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#### RACIAL COMPOSITION IN ADVERTISEMENTS AND ITS EFFECTS ON WHITE CONSUMERS' PERCEPTIONS AND PURCHASE INTENTION

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A Senior Honors Project Submitted in Partial Fulfillment of Requirements of the Honors Degree Program

May 2022

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#### **DEDICATION**

*My family, for instilling in me the values of discipline and hard work, and whose encouragement has always pushed me to strive for excellence.* 

*My incredible thesis committee Dr. KC, Dr. Lewin, and Dr. Parsloe, whose guidance and feedback have been instrumental to the success of this research project* 

My friends, who were there to listen and encourage me throughout this challenging process

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#### ABSTRACT

Previous marketing research has generally not examined how ethnic majority consumers perceive advertisements featuring mixed racial compositions of model groups. This paper presents an investigation into how White consumers' perceptions and purchase intentions change depending on the racial composition of the people represented in an advertisement. The study uses a single 12-condition experiment, in which we examine the type of advertisement (product vs. social advocacy advertising), racial composition (all-White vs. diverse mix vs. all-Black), and racial priming effects (racially-primed vs. racially-neutral message). Additionally, consumers' levels of self-referencing to the ad and strength of ethnic identification are explored as possible mediation variables. We find that for product advertisements, changes in racial composition affect White consumers' purchase intentions under certain priming conditions but have no significant effects on attitudes toward the ad or brand. However, for social advocacy advertisements, Whites consistently show more favorable perceptions and purchase intentions for racially diverse or all-Black model compositions. The findings contribute to literature on the effects of group racial perceptions in marketing communications and provide key implications for practitioners.

#### **INTRODUCTION**

Advertising is an essential tool for brands to convey their values, promote their products or services, and connect with their intended audience. Brands often use visual stimuli in their marketing materials to tell stories and connect with different groups of consumers, and one common way to do so is through imagery of people. However, representations of people in advertisements have not always reflected the reality of what the larger society looks like. Historically, marketers have been reluctant to use People of Color (POC) in advertisements out of fear that they would alienate White consumers, who are still the ethnic majority group in the United States (Appiah, 2001). In fact, previous research has shown that high-prejudice White individuals respond with significantly less favorable attitudes towards advertisements featuring a Black model than low-prejudice Whites (DiMeo & Whittler, 1991). More recent studies have also shown that consumer racism negatively impacts ethnic majorities' judgements and purchase intentions of products from minority-owned businesses (Ouellet, 2007; Rao Hill & Paphitis, 2011).

Nevertheless, "diversity and inclusion" have become widely-discussed topics across organizations in the last decade. The murder of George Floyd at the hands of the Minneapolis police in the summer of 2020 marked a significant moment in the history of racial minority groups in the United States (Yang et al., 2021). After the incident, a wave of protests and social movements such as Black Lives Matter (BLM) gained traction, and not long after, the *Stop Asian Hate* movement also emerged in response to the racial discrimination agasint Asian Americans during the COVID-19 pandemic. These movements were significant in shaping racial relations in the United States as they uncovered the systematic oppression that ethnic minority groups have and still continue to face in the United States (Song & O'Donnell, 2021).

In response to these events, corporate communication strategies have gone through considerable transformations in the past few years, with brands actively devoting efforts to emphasize racial diversity, equity, and inclusion (DEI) in their marketing materials to meet changing social attitudes. Customers nowadays wish to see themselves reflected in brand messages, and marketers have grown more concerned about how to target an increasingly more diverse yet polarized U.S. population (Melancon, 2021). Thus, these changes open up an opportunity to expand on previous research on ethnic perception in marketing.

The effects of ethnic perception on product advertisement effectiveness have been widely documented. Past experiments have shown that an ad spokesperson's race can significantly influence the perceptions and purchase intentions of ethnic minority consumers. Still, White consumers (the ethnic majority) generally feel indifferent towards a model's race in a product advertisement (Kim & Lee, 2019). Moreover, past research has explored the effects of a spokesperson's race on consumer perception in social advocacy advertisements (Lee et al., 2013). In addition to product promotion, social advocacy communication allows brands to publicly support social causes that align with company values. For example, brands have recently employed social advocacy advertisements to take a stance on social causes surrounding racial injustice (Yang et al., 2021), or promoting messages of hope during the COVID-19 pandemic (Deng et al., 2022). Both types of advertisements serve to communicate brand messages in different ways, and previous studies have shown that consumers' ethnic perceptions can significantly impact advertising effectiveness (Lee et al., 2002; White, 2007).

However, much of the existing literature has not considered the notable developments in racial relations following the summer of 2020. Consumers today have become more vocal about the lack of representation plaguing industries (Saputo, 2019). The high engagement that diverse

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advertisements (whether commercial or social) have garnered in recent years suggests a growing concern for brands to be more cognizant of ethnic representation in their marketing materials. Although prior studies have shown that White consumers are generally ambivalent towards ethnically-targeted advertisements, recent socio-cultural developments suggest that a shift in racial attitudes could have occurred amongst the majority ethnic group, thus changing their ethnic perceptions in advertisements (Tesler, 2020).

Previous research has also overlooked how consumers respond to larger group compositions in advertising images. Experiments on targeted ethnic advertising have only examined how individuals respond to single-model advertisements. As such, this study seeks to examine how variations in group racial compositions are perceived across two types of marketing communications: product advertising, and social advocacy advertising. Three different variations of racial composition are tested: all-White models, ethnically diverse models, and all-Black models. Through these manipulations, we examine the effects of non-diverse, diverse, and all-minority racial compositions. Additionally, we investigate how racial priming (bringing racially-charged language to consumers' attention) influences people's judgment of the ethnic composition in the advertisements. By racially priming consumers, this study explores how racially-charged language cues might influence behavior. Our findings provide a better understanding of how consumers perceive racial representation in advertising images and expand the literature on diversity and inclusion in marketing practice.

#### LITERATURE REVIEW

#### **Diversity in Product Advertising**

Diversity in marketing communication has been a widely discussed topic across industry and academia (Jamal, 2003; Cui & Licsandru, 2018). Marketing communication imagery has deep roots in racist and discriminatory practices dating back to the colonial period, and underrepresentation in advertising spaces has been the focus of many qualitative studies in the past (Davis, 2018). For instance, a previous study reveals that the percentage of POC represented in children's television advertising, specifically African Americans, Hispanics, and Asians, is less than proportional to the ethnic makeup of the city in which the advertisements appeared. Further analysis suggests that for sophisticated products such as toys and electronics, advertisers are more likely to use Caucasian and Asian characters, who are perceived to be more positively stereotyped (Maher et al., 2008). Other research has also examined colorism and the manifestation of whitewashing in marketing communications, showing that darker-skinned models were nine times less likely to be featured in print advertisements for beauty products than light and medium-skinned models (Mitchell, 2020).

Additionally, previous scholarship has explored the role of marketing in a multicultural society. Studies indicate that exclusionary marketing practices such as the underrepresentation of social groups can potentially motivate consumers from such groups to revolt and be frustrated with the advertised brand (Cui & Licsandru, 2018). Marketing practices have become so embedded in society that they have a significant impact on the way consumers construct and maintain their identities (Jamal, 2003). When marketing images promote exclusionary practices and interfere with people's sense of acceptance, belongingness, and equality, it leads to skewed

conceptions of particular social groups and perpetuates structural social advantages (Gopaldas & Siebert, 2018).

