

## **Managing Brand Image With Facebook Advertising Content: A Case of Foreign Direct Investment in the United States**

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*The U.S. currently receives and invests the largest amount of Foreign Direct Investment (FDI) of any nation. The southeastern U.S. has particularly experienced significant growth in majority foreign-owned automobile manufacturing facilities and their component part suppliers. The FDI literature is rich yet incomplete, only recently exploring how social media might impact an FDI brand. No known study tests if or how Facebook advertising sponsored by an FDI firm can enhance that firm's brand image. In this study, the first main effect features images of an automobile produced by Hyundai Motor Manufacturing of Alabama versus similar test ads featuring images of that firm's actual employees. The second main effect features one noncomparative, one indirect comparative, and two direct comparative headlines across four treatment ads. Results indicate test ads with images of employees significantly improved Attitude toward the Company (ACOM) regardless of consumer perceptions of the automobile brand, whereas the comparative formats significantly impacted Attitude toward the Ad (AAD), Attitude toward the Brand (AB), and Purchase Intentions (PI).*

*Keywords: brand image, company image, comparative advertising, Facebook advertising, Foreign Direct Investment (FDI), Hierarchy-of-Effects*

### **INTRODUCTION**

The domain for the empirical study presented here is the world of Foreign Direct Investment (FDI) related to the United States of America (U.S.), particularly automobile manufacturing in the southeastern United States. However, its generalizability is as globally applicable as Facebook advertising might be. The U.S. both invests more in foreign economies (outsourcing) and receives more FDI (insourcing) than any other nation on earth (Masters & McBride, 2018; SelectUSA, n.d.). In the United States “FDI positively enhances job growth, per capita gross state product, compensation per employee, and value added per worker” (Underwood, 2012, p. 465). Despite irrefutable benefits to the domestic economy, FDI has its detractors (Beattie, 2014; Masters & McBride, 2018). State and local governments have been accused of offering too much in the way of tax and other incentives to attract FDI, and the influx of non-local employees has been identified as a burden on local resources (e.g., education or healthcare), not to mention taking jobs that could have been offered to local residents. Recent documentation of this acrimonious relationship was provided by Dawson (2019):

In an unusually strong-worded statement, Japan's largest automaker said [U.S. President] Trump's proclamation... that the U.S. needs to defend itself against foreign cars and components 'sends a message to Toyota that our investments are not welcomed.' The company said it has spent more than \$60 billion building operations in the country, including 10 manufacturing plants. (para. 2)

### **Establishing the Research Domain**

This section provides a background to help explain why the structure of this research study was chosen, particularly its creative aspects. First, there are many reasons why the U.S. is a global leader receiving FDI. A SWOT analysis produced by Kumar and Waheed (2007) lists several strengths that encourage FDI insourcing into the United States, including: a large consumer base with ample disposable income; skilled labor; relatively stable financial markets; deregulation; free access to factors of production; well-developed infrastructure, and relatively strong insulation from political interference in business operations. *Green-field* FDI occurs when the majority foreign-owned parent company builds a new production facility in the host (or domestic) nation, as opposed to acquiring control of an existing domestic firm through *direct investment* (Alfaro, 2017).

A current example of green-field FDI in the U.S. automobile industry is the Toyota and Mazda joint venture in Huntsville, Alabama. Construction of their \$1.6 billion automobile manufacturing joint venture has commenced on a 2,500 acre site (Bloomberg, 2018). When this factory begins production in 2021, Alabama will become the biggest automaker in the southeastern U.S. surpassing Kentucky, and is projected to become the second largest U.S. automaker in 2022 behind only Michigan. According to U.S. News and World Report (2017), Alabama exported the largest number of automobiles from any U.S. state in 2016 with a value of \$7.9 billion, shipped to 86 foreign countries.

Hyundai Motor Manufacturing of Alabama, LLC, began operations in Montgomery in 2005 with an investment of \$1.4 billion and 2,645 employees directly related to the plant (Underwood, 2012). Capacity in 2010 was 300,000 vehicles, including the Hyundai Sonata. According to Kumar and Waheed (2007), Korean automobile manufacturers operating in the U.S. are taking market share away from the traditional big-three domestic automakers (i.e., Fiat Chrysler, Ford, and General Motors) as well as Japanese automobile brands. "Thus, in the case of Korean manufacturers, we have a successfully executed example of foreign entry and expansion strategy [in the U.S. automobile industry]" (Kumar & Waheed, 2007, p. 190).

To ensure the stimulus processed by respondents was as realistic as possible and help enhance generalizability, the design of this study was intentionally based on South Korea's success investing in the Alabama automotive industry. Based on hierarchy-of-effects (HOE) theory, the present study investigates whether or not Hyundai Motor Manufacturing of Alabama can levy a controllable marketing variable (i.e., Facebook advertising content) to enhance its company and/or product brand image among U.S. consumers. This company was selected to sponsor the test advertisements featured in this survey because it is one of many well-known representatives of FDI in the U.S. automobile industry and is currently marketing products both domestically and abroad. Hyundai Motor Manufacturing of Alabama and other companies like it produce visible and tangible benefits for the domestic economy such as local job creation, which is relevant for this analysis.

