the Indian needed to be reformed by eradicating any connection with their culture (Tarshis, 2014). All cultural artifacts were prohibited including a key indicator of identity, the native name (Tarshis, 2014).

One of the most memorable efforts in this assimilation and social dominance process was the implementation of the boarding school experiment (McCarthy, 2004, p. 127; Fisher, 2012, p. 6). This systematical attempt to eradicate the remaining Native American identity left the population even further marginalized (Kleinschmit & Craig-Oldsen, 2012, pp. 446-447). Washburn (1968) already recognized decades ago that even less infamous efforts merely sustained the poverty; the loss of self-reliance and benevolence were fundamental in the erosion process.

The standard of living on the most marginalized reservations is today significantly insufficient. Statistics for living conditions on Pine Ridge in South Dakota are piercing; reporting that 97% of the population lives below poverty rate, an average life expectancy of 48 years for men and 52 for women, that 59% of homes are sub-standard and 33% lack basic utilities such as water, sewage, and electricity, and that teen suicide rates are 500%
that of national average (Stats about Pine Ridge, 2015). Reports also confirm the
stereotypes of alcohol abuse, a substance that was introduced by Westerners and used to
‘facilitate” the relocation and assimilation. Tribal elders were incapacitated during
negotiation processes and the U.S. government deliberately used alcohol to create and
perpetuate a negative stereotype that facilitated the trivialization of the reality (Stats

The interpretation of our common history, the cause for marginalization, and how
the current social climate is perpetuating the situation is naturally interpreted through the
lens of each stakeholder. Literature did not reveal a formal study about the perceptions of
morality or culpability among non-Native Americans. However, a scan through various
(social) media posts indicated various views for the current demise of the Native
American populations on these reservations, ranging from lack of understanding how to
proceed to lack of recognition of any moral duty (Free Republic, 2011; NewsChannel5,
2014). Despite strongly opposing views regarding the exact unfolding of historic events
and their long-term impact on the Native American population, neither the Native
American population nor today’s descendants of the European colonizers can argue that
their historic encounters seem to have created two coexisting, but significantly unequal
nations within a social climate of distrust and lack of understanding.

Over the decades, there have been various forms of relief efforts. However, these
did not focus on the systemic nature of the current situation that started with the
eradication of a group’s culture. The exact dynamics and role of cultural identity is still a
topic of great interest to scholars, but there is agreement that the loss of cultural identity
strongly correlates with self-reliance and systemic poverty (Usborne & Sablonnière,
2014, p. 442; Canuto, 2010, para. 2; Lamont & Small, 2006). Systemic poverty is a vicious circle where individuals are trapped due to sustained lack of access to resources. This creates a society excluded from benefitting from the synergy effect arising from the discourse between experience and resources.

The connection between cultural identity and systemic poverty is not about a complete reconstruction of the original culture but about the legal and social freedom to construct your own cultural identity (Canuto, 2010, para. 2). As long as a dominating group has the power to determine the prevailing stereotypes, positive or negative, the inequality is still perpetuated because stereotypes are used to justify the status quo of inequality and reinforce social boundaries (Jost, Kivetz, Rubini, Guermandi, & Mosso, 2005; Kay, Czapliński, & Jost, 2009; Lamont & Small, 2006, p. 10).

**The importance of culture for the SE.** The premise of this research is founded on the difference between an SE and a traditional entrepreneurship as well as the importance of cultural identity in any economic development on Native American reservations. It is therefore relevant to clarify the focus on cultural identity in this context. Duffy and Stubben (1998) illustrated the fundamental flaw in many economic development programs because they ignore the importance of the cultural and societal structure that is at the heart of the Native American cultural identity (para. 18-19). Any economic development defined by the dominant culture will continue to enforce an assimilation and fundamental paradigm shift for Native Americans (Duffy & Stubben, 1998, para. 18, 21).

Duffy and Stubben (1998) state that any economic development plans must first strongly consider the question of sovereignty (para. 21). The claim of sovereignty and all
of its far reaching political and legal implications are beyond the scope of this research. However, relevant to this study is that sovereignty is directly linked to a group’s recognized position to self-conceptualize their cultural identity that is distinct and independent from the surrounding dominant culture (Duffy & Stubben, 1998, para. 35-36). In other words, the fundamental right to be who they are and develop as a community according to their own values and choices, which as not defined or shaped by dominant cultural values, needs, or ultimatums. This autonomy allows for economic development that is constructed by and supports cultural values, leading to unity and increasing self-reliance (Duffy & Stubben, 1998, para. 36).

This fundamental right to self-conceptualization of cultural identity is critical in the context of the SE. Since the SE operates on both an economic level but also a systemic level, it cannot ignore the importance of cultural reconstruction. Considering the relationship between consumer products and socio-cultural meanings, the SE must carefully consider how their merchandise assortment and communication strategies are supporting cultural restoration.

**The concerns with sale of cultural products.** Attempts to create some economic activity among Native American populations have included the sale of cultural products and art work (Gilster, 1993, p. 83). The definition of cultural products can pose some difficulties because in some way, most cultures have, to some degree, been appropriated among other cultures and cultural mixture is evident in so many current designs. However, it becomes more significant to examine the meaning and use of products that distinctly represent a cultural identity when these were historically misappropriated more or less intentionally for the purpose to justify a dominant position.
As stated earlier, cultural products are defined as cultural artifacts that represent cultural identity because they are distinctly related to heritage, traditions, beliefs, and values. They include items that are considered sacred by Native Americans and also products that represent imaginary stereotypes of the Native American Indian. Examples include items such as war bonnets, traditional costumes, and peace pipes. While the sale of cultural items might seem like a value capturing opportunity, there are possibly substantial negative implications with the sale of these products that could directly undermine the viability and sustainability of the desired economic and reconstructive goals. These implications fall into two categories: problems related to economic sustainability and their association with ongoing stereotyping and cultural authentication.

Not only is there strong disapproval of the sale of cultural artifacts within the Native American community itself (Lynskey, 2014; Gilster, 1993; Hopi Sacred Artifacts Sold, 2013), not all Native Americans have access to this source of economic revenue. During the Termination and Relocation Act of 1954, the government failed to recognize 61 tribes (Brady, 2007, p. 98). This becomes significant in the context of the Indian Arts and Craft Act (1990) and the Indian Arts and Crafts Amendments (2010) which prohibit the misrepresentation of genuine Native American crafts and jewelry, unless the authenticity of the Native American artisan has been verified by the government. All individuals from the 61 tribes, as well as any other individuals who, during the displacement and assimilation process were not acknowledged by the U.S. government as Native American, cannot use the sale of cultural products as a source of revenue.

Furthermore, this system of selling cultural products perpetuates a stereotype of the Native American that favors the needs of the non-Native American population
Europeans and non-Native Americans have a seemingly insatiable appetite for Native American cultural products (Gilster, 1993, p. 83; Eddy, 2014). It seems ironic that products representing the very culture that was so intensely targeted for eradication are such popular items among non-Native American consumers but it is possible that this demand is rooted in personal and emotional needs among non-Native Americans and used for the formation of self, especially the extended self.

According to Consumer Behavior literature, there is significant interrelationship between consumers and their possessions (Schiffman, Kanuk, & Wisenblit, 2010, p. 148). The emotional connection to the possessions allows consumers to create extensions of themselves, including establishing rank and using products to endow themselves with magical powers (Schiffman, Kanuk, & Wisenblit, 2010, p. 149). The association with mystical powers was clearly evident when a surge in demand for Native American cultural products coincided with a surge in New-Age Spirituality during the 1970s and 1980s (Gilster, 1993, p. 87). Popularity of the New Age Movement during this time has been linked to prevalent loss of identity and spiritual meaning which is often associated with a Western consumption society, and we witnessed a surge of interest into Native American spirituality among affluent urban baby-boomers (Aldred, 2000, para. 1). Considering that cultural products represent a primitive culture, with close associations to holistic spiritualism and wholesome attributes, it is not surprising that non-Native American consumers associated nearly mystical and magical powers with cultural artifacts (Gilster, 1993, p. 86). However, this association also suggested a simplistic representation of Native American culture.
Simplistic representation of Native American culture and the use of the cultural artifacts in self-constructs allow for the continued assertion of dominance, or social rank. Studies regarding Germany’s exceptional fascination with “Indianism,” a fluctuating construct of the Native American that has been used to support various social agendas for over a century, is in fact a subconscious way to validate the supremacy of the German people without the price of guilt (Galchen, 2012; Haircrow, 2013; Michaels, 2012, p. 211).

This is consistent with West’s (2010) observation of Swedish homesteaders in South Dakota (as cited in Fur, 2014, p. 67). West (2010) illustrated that the ability to pretend to be Indian by impersonation established the reality that you were not, because only members who enjoy the benefits of white privilege are able to incorporate cultural elements and speak for other ethnicities (as cited in Fur, 2014, p. 67). West (2010) also established that this is mainly possible when Native Americans are portrayed as primitive (as cited in Fur, 2014, p. 67). The Social Cognitive Theory (Bandura, 1977, 1986) states that most of learning is shaped by observations in social contexts. Therefore, when cultural artifacts are used in a social setting and in the context of “pretend” play, a child’s game, of a romanticized lifestyle that does not include elements of the dominant culture’s ideal assertive characteristics associated with survival of the fittest, a connection is quickly drawn between the infantile state of the culture and by association, its people and the unrealistic notion that they can continue this form of existence. These associations not only solidify the stereotypes but also restore the cognitive consonance by trivializing the native culture.
While existential necessity forced choices that are less than desirable, the sale of Native American cultural products appears to be more detrimental than beneficial for the reconstruction toward self-reliance. The sale of cultural products is a constant and sublime reminder of the history and inequality that led to the need to sell their culture because they are not a representation of the current cultural reality. Furthermore, through the process of cultural authentication, new meanings will be assigned to cultural products but these meanings are based on a construct of Native Americans that serves the needs of non-Native Americans. It seems that the continued sale of cultural products potentially continues the gradual erosion of the culture.

In summary, the sale of cultural products supports a system that is perpetuating inequality. Capitalistic market dynamics will naturally promote cultural artifacts that support stereotypes held by the dominant group, but the discourse the between stereotypes and the formation of attitudes will validate these stereotypes. Also, consistent with the Labeling Theory, this ongoing process will eventually influence the Native American group to conform to negative stereotypes, even if they are incorrect (Büken, 2002, p. 47; Bunten, 2008, pp. 384-385). In a sense, this commercialization of Native American culture seems more like an ongoing exploitation and colonization (domination) of Native American people (Meyer & Royer, 2001, p. xviii), even if it is not intentional among younger, socially minded generations.

From an economic perspective the reliance on sale of cultural artifacts and products could also be very subjective to market fluctuations and not a stable business strategy. While traditional for profit enterprises might have the resources to compensate
or adjust the merchandise mix during times of lower demand, the SE will likely experience a more direct impact.

It therefore strongly suggests that cultural products should not be part of the social entrepreneurship’s merchandise mix. Sales of these products go against the wishes of many Native Americans and their strategic market advantage is insufficient to support long-term strategic and social goals. In the context of an SE, the continued erosion of culture and perpetuation of stereotypes directly counter the attempt to change the system that is preserving the inequality. For sustainable social and economic growth, the Native American SE must consider a merchandise mix that does not include any cultural products.

**What is the Problem?**

The elimination of cultural products from the Native American SE’s merchandise mix significantly changes the value proposition for the non-Native American consumer and other driving motivational attitudes could play a stronger role. Not only does it eliminate a niche market for the SE but it must now also compete on the global market with other SEs, or other hedonic and functional products. This becomes relevant when we consider that strategic benefits of the cultural products expanded beyond their ability to satisfy the consumers’ needs for novelty or self-expression; they also did not challenge the hegemony or cognitive harmony of the primary consumer group. It is even more relevant in the case of an SE whose mission is to change the status quo. As an agent for social change, the SE could prompt animosity to protect the cognitive harmony.

As introduced earlier, SE are characterized to operate in markets where traditional for-profit enterprises cannot capture market value (Agafonow, 2014, p. 710). The SE’s
mission is to create value where none is evident by creating a social value proposition, and similar to a transformational leader, inspire others to participate in a shared vision of courage and social change and challenge the hegemony that contributes to the situation (Martin & Osberg, 2007 para. 3; Gramsci, 1992, as cited in Stoddart, 2007, pp. 200-202). The SE’s mission is therefore two-fold: creating economic development and social change. As such, the SE draws upon the altruism of consumers, the support to change an injustice. This could become a problem if the social change is directly or indirectly prompting animosity related to historic events and possible morality.