Although the literature suggests that racial biases have influenced marketing practices in the past, the rise of social movements following the events of May 2020 has pushed marketers to place a stronger focus on diversity, equity, and inclusion (DEI) (Guzmán, 2021). The BLM movement served as a wake-up call for brands in relevant ways: given that BLM stands against structural racism, silence from brands on the issue was often perceived by consumers as taking the side of the oppressor (Hurst, 2020). The movement also further highlighted how structural racism and underrepresentation have suppressed marginalized voices, thus sparking a call, both from consumers and marketing managers, for more diverse racial representation in advertising imagery. A recent study involving participants from Brazil, the United Kingdom, and the United States found that 54% of consumers do not feel culturally represented in online advertising and 64% indicated they wished to see more diversity (de Lima Alcantara, 2021). In addition to satisfying customer's need and desires, DEI strategies in marketing communications are also seen as a successful tool to improve long-term brand equity by positioning the brand as emotionally competent<sup>1</sup> (Poole, 2021). However, while marketers and consumers have shown growing concern for more diverse representation in contemporary advertising, there has been little research-based evidence on whether racial diversity in advertisements has a positive effect on consumer behavior.

Despite a heightened expectation for brands to embrace diversity in their marketing materials, only a few studies have examined the effectiveness of racially integrated product advertisements (ads promoting products or services) in experimental settings. Previous work on

<sup>&</sup>lt;sup>1</sup> Brand equity is defined as the value of a brand that is determined by consumer perception (rather than financial value). Organizations can build brand equity by creating positive experiences for consumers that speak to their morals and personal values.

in-group bias theory suggests that people tend to favor members of their own group more than members of the out-group (Brewer, 1979). For example, Elias et al., 2011 found that Black consumers generally rate advertisements with a Black product presenter more positively. Similar experiments have shown that other ethnic minorities, such as Asian Americans and Hispanics, also tend to prefer ads that feature an ethnic minority model (Appiah, 2001; Kim & Lee, 2019). Therefore, consumers are expected to evaluate ads featuring models of their same ethnicity more favorably. One previous study conducted in 1999 found that advertisement racial composition does not strongly influence African Americans' purchase intention of race-neutral products like perfume, but it does for race-based products like makeup foundation (Green, 1999). However, the effects of racially diverse ads (featuring models from more than just two races) on White consumers' behavior has not yet been explored. Given that such a demographic still represents the ethnic majority of American consumers, it is relevant for marketers to assess their ethnic perceptions in advertisements.

The current study aims to expand on prior work by broadening the scope of ethnic diversity and comparing White consumer responses to product ads featuring all-White vs. all-Black vs. diverse model compositions. Results from this experiment also provide an updated examination of racial perception in product advertisements following recent developments in racial justice issues. Therefore, the following research question is proposed:

**RQ1:** How does the ethnic composition in a product ad (all-White vs. diverse mix vs. all-Black) influence White consumers' (i) attitudes toward the brand, (ii) attitudes toward the ad, and (iii) purchase intention?

#### **Diversity in Social Advocacy Advertising**

Social advocacy advertising is another type of communication strategy that brands often use to enhance their marketing efforts. Prior research shows that social advocacy advertising serves three main purposes: (1) to enhance an organization's image; (2) to deflect criticism of the organization and/or its products, or (3) to communicate a company's values while attempting to raise awareness of social issues (Bostdorff & Vibbert, 1994; Lee et al., 2013). Many companies today have publicly taken a stance on social issues that align with company values (e.g. gender violence, environmental sustainability, or LGBTQ+ rights) (Bharadwaj & Rodríguez-Vilá, 2017). Notable examples include Pepsi's 'Live Now' campaign meant to promote unity and Gilette's 'The Best a Man Can Get' aiming to stand against toxic masculinity. While initially aimed to promote a positive message by taking a social stance, the ads backfired as both brands failed to predict how key consumer segments would decode the advertisements (Taylor, 2017; Trott, 2020). The controversial campaigns were eventually pulled, but such cases highlight how social advocacy marketing can significantly influence consumers' perceptions of brands.

While social advocacy advertisements are less focused on selling a product or service, studies have shown that proper advocacy communication can be an effective way to foster positive brand associations and purchase intentions (Groza et al., 2011). Research indicates that brands still reap business benefits by advertising their social commitments, as today's consumers, particularly Generation Z and Millenials, are belief-driven and want to see brands that improve the world by supporting social causes (Burnett, 2019).

The effect of ethnic perception in social advocacy advertisements has been widely studied, although their effectiveness is not as easily measured as effectiveness for product advertisements. Past research suggests that consumers' perceptions of value advocacy are

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mediated through customers' pre-existing schemas (Groza et al., 2011; Lee et al., 2002; Lee et al., 2013). Schemas are cognitive structures that represent a person's current knowledge about certain situations or stimuli, which allow customers to encode and retrieve information that is presented to them (Dimofte et al., 2003). In the context of social advocacy advertising, a previous study showed that increased congruity of consumers' brand schemas to the fact that brands are socially responsible leads to more favorable attitudes toward the advertised message (Bhaduri & Ha-Brookshire, 2017). When customers' perceptions of a brand align with the social message being conveyed, they are more likely to have positive reactions to the advertisement.

However, schema congruity alone does not fully explain the process through which consumers perceive social cause advertising. Previous research suggests that attribution theory can be used to explain how incongruent and congruent schema influence perceptions of social cause sponsorship (Lee et al., 2013). Attribution theory posits that individuals assign an underlying cause or explanation to a certain event (Kelley, 1973). If individuals have a reason to believe that there is an alternative explanation to an event (e.g. company is motivated by profits rather than by social good), consumers minimize the explanation of the original cause (Kelley, 1973). This theory proposes that consumers can have positive or negative attributions of corporate social sponsorship, and a negative attribution indicates that they perceive the company's social commitment as self-serving rather than genuine (Bhattacharya & Du, 2010). Therefore, brands should aim for positive attributions so their commitment to social causes is perceived as altruistic rather than self-serving to maximize their business benefits.

Drawing from schema congruity and attribution theory, prior research has also shown that an advertising model's ethnicity can influence consumers' perceptions of social cause sponsorship. This is because people use their own ethnicity as a schema to interpret information that is presented to them (Dimofte et al., 2003). One previous experiment demonstrated that Asian consumers find more schema congruence with social advocacy ads that displayed an Asian spokesperson and Asian cultural cues, leading to more positive messaging attributions and higher purchase intentions (Lee et al., 2013). Similarly, Arpan & Wang (2008) found that African American subjects responded more favorably to HIV public service announcements (PSAs) featuring a Black spokesperson compared to PSAs featuring a White spokesperson. Moreover, African Americans participants rated the Black spokesperson as more credible than the White spokesperson (Arpan & Wang, 2008). While Arpan and Wang (2008) examine PSAs from a non-corporate source, their findings still provide relevant insights on ethnic perceptions in social advocacy messaging.

Ethnic perception processes in social advocacy ads appear to remain consistent with those of product ads amongst ethnic minority groups. Overall, ethnic minority consumers tend to positively attribute social cause advertisements when the ad triggers schematic congruence with their ethnic identity. However, limited studies have examined how White subjects attribute social advocacy advertisements featuring racially-integrated group compositions. As the ethnic majority group, Caucasian consumers are generally less aware of racial disparities affecting marginalized groups, and thus are less sensitive towards model race cues in social advocacy advertisements (Deshpandé & Grier, 2001; Kim & Lee, 2019). Nonetheless, given the recent developments of race relations in the United States, the current study seeks to update previous research findings by examining White consumers' response to different group racial compositions in social cause advertisements.

**RQ2:** How does the ethnic composition in a social advocacy ad (all-White vs. diverse mix vs. all-Black) influence White consumers' (i) perceptions of the company's social cause commitment (ii) attitudes toward the brand, (iii) attitudes toward the ad, and (iv) purchase intention?