### *Employees as Brand Advocates*

Employees can be effective brand advocates when representing their company (Lofgren & Tirey, 2011). Advertising featuring employees in positive roles can improve the firm's reputation and make that company more desirable as a potential employer (Rosengren & Bondesson, 2014). According to Fleck et al. (2014), "ads featuring corporate employees were capable of evoking feelings of strong credibility; reality and truth with no sugar coating. Employee spokespeople also served to effectively humanize the brand" (p. 87). In terms of corporate brand image for a foreign firm producing products in the U.S., featuring images of employees in advertising nonverbally communicates the value of that firm to the domestic economy through job creation.

*Consumer ethnocentrism* materializes when shoppers consider domestic products to be superior to imported brands (Josiassen, 2011; Steenkamp & de Jong, 2010). Us-versus-them ethnocentric reactions are inherently comparative, which affects consumption decisions by altering consumer brand attitudes, brand beliefs, and purchase intentions (Sharma, 2015). *Animosity* toward a foreign nation can negatively stimulate consumer ethnocentrism (Hoffmann, Mai, & Smirnova, 2011; Lwin, Stanaland, & Williams, 2010); alternatively, *affinity* for a foreign nation may drive ethnocentric reactions in a favorable direction for brands (Oberecker & Diamantopoulos, 2011). Ethnocentric tendencies are potentially impacted by employment opportunities in the domestic economy. This specifically relates to the economic well-being of a consumer's neighbors and other community members (Rhiney et al., 2013; Smyczek & Glowik, 2011). Shimp and Sharma's (1987) CETSCALE captures the employment dimension of ethnocentrism. The CETSCALE has been thoroughly vetted in studies both domestically and abroad to test its validity and reliability with positive results (e.g., Chowdhury & Rahman, 2014; Pentz, Terblanche, & Boschoff, 2013).

#### *Comparative Advertising*

Brand positioning is another phenomenon like ethnocentrism that is inherently comparative in nature (i.e., us-versus-them). Consumers mentally differentiate or associate their knowledge regarding one product or company in reference to what they know about competing consumption options. Comparative advertising is a widely-used tactic in the U.S. automobile market to help facilitate brand positioning, wherein the sponsoring brand compares itself to one or several competing brands in an attempt to favorably sway the minds of consumers along dimensions relevant to the purchase decision. Brand comparison information automatically positions the sponsoring brand in a manner deemed favorable to that company. Van Auken and Adams (2005) report that brand associations made through comparative advertising "warrant consideration as a strategic option in the creation of differential advantage" (p. 165).

According to Neese and Haynie (2015):

Most empirical studies test the effectiveness of different levels of comparative advertising intensity, typically *direct comparative* where competing brands names are included (e.g., Chevrolet Malibu names Toyota Camry), *indirect comparative* where the type or form of competing brands is mentioned but not a specific competitor (e.g., Lexus compares its GS350 to "other luxury sedans sold in America"), and *noncomparative* where only the sponsoring brand is mentioned. (p. 322)

Their Multivariate Analysis of Variance (MANOVA) demonstrated that consumer ethnocentric reactions captured with the CETSCALE can be modeled alongside traditional hierarchy-of-effects variables as a dependent variable, and that it can be significantly influenced at the moment of processing by a single advertisement featuring foreign versus domestic brand comparisons. The model established by Neese and Haynie (2015) is used as a basis for this study, with the inclusion of several covariates thought to be linearly related to the dependent variables plus an additional modification to the dependent vector as explained below.

#### *Dependent Measures*

The hierarchy-of-effects (HOE) has been used for decades as the theoretical model of choice to measure the effectiveness of marketing communications (Lavidge & Steiner, 1961; Ray, 1973). Wilkie and Farris (1975) identified the HOE as the most appropriate theoretical model to use measuring consumer reactions to comparative advertising. The comparative advertising main effect modeled in this study features all three levels of intensity described above; however, for the direct comparative format, Hyundai is compared to another foreign competitor (Honda) as well as a domestic brand (Chevrolet), which hypothetically adds an additional level of intensity for U.S. consumers. Do contemporary Americans view the Hyundai Sonata as a foreign brand challenging domestic U.S. brands because the company is foreign-owned, or has that dynamic changed because the brand is manufactured in the southeastern United States? Does animosity still exist among ethnocentric U.S. consumers who prefer traditional "Big-Three" automobile brands (i.e., Chrysler, Ford, and General Motors)?

## *Social Media*

One of the most powerful and ubiquitous ways companies today attempt to influence their constituency groups is through various forms of social media communication. Advertisers in the U.S. are projected to spend almost \$130 billion on all forms of digital advertising in 2019, which for the first time is more than they are expected to spend on traditional advertising (Enberg, 2019). That fact adds validity to this research design based on Facebook advertising and enhances generalizability of the results. Google and Facebook account for the largest share of digital advertising revenue with an estimated 56.8 percent in 2018 (eMarketer, 2018). According to eMarketer (2018), Facebook will garner \$21 billion in digital advertising revenue during 2018 just in the U.S., which is almost a 17 percent increase from the previous year. Despite the prevalence of social media advertising, few if any rigorous empirical studies have been published that test the effectiveness of varying Facebook advertising formats in brand positioning, and no known study has analyzed branding benefits that may accrue to the sponsor by using images of its own employees as content in social media advertisements.

Goldring and Gong (2017) reported that employees who are committed to their brands can significantly influence a wider social media audience to generate positive brand content, and Capatina et al. (2018) demonstrated how “social mention variables” including strength, sentiment, passion, and reach “have a significant positive effect on accommodation brands’ ranking, especially in terms of online branding strategies” (p. 235). The focus of those studies is on how employees can generate positive brand messages for their firms through their own social media activity, not as advertising spokespersons.