While it might seem logical that socially minded-generations would not harbor animosity but instead favor support for a Native American SE, research has shown that the demand, or value of, social responsibility does not automatically correlate with an equal acceptance of the consequences of socially responsible behavior (Parsa, Lord, Putrevu, & Kreeger, 2015; McGoldrick, & Freestone, 2008; Auger, Burke, Devinney, & Louviere, 2003). This is likely attributed to the fact that motivation is driven by dominant needs and not necessarily changing attitudes (Schiffman, Kanuk, & Wisenblit, 2010, p. 229). It is possible that altruistic motives are trumped by egoistic motives if the perceived risk is greater than the perceived benefit. The value proposition cannot therefore be solely based on consumers’ goodwill toward the social cause, neither can general social behavior automatically be extended to mean a favorable attitude toward Native Americans. It is therefore essential to understand which factors are influencing the driving dominant needs and how they could influence support, or purchase intention.

Consumers’ willingness to purchase is influenced by many factors, including the products’ functional and hedonic attributes as well as other situational factors (Kincade &
Gibson, 2010, pp. 126-127; Chitturi, Raghunathan, & Mahajan, 2008, p. 49). Purchase, and support, is also influenced by the perceived benefit and perceived risk levels associated with purchase or support (Hardy & Van Vugt, 2006, as cited in Zabkar & Hosta, 2013, p. 259). In the case of social products, this strongly relates to the product’s ability to contribute to a desired self-construct because of the symbolic and hedonic characteristic of the consumption (Millan & Reynolds, 2014, pp. 551-552; Schau, 2000, p. 53).

Millan and Reynolds (2014) define symbolic consumption as “…the acquisition of products and brands not for their functional benefits but for the culturally shared and idiosyncratic meanings they convey to other members of a society, as well as between the consumer and his/her self” (Noth, 1988, as cited in Millan & Reynolds, 2014, p. 551). In essence, the self-construal is constructed through a negotiation of meanings associated with the products and in the context of personal, social, and cultural values (Millan & Reynolds, 2014, p. 552; Schiffman, Kanuk, & Wisenblit, 2010, pp. 146-149). As such, products are used to symbolize affiliation, status and prestige, as well as communicate about individual values and beliefs (Millan & Reynold, 2014, p. 552; Schau, 2000, p. 53).

The product’s image therefore plays a critical role in this negation process because it relates to the product’s ability to meet the consumer’s dominant driving needs (Khan & Lee, 2014, p. 330). Image is constructed based on intrinsic and extrinsic properties (Kincade & Gibson, 2010, pp. 160-161). Intrinsic properties involve physical product attributes such as fiber content, fit, and performance (Kincade & Gibson, 2010, p. 78). Extrinsic properties do not directly contribute to the product’s functional performance but are critical components in communicating about the perceived intrinsic
value of the product as well as establishing the social value of the product (Kincade & Gibson, 2010, p. 78). Extrinsic cues include elements such as the brand name, history of the organization, and Country of Origin (Kincade & Gibson, 2010, pp. 78, 159-160; Teas & Agarwal, 2000, p. 280).

Country of Origin (COO) has emotional or symbolic meanings to consumers and the halo effect extends these meanings to the country’s products or brands (Garcia-de-Frutos & Ortega-Egea, 2015, p. 169). Researchers have indicated that COO plays an increasingly important role in consumers’ decision making processes (Abraham, 2013, p. 1). COO can evoke perceptions of product quality (Koschate-Fischer, Diamantopoulos, & Oldenkotte, 2012, p. 19). For example, Belgium is often associated with high quality chocolate and Swiss watches are frequently associated with precision and quality.

However, the COO effect on purchase intention is not limited to “merely” communicating about product performance but can also be an emotional response. Researchers have found that preference or dislike for a specific foreign product can also be related to affective connotation from direct experience with that country’s culture, individuals from that country, education about the country, or well-known events (Balabanis, Mueller, & Melewar, 2002, p. 583).

These non-product-quality COO cues may have a positive or negative influence on consumers’ attitude toward purchase intention (Josiassen, 2011, p. 125). The country-specific attitude can result in affinity or animosity (Rice & Wongtada, 2007, p. 54). COO animosity is defined as a strong emotional antipathy, dislike, or even hatred resulting from historic or present military, political, or economic events that are considered socially unacceptable or unjustifiable, and that influence consumers’ purchase intention
Abraham (2013) states that salient Country of Origin (COO) cues are context-specific and become an even stronger salient product cue if consumers experience animosity against the COO (p. 1). Studies have revealed that consumers are also influenced by emotions that are remotely related to the complex cognitive evaluation process, but otherwise have no impact on the cognitive evaluation process, yet can become unusually salient and influence the decision making process (Hadjimarcou & Hu, 1999, as cited in Abraham, 2013, p. 4). In other words, remotely related emotions triggered by COO cues could have a stronger influence on the decision making process than beliefs about the outcome of the purchase decision. This could be the case if dominating values are conflicting and causing cognitive dissonance for the consumer.

If the meanings associated with the products are incongruent with personal values or relevant social norms and the consumer is unable to reconcile conflicting beliefs or values, or willing to accept social sanctions, the internal dissonance or perceived social risk could deter support (Millan & Reynolds, 2014, p. 552; Schiffman, Kanuk, & Wisenblit, 2010, p. 95). This may occur when dominating attitudes are conflicting, as can be the case if social responsibility conflicts with perceived risk of personal cost. In other words, consumers could experience a cognitive disharmony or dissonance if their beliefs and affects toward social responsibility or Native Americans conflict with perceived outcomes from possible moral responsibility.

**Moral dilemma, stereotypes, and cognitive harmony.** Meckled-Garcia (2014) illustrates that systemic poverty is a violation of human rights and that individuals share a
moral responsibility when they are benefitting from historic injustices, such as colonization (p. 435). Pogge (2001) describes how global poverty poses a moral challenge to global citizens (p. 59). He illustrates that global citizens who are aware of radical inequality experience a moral duty (Pogge, 2001, p. 61). They will either recognize a positive moral duty to respond to those in distress and/or a negative duty to protect the marginalized from injustice and refrain from contributing to unjust impoverishment (Pogge, 2001, p. 60). Individuals who claim they do not have any moral responsibility toward any groups are, according to Pogge (2001), automatically failing in their negative moral duty because they are accepting the status quo (p. 61).

This moral challenge creates a tension in individuals because it prompts the question of how they will respond, especially from the group of socially minded individuals. If, from the perspective of the affluent group, there is no historical and emotional connection to the marginalized group, the tension can be relieved by fulfilling the positive moral duty (Pogge, 2001, p. 60). For example, the purchase of a social entrepreneurship product from a social entrepreneurship that supports a “distant” group would fulfill the positive moral duty. However, Pogge (2001) illustrates that this position of positive moral duty reveals a sense of entitled position because the individual supports only causes of their choice, and especially those at low personal cost (p. 60).

The cost becomes relevant in situations where inequality is the effect of “common and violent history” (Pogge, 2001, p. 65). Pogge states that in such situations the descendants of the dominant group have a negative moral duty to actively change the status quo because their current privileged positions are a direct dependent outcome of
historic misappropriation of resources due to the moral and legal crimes of the dominating ancestral group (2001, p. 65).

The exact nature of this duty to change the status quo depends on historic actions and the form of burden: cause, culpability, liability, or liability content (Meckled-Garcia, 2014, p. 436). This could become of great significance to an SE depending on how the consumer views their role and moral responsibility toward Native Americans.

**Dissonance – possible guilt, anger, and fear.** Most of today’s inequality in the world stems from imperialistic colonialism (Pogge, 2001, p. 65). Time and/or geography have separated some of the groups, or at least their descendants. In some situations, this distance allowed descendants of the colonizers to detach entirely from any of the historic acts, as is the case in Denmark (Blaagaard, 2010, p. 102). Blaagaard (2010) illustrates that despite Denmark’s extensive involvement in imperialistic colonization that funded the way of life today in Denmark, Danes experience no guilt or culpability at all (p. 102). She illustrates that the geographical distance allowed Danes to construct a form of “cultural amnesia” that effectively erased any memory of involvement in colonization and slavery and Danes therefore do not experience any moral responsibility or duty (Blaagaard, 2010, p. 102). Naturally, they do not experience any guilt, either.

Some marginalized groups, however, are still living among descendants of the colonizers, as is the case of the Native American reservations in South Dakota. In such cases, proximity does not permit a deliberate reconstruction of cultural memory. Disparity between the groups and ongoing legal disputes regarding land areas could serve as a testimony of historic involvement and prompt the question about possible responsibility.
An individual’s response to this prompt about historic involvement varies naturally according to personal values and beliefs, as well as perceived involvement or culpability in historic events. Interactions between beliefs, values, and possible culpability from historic involvement were evident in a recent study in Australia. A seemingly divided national opinion about a possible official apology to indigenous groups for historic injustice prompted researchers to study the predictors of support for such an apology (McGarty, Pedersen, Leach, Mansell, Waller, & Bliuc, 2005). Researchers found that perceived harsh treatment of non-indigenous people toward indigenous groups predicted group-based guilt (McGarty, Pedersen, Leach, Mansell, Waller, & Bliuc, 2005, p. 674). They also found that the level of group-guilt among non-indigenous Australians correlated with favorable attitude toward a public apology to indigenous Australians for historic injustice, but the level of guilt and support for the apology seemed strongly moderated by the perceived cost (restitutions) possibly associated with the apology (McGarty, Pedersen, Leach, Mansell, Waller, & Bliuc, 2005, pp. 674-675). Equally important, their findings supported earlier studies that rejection of guilt correlated to disagreement with the disadvantaged status of non-indigenous people and this actually fueled an anti-indigenous anger (McGarty, Pedersen, Leach, Mansell, Waller, & Bliuc, 2005, p. 678).

It is possible that the moderating effect of perceived risk on levels of guilt stems from the need to restore cognitive harmony if their personal beliefs and values are conflicting with their attitudes toward historic injustice. According to Festinger (1957), individuals seek to create harmony and balance between their attitudes and beliefs (Festinger, 1957; as cited in Gawronski, 2012, p. 652). Whenever a situation or stimuli
arises that causes conflict between the individual’s beliefs, attitudes, or behavior, an individual will alter one or two of these components to alleviate the tension caused by internal conflict (Yu-Lun & Ching-Jui, 2014, p. 979-980). A public apology would be construed as an admittance of wrongdoing. The admittance of guilt would prompt the question about possible culpability which in return could create tension if the individual’s beliefs are in conflict with their attitude toward outcomes of the apology.

While the perception of moral duty among non-Native American consumers in South Dakota has not been established with empirical research, it is evident from personal observations and articles related to racially-driven inequality that there are significant tensions related to inequality and a risk of potential culpability (Native Americans in South Dakota, 2000; Shortbull, 2013; Ackerman, 2009, pp. 275-276). The literature review also reveals that despite local economic development and a societal shift toward inclusion and tolerance, negative stereotypes of Native Americans seem to be deliberately perpetuated for the purposes of undermining legal claims about historic injustice, justifying the status quo, and preserving cognitive harmony regarding any cause, culpability, or even liability (Janes & Collison, 2014; Schmickle & Date, 2012; The Economist, 2015, McCarthy, 2004; Conner & Taggart, 2013; Momper, 2010, p. 141; Brown & Selk, 2003, p. 15; Benson, Lies, Okunade, & Wunnava, 2011, p. 159; Boxberger Flaherty, 2013, pp. 56-58, 66-77; Lacroix, 2011; Lindsay, 2014, pp. 104-105).

Recent changes in social climate and policies could signal emerging changes regarding the willingness to accept appropriate responsibility but could also prompt a concern about possible admittance of wrong-doing and even restitution. In 2009, President Obama signed a public apology from the U.S. government to the Native
American people “… for the many instances of violence, maltreatment, and neglect inflicted on Native Peoples by citizens of the United States” (Department of Defense and Appropriations Act, 2010, p. 45; Martin, 2009). It bears noting that the phrasing of this apology was carefully and deliberately constructed so it could not be used to support any of the legal claims by Native Americans (Capriccioso, 2009, as cited in Martin, 2009, para. 15). Yet, in 2010 and 2011, several significant legal claims against the United States were settled (“Obama administration”, n.d., p. 3). And a religious organization (UCC Church) acted much more proactively on this shifting attitude toward common history and had, by 2015, returned more than 20 deeds to the Native American association (Larkman, 2012; Moujaes, 2014; Moujaes, 2015). This response could signal the beginning of a possible fundamental attitude change at the organizational level toward the historic events and involvement.