#### **Racial Priming**

Discussions surrounding racial equality have become much more politicized in recent years. A year after social movements intensified in the United States to protest George Floyd's murder, data revealed that Americans were deeply divided on racial inequality issues (Pew Research Center, 2021). When asked whether paying more attention to the history of racism in the U.S. was good for society, opinions between ethnic groups differed significantly: 75% of Black adults said attention to this topic was a good thing, with 54% saying it was "very good" for society (Pew Research Center, 2021). A majority of Asian Americans and Hispanics also believed that giving more attention to the nation's racial history was a positive thing. However, only 46% of White adults said that greater attention to such topics was good for society, with 24% saying it was "very good," and 32% saying it was bad (Pew Research Center, 2021). Such data suggests that American consumers' racial attitudes could become more polarized when they are intently reminded of structural inequalities affecting ethnic minorities.

Advertisers have long employed racial priming techniques to activate latent attitudes towards specific ethnic groups (Huber & Lapinski, 2006). Past research on racial priming in political campaigns explores how White voters evaluate candidates depending on the level of racial priming embedded in the advertisement (Hutchings & Jardina, 2009). One study found that White people's negative racial attitudes can be activated by simply highlighting racially-charged topics such as affirmative action in a political advertisement (Reeves, 1997). Mendelberg (2008) argues that Whites are generally ambivalent to racial issues, emphasizing that although they are committed to racial equality, they still continue to unconsciously project racial prejudice and promote anti-black stereotypes. Mendelberg's findings indicate that individuals tend to reject explicit racial appeals in advertisements because people perceive the obvious racial intent. Instead, implicit racial appeals in advertisements are more effective in shaping opinion formation (Mendelberg, 2008).

While racial priming has been largely studied in political campaigns, limited scholarship examines the effects of racial priming in product and social cause advertisements. In a previous study, Forehand, *et al.* (2002) explored the effects of embedded identity primes on spokespersons and advertisement evaluation. The study showed that Asian subjects responded most positively to Asian spokespeople and Asian-targeted advertising when they were exposed to identity primes, whereas Caucasian subjects responded most negatively to those same Asian identity primes (Forehand et al., 2002). These results indicate that awareness of racial differences may influence how consumers perceive advertisements featuring different model racial compositions.

Building on previous research, this study employs racial priming to examine how racially-charged language can impact consumers' advertisement perceptions and purchase intentions. By exposing individuals to racially-charged stimuli prior to viewing the advertisements, we explore whether these cues could prompt a stronger judgment of the racial composition in an ad. Thus, racial priming in this experiment serves as a measure of how real-world conversations about racial inequality in the United States may have an impact on consumers' perceptions of different ethnic groups in advertisements. As such, the following research questions are proposed:

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**RQ3:** How does prior exposure to racially-charged language influence White consumers' (i) attitude toward the brand, (ii) attitude toward the ad, and (iii) purchase intention in product advertisements featuring varied ethnic compositions?

**RQ4:** How does prior exposure to racially-charged language influence White consumers' (i) perception of the company's social cause commitment (ii) attitude toward the brand, (iii) attitude toward the ad, and (iv) purchase intention in social advocacy advertisements featuring varied ethnic compositions?

#### METHODOLOGY

#### Design

The experiment follows a 2 (ad type: social advocacy vs. product) x 3 (ethnic composition: all-White vs. diverse mix vs. all-Black) x 2 (priming: racially-neutral vs. racially-charged) between-subject design to explore the research questions. The questionnaire was designed using Qualtrics (see Appendix D). The five dependent variables include (a) ad likability, (b) brand likability, (c) brand trustworthiness, (d) net promoter score, (e) perceived advertiser's motives, and (f) purchase intention. Data for mediation variables (consumers' level of self-referencing and strength of ethnic identification) was also collected. The structure of the experimental conditions is illustrated in Table 1.

#### Table 1. Manipulations in Experiment

		All-White	Diverse mix	All-Black
Product Ad / Social Cause Ad	Racially-Neutral Stimulus			
	Racially-Charged Stimulus			

#### **Participants**

A total of 1249 participants across the United States were recruited using Amazon Mechanical Turk. In total, 62.44% of participants identified as male, 36.97% identified as female, and 0.5% identified as non-binary or did not wish to disclose. The mean age was 39, with a median of 36. From the participant sample, 83% identified as White, 7% as Black, and 10% as other people of color (POC). However, only Caucasian participants' responses (1,209 subjects) were taken into account for the analysis in this study.

#### **Stimulus Materials**

The experiment consisted of two levels of stimuli: priming passage, followed by ad exposure. The passages used for racial priming were extracted from an Insider.com article discussing topics about the American entertainment industry and the Academy Awards<sup>2</sup> (Sarkisian, 2021). Both racially-neutral and racially-charged passages had a length of fifty words. The racially-neutral passage contained general information about the Academy's mission in the film industry and the number of nominations that it gives out each year. The language employed in this first passage was neutral in the sense that racial or ethnic themes were not discussed. In

<sup>&</sup>lt;sup>2</sup> It is important to note that the experiment was conducted in December 2021, prior to the 2022 Academy Awards

contrast, the racially-charged message blatantly pointed out a diversity problem in the Oscars, stating that the nominations for the top award categories were overwhelmingly going to Caucasian creatives, clearly identifying racial inequalities in the American media industry. These passages were pretested with 15 volunteers to ensure that the priming message was effective in making participants think about issues surrounding racial injustice (see Appendix C for passages).

Six variations of full-color social media ads were created for the experiment. The advertisements were for Pompom Mobile, an imaginary smartphone manufacturing brand. A fictitious brand was used to avoid consumer bias or knowledge about existing brands. Two types of ads were created: a product commercial and a social advocacy ad. Each ad type had three variations of the models' ethnic composition (see Appendix B for ad mockups). The product ads were promoting Pompom's new cellphone model, whereas the social advocacy ads were promoting the company's efforts in supporting healthcare workers through donations of hospital equipment. A smartphone manufacturer was used as it is common to see technology brands employ both product and social advocacy ads on their social media. Each advertisement showed a group of six people, and the groups were either all White, ethnically diverse, or all Black. The ethnically diverse advertisements featured Asian, White, Brown, and Black models. The ad copy, brand names, and size remained consistent across all conditions.

#### Procedure

Ethical clearance for the study was obtained from the author's institution. Once subjects voluntarily consented to participate in the study, they were randomly assigned to one of the twelve experimental conditions. After screening out participants that were non-White and/or

failed attention checks, each condition ended up with between 67 and 84 subjects. The survey took an average of five minutes to complete and workers were compensated 50 cents for their time. Following the consent form, subjects were asked to carefully read either the racially-neutral (control condition) or racially-charged (primed condition) passage. Then, they were instructed to carefully review all components of the ad and proceed to the questionnaire. The question included items assessing attitudes toward the ad, attitudes toward the brand, purchase intention, perceived advertisers' motives, level of ad self-referencing, and strength of ethnic identification. The study concluded with demographic questions.

#### Measures

The study included five dependent variables: brand likability, ad likability, brand trustworthiness, net promoter score (likelihood to recommend brand), and purchase intention. All items were measured on a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). Question items included "Pompom Mobile is a likable brand," "I like Pompom Mobile's ad," "Pompom Mobile is a trustworthy brand," and "I would recommend Pompom Mobile to my friends/family/colleagues."

Purchase intention was measured by a 7-point Likert scale asking subjects to rate their interest in purchasing a product from the company (MacKenzie et al., 1986; Singh & Spears, 2004).