Holt (2016) believes that despite the potential for effective branding through social media, “companies are still struggling to come up with a branding model that works in the chaotic world of social media” (p. 50). He believes most brands chase trends that the majority of consumers (or employees for that matter) do not pay attention to, and that the way to break through this barrier is for brands to identify ideologies that are both relevant to the product category and relevant to what he terms “crowdcultures.” Crowdcultures are online communities that influence modern society, but they are typically far more interested in following celebrities (e.g., politicians, entertainers, athletes) than they are in following corporate brands. This begs the question: What can an average firm *realistically* do through its social media promotion mix to help its branding efforts in this age of low involvement with business and industry?

### **Research Questions and Hypothesis**

Employees know more about their industry, depend on it to support their households, and are therefore more highly involved with that industry than typical consumers. They are also more likely to be opinion leaders regarding that industry; therefore, not only are employees potentially effective advertising content, the influence of their personal characteristics on dependent measures must be accounted for in any test of advertising effectiveness that seeks to understand how the typical consumer will tend to react upon exposure to marketing communications. Neese and Haynie (2015) demonstrated that a single exposure to an advertisement can significantly influence respondents immediately post-processing. Given the lack of research literature directly related to this study, the following research questions are proposed in lieu of hypotheses:

***Research Question 1:*** Will single exposure to a Facebook advertisement featuring employee images significantly improve or deteriorate Attitude toward the Ad (AAD), Brand Attitude (AB), Attitude toward the Company (ACOM), Brand Beliefs (BLF), Purchase Intentions (PI), and consumer ethnocentric reactions (CETSCALE) versus the test ad that features images of the product?

***Research Question 2:*** Will single exposure to a Facebook advertisement featuring indirect or direct comparative headlines significantly improve or deteriorate Attitude toward the Ad (AAD), Brand Attitude (AB), Attitude toward the Company (ACOM), Brand Beliefs (BLF), Purchase Intentions (PI), and consumer ethnocentric reactions (CETSCALE) versus the test ad that features noncomparative headlines?

Neese and Haynie (2015) reported that respondent attitudes “were most positive toward the noncomparative advertisements with domestic sponsors and most negative toward the advertisements sponsored by the Japanese brands that explicitly named competing American brands” (p. 331). Although their treatment categories are different from those analyzed here, their results still suggest one testable hypothesis for this analysis:

***Hypothesis 1:*** *Single exposure to a Facebook advertisement with the comparative headline that directly names an American brand (Chevrolet) will stimulate significantly more negative Attitude toward the Ad (AAD), Brand Attitude (AB), Attitude toward the Company (ACOM), Brand Beliefs (BLF), Purchase Intentions (PI), and consumer ethnocentric reactions (CETSCALE) versus the comparative headline that directly names another foreign brand (Honda).*

## **METHODOLOGY**

The model structure empirically tested here features AAD, AB, BLF, PI, and CET as dependent variables in a Multivariate Analysis of Covariance (MANCOVA), with HYUF, INDF, COG, AFF and CON as covariates. Unique to this study is the inclusion of ACOM as a sixth dependent variable in the multivariate vector to determine the impact of the main effects on company image when adjustments due to covariation are made. From this point forward, the term “extended hierarchy-of-effects” or “extended HOE” refers to the model tested here that is based on these six dependent measures. An online Qualtrics panel of U.S. residents produced the sample data. Respondents were exposed to a single Facebook test advertisement in a between-subjects design sponsored by Hyundai Motor Manufacturing of Alabama, where visual aspects of the test ads are based on a content analysis of actual Hyundai Facebook advertisements.

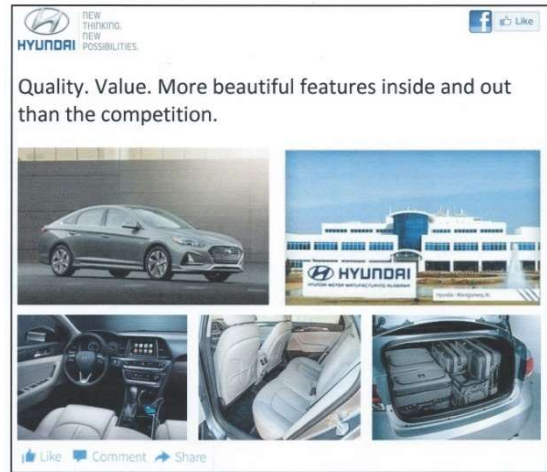
The *first main effect* is labeled PRDEMP to represent product (PRD) versus employee (EMP) content. PRDEMP is comprised of all four Facebook test ads recoded into Treatment 1 which features images of the Sonata automobile produced at this plant (see Figure 1). The second set of four test ads (see Figure 2) was recoded into Treatment 2 featuring images of employees working for this manufacturing facility. The four different headlines displayed in Figures 1 and 2 were alternatively recoded into the *second main effect* labeled FORMAT, which represents the noncomparative, indirect comparative, and two direct comparative headlines. Treatment 1 is comprised of the two noncomparative test ads, Treatment 2 is constructed from the two indirect comparative test ads, Treatment 3 is made by combining the two direct comparative test ads naming Honda, and Treatment 4 is comprised of the two direct comparative Chevrolet test ads. For FORMAT, the effects of any confound resulting from differences between the test advertisements should be mitigated by collapsing product and employee images with that particular headline format into a single treatment that ultimately only tests the four headline formats against each other. Similarly, the PRDEMP main effect has the four headlines collapsed into a single treatment that only compares Sonata content to Hyundai employee content.

