CONSUMER ETHICS OF MINORITIES

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ABSTRACT

This study uses Muncy-Vitell questionnaire (MVQ) to explore the consumer ethics of African American consumers. MVQ consists of four dimensions: illegal, active, passive and no harm. This research compares the consumer ethics of African American consumers with various national and international groups along the four dimensions of MVQ. 283 students from a historically black university participated in the study. The results show that African American ethics are comparable to other consumers from various cultures and subcultures.

INTRODUCTION

Marketers can no longer ignore the stunning diversity of cultures that are reshaping the American society. The Federal Census Bureau (2000) projected that minorities share of the U.S. population will increase from 28 percent in 1999 to 47 percent in 2050. Ethnic minorities now spend over $900 billion a year on products and services (Raymond 2001). Ethnic or racial subculture consists of “a self-perpetuating group of consumers who are held together by common cultural and/or genetic ties, and is identified both by its members and by others as being a distinguishable category” (Solomon 2000, p. 438). Subcultures possess powerful stereotypes. Usually, members of subcultures are assumed to own certain traits, even though these assumptions are often erroneous. Sturdivant (1981) concluded that studies of minorities' consumption patterns have been limited in coverage and largely superficial. In addition, this study found past research that explored ethics of subjects from different subcultures was limited in quantity and not consistent. Some research found that members of different subcultures have different ethical beliefs. Tat (1981) found that the ethical perceptions of black subjects were different from the ethical perceptions of white subjects. Sarwono, and Armstrong (2001) found significant differences among three Indonesian micro-cultures (Javanese, Batak, and Indonesian-Chinese) relative to their ethical perceptions. Other research found that members of different micro-cultures have similar ethical beliefs. Tsalikis and Nwachukwu (1988) found that the ethical beliefs of black and white business students quite similar. For this, exploration of subculture's consumer ethics is worthwhile.

African-Americans comprise a significant racial subculture and account for 36.4 million, approximately 12.9% of the total U.S. population. African American minority is a fast growing minority. For example, since April 1, 1990, the African American population has increased by 5.0 million people or 16 percent while the total U.S. population has grown 11 percent. African Americans are younger than the American population. For example, African American population in 2000 was five years younger than the U.S. population (Jones and Jackson 2001). The purchasing power of the African American minority was $543 billion in the year of 2000. Last, few marketing studies have been conducted on the African American minority in the U.S. and almost no consumer ethics research has explored the African American subculture. The main goal of this research is to explore the consumer ethics of the African Americans using the MVQ which established by Muncy and Vitell (1992).

CONSUMER ETHICS

Direct concerns in business ethics started appearing in scientific literature during the 1920s (Bartels 1967). Bartels (1967:21) defined ethics as "a standard by which business action may be judged "right or wrong." Culture is recognized as one of the most important variables influencing ethical decision making (Singhapakdi et al. 1994). Differences in consumer ethics reflect cultural variation (England 1975), that is, differences in the collective programming of the mind that distinguishes one culture from another (Hofstede 1991). Standards differ from one culture to another, and so actions regarded as "right" by one culture may be in conflict with and judged unethical from the standpoint of another culture (Bartels 1967; Armstrong and Sweeney 1994). Culture is the general framework "within" which all other variables interact to shape the general trends in consumers' ethical behavior. So, the research of ethics of consumers from various subcultures is timely and needed.
Many studies used Muncy-Vitell questionnaire to explore the ethics of various groups (e.g., Al-Khatib et al. 1995; Al-Khatib et al. 1997; Erffmeyer et al. 1999; Kenhove et al. 2001; Rawwas 1996; Rawwas et al. 1994; Rawwas et al. 1995). Some research used the MVQ to compare the ethical beliefs of consumers from two or more countries, for example, Al-Khatib et al. (1997) used MVQ to explore the ethics of American and Egyptian consumers. Rawwas et al. (1994) applied MVQ to consumers from Egypt and Lebanon; and Rawwas et al. (1995) used it with consumers from Hong Kong and North Ireland. Other research used MVQ to explore the ethical beliefs of consumers from one country or one culture (e.g., Al-Khatib et al. 1995; Erffmeyer et al. 1999; Kenhove et al. 2001; Rawwas 1996). Al-Khatib et al. (1995) used MVQ to explore the ethical perceptions of Egyptian consumers. Erffmeyer et al. (1999) investigated ethical perceptions of Japanese consumers. Kenhove et al. (2001) explored the ethical beliefs of Belgian consumers. Rawwas (1996) investigated the ethical beliefs of Austrian consumers. This paper did not find any research that used MVQ to explore the ethics of a single micro-culture (e.g., African Americans).

