

The Impact of “Made-in-America” Advertising Claims on Consumer Ethnocentrism

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Abstract

The significant impact of global marketing on the United States economy is common knowledge. With multiple foreign brands being imported or produced domestically in a wide swath of industries, U.S. consumers are surrounded by products produced by companies that are not traditional “American” names. This has resulted in a widespread debate concerning the desirability of this phenomenon, with one side favoring global trade to benefit consumers and the other side citing loss of U.S. jobs as a detrimental effect. The presence of foreign brands in a local economy has long been known to stimulate ethnocentric beliefs, feelings, and behavioral tendencies among consumers, but the development of global supply chains has resulted in substantial foreign direct investment in many industries that muddies the water in terms of what exactly a “foreign” brand means. For example, is the Hyundai Sonata a foreign brand since the company is Korean, or is it a domestic brand since the car is produced in Montgomery, Alabama? How do “Made-in-America” advertising claims interact with this manufacturing scenario?

Consumer ethnocentrism includes a person’s beliefs, feelings (i.e., attitudes), and behavioral intentions regarding how appropriate it is to purchase foreign products instead of those produced in the domestic market (Sharma 2015). Concern about job opportunities for fellow citizens and their nation’s economic condition is also a major component of consumer ethnocentrism, which can influence purchase decisions when consumers believe domestic products are superior to brands from other regions of the world (Josiassen 2011; Steenkamp & de Jong 2010). Ethnocentric tendencies are inherently comparative in nature (i.e., foreign vs. domestic; us versus them), yet until Neese & Haynie (2015), no known study had empirically tested whether or not foreign versus domestic brand comparisons could significantly influence ethnocentric reactions to advertising. Neese & Haynie (2015) report that advertising content featuring U.S. automobile brands compared to foreign automobile brands did significantly impact ethnocentric reactions among consumers immediately after processing one of several test advertisements. However, their analysis did not feature “Made-in-America” claims, which is a logical extension of that study and is the focus of the analysis presented here.

Methodology

A survey was conducted to explore the impact “Made-in-America” advertising claims might have on consumer ethnocentrism. Shimp & Sharma’s (1987) ten-item CETSCALE was used to measure ethnocentric beliefs and feelings immediately after processing one of the following six treatments deployed in this analysis:

	No Subhead	Made-in-America	Made-in-[City]
U.S. Brand Sponsors	(1) <i>n</i> = 83 ▶ 2016 Chevrolet Malibu ▶ 2016 Lincoln MKX	(2) <i>n</i> = 67 ▶ 2016 Chevrolet Malibu ▶ 2016 Lincoln MKX	(3) <i>n</i> = 81 ▶ Detroit, MI ▶ Detroit, MI
Foreign Brand Sponsors	(4) <i>n</i> = 80 ▶ 2016 Hyundai Sonata ▶ 2016 Acura RDX	(5) <i>n</i> = 78 ▶ 2016 Hyundai Sonata ▶ 2016 Acura RDX	(6) <i>n</i> = 82 ▶ Montgomery, AL ▶ East Liberty, OH

Data were collected through *Qualtrics* using an online panel of adult consumers in the United States (*n* = 471). Two quantitative tests were run, first using Analysis of Covariance (ANCOVA) and second using Analysis of Variance (ANOVA).

Results

To test the direct impact a “Made-in-America” advertising claim might have on CETSCALE responses, ANCOVA was initially used to control for the Hierarchy of Effects. These include *Attitude toward the Ad* (Aad), Cronbach’s Alpha = .91; *Brand Beliefs* (Bblf), Cronbach’s Alpha = .90; *Attitude toward the Brand* (Ab), Cronbach’s Alpha = .91; and *Purchase Intentions* (PI), Cronbach’s Alpha = .92. Cronbach’s Alpha for the CETSCALE is .93. Table 1 displays the results of this ANCOVA.

Table 1: ANCOVA for CETSCALE Responses across Six Treatments

Source	Type III Sum of Squares	df	Mean Square	F	Sig. of F	Observed Power ^b
Corrected Model	89.132 ^a	9	9.904	6.170	<.001	1.000
Intercept	151.355	1	151.355	94.288	<.001	1.000
Aad	10.883	1	10.883	6.780	.010	.738
Bblf	1.037	1	1.037	.646	.422	.126
Ab	1.066	1	1.066	.664	.416	.128
PI	18.747	1	18.747	11.679	.001	.927
<i>Treatment</i>	16.663	5	3.333	2.076	.067	.690
Error	740.011	461	1.605			
Total	10192.200	471				
Corrected Total	829.143	470				

a. R-Squared = .107 (Adjusted R-Squared = .090)

b. Computed using alpha = .05.

The reader is directed to the highlighted results for the *Treatment*, which indicates a nonsignificant difference in CETSCALE means across the six categories of test ads.

The *Observed Power* statistic (.690) is lower than the .80 typically desired. The addition of covariates to an analysis should raise the power level, or inclusion of those covariates is not appropriate regardless of the theoretical basis for doing so (Hair et al. 2010). Therefore, an ANOVA was produced to determine whether any improvement would materialize in the power statistic without the Aad, Bblf, Ab, and PI covariates. The numerical results of this second analysis are displayed next in Table 2, flowed by a visual display in Figure 1.