**FIGURE 1**  
**PRODUCT-CONTENT TEST ADVERTISEMENTS**

(1) Noncomparative ( $n = 80$ )



(2) Indirect Industry Comparative ( $n = 80$ )



(3) Direct Honda Comparative ( $n = 77$ )



(4) Direct Chevrolet Comparative ( $n = 81$ )



**FIGURE 2**  
**EMPLOYEE-CONTENT TEST ADVERTISEMENTS**

(1) Noncomparative ( $n = 80$ )



(2) Indirect Industry Comparative ( $n = 76$ )



(3) Direct Honda Comparative ( $n = 77$ )



(4) Direct Chevrolet Comparative ( $n = 80$ )



Adult participants 19 years old or older viewed their respective test advertisement and then responded to a set of questionnaire items, including the Attitude toward the Company (ACOM) items listed in appendix Table A.1, which are partially based on items by Shanahan and Hopkins (2007) and Walsh and Beatty (2007). The other ACOM items were developed specifically for this study. Also listed in Table A.1 in the appendix are the traditional hierarchy-of-effects items, including Attitude toward the Advertisement (AAD), Attitude toward the Brand (AB), Brand Beliefs (BLF), and Purchase Intentions (PI). These variables were adapted for use here from Neese and Haynie (2015). The 10-item CETSCALE (CET) measure was taken verbatim from Shimp and Sharma (1987).

Personal characteristics are highly influential in shaping how employees respond toward their employer's brands (King & Grace, 2012). To capture employee identification with the industry as well as the company, a set of items from Neese and Davis (2017) were adapted to this analysis (see appendix Table A.2). These items measure cognitive, affective, and conative personal characteristics of respondents related to their *knowledge* of the U.S. automobile industry (COG), their *judgments* about FDI in the U.S. automotive industry (AFF), and their *employment* connections to the U.S. automobile industry (CON). Finally, respondent *familiarity* with Hyundai (HYUF) and familiarity with the automobile industry in

general (INDF) can potentially influence dependent variables (Malone & Lusk, 2018; Velasco Vizcaíno & Velasco, 2019) and are included as covariates in this model (see appendix Table A.2).

## RESULTS

A database of 631 U.S. consumers resulted from the Qualtrics panel survey. For PRDEMP, 318 respondents processed the treatment featuring images of the Hyundai Sonata and 313 respondents processed the Facebook ad with images of Hyundai employees. For FORMAT, 160 participants processed the noncomparative headline, 156 processed the indirect comparative headline, 154 processed the direct comparative Honda headline, and 161 processed the direct comparative Chevrolet headline. Demographic results are as follows:

- *Sex* (31% Male, 69% Female);
- *Race* (79% White, 11% Black, 1% Native American, 3% Asian, 3% Other, 3% Two or More Races);
- *Marital Status* (30% Never Married, 48% Married, 23% Other);
- *Age* (10% 19-25, 34% 26-40, 43% 41-65, 13% Over 65);
- *Education* (42% High School, 29% Undergraduate Degree, 13% Graduate Degree, 16% Other);
- *Total Household Income* (24% Under \$25,000, 27% \$25,000-\$49,999, 22% \$50,000-\$74,999, 12% \$75,000-\$99,999, 15% Over \$100,000);
- *Occupation* (5% Retail, 5% Education, 5% Healthcare, 3% Finance and Insurance, 3% Construction, 3% Manufacturing, 2% Professional, Scientific and Technical Services, 2% Arts, Entertainment and Recreation, 21% Retired, and 50% Other).

Independent-samples Kruskal-Wallis nonparametric tests of demographic variable distributions across the eight test advertisements in Figures 1 and 2 do not indicate any uneven distributions; every test is insignificant as required. The results are: *Sex* ( $p = .85$ ); *Race* ( $p = .78$ ); *Marital Status* ( $p = .71$ ); *Age* ( $p = .09$ ); *Education* ( $p = .36$ ); *Total Household Income* ( $p = .11$ ), and *Occupation* ( $p = .36$ ). There were also no significant differences detected across U.S. Census geographical regions for primary dwelling address ( $p = .33$ ).

### Scale Reliability and Validity

Principle component exploratory factor analysis (EFA) with a varimax rotation was used to identify factor loadings for the multi-item scales analyzed in this study (see appendix Tables A.1 and A.2 for Cronbach's alpha scores). Results from the Confirmatory Factor Analysis (CFA) used to assess this model are presented in Table 1. Parceling is necessary due to the large number of parameter estimates relative to responses (Little et al., 2002). As anticipated, the eleven-factor structure resulted in the most superior fit with the data ( $\chi^2 = 999.66$ ;  $df = 440$ ; CFI = .97; SRMR = .04, and RMSEA = .05 with 90% CI = .04, .05), so that theoretical model is used for subsequent analysis.