METHODOLOGY

The sample consisted initially of 300 students of an urban Historically Black University in the southern part of the United States. After, correcting for an exclusive African American sample, 283 responses were obtained (94% of the initial target). Most of the participants were females (59%). The sample was very young with an average age of 21.87 years. Over one third (34.2%) of participants had a household income of less than $14,999, 24.5 percent had an income of $15,000 to $29,999, 27.3 percent had an income of $30,000 to $59,999, and 14 percent had income of over $60,000.

A one-page survey was administered to respondents. The instrument consisted of two major parts. The first part of the survey, Muncy-Vitell Questionnaire (MVQ) presented the participants with a set of situations that may have ethical content. The second part of the survey explored the demographics of the participants. MVQ was used to measure consumers' beliefs regarding 22 consumer statements that have potential ethical implications. This questionnaire was developed by Muncy and Vitell (1992) and it has been used in various studies since (e.g., Rawwas, Vitell and Al-Khatib 1994; Al-Khatib et al. 1995; Al-Khatib et al. 1997; Erffmeyer et al. 1999; Kenhove et al. 2001; Rawwas 1996; Rawwas et al. 1994; Rawwas et al. 1995). The 22 statements have been derived to cover the domain of ethical judgments faced by consumers. Responses to MVQ statements were coded so that a high score indicates low ethical beliefs and low score indicates high ethical beliefs. A five point Likert scale with descriptive anchors ranging from "strongly believe that it is wrong" (coded 1), to "strongly believe that it is not wrong" (coded 5).

The MVQ is categorized along four dimensions (Muncy and Vitell 1992). The first dimension is "actively benefiting from illegal activities" (LEGAL). Actions in this dimension are initiated by consumers and are either illegal or likely to be perceived as illegal by most consumers (e.g., changing price tags on merchandise in a store). The coefficient alpha for the LEGAL dimension was 0.83. The second dimension, "actively benefiting from questionable activities" (ACTIVE), is also where the consumer initiates the action. Any way, these actions are not as likely to be perceived as illegal, but are still morally questionable (e.g., stretching the truth on an income tax return). The coefficient alpha for the ACTIVE dimension was 0.82. The third dimension, "passively benefiting from questionable activities" (PASV), is where consumers benefit from a sellers mistakes rather than their own actions (e.g., getting too much change and not saying anything). The coefficient alpha for the PASV dimension was 0.80. Finally, the fourth dimension is "no harm/indirect harm questionable activities" (NOHARM). These are actions that most consumers perceive as not resulting in any harm and, therefore, many consumers perceive them as acceptable actions (e.g., copying and using computer software that you did not buy). The coefficient alpha for the NOHARM dimension was 0.78. Cronbach alpha coefficients suggest that the four dimensions are internally consistent.

RESULTS

As mentioned above, the MVQ is categorized along four dimensions. The first dimension is "actively benefiting from illegal activities" (LEGAL). Actions in this dimension are initiated by consumers and are either illegal or likely to be perceived as illegal by most consumers. African Americans overwhelmingly believed that these activities were unethical. The mean of the five items was 1.97, with 1 corresponding to most ethical and 5 to least ethical. These activities were slightly more acceptable to African Americans than to Belgians (Knhove et al. 2001); Chinese from Hong Kong (Chan et al. 1998); Austrians (Rawwas 1996); Egyptians (Al-Khatib et al. 1997 and Rawwas et al. 1994); Lebanese (Rawwas et al. 1994); and other American groups (Al-Khatib et al. 1997). For example, the mean for the