However, the apology was met with resistance from lawmakers as well as the public. Lawmakers expressed concern about the phrasing of the apology and the apology includes a paragraph that specifically states that the apology does not in any way signal support for any lawsuits filed by Native Americans against the U.S. government (McKinnon, 2009; Capriccioso, as cited in Martin, 2009, para. 15). A quick scan through comments from the public to online media articles revealed a considerable resistance to recognize or accept a connection between historic events and the socioeconomic conditions among both groups (Newschannel 5, 2014; Throckmorton, 2011). This resistance to any responsibility despite public acknowledgement of wrongdoings against the Native Americans, and the ongoing negative stereotyping despite economic development in some areas suggest that there could be an intentional (or unintentional)
and deliberate attempt to protect the (socio)cultural identity, economic resources, and hegemony.

The problem is therefore not necessarily that the non-Native American population fails to understand the Native American situation. The bigger problem is that the cognitive harmony and hegemony that the non-Native American population enjoys creates no immediate need to resolve the internal conflict regarding moral responsibility. Research has shown that the effects of Status Quo Bias will influence consumers to make decisions that preserve the status quo, especially in situations where the outcome is associated with perceived risk (Yen & Chuang, 2008, p. 523). In fact, if there is a social prevailing sentiment to protect the status quo, animosity toward the out-group will be rewarded with social capital.

This is relevant to the Native American SE if non-Native American consumers are experiencing guilt, anger, or fear related to their ancestral role in the common history as well as their own active participation in the status quo. The social value the SE is aiming to create could trigger the question about culpability related to historic actions as well as the continued prosperity as a result of the common history. Based on what researchers found in Australia, it is possible that non-Native American consumers could respond with anger toward Native Americans if tensions from changing social norms are incongruent with dominant personal values, or if the perceived risk of possible culpability is too great to realign with personal values and beliefs.

To summarize the problem, as an agent for social change, the SE could create cognitive dissonance as a result of moral dilemma and perceived risk of economic and social sanctions. Emerging social shifts toward reconciliation, restoration, and even
potential restitution, could pose a threat to non-Native Americans, especially if they feel they have lost control over their behavior toward social change. The threat could be perceived on various levels, including cognitive disharmony regarding the morality and legality of historic events, the ongoing current inequality, societal pressure, and even potential impact on livelihood if more land areas or monetary compensations could be part of the societal shift.

This anger could be reflected in their purchasing behavior by refraining from purchase (Shiffman, Kanuk, & Wisenblit, 2010, p. 94). In the face of having to admit guilt or loss of socio-culture, the Scapegoat Theory supports that individuals deflect the blame onto the victim and will restore cognitive balance by perpetuating the stereotypes. In other words, a lack of support for the SE could stem from a need to restore cognitive harmony by justifying the plight of the Native American population as self-inflicted or an inherent inability to thrive.

Furthermore, anger, and fear can have a detrimental effect on the duality of the SE’s mission. Harmerling, Magnusson, and Singh (2012) demonstrated that anger can produce negative word-of-mouth reactions and fear can result in diminished product quality perception (p. 689). Based on the ABC Theory of Attitudes, this could produce a counterproductive reaction to the SE’s mission by effectively diminishing economic prospective, perpetuate the social inequality, and justify the historic injustice.

The aim of this study is therefore to examine if non-Native American consumers experience animosity related to claims against colonial prosperity or historic injustice. This study will also examine if possible anger or fear of perceived economic threat is moderating the influence of animosity on purchase behavior.
Conceptual Framework and Hypotheses

Consumer Animosity

Jung, Ang, Leong, Tan, Pornpitakpan, and Kau (2002) define Consumer Animosity (CA) as a “hostile attitude comprising an emotional and belief component toward national out-groups” (p. 526). In other words, it is an emotional reaction with a cognitive, affective, or experimental component. This animosity reaction can be seen as a form of agency against a dominating external entity or an emotional coping mechanism to realign beliefs and values.

Klein, Ettenson, and Morris (1998) constructed a two-dimensional model that examined the influence of Consumer Animosity (CA) and Consumer Ethnocentrism (CE) on willingness to purchase foreign products. Similar to CA, CE can have a negative influence on purchase behavior but it is more general than CA. While CA is a country-specific animosity, CE is a dislike for foreign products in general (Klein et al., 1998, p. 90). However, each construct is essential for marketers. CE has an indirect influence on purchase intention because it leads to lower product quality perceptions (Klein et al., 1998, p. 91). In contrast, CA directly influences purchase intention and does not necessarily result in lower product quality perception (Klein et al., 1998, p. 91). Instead, CA is aimed at a specific group, country, or entity (Klein et al., 1998, p. 91).

Animosity has also been categorized as national animosity and personal animosity (Jung, Ang, Leong, Tan, Pornpitakpan, & Kau, 2002, pp. 526-527). National animosity is anger in response to perceived wrongdoing against one’s country whereas personal animosity is resentment against a country or group based on negative personal experiences (Jung, Ang, Leong, Tan, Pornpitakpan, & Kau, 2002, pp. 526-527).
Furthermore, animosity can arise from a specific situation or event (Situational Animosity), such as policy changes, or as a culminating ingrained emotional response from a series of events, also referred to as Stable Animosity (Jung, Ang, Leong, Tan, Pornpitakpan, & Kau, 2002, pp. 526-527).

While animosity might seem like a response to dominating injustice, it is important to highlight that animosity is an emotional reaction in response to underlying fear, anger, and guilt (Rice & Wongtada, 2007, p. 55). For example, economic animosity can stem from anger against perceived unfair practices that have direct economic impact on consumers or from fear of being dominated by economic powers (Rice & Wongtada, 2007, p. 55). However, the source of the perceived threat is not limited to only dominating forces. For example, the fear of economic threat, or fear of dominance, can arise if an out-group’s actions are threatening the status quo and control. The Realistic Group Conflict Theory and Social Identity Theory explain how negative stereotyping and discrimination from in-groups toward out-groups are based on perceived threat to the in-group’s way of life and power position (Huang, Phau, & Lin, 2010, pp. 912-913). Historic war and conflicts will sharpen the ethnic identity divide and heighten members’ sense of belonging as well as solidarity to their group (Huang, Phau, & Lin, 2010, p. 912).

The implication of this distinction is twofold: Animosity is not a response only from groups who have been “mistreated” and animosity is not dependent on actual events. This is supported by the findings of Ettenson & Klein (2005), and Nijssen and Douglas (2004) that animosity can alter consumer purchase behavior even if the events giving rise for the animosity are not extreme (as cited in Rice & Wongtada, 2007, p. 54).
In essence, CA is a way for consumers to express their resentment and feel some level of agency against the perceived threat. The level of threat therefore has a greater influence on CA than the actual event.

Literature has illustrated that CA generally stems from historic or ongoing political, economic, or military actions and was generally separated into two constructs: war animosity and economic animosity (Rice & Wongtada, 2007, p. 54). According to Rice and Wongtada (2007), animosity can also stem from other sources, including social-cultural animosity (the threat of loss of own culture and society), policy animosity (fear of economic imposition or legal implications), as well as ecological animosity (p. 54).

Recent political and social events, such as the public apology and return of land areas to Native American populations and significant settlements of legal claims against the United States, could be perceived as changing policies toward Native Americans, the common history, and possibly the validity of their claims of genocide and broken treaties (“Obama administration,” n.d., p. 3). Considering the intensity of the opposition by lawmakers, the scrutiny of the phrasing of the apology, and the strong reactions on social media regarding the apology and claims, it is possible that changing policies are triggering fear of possible moral and legal culpability because this potential culpability poses a perceived threat to the group’s and individual’s economic and social power.

H1: Non-Native American consumers experience Stable Animosity from possible culpability related to historic war and conflicts.

H2: Non-Native American consumers will experience Situational Animosity from Perceived Economic Threat related to possible culpability.

H3: Consumer Animosity negatively influences Purchase Intention.
Modifying Effects on Consumer Animosity

Leong, Cote, Ang, Tan, Jung, Kau and Pornpitakpan (2008) found that both situational and stable CA negatively influenced purchase intention, but the strength of the stable animosity positively influenced the strength of stable animosity (p. 1003).

Huang, Phau, and Lin (2010) illustrated that, while empirical research was inconclusive regarding the consistent influence of age on animosity, it does suggest that relative proximity (by age or geographical location) influences the strength of animosity (p. 916). The greater the personal distance from the event or group, the weaker the animosity.

Similarly, studies also indicated that the extent of economic impact on the individual positively influenced the strength of animosity (Huang, Phau, & Lin, 2010, p. 916).

H4: The strength of Situational Animosity is positively influenced by the strength of Stable Animosity.

H5: Age positively influences Stable Animosity.

The model of Klein et al. (1998) also did not account for the influence of antecedent factors to CA. CA is not just the outcome of a cognitive evaluation process but is an emotional response to some form of perceived threat, personal or national. This threat can be manifested by feelings of fear, anger, or guilt (Rice & Wongtada, 2007, p. 55), and produces negative emotions for the specific function of defending against the perceived threat (Nesse, 1998, p. 628, as cited in Harmeling, Magnusson, & Singh, 2015, p. 679).
Harmeling, Magnusson, and Singh (2015) defined animosity beliefs (cognitive component) as the “…consumer’s beliefs about the extent of damage and/or potential future threat attributable to the offending country” (pp. 678-679). They state that these beliefs produce negative emotions and demand a behavior coping response, generally in the form of agonistic emotions (anger) or retreat emotions (fear) for the purpose of reducing internal stress (p. 679). If consumers experience anger, they will retaliate by engaging in negative word-of-mouth behaviors and discourage others in their community from purchasing (Harmeling, Magnusson, & Singh, 2015, p. 680). The passive behavior response, retreat, is an avoidance response and consumers will refrain from purchasing (p. 680). A third non-behavioral response is product quality judgment adjustment, which affects the consumer’s perception of the product’s serviceability (Harmeling, Magnusson, & Singh, 2015, p. 680).

Regardless which coping mechanism has been employed, these responses are clearly aimed at external entities that, in the consumers’ minds, have caused the perceived threat. Furthermore, the greater the perceived threat, the stronger the emotion reaction will be, and the more intense the coping behavior will be expressed. As seen in the McGarty, Pedersen, Leach, Mansell, Waller, & Bliuc’s (2005) study in Australia, the consumer’s level of guilt and support of a public apology was negatively affected by the level of the perceived personal cost (pp. 674-675). Furthermore, their findings supported earlier research that indicated a positive correlation between rejection of guilt and anger towards the group in question (p. 678). Weiner (2000) illustrates in his Attributional Theory of Intraperso...
how individuals who experience guilt can react with sympathy and willingness to help, or
deflect with anger and social activism, such as with the boycott of foreign products
(Weiner, 2000, pp. 3, 6, 8). This suggests that the perceived threat of personal cost (moral
and/or economic) influences the level of guilt consumers are willing to accept as well as
the level of external attribution.

Based on Weiner’s (1986) earlier Attribution Theory, researchers Leong, Cote,
Ang, Tan, Jung, Kau, and Pornpitakpan (2008) introduced in their model the influence of
psychological antecedents to situational CA such as external attributions and
controllability (p. 999). In essence, external attributions refer to “blaming” an external
entity for the outcomes of the event (Leong, Cote, Ang, Tan, Jung, Kau, & Pornpitakpan,
2008, p. 999). Controllability refers to the ability the responsible entity has to alter the
events and therefore the outcomes (p. 999). Their research indicated that the strength of
each of these antecedents positively influenced the strength of situational animosity.

As stated earlier, it is possible that increasing public acknowledgments of historic
injustice toward Native American people, and the increasing actions towards restoration
and in some cases restitution, could trigger a fear among the non-Native American
population of possible direct moral or/and economic implication.