**TABLE 1**  
**CFA MODEL COMPARISONS**

Model <sup>a,b</sup>	<i>df</i>	Change in <i>df</i>	$\chi^2$ Statistic <sup>c</sup>	$\chi^2$ Difference <sup>c</sup>	CFI	SRMR	RMSEA	RMSEA 90% CI
1	440		999.66		.97	.04	.05	[.04, .05]
2	450	10	1726.60	726.94	.94	.07	.07	[.06, .07]
3	459	19	2346.05	1346.39	.91	.08	.08	[.08, .08]
4	467	27	2917.14	1917.48	.88	.08	.09	[.09, .09]
5	474	34	3586.63	2586.97	.85	.09	.10	[.10, .11]
6	480	40	3896.89	2897.23	.83	.09	.11	[.10, .11]
7	485	45	4676.95	3677.29	.79	.09	.12	[.11, .12]



8	489	49	6815.44	5815.78	.69	.12	.14	[.14, .15]
9	492	52	9605.43	8605.77	.55	.15	.17	[.17, .17]
10	494	54	10743.62	9743.96	.49	.15	.18	[.18, .18]
11	495	55	12597.14	11597.48	.40	.17	.20	[.19, .20]

Note. <sup>a</sup> Expected theoretical model: Dependent Variables = AAD, AB, BLF, PI, CET, and ACOM; Covariates = HYUF, INDF, COG, AFF, and CON.

<sup>b</sup> Model 1= 11 factors parceled per expected theoretical model (AAD, AB, BLF, PI, CET, ACOM, HYUF, INDF, COG, AFF, and CON).

Model 2 = 10 factors parceled (AFF+CON combined).

Model 3 = 9 factors parceled (COG+AFF+CON combined).

Model 4 = 8 factors parceled (HYUF+INDF combined).

Model 5 = 7 factors parceled (AAD+AB combined).

Model 6 = 6 factors parceled (AAD+AB+BLF combined).

Model 7 = 5 factors parceled (AAD+AB+BLF+PI combined).

Model 8 = 4 factors parceled (AAD+AB+BLF+PI+CET combined).

Model 9 = 3 factors parceled (HYUF+INDF+COG+AFF+CON combined).

Model 10 = 2 factors parceled (AAD+AB+BLF+PI+CET+ACOM combined).

Model 11= 1 factor parceled (All Dependent Variables and Covariates combined).

<sup>c</sup> All  $\chi^2$  statistics and  $\chi^2$  differences are significant at  $p < .001$ .

### Tests of Assumptions for MANCOVA

The reason for multivariate analysis of variance is that several individual dependent variables of interest are theoretically related (e.g., the hierarchy-of-effects). Therefore, the first assumption of Multivariate Analysis of Covariance (MANCOVA) is that the dependent measures are significantly correlated; MANCOVA is not appropriate if an identity matrix exists among the six dependent variables. Based on Bartlett's Test of Sphericity statistics (Approx.  $\chi^2 = 1862.97$ ;  $df = 20$ ;  $p \leq .001$ ), the null hypothesis is rejected as required for the analyses to proceed. This result replicates what Neese and Haynie (2015) found, that CET can be theoretically and quantitatively included in the dependent vector score along with AD, AB, BLF and PI. That theoretical finding is extended here by including ACOM in the dependent vector.

MANCOVA also assumes homoscedasticity across the treatment categories, which is tested using Box's Test of Equality of Covariance Matrices (Box's M) at the multivariate level and Levene's Test of Equality of Error Variances at the univariate level. Nonsignificant results are required in both cases. In this study Box's M = 216.15;  $F = 1.43$ ;  $p = .001$ , indicating the assumption of homoscedasticity has *not* been met at the multivariate level. According to Hair et al. (2010) "a violation of this assumption has minimal impact if the groups are of approximately equal size (i.e., Largest group size  $\div$  Smallest group size  $< 1.5$ )" (p. 365). The largest sample subset is 81 (see Figure 1 Headline 4) divided by the smallest subset of 76 (see Figure 2 Headline 2), and the quotient equals 1.07. This is substantially lower than the required 1.5 and indicates highly similar group sizes, which eliminates concern about the Box's M level of significance. Results from Levene's Test at the univariate level further reduce concern about heteroscedasticity across the treatment categories: AAD ( $p = .78$ ); AB ( $p = .65$ ); BLF ( $p = .81$ ); PI ( $p = .53$ ); CET ( $p = .80$ ), and ACOM ( $p = .71$ ). With the assumptions adequately satisfied, it is appropriate to proceed with MANCOVA to test for main treatment effects.

### MANCOVA Results

#### Multivariate

Both PRDEMP and FORMAT significantly varied hierarchy-of-effects mean reactions among respondents processing one test Facebook advertisement (see Table 2). This outcome determines that there is an affirmative answer to both research questions, but does not provide the direction of the answer (i.e., "improve or deteriorate"). There are no interaction effects evident in the statistical results. All of the covariates in the model significantly adjusted the dependent means except INDF. Based on the multivariate level results, analysis will proceed to the univariate level to determine the specific source(s) of significance.