For social cause ads, the perceived advertiser's motive was included as an additional dependent variable. Consumers' perceived advertiser's motives refer to how they attribute an organization's sponsorship of a social cause. According to attribution theory, consumers can have positive and negative attributions toward a cause-related sponsorship (Dean, 2002). Positive

attributions signify that consumers perceive the social cause sponsorship as altruistic (caring more about social impact rather than corporate gains), whereas negative attributions indicate perceptions of the company as self-serving. Both types of attributions can exert an influence on consumers' perceptions, behaviors, and attitudes toward a brand (Lee et al., 2013). Perceived advertisers' motives were measured with a 5-item, 7-point Likert scale based on prior studies (Dean, 2002; Lee et al., 2013). Question items measuring positive attributions included the degree to which consumers perceived the social cause sponsorship as "generous" and "based on an honest wish to do good." Items measuring negative attributions asked the degree to which consumers perceived the social cause sponsorship as the company "acting in its own self-interest" and "having an ulterior motive."

#### RESULTS

Table 2 and 3 illustrate the means, standard deviations, and sample sizes analyzed for product and social advocacy ads. A series of t-tests were conducted to determine significance levels in pairwise comparisons for each dependent variable. Graphs illustrating the difference in means for the dependent variables are provided in Appendix A.

#### **Product** Ads

For product ads, there was no significant difference in ad likability, brand likability, brand trustworthiness, nor net promoter score across the three racial compositions in neither of the priming conditions for product advertisements. Such results indicate that variations in racial composition generally do not affect White consumers' attitudes towards the ad or the brand in product advertisements.

However, significant differences were found in purchase intention under specific conditions. When White subjects were not racially primed (i.e. they were exposed to the racially-neutral passage) they had significantly higher purchase intentions when they saw the ad with all-Black subjects (M = 5.107, SD = 1.582) than the ad with an ethnically diverse group (M = 4.552, SD = 1.480, p < .05). However, there were no significant differences in purchase intentions between the diverse vs. all-White or all-Black vs. all-White ads in the racially neutral condition. In contrast, when participants were racially primed (exposed to the racially-charged passage), they had significantly lower purchase intent for the all-Black ads (M = 4.479, SD = 1.681) than the all-White ads (M = 5.102, SD = 1.410, p < .05), but with no significant differences between the diverse vs. all-White or diverse vs. all-White ads. Interestingly, White subjects' purchase intentions for all-Black ads significantly decreased when they were racially primed (M = 5.107, SD = 1.582), compared to when they were not (M = 4.479 SD = 1.681, p < .05).

#### Social Advocacy Ads

For social advocacy ads, significant differences were found across all dependent variables in both priming conditions.

Ad Likability: When White subjects were not racially primed, ad likability was higher for the all-Black composition (M = 5.582, SD = 1.336) than for the all-White composition (M = 5.123, SD = 1.509, p < .05), but no significant differences were seen between the all-White vs. diverse or all-Black vs. diverse compositions. When racially primed, ad likability was significantly lower for the all-White composition (M = 4.616, SD = 1.861) than for the ethnically diverse composition (M = 5.494, SD = 1.404, p < .01) and the all-Black composition (M = 5.377, SD = 1.246, p < .01), but there were no significant differences in ad likability between the all-Black and diverse compositions.

*Brand Likability:* When not racially primed, Whites showed significantly lower brand likability when the advertisement featured all-White subjects (M = 4.959, SD = 1.628) than when it featured ethnically diverse (M = 5.419, SD = 1.020, p < .05) or all-Black subjects (M = 5.557, SD = 1.206, p < .05). Similarly, when participants were racially primed, they showed significantly lower brand likability when the advertisement featured an all-White group (M = 4.726, SD = 1.465) than when it featured an ethnically diverse group (M = 5.342, SD = 1.358, p < .01) or all-Black group (M = 5.325, SD = 1.250, p < .01). However, there were no significant differences in brand likability between diverse and all-Black ads in neither of the priming conditions.

*Brand Trustworthiness:* When not racially primed, brand trustworthiness was significantly higher when it featured all-Black (M = 5.443, SD = 1.196) subjects than when it featured all-White (M = 5.123, SD = 1.509, p < .01) subjects. Similarly, when White subjects were exposed to racially charged-language, brand trustworthiness scores were higher when ads featured all-Black (M = 5.416, SD = 1.140) subjects than when they featured all-White (M = 4.794, SD = 1.424, p < .01) subjects. Nonetheless, no differences in brand trustworthiness were seen between the all-White vs. diverse or all-Black vs. diverse comparisons in neither of the priming conditions.

Net promoter score: White subjects' likelihood to recommend the brand (net promoter score) was significantly higher when the ad showcased all-Black models (M = 5.026, SD = 1.376) than when it featured all-White models (M = 4.288, SD = 1.911, p < .01), but only when racially primed. There were no differences in net promoter score between the diverse and

all-White ads in the racially-primed condition, nor across any of the three racial compositions in the racially-neutral condition

*Purchase Intention:* Consumers showed higher purchase intentions when the ad featured all-Black models (M = 5.241, SD = 1.407) than when it featured all-White models (M = 4.726, SD = 1.742, p < .05) in the non-primed condition. When primed, the same effect was seen but with a higher degree of significance (M = 5.143, SD = 1.502) and (M = 4.370, SD = 1.882, , p < .01) respectively. However, there were no differences in purchase intention between the all-White vs. diverse or all-Black vs. diverse comparisons in neither of the priming conditions.

*Positive attributions:* Significant differences were found in positive attributions (i.e. attributing the social sponsorship as altruistic rather than self-serving). When White participants were racially primed and viewed all-White ads (M = 4.938, SD = 1.315), their perceived brand altruism was lower than when they were not racially primed and viewed all-Black ads (M = 5.462, SD = 1.058, p < .01). However, the higher positive attributions for all-Black ads became no longer significant once White subjects were racially primed.

	Not Primed (Racially-Neutral Stimulus)			Primed (Racially-Charged Stimulus)		
	All-White (N=72)	Diverse (N=67)	All-Black (N=75)	All-White (N=84)	Diverse (N=76)	All-Black (N=71)
Ad likability	4.89 (1.66)	4.94 (1.31)	5.16 (1.46)	5.17 (1.24)	5.34 (1.44)	5.23 (1.41)
Brand likability	5.29 (1.28)	5.13 (1.24)	5.32 (1.38)	5.18 (1.27)	5.18 (1.42)	5.00 (1.52)
Brand trustworthiness	4.94 (1.47)	5.10 (1.16)	5.00 (1.43)	4.93 (1.31)	5.16 (1.43)	4.97 (1.45)
Net Promoter Score	4.74 (1.63)	4.73 (1.53)	4.88 (1.55)	5.00 (1.54)	5.00 (1.67)	4.56 (1.85)
Purchase Intention	4.85 (1.77)	4.55 <sup>b</sup> (1.48)	5.11 <sup>a,b</sup> (1.58)	5.01° (1.41)	4.86 (1.69)	$4.48^{a,c}(1.68)$

Table 2. Responses to Product Ads Mean and Standard Deviation

Note: each entry lists averages on a 7-point Likert scale (strongly disagree - strongly agree). The values in parentheses are SD. Pairs of cells with the same superscript index differ significantly according to pairwise comparisons