H6a: The greater the Social Identity, the greater the Perceived Personal Risk.
H6b: The greater the Social Identity, the greater the Perceived Economic Threat.
H7: The greater the Perceived Personal Risk, the greater the External Attribution.
H8: The greater the External Attribution, the greater the Situational Animosity.
H9: The greater the Controllability, the greater the Situational Animosity.
H10: Animosity has a negative effect on Product Judgment.
Normative Influence

Based on the Social Identity Theory, members of a group will experience greater social identity and solidarity with their ethnic group as a result of ongoing conflicts and historic war (Hong, Wong, & Liu, 2001, as cited in Huang, Phau, & Lin, 2010, pp. 912, 914). The need for belonging and respect from reference groups strongly influences consumers’ purchase behavior as they are trying to gain respect, maintain standing, and avoid negative repercussions from socially disapproved actions (Huang, Phau, & Lin, 2010, p. 914). These actions are directly related to conspicuous consumption and identity formation, as illustrated earlier. It is clear that CA not only influences purchase intention because of perceived threat or inferred moral response to political or historic events, but also can also function as social value. As such, animosity not only restores cognitive harmony in the individual by externalizing the anger, fear, or guilt but the level of public animosity creates social belonging for the individual and possibly even social capital which reinforces the animosity by rewarding the animosity.

H11: Social norms among non-Native American social groups positively influence the effect of Animosity on Purchase Intention.

Research Methodology

The purpose of the study is to examine consumer attitudes, more specifically latent factors related to consumer animosity. This study will therefore use a quantitative research method and collect cross-sectional data using a questionnaire.
Variables – Research Model

The variables and their proposed relationships are illustrated in Figure 1. Some of the variables will be considered dependent in some stages of the data analysis and independent in successive stages.

*Figure 1. Proposed Research Model*
Data Collection Procedure

The data collection method consisted of a self-administered, web-based survey in the form of closed ended questions. The survey also included one open ended question for respondent’s location. Participants were requested to only supply their town and zip code, not a specific address. Part of the analysis will examine if proximity (age) moderates Animosity. The format of the survey is a 5 Point Likert Scale. Likert Scales are frequently used in quantitative research methods related to social behavior because they measure latent factors that are not easily measured with an objective measurement.

Justification for web-based surveys is cost effectiveness, the ability to reach a larger audience, and quick response time. Another benefit is the assurance of anonymity of the respondents. The survey was administered with the help of QuestionPro, an online survey administering service available to the researcher through South Dakota State University.

Instrumentation

The data collection method is based on scales developed and validated by Klein, Ettenson, and Morris (1998), Klein (2002), Huang, Phau, and Lin (2010), McGarty, Pedersen, Leach, Mansell, Waller, and Bliuc (2005), Jung, Ang, Leong, Tan, Pornpitakpan, and Kau (2002), and Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008). The survey will measure consumers’ attitudes toward the following constructs: Animosity, Social Norms, Perceived Economic Threat, Product Judgment, Purchase Intention, and moderating variables such as Social Identity, External Attribution, Controllability, and Age. The scale was developed by adapting and modifying scales from previous research. The order of the questions is partly adapted from Klein et al.
(1998) and Klein (2002) to minimize possible bias influencing product judgment or purchase intention (if animosity had been introduced at an earlier point in the questionnaire). A prompt regarding possible policy change and potential culpability was introduced to measure possible situational animosity.

**Animosity.** For this construct, the questions were adapted from Klein et al. (1998), Klein (2002), Jung, Ang, Leong, Tan, Pornpitakpan, and Kau (2002), Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008), and Huang, Phau, and Lin (2010). The questions were modified slightly to match possible animosity statements regarding Native Americans.

**Stable Animosity.**

1. “I resent Native Americans for blaming us for all their problems.”
2. “I feel angry toward Native Americans.”
3. “Native Americans take advantage of U.S. programs and citizens.”
4. “Native Americans are not reliable.”

**Situational Animosity.**

1. “I resent the Native Americans for claiming we should return land areas.”
2. “Native Americans make me anxious about my future.”
3. “I find it hard to forgive Native Americans for making us pay for something we didn’t do.”

**Social Norms.** The questions for this construct were adapted from Bearden, Netemeyer, and Teel (1989) (as cited in Huang, Phau, & Lin, 2010, p. 919) and Auty and Elliott (2001).

1. “It is important that others like the products and brands I buy.”
2. “If I want to be like someone, I often try to buy the same brands that they buy.”

3. “I achieve a sense of belonging by purchasing the same products and brands they purchase.”

4. “I identify with other people by purchasing the same products and brands they purchase.”

5. “If I know others will see me use a product, I will buy the same brand they are using.”

**Social Identity.** Survey questions for this construct were adapted from McGarty, Pedersen, Leach, Mansell, Waller, and Bliuc (2005). They examined the influence of group identity in the strength of support of a public apology to Aboriginals in Australia. Questions were based on research by Doosje, Branscombe, Spears, and Manstead (1998) (as cited in McGarty, Pedersen, Leach, Mansell, Waller, & Bliuc, 2005, p. 671), and Zeugner-Roth, Žabkar, and Diamantopoulos (2015). The fifth question is based on the Group Identification Phinney Measure (1992) (as cited in Dimofte, Goodstein, & Brumbaugh, 2015, p. 429).

1. “I see myself as an American.”

2. “I feel strong ties with American people.”

3. “I am glad to be an American.”

4. “Being American is important to me.”

5. “I am proud of my American heritage.”

**Perceived Economic Threat.** To measure the perceived economic threat from potential policy changes, respondents were asked about severity, vulnerability, and
comparable vulnerability. These construct items are adapted from de Zwart, Veldhuizen, Elam, Aro, Abraham, Bishop, Voeten, Richardus, and Brug (2009), who measured the perceived threat of Severe Acute Respiratory Syndrome (SARS) in European countries. The items are modified to the relevance of this study. The construct will also establish the respondents’ position toward historic events and their perceived implications on the current situation. The purpose of these measurements is to evaluate if the perceived threat is moderated by fear of perceived personal cost, as was established in McGarthy, Pedersen, Leach, Mansell, Waller, & Bliuc (2005). It is important to note that this scale will produce an inverse measure to the construct. In other words, the lower the score for this construct, the higher the perceived threat.

1. “I agree that we should give a public apology for historic wrongdoing.”
2. “Land areas were unjustly taken from Native Americans.”
3. “I will support a bill that gives back land areas to the Native Americans.”
4. “I agree that Native Americans should receive monetary restitution.”
5. “How likely do you think policy changes will have an impact on you personally?”
6. “How severely would policy changes impact your economic situation?”
7. “How likely do you think others might be impacted by a policy change?”
8. “I would be willing to pay higher taxes to compensate Native Americans for historic wrongdoings.”

**Product Judgment.** Questions for this construct were adapted from scales developed by Huang, Phau, and Lin (2010), and Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008). They were aimed at products that did not fall under the category of
cultural products and focused on measuring respondents’ perception of reliability and value for money.

1. “Products made by Native Americans are reliable.”
2. “Products made by Native Americans are fine workmanship.”
3. “I would expect that products made by Native Americans deliver a good value for the amount I pay.”
4. “I would not hesitate to consider a Native American product that needs a high degree of technological advancement.”

**Purchase Intention.** Questions for this construct are modified from the scale outlined in Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008).

1. “I would hide it from my peers if I bought something from a Native American company.”
2. “Whenever possible, I would avoid purchasing from a Native American company.”
3. “It would make no difference to me if the product was made by a Native American company.”

**External Attributions.** Questions were adapted from Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008) and were modified to make them relevant for this study.

1. “Native Americans would cause us economic hardship.”
2. “Our way of life will be worse off because of the lawsuits by Native Americans.”
Controllability. Items for this construct measure the degree to which consumers feel that Native Americans have control over the impact from policy changes on non-Native American consumers.

1. “Native Americans should accept the way it is today.”
2. “I feel Native Americans are causing unnecessary problems.”
3. “Native Americans have received all the help they need.”

Age. The respondents’ age was determined by asking them to identify with a specific age range (nine ranges were given). The purpose of this question is two-fold: the research focused on surveying adults only so the question was deliberately placed at the beginning of the survey to filter out any participants that did not meet the requirements; this data was also used to examine correlation between proximity (age) and Stable Animosity.

1. “What is your age?”

Other demographic information. Respondents were also asked to provide information about geographical location (general location, not specific address), income range, education level, gender, and ethnicity/race. Since the research focuses on attitudes among non-Native American consumers, the question regarding race/ethnicity was used to ensure the respondents met the sampling requirements. Similar to the question regarding age, it was placed at the beginning of the survey to ensure participants met the sampling requirements. While the main focus of the research centered on the constructs listed, possible correlations between other demographic information and attitudes that may warrant further studies were also examined.
1. “Please select with which ethnicity/race you identify.”

2. “What is your location? Please only fill in the name of the town you reside in and the zip code.”

3. “Please select the income range of your household.”

4. “Please select which level of education you have completed.”

5. “Please select which gender you identify with.”

**Order of the questions.** The order of the questions was designed to differentiate between stable animosity and situational animosity. Some questions were given before priming the respondents about possible policy changes. The purpose of this order was to minimize the influence of the primer on measures related to current perceptions.

**Results**

**Data Collection**

Data were collected using a survey with 43 questions. Responses were recorded on a 5-point Likert Scale (ranging from Strongly Disagree to Strongly Agree). The survey was created and distributed using QuestionPro, a commercial web-based software licensed by South Dakota State University for academic projects. The survey was promoted via social media (Facebook and LinkedIn). QuestionPro reported that 561 individuals viewed the survey, 283 participants started the survey, and 214 completed it, resulting in a completion rate of 75.62%. Of the 214 completed responses, 23 contained item-nonresponse.

The model and constructs used in this research was based on previously validated models and constructs by Klein, Ettenson, and Morris (1998), Klein (2002), Huang, Phau, and Lin (2010), McGarty, Pedersen, Leach, Mansell, Waller, and Bhiuc (2005), Jung,
Ang, Leong, Tan, Pornpitakpan, and Kau (2002), and Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008). The scale items were modified and adapted to fit this research.

Initial data preparation examined for missing values, outliers, indicator linearity, multivariate normality, and sample size. Data were assessed for validity and reliability and then analyzed for relationships between latent constructs and variables using Structural Equation Modeling (SEM) with the Lavaan module for the statistical computing software R (Rosseel, 2012). The estimation and reporting process followed the guidelines outlined by Hampton (2015) and Kenny (2011; 2015).

**Missing data Item Nonresponse**

Item-nonresponse is defined as failing to obtain data for required questions from a sample member (Durrant, 2009, p. 294). Common assumption has been that deletion of cases from data analysis is the safest method to treat item-nonresponse, but elimination can introduce bias in final data result (Rässler & Riphahn, 2006, as cited in Eftekhari-Sanjani, 2008, p. 2880; de Leeuw, Hox, & Huisman, 2003, p. 153). This is particularly relevant when no safe assumptions can be made as to why the sample member failed to answer the particular question (Durrant, 2009) and the data cannot be treated as missing completely at random.

More recent methods of handling item-nonresponse in social science research have favored imputation methods, which generally use a number of (statistically related) auxiliary values to estimate values for the missing data (Durrant, 2009, p. 295). This method can be applied because the constructs being used to measure variables have already been validated. Hot-Deck Imputation method randomly assigns a value to the missing data variable based on a donor value from a relevant donor class and is
particularly useful for item-nonresponse in categorical data using non-parametric statistical tests (Durrant, 2009, p. 297). Since the data in this research were gathered using a Likert scale using categorical values, the Hot-Deck Imputation method was applied in this study to handle item-nonresponse in the data.

Of the 23 item-nonresponses, two cases contained no data directly relevant to the study. Participants had entered data to first two questions (Age and Ethnicity/Race) and had not entered any data beyond these questions. Omitting these two responses did not produce any measurable non-response bias and were therefore not included in the data analysis.

Eight response cases included data missing completely at random in one or two questions pertaining to the main constructs that are the focus of this research. While it should be noted that imputation is still only “guessing” what value might be applicable for the missing data, this method appeared to carry the least risk of skew because in this study only seven responses were imputed for one value, one response was imputed for two values.

One response missed too many questions to safely impute values. There were too little data entered to select qualified donor candidates for missing variable data. This response entry was therefore eliminated.