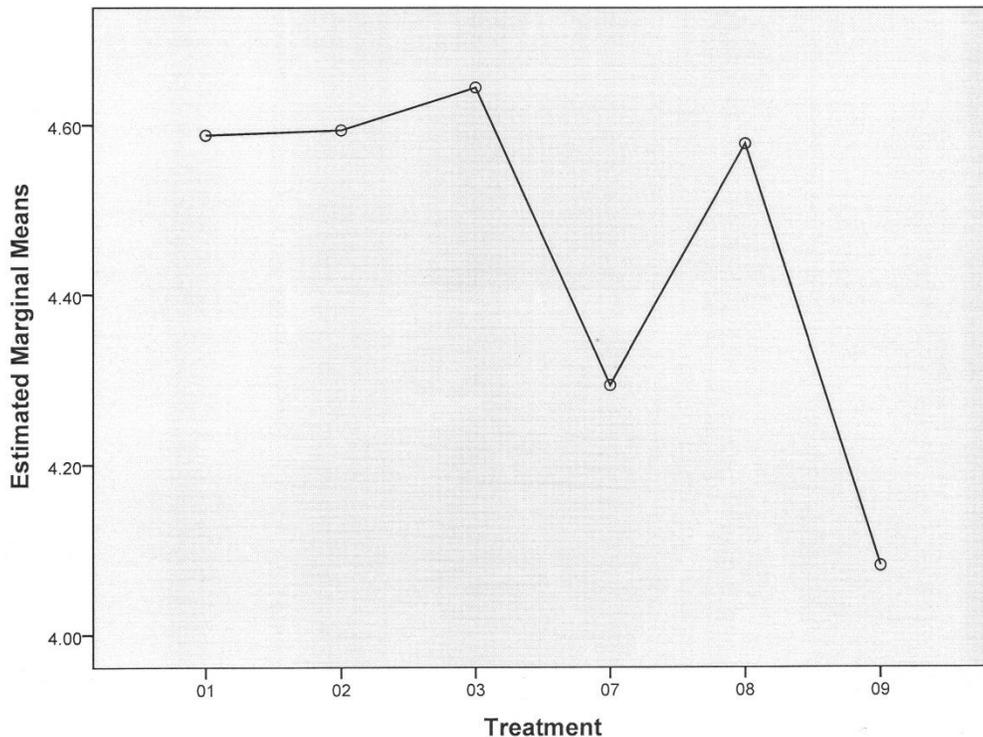
Table 2: ANOVA for CETSCALE Responses across Six Treatments

Source	Type III Sum of Squares	df	Mean Square	F	Sig. of F	Observed Power ^b
Corrected Model	20.429 ^a	5	4.086	2.349	.040	.752
Intercept	9333.103	1	9333.103	5366.411	<.001	1.000
Treatment	20.429	5	4.086	2.349	.040	.752
Error	808.714	465	1.739			
Total	10192.200	471				
Corrected Total	829.143	470				

a. R-Squared = .025 (Adjusted R-Squared = .014)

b. Computed using alpha = .05.

Figure 1: Graph of CETSCALE Means across Six Treatments



Although still not at the desired minimum level of .80, the ANOVA improved the *Observed Power* statistic from .690 to .752. In addition, mean CETSCALE differences

are statistically significant at the .05 level without inclusion of the covariates. The remaining discussion will focus on results from the second analysis.

Discussion

A brief explanation of the CETSCALE is warranted at this point for the reader to be able to accurately interpret the results presented above. Unlike Hierarchy of Effects variables where higher means on a seven-point scale are better for the sponsoring brand, higher means for the CETSCALE indicate a higher level of agreement with statements such as “A real American should always buy American-made products” or “American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.” Thus, higher CETSCALE means indicate a consumer with a more “Buy American” sentiment, whereas lower means indicate a person who is more receptive to imported foreign brands. The issue of foreign brands being produced in the U.S. and how that might impact post-exposure CETSCALE responses to advertising is tested in this study.

The three treatments sponsored by traditional American automobile brands (i.e., Chevrolet and Lincoln) produced the highest three CETSCALE means (4.59, 4.59, and 4.64 respectively). Although the “Made in Detroit” subhead is the highest mean among these three, *Pairwise Comparisons* indicate they are not significantly different from one-another. Clearly illustrated in Figure 1, all three of these treatments are significantly different from treatment number six, which is comprised of two foreign brands produced in American cities that are specifically mentioned in the advertisements’ subheadlines. This advertising tactic apparently influenced respondents to significantly *disagree* with CETSCALE statements such as the two mentioned above, compared to their counterparts who were exposed to the other treatments in this between-subjects design.

Treatment 5 with a CETSCALE mean of 4.58 is the one sponsored by Hyundai and Acura models that are manufactured in America and make that claim in the subhead. This mean is virtually the same as for the three U.S. brand sponsors, and seems to indicate that foreign brands using a “Made-in-America” subhead are perceived the same as traditional American brands. However, treatment six is also significantly different from treatment five, indicating that unlike U.S. brands, foreign automobile brands manufactured in the United States produce significantly different ethnocentric responses when they employ a “Made-in-America” claim compared to naming the specific city their plants are located in.

In conclusion, the question remains which of these two significantly different advertising tactics is more profitable for foreign automobile brands manufactured in the United States.

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Relevance to Marketing Educators, Researchers and Practitioners: The impact of ethnocentric beliefs and attitudes on consumption behavior is an issue of importance throughout the world. Marketers should understand the implications of their communication tactics in this regard when entering foreign markets.

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