*a, b, c* : *p* < .05

	Not Primed (Racially-Neutral Stimulus)			Primed (Racially-Charged Stimulus)		
	All-White (N=73)	Diverse (N=74)	All-Black (N=79)	All-White (N=73)	Diverse (N=79)	All-Black (N=77)
Ad likability	5.12 <sup>a</sup> (1.51)	5.28 (1.31)	5.58 <sup>a</sup> (1.34)	4.62 <sup>b,c</sup> (1.86)	5.49 <sup>b</sup> (1.40)	5.38° (1.25)
Brand likability	4.96 <sup>d,e</sup> (1.63)	5.42 <sup>d</sup> (1.02)	5.56 <sup>e</sup> (1.21)	4.73 <sup>f,g</sup> (1.47)	5.34 <sup>f</sup> (1.36)	5.33 <sup>g</sup> (1.25)
Brand trustworthiness	4.82 <sup>h</sup> (1.40)	5.16 (1.17)	5.44 <sup>h</sup> (1.20)	4.74 <sup>i</sup> (1.42)	5.17 (1.46)	5.42 <sup>i</sup> (1.14)
Net Promoter Score	4.77 (1.57)	4.77 (1.46)	5.15 (1.34)	4.29 <sup>j</sup> (1.91)	4.82 (1.58)	5.02 <sup>j</sup> (1.38)
Purchase Intention	4.73 <sup>k</sup> (1.74)	4.81 (1.48)	5.24 <sup>k</sup> (1.41)	4.37 <sup>l</sup> (1.88)	4.81 (1.69)	5.14 <sup>I</sup> (1.50)
Positive Attributions	5.17 (1.28)	5.25 (1.15)	5.46 <sup>m</sup> (1.06)	4.94 <sup>m</sup> (1.32)	5.22 (1.41)	5.28 (1.06)

Table 3. Responses to Social Advocacy Ads Mean and Standard Deviation

Note: each entry lists averages on a 7-point Likert scale (strongly disagree - strongly agree). The values in parentheses are SD. Pairs of cells with the same superscript index differ significantly according to pairwise comparisons a, d, e, k: p < .05

b, c, f, g, h, i, j, l, m: p < .01

#### DISCUSSION

This study focuses on White consumers by evaluating how they respond to ads featuring subjects that look like them (all-White ads), subjects that look like them along with a diverse crowd (Diverse ads), and subjects that do not look like them at all (all-Black ads). Findings from this experiment show that, under certain conditions, racial composition in advertisements does influence consumers' perceptions and purchase intention.

Results indicate that showcasing ethnically diverse or all minority models in product advertisements does not necessarily result in more favorable consumer perceptions. No significant differences were found for brand likability, brand trustworthiness, or likelihood to recommend the product across the different ethnic compositions. However, these results do not imply that displaying a diverse or all-minority set of subjects will lead to lower advertising effectiveness. Instead, the findings suggest that, despite heightened advocacy for racial justice in recent years, the ethnic majority (Caucasian) population of the United States still mostly feels indifferent to whether brands use diverse models or not in their product advertising. While previous research has found that consumers today claim to want more diverse representation in marketing media (de Lima Alcantara, 2021), the current study suggests that this desire could possibly be rooted in political correctness rather than in a genuine attitudinal change, as model diversity ultimately does not influence brand or ad evaluations when White consumers are evaluating product ads.

Prior scholarship has suggested that Whites are less likely to be aware of their racial identity and, therefore, less likely to notice racial differences (Appiah, 2001; Deshpandé & Stayman, 1994). This might explain why there was no difference in White subjects' brand and product ad perceptions across the three different racial compositions in this study. Our findings are consistent with previous ethnic research showing that White consumers generally do not vary in favorable attitudes toward advertisements based solely on the model's race (Lee et al., 2002; Kim & Lee, 2019).

However, significant effects were observed for purchase intention in product advertisements. White consumers had significantly higher purchase intentions for the all-Black ads than for the diverse ads when exposed to the neutral message. However, when racially primed, subjects' purchase intentions from the all-Black ads decreased, and consumers actually showed higher purchase intention for the all-White ads. Such results suggest that when White consumers are exposed to language highlighting racial inequality, their willingness to purchase decreases when they view an ad with all-Black subjects (compared to when racial inequality is not brought to their attention). This may be explained by Mendelberg's claim that although some Caucasians are genuinely committed to racial equality, many still unconsciously view demands for racial justice as illegitimate (Mendelberg, 2001). Thus, racially priming subjects could instigate racial tension or guilt amongst White consumers, leading to lower purchase intention for product ads that feature all-Black models.

In contrast, White subjects appear to be more responsive to models' racial composition for social advocacy ads. Brand likability, ad likability, brand trustworthiness, and purchase intention were all significantly higher for all-Black ads than all-White ads, both when consumers were racially primed and not. Racially diverse social ads also had higher ad and brand likability than all-White ads, but only when consumers were racially primed. The interaction effects seen in social advocacy ads suggest that Caucasian consumers tend to favor ads featuring diverse or all-minority subjects when brands are pursuing social advocacy goals. Interestingly, Caucasians were also more likely to attribute the corporate sponsorship as "genuine" and "based on an honest wish to do good" for all-Black ads when not racially primed than for all-White ads when primed. These results indicate that Whites generally favor social advocacy ads showcasing racial minority subjects in a racially neutral state; however, when reminded of racial inequality and white privilege, their altruistic attributions for all-White ads become significantly lower, yet without increasing altruistic attributions for all-Black ads. Menderlberg's claims may also apply here: given that Whites are generally ambivalent towards racial issues, they tend to reject explicit racial appeals because they violate the norm of racial equality (Mendelberg, 2001).

Such findings provide an interesting avenue for future research on recent developments in America's racial climate, stereotyping, and altruism. One recent study showed that when White individuals witnessed racism online, Whites with an empathetic emotional response to the racist content appeared to promote anti-racism advocacy more than those with a fear- or guilt-based response (Keum, 2021). It could be possible that when brands support a social cause, the

26

sponsorship triggers an empathetic response from White consumers, which could, in effect, lead to more favorable brand perceptions and behavioral intentions when racial injustice is brought to their attention. On the other hand, racial priming can also trigger a guilt-based response, which explains the lower altruistic attributions for all-White ads when racially primed with no significant improvement in positive attributions for all-Black ads. However, this mechanism does not fully explain why Whites still have more favorable perceptions of social advocacy ads featuring all-Black models even when subjects are not racially primed and when the advertised social cause is unrelated to racial issues. As previous literature has demonstrated, ethnic effects can be moderated by other variables such as industry category, product category, or type of social cause (Green, 1999; Arpan & Wang, 2008).

Findings from the current study provide significant practical implications for how racial composition in advertisements may influence White consumers' perceptions and purchase intentions. For marketing managers, our research shows that when promoting a product or a service, showcasing a diverse set of subjects or all minority subjects does not help brand or ad evaluations more than using all-White models. In fact, displaying all-Black models in product advertisements could hurt purchase intention when racial disparity, issues, and conflict are brought to the consumers' attention. On the other hand, when promoting corporate sponsorship of a social cause, showing a diverse set of subjects provides a partial improvement in brand and ad evaluation—but does not always result in significantly higher purchase intent. Lastly, presenting all minority (all-Black) subjects in social advocacy advertising consistently improves brand and ad evaluation and purchase intention. Better results are seen when White consumers are made aware of racial injustice.

While the findings discussed in the current study only reflect Caucasians' ethnic perceptions, an analysis of our entire sample size (which includes a percentage of POC that is proportionally representative of the United States' ethnic demographics) illustrates similar overall results in consumer perceptions and purchase intentions. However, previous research indicates that consumers' ethnic identity influences their racial perception in advertisements, so it is more appropriate to examine data from subjects in the same racial category. The results are generally consistent with prior scholarship in that consumers from the majority group usually feel indifferent about whether ethnic majority or minority models are showcased in product advertisements. Still, this study provides an updated examination of how these same consumers react to racial diversity in social cause advertisements, indicating that Whites showed more favorable responses to all-Black social ads for the most part.

#### FUTURE RESEARCH AND LIMITATIONS

As with many experimental studies, this research has limitations worth mentioning. First, ethnic perception and advertising effectiveness are influenced by external variables such as type of industry, product category, and the type of social issue being sponsored. Future research is needed to determine the extent to which these results may be generalized across different product and industry categories. Second, given the sheer volume of White participants in our population sample (83%), race-based results cannot be produced. As the study was conducted on Amazon Mechanical Turk, the ability to recruit an equal proportion of different racial demographics was limited. Future research should attempt to control for these differences or focus on population samples of Black or other ethnic minority groups.