Responses that were only missing demographic data were included because the omission of demographic information does not impact the data for the main constructs and focus of this research. Demographic information was mainly gathered to probe for possible correlations that could warrant further research.
Outliers

Possible outliers were detected using a plot of Malahanobis Distance ($D^2$) (see Figure 2). The Q-Q plot for $D^2$ and Chi-square indicated that responses 29, 74, 71, 107, and 206 were candidates for elimination. These four responses were therefore eliminated from the sample. However, from a sociological perspective, outliers can be significant indicators that might warrant further study. The data from these five responses is discussed later under Discussion.

![Q-Q Plot of Mahalanobis D2 vs. quantiles of χ²](image)

*Figure 2. Q-Q Plot of Mahalanobis D2 vs. quantiles of χ²*

Univariate and Multivariate Normality

The univariate descriptive statistics (see Table 1) indicate that there is slight to moderate nonnormality (skew and kurtosis). This is not uncommon when the data collection method produces ordered categorical data and the sample size is about 200 (Hampton, 2015, p. 13). The nonnormality however is not extreme and does not warrant transformation of the data. Instead, as suggested by Hampton (2015), more robust
| Question | Age | JUDG1 | JUDG2 | JUDG3 | JUDG4 | JUDG5 | INT1 | INT2 | INT3 | INCOM | EDU | GEN | ETH/RAC | NORM1 | NORM2 | NORM3 | NORM4 | NORM5 | NORM6 | NORM7 | NORM8 | NORM9 | NORM10 | PET1 | PET2 | PET3 | PET4 | PET5 | PET6 | PET7 | PET8 | PET9 | PET10 | PET11 | PET12 | PET13 | PET14 | PET15 | PET16 | PET17 | PET18 | PET19 | PET20 | PET21 | PET22 | PET23 | PET24 | PET25 | PET26 | PET27 | PET28 | PET29 | PET30 | PET31 | PET32 | PET33 | PET34 | PET35 | PET36 | PET37 | PET38 | PET39 | PET40 | PET41 | PET42 | PET43 | ANI1 | ANI2 | ANI3 | ANI4 | ANI5 | ANI6 | ANI7 | ANI8 | ANI9 | ANI10 | ANI11 | ANI12 | ANI13 | ANI14 | ANI15 | ANI16 | ANI17 | ANI18 | ANI19 | ANI20 | ANI21 | ANI22 | ANI23 | ANI24 | ANI25 | ANI26 | ANI27 | ANI28 | ANI29 | ANI30 | ANI31 | ANI32 | ANI33 | ANI34 | ANI35 | ANI36 | ANI37 | ANI38 | ANI39 | ANI40 | ANI41 | ANI42 | ANI43 |
|----------|-----|-------|-------|-------|-------|-------|------|-----|-----|-----|------|-----|-----|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------
methods such WLSR (WLS in Lavaan) and Satorra-Bentler were used to estimate and validate the measurement model (pp. 13-14).

**Sample Size**

After omission of non-qualifying responses from missing data and elimination of outliers, the final sample size analyzed was 205 responses ($n=205$). Structural Equation Modeling (SEM) is considered a large sample method (Hampton, 2015, p. 7). Common methods to determine adequate sample size includes observation-to-free-parameter ratios, such as 10:1, 20:1, or 5:1, or a sample size of 50 more than eight times the number of model variables (Hampton, 2015, p. 7; Kenny, 2015; Stanford University, n.d.; Purdue University, 2007, p. 5). However, most researchers agree that a sample size of 200 is adequate (Hampton, 2015, p. 7; Kenny, 2015; Stanford University; n.d.; Purdue University, 2007, p. 5). The final sample size of 205 responses should therefore be adequate.

However, the method of sampling must also be addressed. The survey was promoted via social media (Facebook and LinkedIn) and a small number of selected connections (later referred to as “seeds”). This process produces a snowball sample and not a true random sample. While efficiency and cost savings are substantial benefits of a snowball sampling method, they naturally also introduce biases into the data (Sadler, Lee, Lim, & Fullerton, 2010, p. 370). Snowball samples are classified as non-probability samples and the data may not be generalizable to the population of the study (Sadler, Lee, Lim, & Fullerton, 2010, p. 370). Some benefits of snowball sampling not mentioned earlier are methods that can overcome some of the non-representation biases in random samples. Snowball sampling can, at times, allow the researcher access to population
groups that otherwise might have been out of reach and increase the chances of responses from diverse populations (Sadler, Lee, Lim, & Fullerton, 2010, p. 370).

In this study, the snowball sampling method was selected because of time and cost restraints, but also in an attempt to reach as varied of a sample as possible. Because the survey did not offer any incentives to individuals to participate, the willingness to participate among randomly selected, unknown individuals was expected to be fairly low. To overcome the limitations of personal social networks, nine individuals ("seeds") were selected to assist in distributing the survey. The nine “seed” individuals were identified based on age, gender, location, religious preferences, race/ethnicity, education, and occupation in the effort to reach as diverse of a population as possible, including population groups the researcher did not have access to directly. The “seeds” were requested to participate and help distribute the survey among their connections. A

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specific statement was made that it was preferable if the survey was distributed to as varied of a population as possible (for example, people “not like them” but whom they might work with).

Furthermore, one of the “seed” individuals promoted the survey on select social media pages for professionals that reached a large number of completely unknown individuals. Table 2 gives an overview of the specific selection criteria of each “seed.” In addition to these characteristics, the network of connections of each seed was carefully evaluated for size and social/cultural identity.

**Analysis**

**Validity and Reliability – Measurement Model**

The model and scales for this study were based on previously validated models and scales. However, since some of the indicator questions had been modified to this specific research topic, a preliminary Exploratory Factor Analysis (EFA) using WLS was used to check if the pattern of indicator loadings to factors was consistent with the proposed research model. The EFA indicated nine identified factors, however with weak support for factors WSL8 and WSL9 (SS loadings 0.750 and 0.560). The pattern of indicator loadings suggested that the scale was not able to identify Situational Animosity, Stable Animosity, External Attribution, and Controllability as distinct factors. Stable Animosity and Situational Animosity was identified as one factor together with External Attribution. Controllability was grouped with Perceived Economic Threat from potential policy changes. Possible reasons for this are discussed later under Discussion. The EFA was also not able to distinguish Age as a distinct factor and cross loaded it with several
other factors. This requires respecification of the model, more specifically eliminating or combining factors (Kenny, 2011; Kenny & Milaan, 2012, p. 158).

**Respecification of The Model**

Structural Equation Modeling (SEM) is considered a confirmatory research method, meaning the data gathered is analyzed to confirm theory. It is therefore important to have a reasonably correct model and proposed research models might require adjustment by modifications such as altering or eliminating paths between constructs (Chin, Peterson, & Brown, 2008, p. 287). However, the proposed models must remain consistent with the theory being confirmed.

As discussed by Kenny and Milan (2012), models that cannot discriminate sufficiently among some factors may still be valuable if key parameters in the model can still be estimated (p. 158). In this case, the key parameters to this study are Perceived Economic Threat from potential policy changes, Animosity, Purchase Intention, and Product Judgment.

Controllability and External Attributions are possible antecedents to the strength of Animosity (Leong, Cote, Ang, Tan, Jung, Kau, & Pornpitakpan, 2008, p. 999). It is possible that these factors were not discriminant because of insufficient indicators. Another reason could be that survey questions do not sufficiently prompt Controllability in the respondents. These two antecedent factors are not directly essential to answer the main research question for this study. For this reason, the model was respecified to exclude the factors External Attribution and Controllability and proceed with one combined construct for Animosity. For the sake of integrity of the model, the indicators
for these four constructs were included according to the loading pattern and based on loading strengths.

Dropping the two constructs for External Attribution and Controllability required a respecification of the path from Personal Risk to External Attribution. The hypothesis for this path (H7) was based on Weiner’s (1986) Attribution Theory and research by Leong, Cote, Ang, Tan, Jung, Kau, and Pornpitakpan (2008) suggesting that the level of personal cost or risk is positively correlated with the level of external attribution (p. 999). Weiner’s Attribution Theory also suggests that the level of perceived risk of personal cost naturally also influences the level of guilt individuals are willing to accept (Weiner, 2000, pp. 3, 6). This is supported by the findings of McGarty, Pedersen, Leach, Mansell, Waller, and Bliuc (2005) suggesting that the level and type of guilt experienced correlates with the level of support for any apology and restitution (pp. 674-675). It is therefore possible that increased perceived personal risk increases the level of overall perceived threat, leading to Animosity. The previous path from Personal Risk to External Attribution has been revised to reflect a possible relationship between Personal Risk and Perceived Economic Threat.


The proposed model was based on theory that Situational Animosity and Stable Animosity are subconstructs that combined form one main construct for Animosity (Klein, Ettenson, & Morris, 1988, p. 95; Leong, Cote, Ang, Tan, Jung, Kau, & Pornpitakpan, 2008, pp. 998-999). The theory also states that the correlations between Animosity and Purchase Intention, and Animosity and Product Judgments are based on the one main construct for Animosity and not dependent on any one of the subconstructs.
A review of the survey questions for each indicator for Situational Animosity, Stable Animosity, and External Attribution confirmed that Animosity was a clear common thread in all questions. The model was therefore revised to reflect Animosity as one construct and the indicators for Situational and Stable Animosity were combined under Animosity. To ensure integrity of the model, the indicators for External Attribution were also combined with Animosity as indicated by the EFA.

The construct of Age (as an indicator of proximity in time to the event) was not identified by the EFA as a distinct and unique factor. Huang, Phau, and Lin’s (2010) research was not conclusive regarding Age and Animosity, but seemed to indicate that there was stronger Animosity among the younger population (p. 924). The relationship between Age and Animosity was not essential to answer the main research question, but could be essential for constructing the appropriate marketing message. A possible relationship between Age and Animosity therefore warrants more detailed study that also considers other factors, such as group membership and group identity (values). Possible relationships are examined further under Discussion.

As a result of the respecification process of the measurement model, some of the sub-constructs and antecedents were combined or eliminated, and one path was redirected. Hypotheses H4, H5, and H9 are therefore not measured in the structural model and not discussed in this section. H8 was changed to measure the relationship between Perceived Personal risk and Perceived Economic Threat, as listed in the revised list as H5*. H1 was altered to reflect a relationship between Perceived Economic Threat and Animosity (instead of Situational Animosity). For the sake of clarity, the hypotheses have
been renumbered, identified with an asterisk (*), and are listed below in Table 3. Figure 3 represents the respecified model.

Table 3

*Renumbered Hypotheses after Respecification*

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
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<tbody>
<tr>
<td>H1*:</td>
<td>Non-Native American consumers will experience Animosity from Perceived Economic Threat related to possible culpability.</td>
</tr>
<tr>
<td>H2*:</td>
<td>Consumer Animosity negatively influences Purchase Intention.</td>
</tr>
<tr>
<td>H3*:</td>
<td>Consumer Animosity negatively influences Product Judgment</td>
</tr>
<tr>
<td>H4a*:</td>
<td>The greater Social Identity, the greater Perceived Personal Risk.</td>
</tr>
<tr>
<td>H6*:</td>
<td>Social Norms modifies Animosity.</td>
</tr>
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</table>

Figure 3. Respecified Model
Confirmatory Factor Analysis

A subsequent seven factor Confirmatory Factor Analysis (CFA) using Robust Maximum Likelihood (Satorra-Bentler) method, specified a priori according to the discussion above, showed an acceptable fit for the measurement model ($\chi^2(474) = 781.851$; $p < 0.05$; CFI = 0.884; TLI = 0.871; RSMEA = 0.056, 90% Confidence Interval of RSMEA = 0.050, 0.063; SRMR = 0.066). Based on frequently used criteria for fit indices, the measurement model shows good fit (Hooper, Coughlan, & Mullen, 2008; Hampton, 2015; Kenny, 2015).