**TABLE 2**  
**MANCOVA MULTIVARIATE RESULTS<sup>A</sup>**

Effect	Test	<i>F</i>	Hypoth. <i>df</i>	Error <i>df</i>	Partial $\eta^2$	Power
Intercept	Pillai's Trace	45.55***	6.00	613.00	.31	1.00
	Wilks' Lambda	45.55***	6.00	613.00	.31	1.00
	Hotelling's Trace	45.55***	6.00	613.00	.31	1.00
	Roy's Largest Root	45.55***	6.00	613.00	.31	1.00
HYUF	Pillai's Trace	11.56***	6.00	613.00	.10	1.00
	Wilks' Lambda	11.56***	6.00	613.00	.10	1.00
	Hotelling's Trace	11.56***	6.00	613.00	.10	1.00
	Roy's Largest Root	11.56***	6.00	613.00	.10	1.00
INDF	Pillai's Trace	1.84	6.00	613.00	.02	.69
	Wilks' Lambda	1.84	6.00	613.00	.02	.69
	Hotelling's Trace	1.84	6.00	613.00	.02	.69
	Roy's Largest Root	1.84	6.00	613.00	.02	.69
COG	Pillai's Trace	9.45***	6.00	613.00	.09	1.00
	Wilks' Lambda	9.45***	6.00	613.00	.09	1.00
	Hotelling's Trace	9.45***	6.00	613.00	.09	1.00
	Roy's Largest Root	9.45***	6.00	613.00	.09	1.00
AFF	Pillai's Trace	41.74***	6.00	613.00	.29	1.00
	Wilks' Lambda	41.74***	6.00	613.00	.29	1.00
	Hotelling's Trace	41.74***	6.00	613.00	.29	1.00
	Roy's Largest Root	41.74***	6.00	613.00	.29	1.00
CON	Pillai's Trace	2.50*	6.00	613.00	.02	.84
	Wilks' Lambda	2.50*	6.00	613.00	.02	.84
	Hotelling's Trace	2.50*	6.00	613.00	.02	.84
	Roy's Largest Root	2.50*	6.00	613.00	.02	.84
PRDEMP	Pillai's Trace	2.27*	6.00	613.00	.02	.80
	Wilks' Lambda	2.27*	6.00	613.00	.02	.80
	Hotelling's Trace	2.27*	6.00	613.00	.02	.80
	Roy's Largest Root	2.27*	6.00	613.00	.02	.80
FORMAT	Pillai's Trace	1.64*	18.00	1845.00	.02	.95
	Wilks' Lambda	1.64*	18.00	1734.31	.02	.93
	Hotelling's Trace	1.65*	18.00	1835.00	.02	.95
	Roy's Largest Root	3.84**	6.00	615.00	.04	.97
PRDEMP x FORMAT	Pillai's Trace	1.09	18.00	1845.00	.01	.78
	Wilks' Lambda	1.09	18.00	1734.31	.01	.75
	Hotelling's Trace	1.09	18.00	1835.00	.01	.78
	Roy's Largest Root	1.55	6.00	615.00	.02	.60

*Note.* <sup>a</sup> GLM AAD AB BLF PI CET ACOM BY PRDEMP FORMAT WITH HYUF INDF COG AFF CON.  
\*\*\*  $p \leq .001$ ; \*\*  $p \leq .01$ ; \*  $p \leq .05$ .

#### *Univariate*

The Corrected Model results displayed in Table 3 demonstrate that the overall model tested here significantly influenced all six univariate dependent mean values at  $p \leq .001$ . In a MANCOVA procedure, observed power is the probability that an existing treatment effect will be revealed. A minimum power statistic of .80 is the rule-of-thumb (Hair et al., 2010), and the observed power for all six dependent tests is maximized at 1.00. Partial  $\eta^2$  and unadjusted  $R^2$  values (both sets of statistics are identical) indicate that

consumer ethnocentric reactions to the test Facebook advertisement (.35) and attitude toward Hyundai (.22) explain the two largest effect sizes in the current model.

**TABLE 3**  
**MANCOVA UNIVARIATE RESULTS<sup>a</sup>**

Source	Dependent Variable	Type III Sum of Sq.	df	Mean Sq.	F	Partial $\eta^2$	Power
Corrected Model	AAD	148.00 <sup>b</sup>	12	12.33	8.01***	.14	1.00
	AB	169.11 <sup>c</sup>	12	14.09	9.72***	.16	1.00
	BLF	147.19 <sup>d</sup>	12	12.27	10.35***	.17	1.00
	PI	154.60 <sup>e</sup>	12	12.88	7.29***	.12	1.00
	CET	401.87 <sup>f</sup>	12	33.49	27.75***	.35	1.00
	ACOM	197.46 <sup>g</sup>	12	16.46	14.28***	.22	1.00
Intercept	AAD	200.87	1	200.87	130.46***	.17	1.00
	AB	190.11	1	190.11	131.18***	.18	1.00
	BLF	232.82	1	232.82	196.39***	.24	1.00
	PI	77.77	1	77.77	44.01***	.07	1.00
	CET	129.68	1	129.68	107.46***	.15	1.00
	ACOM	159.27	1	159.27	138.19***	.18	1.00
HYUF	AAD	43.76	1	43.76	28.42***	.04	1.00
	AB	45.91	1	45.91	31.68***	.05	1.00
	BLF	41.63	1	41.63	35.12***	.05	1.00
	PI	35.55	1	35.55	20.12***	.03	.99
	CET	9.07	1	9.07	7.52**	.01	.78
	ACOM	76.01	1	76.01	65.95***	.10	1.00
INDF	AAD	5.42	1	5.42	3.52	.01	.47
	AB	6.35	1	6.35	4.38*	.01	.55
	BLF	8.47	1	8.47	7.14**	.01	.76
	PI	3.23	1	3.23	1.83	.00	.27
	CET	5.38	1	5.38	4.46*	.01	.56
	ACOM	2.85	1	2.85	2.48	.00	.35
COG	AAD	.26	1	.26	.17	.00	.07
	AB	.08	1	.08	.06	.00	.06
	BLF	.49	1	.49	.42	.00	.10
	PI	.74	1	.74	.42	.00	.10
	CET	61.31	1	61.31	50.81***	.08	1.00
	ACOM	.46	1	.46	.40	.00	.10
AFF	AAD	.18	1	.18	.12	.00	.06
	AB	.17	1	.17	.11	.00	.06
	BLF	.06	1	.06	.05	.00	.06
	PI	5.72	1	5.72	3.24	.01	.44
	CET	285.57	1	285.57	236.64***	.28	1.00
	ACOM	.14	1	.14	.12	.00	.06
CON	AAD	1.50	1	1.50	.97	.00	.17
	AB	.07	1	.07	.05	.00	.06
	BLF	.08	1	.08	.06	.00	.06
	PI	.17	1	.17	.10	.00	.06
	CET	14.28	1	14.28	11.84**	.02	.93
	ACOM	.22	1	.22	.19	.00	.07