Furthermore, the results should be interpreted with acknowledgement of some minor inconsistencies across the photo montages in the ad mockups. For example, there are small variations in location (indoor vs. outdoor scenes), lighting, and models' poses. Also, the all-Black product ads feature all female models, whereas the all-Black social advocacy ads feature all male models. Given that the ad mockups were intentionally designed to preserve a realistic and natural visual composition (with little indication of photo-manipulation), the visual components were not perfectly controlled for in the experiment. Future research should extend this work by determining whether these inconsistencies are significant or not.

Moreover, ad exposure in experimental settings cannot completely mimic the natural conditions in which consumers see ads every day. Future research could perhaps replicate the study in a field experiment and use different types of media (print or video). For instance, running a Facebook ad campaign and analyzing relevant business metrics such as clickthrough rate. Lastly, it would be interesting for future research to assess perceptions of group diversity in other countries and cultures.

Thus far, the current study has examined the extent to which the independent variables influence certain aspects of consumer behavior. However, the current discussion still does not establish a full direction of cause with concrete mediating or moderating variables. Why do Whites have more favorable attitudes and purchase intentions toward all-Black social cause advertisements, but not for product advertisements? Future studies should explore mechanisms in which racial diversity impacts White consumers' perceptions. Possible mediation variables worth investigating could be prejudice level, human warmth perception, political alignment, or cultural awareness.

In an attempt to illustrate mediating effects, an initial analysis of self-referencing and strength of ethnic identification is provided in Appendix E using data collected in the experiment. This section is not included in the main analysis of this paper given the limitations derived from the small percentage of POC subjects relative to Whites in this study's population sample. As demonstrated in previous literature, the mechanism of self-reference levels and strength of ethnic identification tend to have more consistent results with ethnic minority consumers. The preliminary mediation analysis still provides meaningful insights, but it is worth noting that Whites' level of self-referencing and strength of ethnic identification tend to vary more widely than those of ethnic minority groups.

All in all, this study provides an initial analysis of how White consumers perceive advertisements with different variations of racial composition. The findings contribute to previous ethnic research and provide an updated examination of racial perceptions in advertisements in the United States. Practical implications are discussed and future research opportunities are presented.

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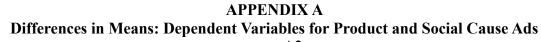
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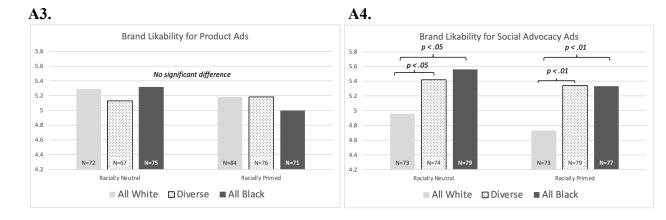
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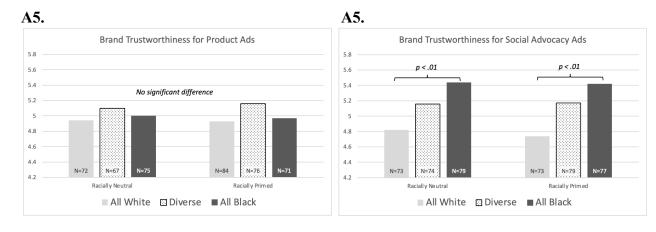
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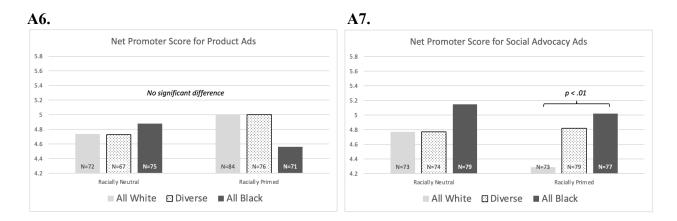
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A1. A2. Ad Likability for Social Advocacy Ads Ad Likability for Product Ads p < .01 5.8 5.8 p < .05 p < .01 5.6 5.6 5.4 5.4 No significant difference 5.2 5.2 5 5 4.8 4.8 4.6 4.6 4.4 4.4 N=72 N=67 N=73 N=73 N=79 N=84 N=76 N=71 N=74 N=77 4.2 4.2 Racially Neutral Racially Primed Racially Neutral Racially Primed ■ All White 
B Diverse ■ All Black ■ All White 
□ Diverse ■ All Black



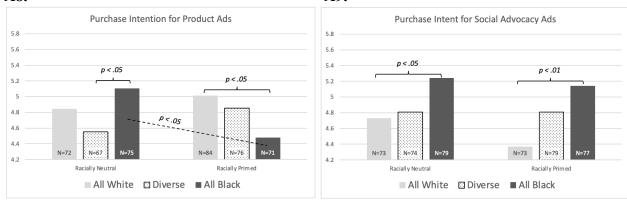




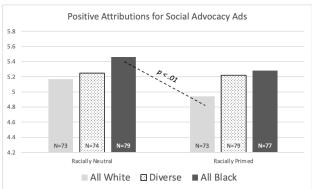


#### **A8.**

#### A9.



A10.



## APPENDIX B Product Advertisements (all-White, Diverse, all-Black) B2.

**B1**.

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O Comment

i Learn More

🔗 Share

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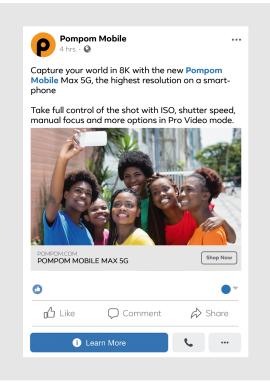
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Pompom Mobile 4 hrs · 🚱

i Learn More

## **B3**.

🖒 Like



## Social Advocacy Advertisements (all-White, Diverse, all-Black) B5.







**B6.** 



#### **APPENDIX C**

# **Racial Priming Passages**

*Racially Neutral (Control Condition):* "The Academy, made up of over 9,000 professionals working in the film industry, gives out awards every year to the best movies, performances, and behind-the-scenes work across the industry. Its goal, according to the organization, is to advance and "uphold excellence" within the motion picture industry."

*Racially-Charged (Primed Condition):* "When Insider looked at the nominations across best picture, best director, the top four acting categories, and the two writing categories, we found that Oscar nods were still overwhelmingly white. Only 6.3% of nominations went to Black creatives, while 2.6% went to Latinx people and 1.4% went to Asian people."

## **APPENDIX D**

## **Qualtrics Survey**

Q.1 *Consent Form* Participant Consent Form

Please read this form carefully. If you would like to participate in this study, please click the button below and enter your MTurk ID.

I understand that the general purpose of this study is to investigate purchase behavior and I consent to participate in this study.

My decision to consent is entirely voluntary and I understand that I am free to withdraw at any time without giving a reason. I also understand that withdrawal before completion could affect my payment. I understand that my responses will be kept completely confidential. I consent to the publication of the results of this study, so long as participant information is anonymized.

O I voluntarily consent to participate in this study.

Q.2 MTurk ID

Please enter your Mechanical Turk Worker ID. We need this to check who successfully completed the survey and whose work should be approved

# Q.3 Captcha Verification

This survey includes short scenarios that we ask you to read carefully.

There are no right or wrong answers, we are only interested in your honest opinion.

The questionnaire should take about 5 minutes to complete and you will receive a compensation of 50 cents for your time. Your M-Turk completion code will be provided at the end.

Please let us know that you are reading the instructions by checking the box below.