As outlined by Hampton (2015) Convergent Validity and Discriminant Validity were assessed using Composite Reliability (CR), Average Variance Extracted (AVE), Square Root of AVE (SQR AVE), and Construct Correlation (COR) (p. 23). Generally

| Table 4 |
|---|---|---|---|---|---|---|---|---|
| **Construct Correlations, Average Variance Extracted, Square Root of Average Variance Extracted, and Composite Reliability** |
| | CR | AVE | SQR AVE | ANI. | IDEN | NOR M | PET | JUDG | INT | PSR |
| ANI. | 0.986 | 0.610 | 0.781 | **0.608** |
| IDEN. | 0.970 | 0.694 | 0.833 | 0.135 | **0.219** |
| NOR M | 0.956 | 0.607 | 0.779 | 0.103 | 0.011 | **0.286** |
| PET | 0.975 | 0.667 | 0.817 | -0.465 | -0.151 | -0.027 | **0.524** |
| JUDG. | 0.980 | 0.721 | 0.849 | -0.268 | -0.059 | -0.045 | 0.204 | **0.479** |
| INT. | 0.954 | 0.629 | 0.793 | -0.294 | -0.065 | -0.050 | 0.225 | 0.268 | **0.343** |
| PSR | 0.909 | 0.601 | 0.776 | -0.185 | -0.078 | -0.086 | 0.184 | 0.081 | 0.089 | **0.591** |

*Note.* Animosity = ANI. Social Identity = IDEN. Social Norms = NOR M Perceived Economic Threat = PET Product Judgment = JUDG. Purchase Intention = INT. Personal Risk = PSR
accepted thresholds for AVE and CR are values above 0.50 for AVE and 0.70 for CR (Hair, Black, Babin, Anderson, & Tatham, 2005, as cited in Hampton, 2015, p. 23). As demonstrated in Table 4, the AVE for all constructs exceed 0.50 and the CR for all constructs exceed 0.70. Table 4 also demonstrates that all correlations are less than the SQR AVE, indicating that the model exhibits Discriminant Validity (Hampton, 2015, p. 23).

**Hypotheses – Structural Model**

The hypotheses were tested using a Structural Equation Model, using the SEM package Lavaan for the computing software R. The fit indices for the structural model demonstrated good fit ($\chi^2(485) = 822.735; p < 0.05; CFI = 0.873; TLI = 0.862; \text{RSMEA} = 0.058, 90\% \text{ Confidence Interval of RSMEA} = 0.052, 0.065; \text{SRMR} = 0.080$) (Hooper, Coughlan, & Mullen, 2008; Hampton, 2015; Kenny, 2015). The standardized estimates are significant ($p < 0.05$) as illustrated in Table 5.

As predicted by H1*, there is effectively a positive correlation between Perceived Economic Threat and Animosity (-0.810, $p < 0.05$). The negative regression coefficient would normally indicate a negative correlation between Perceived Economic Threat and Animosity. However, the phrasing of the questions related to Perceived Economic Threat construct produced values inverse to the level of the threat perceived by respondents. The correct interpretation of the negative correlation of the number is therefore a positive correlation of the concepts.

The SEM results also supported H2* (-0.644, $p < 0.05$) and H3* (-0.495, $p < 0.05$). As predicted by H2*, Animosity among non-Native Consumers negatively
influences Purchase Intention. Similarly, as predicted by H3*, Animosity also negatively influences Product Judgment.

Table 5

<table>
<thead>
<tr>
<th>SEM Results and Standardized Estimates</th>
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<tr>
<td>Structural Relationships</td>
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<tr>
<td>H4a* Social Identity → Personal Risk</td>
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<tr>
<td>H4b* Social Identity → Perceived Economic Threat</td>
</tr>
<tr>
<td>H5* Personal Risk → Perceived Economic Threat</td>
</tr>
<tr>
<td>H1* Perceived Economic Threat → Animosity</td>
</tr>
<tr>
<td>H6* Social Norms → Animosity</td>
</tr>
<tr>
<td>H3* Animosity → Product Judgment</td>
</tr>
<tr>
<td>H2* Animosity → Intention</td>
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Note. χ² = 822.735
d.f. = 485
p < 0.05
CFI = 0.873
TLI = 0.862
RMSEA = 0.058, p < 0.05
SRMR = 0.080, p < 0.05

H4a* predicted that the stronger the Social Identity, the greater they would perceive Personal Risk. The SEM model identified a significant negative covariance between Social Identity and Personal Risk (-0.217, p < 0.05) but not a positive correlation. H4a* is therefore rejected. Similarly, the proposed H4b* stated a positive correlation between Social Identity and Perceived Economic Threat. The SEM results show a significant negative correlation (-0.394, p < 0.05), but not the predicted positive correlation. H4b* is therefore rejected.
The predicted positive correlation between Personal Risk and Perceived Economic Threat (H5*) is supported by the SEM results (0.246, \( p < 0.05 \)). H5* is therefore accepted. Likewise, the predicted relationship between Social Norms and Animosity (H6*) is confirmed by the SEM results, indicating a significant positive correlation between the constructs (0.191, \( p < 0.05 \)). H6* is therefore accepted.

**Discussion**

**The Research Model**

The scales used for this research were adapted from validated research and modified to fit this specific situation. Even though the scales had repeatedly been validated in previous research, any modification or application to new situations creates a new risk of a poor fit of the model. However, validity and reliability of the research model and its final estimates have been assessed and confirmed at several stages during the analysis process. While the values for relevant fit indices met the commonly used criteria SEM, the estimates of the SEM should be interpreted in the context of issues such sample size and sampling method. SEM is considered a large sample method and the accuracy of the estimated results are influenced by the size of the sample (Valluzzi, Larson, & Miller, 2003, p. 4346). The final sample size of 205 was deemed adequate, but considering the mild to moderate amount of skew and kurtosis, a larger sample size (\( n \geq 400 \)) would have been preferable. A larger sample size would also have better moderated any bias from snowball sampling. Even though this study implemented specific strategies to minimize bias from snowball sampling, and actually increase the likelihood of responses from a more varied sample, it is still possible that the sampling method introduced bias.
The respecification of the measurement model should also be addressed. SEM offers substantial potential for empirical research and has shown to be particularly applicable in studies regarding latent variables that can be observed but not measured directly (Valluzzi, Larson, & Miller, 2003, p. 4350; Nachtigall, Kroehne, Funke, & Steyer, 2003, p. 10). SEM uses a fairly complex method that allows researchers to set and adjust settings of parameters to measure latent variables (Nachtigall et al., 2003, p. 11). However, the same reasons that allow SEM to be a powerful research tool, albeit fairly complex, also creates risk for misapplied research techniques in the attempt to “fit” the model (Nachtigall et al., 2003, pp. 14-16). One such risk area can occur when the research model is not fitting the initial data results, as indicated in an EFA (Kenny, 2011). While this often could cause the research model and project to be rejected, SEM allows for certain reasonable respecification of the proposed measurement model (Kenny, 2011; Kenny & Milaan, 2012, p. 158; Chan, Lee, Lee, Kubota, & Allen, 2007, p. 62). For example, if the EFA is unable to establish discriminant validity for non-essential factors, the researcher has the option to combine factors or drop factors (Kenny, 2011; Kenny & Milaan, 2012, p. 158). However, especially in research that is using existing and validated models, it is essential that the literature guides the respecification process so that the researcher does not inadvertently create an idiopathic model.

The model and scales for this research were based on validated models and scales. However, these scales were modified to this unique situation. For this reason, an EFA was performed to assess the number of distinct factors and the pattern of indicator loadings. Fit indices of the EFA were acceptable, but it could only identify seven distinct factors of sufficient strength. Examination of the indicator loading strongly suggested that
the proposed research model was not able to distinguish between Stable Animosity and Situational Animosity, neither could it identify Controllability or External Attribution as distinct factors.

As discussed under Analysis, the two antecedent constructs, External Attribution and Controllability, did not display sufficient discriminant validity and cross loaded respectively Animosity and Perceived Economic Threat. External Attribution was therefore combined with Animosity, and Controllability was combined with Perceived Economic Threat.

As discussed under Analysis (Respecification), Stable Animosity and Situational Animosity were “combined” into one factor (Animosity). This did not create any major modification of the proposed model since this was already planned in the model. The main construct, Animosity, remains a key parameter measured by the same indicators as specified in the proposed research model. The information from distinction between Stable Animosity and Situational Animosity was not relevant to measure the impact on Purchase Intention or Product Judgment.

All respecification actions were based on literature and did not change the main structure of the model (Perceived Economic Threat, Animosity, Purchase Intention, and Product Judgment). The Confirmatory Factor Analysis based on the respecified seven factor model \textit{a priori} and indicated a good fit. However, considering the minimal sample size and the snowball sampling method, the results of this study should be viewed as strong indicators instead of representations of population attitudes.
Results

Jung, Ang, Leong, Tan, Pornpitakpan, and Kau (2002) explain that Animosity is a form of retaliation in response to perceived unwarranted or socially unacceptable actions from an out-group (p. 526). It is a defense mechanism to halt an unwarranted attack but it also used for managing public image, in other words to save face (Jung et al., 2002, p. 526).

According to Jung et al. (2002), this hostile attitude has a cognitive, affective, and behavioral component (p. 526). The cognitive component is often expressed as mistrust or a cynical belief toward the out-group whereas emotional responses commonly include anger and contempt (Jung et al., 2002, p. 526). Situational Animosity is a response to a current provocation resulting in anger, but can with time evolve into Stable Animosity, such as general mistrust and disgust (Jung et al., 2002, p. 527).

To summarize, animosity is a defensive response to a perceived threat. The purpose of animosity is to restore some form of harmony, either by halting the attack or by restoring image. Animosity can therefore also be used to restore cognitive harmony if a situation creates tension between beliefs, emotions, and behavior.

The SEM results showed a strong correlation between Perceived Economic Threat from possible policy changes toward restitution, and Animosity (0.810, p < 0.05). The SEM estimated negative correlation must be interpreted as positive, as discussed under Hypotheses – Structural Model. This strong correlation suggests that the level of Animosity increases substantially for each measure of increased level of perceived economic threat.
The means, medians, and standard deviations are reported in Table 6. The data suggests that respondents generally agree that land areas were unjustly taken from Native Americans (question 24). However, responses for question 25 signal substantially less support for a public apology in contrast to belief of historic injustice. Support for restitution decreases as personal involvement in any restitution increases (questions 26, 27, and 34). This pattern mimics the findings of McGarty, Pedersen, Leach, Mansell, Waller, and Bliuc (2005) regarding the level of support for a public apology in Australia and the level of perceived implications for the members of the in-group (p. 669). They found that, while many agreed that Aboriginals had been mistreated, the level of support for the apology was directly related to the level and type of guilt individuals were willing to accept (McGarty et al., 2005, p. 675). Furthermore, guilt, and type of guilt, was strongly influenced by the perceived risk of costs associated with the apology and the perception of group culpability (McGarty et al., 2005, p. 675).

<table>
<thead>
<tr>
<th>Table 6</th>
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<tbody>
<tr>
<td><strong>Mean and median of Indicators 24, 25, 26, 27, 34, 37, 40, 41, 42, and 43</strong></td>
</tr>
<tr>
<td>INDICATOR</td>
</tr>
<tr>
<td>Q24</td>
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<tr>
<td>Q25</td>
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<td>Q26</td>
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<tr>
<td>Q42</td>
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<tr>
<td>Q43</td>
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<tr>
<td><strong>STANDARDIZED SEM ESTIMATE</strong></td>
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<td>PET</td>
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</table>
When examining the responses to indicators for Animosity, scores pertaining to emotions such as anger and mistrust (questions 41 and 43) indicate that non-Native Americans do not experience negative emotions (affective component) of Stable Animosity. Yet, responses to question 42 suggest that there is an underlying belief (cognitive component) of unfair actions by the Native Americans. This inconsistency becomes particularly interesting in the context of the responses to question 40 which measured the respondents’ emotional response to claims regarding culpability and respondents effectively declined to take a clear position. A truly unwarranted attack (claim) should have produced a stronger level of resentment (question 40) and a stronger level of anger (question 41), especially since they are reporting feeling used by the out-group to the disadvantage of the in-group under question 42. Some possible explanations include the respondents avoiding the question of possible culpability or feeling secure enough from the benefits of the hegemony. However, it is also possibly a variation of the Hawthorne effect. Based on the information learned from the Hawthorne experiments, we know that respondents are prone to alter their natural behavior if they know they are being observed (McCambridge, Witton, & Elbourne, 2014, p. 267). Even though the survey was anonymous and the participants were not directly observed in their actions, it is possible that respondents feel they ought to reply in a certain manner or that they are unaware of their actual emotions toward the topics. A possible study using GNAT might overcome the limitations of this factor.