**TABLE 3 (CONTINUED)**

Source	Dependent Variable	Type III Sum of Sq.	df	Mean Sq.	F	Partial $\eta^2$	Power
PRDEMP	AAD	.24	1	.24	.16	.00	.07
	AB	1.09	1	1.09	.75	.00	.14
	BLF	.11	1	.11	.09	.00	.06
	PI	.27	1	.27	.15	.00	.07
	CET	.06	1	.06	.05	.00	.06
	ACOM	7.33	1	7.33	6.36*	.01	.71
FORMAT	AAD	16.60	3	5.53	3.59*	.02	.79
	AB	15.00	3	5.00	3.45*	.02	.77
	BLF	6.74	3	2.25	1.89	.01	.49
	PI	20.86	3	6.95	3.93**	.02	.83
	CET	2.32	3	.77	.64	.00	.19
	ACOM	1.48	3	.49	.43	.00	.14
PRDEMP x FORMAT	AAD	6.32	3	2.11	1.37	.01	.37
	AB	6.54	3	2.18	1.50	.01	.40
FORMAT	BLF	2.29	3	.76	.64	.00	.19
	PI	10.94	3	3.65	2.06	.01	.53
	CET	3.78	3	1.26	1.04	.01	.28
	ACOM	1.56	3	.52	.45	.00	.14

Note.

<sup>a</sup> GLM AAD AB BLF PI CET ACOM BY PRDEMP FORMAT WITH HYUF INDF COG AFF CON.

\*\*\*  $p \leq .001$ ; \*\*  $p \leq .01$ ; \*  $p \leq .05$ .

<sup>b</sup>  $R^2 = .14$  (Adjusted  $R^2 = .12$ )

<sup>c</sup>  $R^2 = .16$  (Adjusted  $R^2 = .14$ )

<sup>d</sup>  $R^2 = .17$  (Adjusted  $R^2 = .15$ )

<sup>e</sup>  $R^2 = .12$  (Adjusted  $R^2 = .11$ )

<sup>f</sup>  $R^2 = .35$  (Adjusted  $R^2 = .34$ )

<sup>g</sup>  $R^2 = .22$  (Adjusted  $R^2 = .20$ )

Familiarity with Hyundai (HYUF) significantly adjusted mean responses to the treatment conditions for all six dependent variables comprising the multivariate vector score. Respondent personal knowledge of, feelings toward, and employment in the U.S. automobile industry significantly adjusted mean dependent scores only for the CETSCALE variable. Although not directly tested in this analysis, these cognitive (COG), affective (AFF), and conative (CON) measures of the respondent's personal connection to the U.S. automobile industry might act as antecedent conditions influencing consumer ethnocentric tendencies to some degree.

#### Main Effects

PRDEMP significantly influenced the ACOM mean response but did not significantly influence any of the other five dependent variables, whereas FORMAT significantly influenced only AAD, AB, and PI. This outcome limits the positive support determined at the multivariate level for Research Questions 1 and 2 in the sense that all six dependent means were not significantly impacted by either main effect. Nonetheless, it demonstrates that images of employees can be used to help position a foreign-owned firm operating in a domestic economy. Headline formats were only effective for product positioning. Determining directionality of the significant differences caused by the two main effects requires a pairwise comparison of means, and that information is contained in Table 4. The statistics provided in Table 4 are also necessary to test Hypothesis 1, that exposure to the comparative headline directly naming Chevrolet will stimulate

significantly more negative extended hierarchy-of-effects responses than the comparative headline that names Honda.

**TABLE 4**  
**PAIRWISE COMPARISONS FOR SIGNIFICANT MAIN EFFECTS<sup>a</sup>**

Variable	PRDEMP	Mean	PRDEMP (I)	PRDEMP (J)	(I - J)	
ACOM	(1) Product Featured	4.75	1	2	-.22*	
	(2) Employees Featured	4.97	2	1	.22*	
	FORMAT		FORMAT (I)	FORMAT (J)		
AAD	(1) Noncomparative	5.01	1	2	-.10	
	(2) Indirect Industry Comparative	5.11		3	.05	
	(3) Direct Honda Comparative	4.96		4	.34*	
	(4) Direct Chevrolet Comparative		4.67	2	1	.10
					3	.14
					4	.43**
			3	1	-.05	
				2	-.14	
				4	.29*	
			4	1	-.34*	
				2	-.43**	
				3	-.29*	
AB	(1) Noncomparative	4.85	1	2	-.17	
	(2) Indirect Industry Comparative	5.02		3	-.07	
	(3) Direct Honda Comparative	4.92		4	.25	
	(4) Direct Chevrolet Comparative		4.60	2	1	.17
					3	.10
					4	.42**
			3	1	.07	
				2	-.10	
				4	.32*	
			4	1	-.25	
				2	-.42**	
				3	-.32*	
PI	(1) Noncomparative	4.00	1	2	-.06	
	(2) Indirect Industry Comparative	4.06		3	.02	
	(3) Direct Honda Comparative	3.98		4	.40**	
	(4) Direct Chevrolet Comparative		3.60	2	1	.06
					3	.08
					4	.46**
			3	1	-.02	
				2	-.08	
				4	.38*	
			4	1	-.40**	
				2	-.46**	
				3	-.38*	

Note. <sup>a</sup> GLM AAD AB BLF PI CET ACOM BY PRDEMP FORMAT WITH HYUF INDF COG AFF CON.