# Q. 4 Priming Passage (Only one displayed to each subject)

(Neutral Passage) Please read through the following passage very carefully:

"The Academy, made up of over 9,000 professionals working in the film industry, gives out awards every year to the best movies, performances, and behind-the-scenes work across the industry. Its goal, according to the organization, is to advance and 'uphold excellence' within the motion picture industry" (Insider, 2021)

## or

(Primed Passage) Please read through the following passage very carefully:

"When Insider looked at the nominations across best picture, best director, the top four acting categories, and the two writing categories, we found that Oscar nods were still overwhelmingly white. Only 6.3% of nominations went to Black creatives, while 2.6% went to Latinx people and 1.4% went to Asian people." (Insider, 2021)

# Q.5 Ad Stimulus (Only one of the 6 different variations of ads is shown to each subject)

Consider the following scenario:

You are scrolling through social media, and you come across the following sponsored ad from Pompom Mobile on your feed. Pompom is a multinational technology company specializing in smartphones. Please review all components of the advertisement

# Q.6 Evaluation of Dependent Variables

The following questions will ask you the extent to which you agree to the statements presented

Main DVs (Part 1) (Shown for all ads):

Based on what you saw on Pompom Mobile's ad, to what extent do you agree/disagree with the following statements?

	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7
Pompom Mobile is a likable brand	0	0	$\bigcirc$	0	0	0	0

I like Pompom Mobile's ad	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
I have high interest in purchasing a product from Pompom Mobile	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
Pompom Mobile is a trustworthy brand	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
I would recommend Pompom Mobile to my friends/family/colleagues	0	0	0	0	0	0	$\bigcirc$

Social DV1 (Part 2) (Shown only if it is a Social Cause ad): Based on what you saw on Pompom Mobile's ad, to what extent do you agree/disagree with the following statements?

	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7
The donation by Pompom Mobile is generous	0	0	0	0	0	0	0
The donation by Pompom Mobile is based on an honest wish to do good	0	0	0	0	0	0	$\bigcirc$
Pompom Mobile is acting in its own self-interest in making the donation	0	0	0	0	0	0	$\bigcirc$
Pompom Mobile seems to have an ulterior motive in making the donation	0	0	0	0	0	0	$\bigcirc$

If you are paying attention, please select two	0	0	$\bigcirc$	$\bigcirc$	0	0	$\bigcirc$
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*Product DV 2 (Part 2) (Shown only if it is a Product ad):* Based on what you saw on Pompom Mobile's ad, to what extent do you agree/disagree with the following statements?

	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7
I can easily picture myself using the advertised product	0	0	0	0	0	0	0
Pompom Mobile's ad is informative	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
Pompom Mobile's ad is pleasant	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
Pompom Mobile is a sincere brand	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$
If you are paying attention, please select two	0	$\bigcirc$	$\bigcirc$	0	0	$\bigcirc$	$\bigcirc$

	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7
I have a clear sense of my ethnic background and what it means for me	0	0	0	0	0	0	0
I am happy that I am a member of the ethnic group I belong to	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	0	$\bigcirc$
I have a strong sense of belonging to my own ethnic group	0	0	0	0	0	0	0
I have a lot of pride in my ethnic group and its accomplishment s	0	0	0	0	0	0	0
I feel a strong attachment to my ethnic group	0	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	0

Q.7 *Strength of Ethnic Identification (Shown to all participants):* The following questions will ask you the extent to which you agree to the statements presented

	Strongly Disagree 1	2	3	4	5	6	Strongly Agree 7
I can easily form similarity judgments between myself and the advertising models	0	0	0	0	0	0	0
Pompom Mobile's ad seems to be written for me	0	0	0	$\bigcirc$	0	$\bigcirc$	0
Pompom Mobile's ad interested me personally	0	0	0	$\bigcirc$	0	$\bigcirc$	0
I can easily picture myself being a customer of Pompom Mobile	0	$\bigcirc$	0	$\bigcirc$	0	0	$\bigcirc$
The ad made me think about my own experiences with Pompom Mobile	0	0	0	$\bigcirc$	0	$\bigcirc$	0

Q. 8 *Self-Referencing (Shown to all participants):* The following questions will ask you the extent to which you agree to the statements presented

- Q.9 What is your year of birth?
- Q.10 Gender What gender do you identify with?

O Male

○ Female

- O Non-binary / third gender
- $\bigcirc$  Prefer not to say
- Q. 11 Race What ethnicity do you best identify with?

○ White

- O Hispanic / Latino / Spanish origin
- O Black or African American
- O American Indian or Alaska Native
- Native Hawaiian or Pacific Islander

# O East Asian

O South Asian

Other Asian\_\_\_\_\_

$\bigcirc$	Two	or	more	races	

O Other \_\_\_\_\_

Q. 12 Education What is your level of education?

O Less than high school

O High school graduate (or equivalent)

 $\bigcirc$  Some college

○ College graduate

O Postgraduate/Professional degree

O Prefer not to answer

Q.13 Effort Check

This study required substantial time and effort to put together. If for whatever reason you feel that you did not respond to the questions carefully or accurately, we would greatly appreciate you informing us of this now.

Your answer will NOT affect your payment or reputation on Mechanical Turk.

Have you responded to the questions carefully and accurately?

• Yes, and my answers should be included in the analysis.

• No, and my answers should not be included in the analysis.

#### **APPENDIX E**

#### **Exploring Mediation Variables**

This section in the appendix explores ethnic self-referencing and the strength of ethnic identification as possible mediating variables for why Caucasian consumers might perceive varying racial compositions differently. However, it is important to highlight that theories of self-referencing and strength of ethnic identification are more applicable to studying the behavior of ethnic minorities rather than Whites. This preliminary analysis provides an initial observation of whether such theories can also apply to Caucasian consumers, and if there is a direction of cause for why there are differences in how they perceive diversity in advertisements.

#### **Ethnic Self-Referencing**

Ethnic identification is the degree to which someone identifies with their ethnicity. Identification theory states that people assess their similarities with an information source and make judgments based on these similarities (Appiah, 2001). Previous studies examining the role of consumers' ethnicity on advertisement perceptions suggest that ethnic minority groups tend to respond more favorably to advertisements featuring spokespeople of their same race (Appiah & Liu, 2009). Such findings can be explained through the process of self-referencing, a phenomenon that occurs when a consumer processes information by relating it to some aspect of themselves (Lee et al., 2002). Self-referencing allows consumers to associate a stimulus with their pre-existing schemas, and it has been shown that schema congruity, in the sense that consumers can strongly relate the advertising content to their personal experiences, leads to more favorable responses to the advertisement. (Lee et al., 2002).

Self-referencing theory is based on the concept of self, a complex memory structure containing knowledge that a person accumulates over their lifetime (Burnkrant & Unnava, 1995). Lee et al. (2002) showed that when consumers are exposed to advertisements featuring elements that are consistent with a salient dimension of their "self", they self-reference the ad. In line with this theory, ethnicity can be a strong point for self-referencing for consumers, especially for those who identify with an ethnic minority group (Hesapci et al., 2016). Past experiments have shown that ethnic minority consumers engage in stronger self-referencing when advertisements show models of their same ethnicity (Hesapci et al., 2016). In turn, stronger self-referencing leads to more favorable thoughts, attitudes, and purchase intentions (Lee et al., 2002).