In summary, the trend in the data could imply that respondents agree that there were historic injustices but do not see themselves as directly connected to any historic events, or see how they could be culpable, or they might not be willing to sacrifice to
provide restitution. Either way, according the SEM estimates, policy changes supporting restitution could be perceived as some form of threat and could create animosity. They may either perceive restitutions as a social injustice or experience cognitive dissonance from incongruent feelings.

While Consumer Animosity normally would be an obstacle for an entrepreneur, it could in this specific situation, be leveraged if the SE focused on the self-reliance and self-sufficiency aspects in their marketing message. The data suggest that many non-Native Americans feel sympathetic toward Native American history, but they do not consider themselves or their generation responsible for historic wrongdoings, and yet seem to indicate low resentment toward Native American claims regarding land areas or restitution. In fact, the data trend for question 37 implies that non-Native Americans do not believe the current situation is resolved. As stated earlier, it is possible that implied low hostility toward Native Americans is partly caused by a kind of Hawthorne effect. However, it is also possible that non-Native Americans do not experience a perceived threat from the Native American claims because they do not experience any moral duty. They do not believe that they are in any way connected to historic wrongdoings, nor that their group continues to benefit from the historic injustice, as explained by Meckled-Garcia (2014, p. 435). In such case, they will not perceive the claims as a legitimate threat that could be enforced because the hegemony is effectively supporting their position.

Based on the above, an SE could signal a way to move forward without causing cognitive dissonance. Self-reliance through entrepreneurship (especially in contrast to hand-outs) is a value often idealized among the non-Native American population. The SE
could effectively invite the non-Native American consumer to demonstrate their concern for the Native American situation without implying culpability and would be welcomed as a favorable alternative to (perceived or “forced”) charity. This is consistent with Pogge’s (2001) premise that individuals, who perceive a positive moral duty, do not feel connected to or responsible for historic wrong-doings, but perceive it as socially responsible behavior to support a disadvantaged group (p. 60).

However, a complete disconnection from historic events and their outcomes might not be fully possible and it is possible that this disconnect indirectly contributed to the model’s inability to differentiate between Situational Animosity and Stable Animosity. It is interesting that the model did not simply report the lack of Stable Animosity, but was unable to make a distinction between Stable and Situational Animosity. Jung, Ang, Leong, Tan, Pornpitakpan, & Kau (2002) illustrate that Stable Animosity is not inherited as a trait, but instead is passed on through multiple channels, including media and stories (p. 527). Individuals need not to have been directly involved with the conflict to experience hostility and external clues are frequent reminders of that historic conflict (Jung et al., 2002, p. 527). As surmised earlier in this paper, it is possible that the stark contrast between the current standards of living of Native Americans and non-Native Americans serves as a clue of the historic conflict, ancestral involvement, and the long term repercussions (poverty versus wealth) for both groups. While time and roles (government versus families) might allow individuals to separate themselves emotionally from the historic events, it might not be fully possible to detach cognitively from the negative moral duty described by Pogge (2001, p. 65). Jung, Ang, Leong, Tan, Pornpitakpan, and Kau (2002) indicate that the cognitive component of Stable Animosity
often is more readily identified at the national level (National Stable Animosity) and the emotional component at the individual level (Personal Stable Animosity) (p. 535). Jung et al. (2002) also suggest that hostile beliefs are more readily endorsed, and therefore passed on, at the national level than hostile emotions, explaining why there often seems to be a stronger National Stable Animosity than Personal Stable Animosity (p. 535). In this study, most of the questions for each indicator focused on an individual’s perception and feelings toward a topic, effectively measuring Personal Stable Animosity. If the individual perceives that hostile emotions are unacceptable, they will report lower scores for the emotional component versus the cognitive element. While the data do not give a strong indication, some of the histograms seem to show a higher level of resentment when the question is focused on cognitive components (for example question 42) compared to questions that focus on emotional components (for example question 41) (see Figure 4). And, the answers to question 33, which was dropped from the final SEM due to low loading scores, showed that respondents expected a much larger impact of policy changes on “others” compared to themselves, effectively externalizing the issue and possibly also any hostility. This supports the claim that media reports and stories (including jokes) seem to deliberately perpetuate negative stereotyping for the purpose of justifying the status quo and dismissing any claims of responsibility related to historic wrong-doings (Janes & Collison, 2014; Schmickle & Date, 2012; The Economist, 2015, McCarthy, 2004; Conner & Taggart, 2013; Momper, 2010, p. 141; Brown & Selk, 2003, p. 15; Benson, Lies, Okunade, & Wunnava, 2011, p. 159; Boxberger Flaherty, 2013, pp. 56-58, 66-77; Lacroix, 2011; Lindsay, 2014, pp. 104-105). A larger sample size and a
modification of the scales to distinguish more accurately between the cognitive and emotional components might give a more reliable picture of possible Stable Animosity.

![Histograms of Questions 41, 42, and 33.]

*Figure 4. Histograms of Questions 41, 42, and 33.*

However, implications for the SE could be significant because the SE must be careful not to provoke any emotions of guilt. Marketing messages that focus on the future will be essential because these messages avoid an emotional confrontation with the consumer related to the question about culpability and at the same time underscore the message that both groups must together move forward to a better future. Likewise, cultural products should be avoided because they undermine the attempts of cultural restoration (and effectively cultural autonomy) and are a reminder of the very culture that was linked to the injustice. In this way, the SE takes on a role of transformational leader
and inspires the consumer to join in a shared vision of the future by appealing to shared aspirations. This strategy is supported by marketing strategies outlined by Gagliarid (2015) designed to overcome potentially significant opposition from competition by applying war strategies by Sun Tzu (pp. 8-11).

The elimination of cultural products prompts the starting question of this research: Will non-Native American consumers accept non-cultural products from a Native

Based on the SEM estimates, Animosity will negatively influence both Purchase Intention (-0.644, p < 0.05) and Product Judgment (-0.495, p < 0.05). Not only will it be essential to avoid Animosity in the overall marketing message (which includes the merchandise strategy and promotional strategy), but based on the ABC Theory of Attitudes, the negative correlation can have long-term negative consequences for cultural restoration as described earlier in this thesis.

As indicated by Harmeling, Magnusson, and Singh (2015), one form of Animosity is not only reflected in lower expectation of the products’ quality but also an intentional negative word-of-mouth behavior for the purpose of justifying the hostile emotions (p. 680). This pattern can be applied in many ways. If there is an underlying level of animosity or negative stereotyping, the individual’s Product Judgment will be negatively affected and any form of concerns regarding serviceability will reflect negatively on the Native American producer, reinforcing any negative stereotype or even animosity. Since other, established, retailers are also offering similar products, the Native American SE will have strong competition from the relationships these retailers have already established with the consumers. As earlier established, the marketing message should avoid any reference to historic events, so simply “goodwill support” cannot be
part of the strategy. A key component of their marketing strategy must focus on a strong and proactive customer service strategy to reduce any perceived purchasing risk and overcome any possible negative self-fulfilling prophecy regarding Native Americans.

Social Identity as defined in this study, does not predict increased Perceived Economic Threat as predicted by H4b*. The SEM estimates also did not indicate that Social Identity intensifies Personal Risk. Estimates indicated for both paths a negative correlation instead of the predicted positive, as seen in Table 5. The role of Social Identity on Perceived Economic Risk was based on the Social Identity Theory, Realistic Group Conflict Theory, and research by Huang, Phau, and Lin (2010, pp. 912, 914). Social Identity Theory predicted that the need for an individual to belong to a desired social group will positively influence their behavior to reflect or earn membership status in that group. Huang, Phau, and Lin (2010) found that Social Identity indeed increases the perceived threat and therefore influences Animosity (p. 926). In this study, Social Identity was predicted to increase Perceived Economic Threat and Personal Risk. SEM estimates did not confirm this hypothesis and instead reported a negative correlation between the constructs. McGarty, Pedersen, Leach, Mansell, Waller, and Bliuc, (2005) similarly reported that they found a negative correlation, or in some cases no correlation, between Social Identity and group based guilt (p. 677). This is particularly surprising since other group based norms (Social Norms) positively correlated with Animosity (0.191, $p < 0.05$), albeit it a fairly weak correlation. This suggests that other factors are either altering Group Identity and/or playing a role in the relationship between Social Identity and group based behavior (in this study Perceived Economic Risk and Personal Risk).
However, it was evident as predicted with H5* that the level of Personal Risk an individual experienced intensified the level of Perceived Economic Risk ($0.246, p < 0.05$). While the study focused on economic risk, it might be an indicator that perceived personal risk regarding other relevant factors such as group identity, could also play a role. Even though this correlation was not established in the research, as mentioned above, it is possible that other factors played a role in this study and distorted the relationship between Social Identity and Perceived Economic Threat, which warrants further study since group identity is a very relevant factor in consumer behavior in this situation. Recent studies indicated that not only are positive messages related to “home” (from a group identity perspective) extremely important in marketing strategies, but they also found that paring favorable in-group traits with favorable out-group traits in marketing messages can have significant success for marketers spanning across cultures (Zeugner-Roth, Žabkar, & Diamantopoulos, 2015, p. 45).

Finally, the EFA was unable to detect any influence on Animosity from proximity by Age. This was a separate construct and the EFA cross loaded it with several other
constructs. It was therefore determined to eliminate the question about age as a separate construct and instead examine any relationships between Age and Animosity as a sub-model. Based on the histogram for Age (see Figure 5), it is evident that the majority of the sample were in the age group 18 – 24 years, followed by 25-34 years. The remaining groups were 35 – 44 years, 45 – 54 years, 55 – 64 years, 65 – 74 years, 75 – 84 years, and 85 and over (not reported in this histogram). However, the data were not able to identify a significant relationship between Age and Animosity (0.064, \( p > 0.05 \)) which mimics the findings by Klein, Ettenson, and Morris (1998, p. 95). This suggests that other factors must be examined to better understand how and if Age plays a role in formation of Animosity.

![Figure 5. Histogram of Question 1 (Age)](image)

**Other Results – Demographics**

Participants were also requested to provide demographic information regarding income and education levels. This information was not directly related to the research question but is intended to be analyzed for any possible relationships that might warrant further study. Responses with missing data were eliminated from the sample group. The
type of missing data and the sample size did not warrant imputation or other forms of filling in missing data.

The Correlation Regressions for Income and the model’s constructs are listed in Table 8. The data suggests that there is a relatively small positive correlation between Income and Animosity (the data for Animosity is inverse) \((0.176, p < 0.05)\). The data also suggest a positive correlation between Income and Perceived Economic Threat \((0.222, p < 0.05)\). The rest are statistically insignificant \((p > 0.05)\).

|               | Estimate | Standard Error | Z-Value | P(>|z|) |
|---------------|----------|----------------|---------|---------|
| Animosity     | -0.176   | 0.078          | -2.27   | 0.023   |
| Social Identity | -0.064   | 0.045          | -1.408  | 0.159   |
| Social Norms  | 0.023    | 0.053          | 0.426   | 0.67    |
| Perceived Economic Threat | 0.222    | 0.073          | 3.032   | 0.002   |
| Product Judgment | -0.001   | 0.068          | -0.015  | 0.988   |
| Purchase Intention | 0.026    | 0.060          | 0.429   | 0.668   |
| Personal Risk | -0.006   | 0.067          | -0.093  | 0.926   |

As evident in Table 9, the data also suggest that there is a small positive correlation between the level of education and Product Judgment \((0.050, p < 0.05)\). While the P-value indicates significance, the correlation is very little. However, this relationship resonates with an intuitive premise that higher education levels could produce a more critical evaluation of product attributes and could be relevant for the marketing message. The SE may need to focus on product quality and overall serviceability for consumer segments with higher levels of education.

It might then also be important to examine any correlation between education level and involvement. Research has shown that level of involvement influences the
learning hierarchy of attitudes and also the impact of COO image (COI) on the decision making process (Dens & De Pelsmacker, 2010, p. 53; Abraham, 2013, p. 5). The level of education and involvement would therefore shape the marketing message and could be particularly relevant in this situation since one part of the SE’s mission is shaping attitudes favorable toward cultural restoration.

<table>
<thead>
<tr>
<th>Table 9</th>
<th>Correlation Education and Construct Model</th>
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<tbody>
<tr>
<td></td>
<td>Estimate</td>
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<tr>
<td>Animosity</td>
<td>-0.004</td>
</tr>
<tr>
<td>Social Identity</td>
<td>-0.007</td>
</tr>
<tr>
<td>Social Norms</td>
<td>-0.017</td>
</tr>
<tr>
<td>Perceived Economic Threat</td>
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<tr>
<td>Product Judgment</td>
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<tr>
<td>Purchase Intention</td>
<td>0.033</td>
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<tr>
<td>Personal Risk</td>
<td>-0.009</td>
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</table>

**Application**

The implications of these findings pertain directly to how the ABC Theory of Attitudes affects the dual mission of a possible Native American Social Entrepreneurship. In contrast to traditional entrepreneurs, whose marketing strategy is primarily driven by economic success, the marketing strategy of the Native American SE must fulfill a dual mission: it must provide sustainable income and also allow for cultural restoration. Because the SE’s overall purpose is to address the inequality, its focus is on economic development and breaking free from the constraints facilitated by the hegemony, as discussed earlier in this paper. These components are therefore equally important and intertwined. The marketing strategy must consider the interrelationship between attitudes and consumption.
To prevent or overcome possible animosity, the marketing message must focus on moving forward and cannot allude to elements that could trigger animosity. Russell and Russell (2010) found in their studies that individuals who harbor strong animosity will react with more animosity toward brands with strong cultural stereotypical associations. Merchandising plans must therefore focus on non-cultural products because cultural products represent the culture associated with the historic events and therefore could trigger animosity. The marketing message likewise cannot focus on the need of the Native Americans, a strategy often used to generate sympathy. Instead, the focus must remain on the shared benefits, the value creation for all stakeholders. These can be stated values based on combined in-group/out-group value, for example natural products, as suggested by Zeugner-Roth, Žabkar, and Diamantopoulos (2015, p. 45) but also the implied shared values, such as moving forward and away from historic conflicts. Since the influence of normative values was supported in this data, the SE may also consider making use of a spokesperson to facilitate acceptance by the in-group for the “vision” created by the SE and their products.

Success of these applications is evident in the case study about Flexcrete, an SE formed by the Navaho Nation that offers environmentally responsible building materials created from recycled waste products (O’Neill, Hershauer, & Golden, 2009). Flexcrete offers non-cultural products (building materials) and they appeal to shared values among the two groups: responsible business practices, environmentally responsible products, and self-reliance. The group is partnering with non-Native American partners, but their cultural values (and identity) are preserved and guide all aspects of their business practices and social efforts (O’Neill, Hershauer, & Golden, 2009, p. 38). The two cultures
are forming a sustainable network that supports each culture instead of one gaining at the expense of the other. As such, it seems that Flexcrete is transforming the Social Entrepreneurship into a Sustainable Entrepreneurship.

**Limitations of the Study and Further research**

As stated under Discussion, the minimal sample size and the snowball sampling method could have introduced skew or bias in the data. For this reason, results should be considered as strong indicators. Furthermore, since the EFA was unable to distinguish some of the proposed constructs from the data, it is possible that the survey questions or the modifications did not fit this particular situation. Further research, using modified and validated scales for this particular situation and a large, random sample size could produce more consistent results.

The study is partly predictive in nature. Most of the literature on consumer animosity has focused on existing conditions, measuring existing animosity amongst an in-group in response to the perceived harmful actions of an out-group. This study however, examined the possibility of animosity arising amongst an historically dominating group (the in-group) in response to a possible threat from an out-group that for multiple generations has been viewed as a minority with no real agency, and therefore not able to pose a threat to the dominating (socio)cultural and socioeconomic identity. On the cognitive level, some individuals might feel they do not belong to the historic social group whose government’s actions led to the alleged wrongdoings. The combination of this hegemony and externalization of possible culpability could easily buffer the perceived reality and legality of any threat and therefore also the perceived impact on the individual’s role, identity, economic, and socioeconomic status.
Some results could suggest that this may be the case in this situation. In contrast to prediction, Social Identity did not positively correlate with Perceived Economic Threat. A possible explanation might be found in the Convergence Theory, explaining how group membership and its shared traits influence rational perceptions of group behavior and norms (Christiansen, 2015, para. 16). In other words, it is possible that Social Identity creates a feeling of protection (pack mentality) and therefore decreases the perceived level of threat. The exact level of situational animosity might differ if any possible moral culpability and/or restitutions would become realistic.

The study also relies on consumer responses and their willingness to answer as accurately as possible. Based on information learned from the Hawthorne experiments, we know that respondents are prone to alter their natural behavior if they know they are being observed (McCamberge, Witton, & Elbourne, 2014, p. 267). Even though the survey was anonymous and the participants were not observed in their actions (responses), it is still possible that respondents felt they ought to reply in a certain manner to align their values with predictive actions, or that they may be unaware of their actual opinion and emotions toward the topics. A possible study using GNAT might overcome the limitations of this factor.

A substantial number of respondents answered “Neither Agree, nor Disagree” to some of the questions that pertained to their opinion regarding Native Americans or any possible culpability related to historic events. It is possible that this response option (“Neither Agree, not Disagree”) allowed the respondents to quickly complete the survey without spending too much time on forming their opinion. A larger sample size or possible qualitative research might provide more insight into respondents’ opinions.
Another limitation to the study pertains to possible incongruent societal values. The model was derived from literature pertaining to established animosity in “traditional” situations, meaning animosity as a deliberate and voluntary defensive response to perceived threat from an out-group. This “traditional” form of animosity is an expression of resentment of an out-group and disapproval of their actions. The deliberate willingness to state such an emotional response might not be quite as profound in this situation, where supposedly guiding Western societal values could directly contradict an expression of deliberate resentment toward a disadvantaged group.

The above mentioned limitation is derived from personal observation during one of two personal conversations between the researcher and two participants. Both participants contacted the researcher on their own and clearly stated that they did not object to any of the survey questions, but the questions had aroused an emotional reaction on their part and they felt a need to explore the topic in more detail. The information they provided was voluntarily disclosed (not prompted by any questions) and entirely driven by their desire to discuss and explore their responses in more detail. Since a qualitative, interview component was not part of this proposed study, and not included in the IRB approval, none of this information has been included in any of the results or discussions. However, the information points to possible underlying latent factors that need to be understood so that the marketing efforts can circumvent or address factors that otherwise might undermine the dual mission of the SE. This suggests that further, qualitative research regarding the exact attitudes among non-Native American consumers is warranted.
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Appendix

Survey

Dear participant,

- This survey is part of a study about Native American entrepreneurship.
- Your participation is voluntary and you can end the survey at any time during or after taking the survey.
- Your information will be kept completely confidential.
  - The information is gathered using Survey Monkey, which is a private, American company that offers users the ability to administer online surveys. Their website is: http://www.surveymonkey.com.
  - The data will be stored on external memory capacity in the hands of the researcher. The data will be analyzed and reported in the form statistical information.
  - It is possible that the results could be published in a scholarly journal which is available to the public. It also possible that the results will be used in presentations about Native American entrepreneurship. In any case, there will be no information within the results that could connect your identity to the study or the results.
- This study is not sponsored by any entity or funded with a grant.
- Estimated duration: Maximum 30 minutes.
- Thank you for your participation; your input is very important for the outcome of this study.

Your consent is implied by accessing the online survey. If you have any questions, now or later, you may contact me at the number below. Thank you very much for your time and assistance. If you have any questions regarding your rights as a research participant in this study, you may contact the SDSU Research Compliance Coordinator at 605-688-6975, SDSU.IRB@sdstate.edu.

Sincerely,

Anne-Marie Junker
SWG 455, Rotunda Lane, Box 2275 A, Brookings, SD 57007
anne.junker@sdstate.edu
688-5782

This project has been approved by the SDSU Institutional Review Board, Approval No.: ________
Directions: The following statements are about your perception of yourself in different situations. Please circle the number that best represent the strength of your agreement.

1. Strongly disagree
2. Disagree
3. Neither disagree or agree
4. Agree
5. Strongly agree

(Following 2 questions were placed at the beginning to ensure respondents qualified according to the IBR approval and purpose of the study.)

1. “What is your age?” (Respondents are ask to fill in their age)
2. “Please select which ethnicity/race you identify with.”

**Section 1**

What is your perception of Native American products? Please answer the following question as 1 = Strong disagree, 2 = Disagree, 3 = Neither disagree or agree, 4 = Agree, and 5 = Strongly agree.

3. “Products made by Native Americans are reliable.”
4. “Products made by Native Americans are fine workmanship.”
5. “I would expect that products made by Native Americans deliver a good value for the amount I pay.”
6. “I would not hesitate to consider a Native American product that needs a high degree of technological advancement.”

The following questions can relate to any Native American products, not just limited to cultural artifacts or products. Please answer the following question as 1 = Strong disagree, 2 = Disagree, 3 = Neither disagree or agree, 4 = Agree, and 5 = Strongly agree.

7. “It would make no difference to me if the product was made by a Native American company.”
8. “I would hide it from my peers if I bought something from a Native American company.”
9. “Whenever possible, I would avoid purchasing from a Native American company.”

Section 2
The next section contain questions about you. Please answer the following question as 1 = Strong disagree, 2 = Disagree, 3 = Neither disagree or agree, 4 = Agree, and 5 = Strongly agree.
10. “What is your location? Please only fill in the name of the town you reside in and the zip code.”
11. “Please select the income range of your household.”
12. “Please select which level of education you have completed.”
13. “Please select which gender you identify with.”
14. “It is important that others like the products and brands I buy.”
15. “If I want to be like someone, I often try to buy the same brands that they buy.”
16. “I achieve a sense of belonging by purchasing the same products and brands they purchase.”
17. “I identify with other people by purchasing the same products and brands they purchase.”
18. “If I know others will see me use a product, I will buy the same brand they are using.”
19. “I see myself as an American.”
20. “I feel strong ties with American people.”
21. “I am glad to be an American.”
22. “Being American is an important to me.”
23. “I am proud of my American heritage.”
Section 3

The next section pertains to your opinion of the history between Native American peoples and Western settlers, as well as the current situation. Please first read the following information regarding changing policies and social climate. Please then answer the following questions.

As a part of the Defense Appropriation Act of 2009, the US government issued a public apology to the Native American people. Public Law 111-118, Section 8113—The Apology to Native Peoples of the United States states that:

“the United States, acting through Congress –

• Recognizes that there have been years of official depredations, ill-conceived policies, and the breaking of covenants by the Federal Government regarding Indian tribes;

• Apologizes on behalf of the people of the United States to all Native Peoples for the many instances of violence, maltreatment, and neglect inflicted on Native Peoples by the citizens of the United States; and

• Urges the President to acknowledge the wrongs of the United States against Indian tribes in the history of the United States in order to bring healing to this land....”

The Apology Resolution includes a disclaimer that this Resolution does not acknowledge, concede to, or settle any legal claims by Native American people against the United States. However, during 2010 and 2011, several substantial legal claims against the United States were settled in the Keepseagle Case, Cobell Settlement Agreement, and Osage Tribe Settlement for a total amount of over US$ 1 billion. In 2012, a UN official states that the US must return sacred land to Native American tribes, including the sacred Black Hills in South Dakota. In 2014 and 2015 a mainstream Western church deeded back land areas to Native American congregations.

Please answer the following question as 1 = Strong disagree, 2 = Disagree, 3 = Neither disagree or agree, 4 = Agree, and 5 = Strongly agree.

24. “Land areas were unjustly taken from Native Americans.”
25. “I agree that we should give a public apology for historic wrongdoing.”
26. “I will support a bill that gives back land areas to the Native Americans.”
27. “I agree that Native Americans should receive monetary restitution.”
28. “I resent the Native Americans for claiming we should return land areas.”
29. “Native Americans make me anxious about my future.”
30. “I find it hard to forgive Native Americans for making us pay for something we didn’t do.”
32. “How severely would policy changes impact your economic situation?”
32. “How likely do you think policy changes will have an impact on you personally?”
33. “How likely do you think others might be impacted by a policy change?”
34. “I would be willing to pay higher taxes to compensate Native Americans for historic wrongdoings.”
35. “The Native Americans would cause us economic hardship.”
36. “Our way of life will be worse off because of the lawsuits by Native Americans.”
37. “Native Americans should accept the way it is today.”
38. “I feel Native Americans are causing unnecessary problems.”
39. “Native Americans have received all the help they need.”
40. “I resent Native Americans for blaming us for all their problems.”
41. “I feel angry toward Native Americans.”
42. “Native Americans take advantage of US programs and citizens.”
43. “Native Americans are not reliable.”