However, limited scholarship examines how consumers evaluate advertisements featuring highly diverse racial compositions (e.g. White, Black, Hispanic, Asian). While self-reference theory posits that ethnic minority consumers are more likely to reference their own ethnicity in ads, little research examines how the introduction of other ethnicities into the ad's racial composition would influence consumer perception. Appiah found that Black, Hispanic, and Asian American adolescents responded more favorably to ads featuring Black characters because ethnic minorities are more likely to believe they are the intended audience of ads featuring minority characters (Appiah, 2001). Moreover, self-reference theory suggests that racial composition in social advocacy advertisements might be more meaningful to consumers when brands are advocating for social causes consistent with their concept of self. Thus, we predict that consumers will highly self-reference ads featuring models of their same ethnicity, whether that is White, Black, or other POC. Moreover, self-referencing will act as a mediating variable between advertisement ethnic composition and consumer perception. As such, we derive the following hypotheses:

H1: Levels of self-referencing will display a mediating effect between racial composition and consumers' (i) perception of the company's social cause commitment (ii) attitude toward the brand, (iii) attitude toward the ad, and (iv) purchase intention in social advocacy advertisements

**H2**: Levels of self-referencing will display a mediating effect between racial composition and consumer's (i) attitude toward the brand, (ii) attitude toward the ad, and (iii) purchase intention in product advertisements

#### **Strength of Ethnic Identification**

Past research has also highlighted the significance of consumers' strength of ethnic identification and how it mediates their perception of promotional messages. Green showed that African American women who strongly identified with their ethnicity evaluated advertisements that featured only African American models more positively, whereas African American women who did not identify as strongly with their ethnicity had more positive evaluations of advertisements that featured only White models (Green, 1999). Similarly, another study found that Asian Americans who identify strongly with their ethnicity perceive advocacy advertisements with an Asian spokesperson more favorably than the advertisements with a White spokesperson (Lee et al., 2013).

As for the effects of an ad model's ethnicity on White consumers' advertisement perceptions, studies have pointed to less concrete results (Hong & Len-Riós, 2015; Lee et al., 2013; Watson et al., 2009). Kim & Lee (2019) showed that White Americans do not vary in

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self-referencing based on the model's race, nor does it affect their purchase intention or attitude towards the advertisement. This is because White consumers are considered to be the majority racial group in American society and are generally less mindful of ethnic cues in advertising images (Appiah, 2001).

However, limited scholarship examines how a consumer's strength of ethnic identification might influence their perceptions of social advocacy advertisements featuring diverse mixes of ethnic composition. A study by Arpan & Wang (2008) demonstrated that African Americans perceived HIV public service announcements more favorably when the spokesperson was African American. They also found that a spokesperson's race was a more powerful predictor of HIV PSA evaluation among African American participants than was the spokesperson's expertise. These findings suggest that ethnic minorities might perceive social cause ads that feature a higher percentage of people of color as more trustworthy and attribute altruistic motives to the brand's social advocacy.

In product advertisements, the ethnic composition of models influences consumer perception in different ways. A previous study found that African American consumers who identified strongly with their ethnic culture had higher purchase intention when viewing Black-dominant ads (a Black model placed front and center in between two White models) (Green, 1999). However, Green's study only examined mixes of White and Black models, and all participants were African American. The aim of this study is to expand on previous literature by exploring how Caucasian consumers perceive advertisements with varying degrees of ethnic diversity (all-Caucasian vs. diverse vs. all-Black). We predict that the strength of ethnic identification is a mediator of how strongly consumers will self-reference the advertisement. Given previous demonstrated relationships between the strength of ethnic identification on different consumers' advertisement perceptions, we hypothesize the following:

H1: Strength of ethnic identification will display a mediating effect between racial composition and consumers' (i) perception of the company's social cause commitment (ii) attitude toward the brand, (iii) attitude toward the ad, and (iv) purchase intention in social advocacy advertisements

**H2**: Strength of ethnic identification will display a mediating effect between racial composition and consumer's (i) attitude toward the brand, (ii) attitude toward the ad, and (iii) purchase intention in product advertisements

## **Methodology and Measures**

The measurement of the mediating variables was part of the main experiment, so the design, stimulus materials, and procedure were exactly the same. Mediation analysis with categorical variables was conducted using the product of the coefficients method with STATA.

#### Self-Referencing

The degree to which participants self-referenced the ad was measured by averaging a group of 5-item, 7-point Likert scales derived from prior research (Hesapci et al., 2016). Items included statements like "I can easily form similarity judgments between myself and the advertising models," "the ad seems to be written for me," and "I can easily picture myself being

a customer of this company." A reliability test of the measuring items yielded a Cronbach's alpha of a = 0.90, indicating that the items were highly reliable.

## Strength of Ethnic Identification

Participants' strength of ethnic identification was measured using a 5-item, 7-point Likert scale based on Phinney's Multigroup Ethnic Identity Measure (Phinney, 1992). The scale included items such as "I have a clear sense of my ethnic background and what it means for me," "I am happy that I am a member of the ethnic group I belong to," and "I feel a strong attachment to my ethnic group." A reliability test of the measuring items yielded a Cronbach's alpha of a = 0.91, indicating that the items were highly reliable.

## Results

Table 2. Coefficients for Self-Referencing as Mediation Variable in Product Ads (Effects relative to reference group (all-White ads))

	Purchase Intent	Ad Likability	Brand Likability
Indirect Effect for Diverse Ads	.084	.061	.057
Indirect Effect for All-Black Ads	.081	.059	.055
Total Indirect Effect	.165	.121	.113
Total Direct Effect	522**	.155	248

	Purchase Intent	Ad Likability	Brand Likability
Indirect Effect for Diverse Ads	.288*	.188	.168
Indirect Effect for All-Black Ads	.460**	.300**	.269**
Total Indirect Effect	.747**	.488**	.437**
Total Direct Effect	.160	.645**	.700**

Table 3. Coefficients for Self-Referencing as Mediation Variable in Social Advocacy Ads (Effects relative to reference group (all-White ads))

\*p< 0.05 \*\*p < 0.01

Table 4. Coefficients for Strength of Ethnic Identification as Mediation Variable in Social Advocacy Ads (Effects relative to reference group (all-White ads))

	Purchase Intent	Ad Likability	Brand Likability
Indirect Effect for Diverse Ads	.111	.087	.081
Indirect Effect for All-Black Ads	.241**	.189**	.177**
Total Indirect Effect	.352*	.276*	.259*
Total Direct Effect	.555*	.857**	.878**

<sup>\*</sup>p< 0.05 \*\*p < 0.01

Table 4. Coefficients for Strength of Ethnic Identification as Mediation Variable in Product Ads (Effects relative to reference group (all-White ads))

	Purchase Intent	Ad Likability	Brand Likability
Indirect Effect for Diverse Ads	026	021	0202
Indirect Effect for All-Black Ads	.087	.073	.069
Total Indirect Effect	.062	.052	.049
Total Direct Effect	419	.223	185

# Discussion

As shown in the tables above, self-referencing and the strength of ethnic identification may have a significant mediating effect between an advertisement's racial composition and White

consumer's perceptions and purchase intentions. Self-referencing showed to be a significant predictor of purchase intention, ad likability, and brand likability ( $\beta = 0.460$ , p < 0.01;  $\beta = 0.300$ , p < 0.01;  $\beta = 0.269$ , p < 0.01, respectively) when White consumers viewed all-Black ads. Strength of ethnic identification also showed to be a significant predictor of purchase intention, ad likability, and brand likability ( $\beta = 0.241$ , p < 0.01;  $\beta = 0.189$ , p < 0.01;  $\beta = 0.177$ , p < 0.01, respectively) when White consumers viewed all-Black ads. Interestingly enough, contrary to what previous literature would predict, White subjects who viewed the all-Black social advocacy ads (M = 4.312, SD = 1.646, P < .05) had significantly higher levels of self-referencing than those who viewed the all-White ads (M = 4.911, SD = 1.339). However, neither self-referencing nor strength of ethnic identification was a significant predictor of consumer evaluations and purchase intentions for product ads, regardless of racial composition. Consistent with the initial interaction effects seen in this study, the mediating mechanisms work differently depending on whether the ad is promoting a product or a social cause. However, these mechanisms still do not fully explain why White consumers have higher levels of self-referencing with all-Black ads more than all-White ads in the first place. This is a possible avenue for future research.