\*\*  $p \leq .01$ ; \*  $p \leq .05$ .

Pairwise comparisons for the PRDEMP main effect illustrate that employee content increased the ACOM mean by .22, resulting in a *more favorable* adjusted mean of 4.97 for the employee version versus

4.75 for the ad featuring images of the Sonata. Therefore, the answer to Research Question 1 is that one Facebook advertisement featuring employees did significantly improve respondent attitudes toward the company as measured by the ACOM items listed in Table 1. However, featuring employee content did not significantly improve or deteriorate reactions to the Facebook ad for any of the other dependent variables measured, so support for Research Question 1 is not 100 percent in the affirmative.

To address Research Question 2, pairwise comparisons for the FORMAT main effect show the direction and intensity of mean variations across four treatment conditions only for AAD, AB, and PI. Support for Research Question 2 is also not 100 percent complete for the extended HOE, but there is positive affirmation nonetheless. The noncomparative, indirect comparative, and direct Honda comparative headlines were not significantly different from one-another for any of these three dependent variables. However, the direct comparative headline naming Chevrolet was rated as significantly *less favored* for all three dependent variables. For AAD and PI means (with higher means being more favorable for Hyundai), the Direct Comparative Chevrolet headline was significantly lower than each of the other three headline formats. The Direct Comparative Chevrolet mean for AB was significantly lower than means for the Indirect Industry Comparative and Direct Honda Comparative headlines, but not for the Noncomparative headline. The finding that the Direct Chevrolet Comparative headline produced significantly lower AAD, AB, and PI means versus the Direct Honda Comparative headline provides solid support for Hypothesis 1.

## DISCUSSION

Contemporary brand positioning through the vast chaotic world of social media can be challenging, especially given the wide-spread lack of involvement with companies (compared to celebrities). Positioning a majority foreign-owned firm in a positive light domestically can be even more of a challenge given the negative publicity that sometimes surrounds FDI. However, firms today are forced to use social media to effectively reach their target markets. This analysis demonstrates that featuring employee content in social media advertising can significantly improve the sponsoring FDI firm's reputation among domestic consumers. A single exposure to Facebook advertising that featured employees improved U.S. consumer perceptions of Hyundai Motor Manufacturing of Alabama as being a good company to work for; being technologically advanced; having well-trained employees; being a good corporate citizen; caring about society; being socially responsible; playing a necessary role in society, and contributing to society. It also made those exposed to the employee content think that Hyundai responds to consumer needs better than for respondents exposed only to images of the Sonata automobile. The research design of this study is rigorous, the creative content tested is realistic, and the results can arguably be generalized to other forms of marketing communication sponsored by other FDI firms in many industries.

As expected, the comparative advertising headlines varying in intensity did result in significantly different reactions among consumers regarding the product itself, but unexpectedly not for the sponsoring firm. Taken with results for the PRDEMP main effect, this demonstrates a very real opportunity for a firm insourcing FDI in the U.S. to enhance its image by effectively featuring employees in company advertising *regardless* of whether consumers perceive that firm's products positively or negatively. Company brand image and product brand image appear to be related but separate constructs. They are related by the fact that the six individual dependent variables successfully modeled as a single dependent vector; they are separate because two different main effects based on advertising content significantly influenced the same dependent vector score in completely different ways at the univariate level. There is no significant overlap (i.e., interaction) between the two main effects. The employment dimension *visually* modeled here appears to be a strong motivating factor for U.S. consumers participating in this survey.

The strongest and most consistent result revealed by testing the FORMAT main effect comes in the form of a warning concerning the direct comparative statement naming Chevrolet. Consumer reactions to this headline were significantly lower than all three other formats tested. Even though Sonatas manufactured by Hyundai Motor Company of Alabama are indeed "Made in America," majority foreign-owned firms like Hyundai may wish to avoid naming a traditional U.S. company like Chevrolet in comparative advertisements. Naming another foreign brand like Honda was not rated significantly lower than

noncomparative or indirect comparative headlines by participants in this study, so that particular comparative advertising tactic does not appear to be problematic. However, although U.S. consumers have enthusiastically purchased foreign brands for decades, it appears that traditional U.S. brand names may still be psychologically protected (if not always purchased) by U.S. consumers.

Consumer ethnocentric reactions to the test ads measured through CETSCALE means are significantly adjusted by all five covariates included in this model. The three covariates that measure personal connections to the U.S. automobile industry (COG, AFF and CON) only influenced CET means. None of the other HOE dependent variables were affected by these three covariates, which is an unexpected result since employees of foreign-owned automobile manufacturers operating in the U.S. are known to purchase their own company's products at significantly higher rates than the population at large (e.g., Pries, 2003). Conversely, familiarity with Hyundai (HYUF) significantly influences each individual dependent variable in the multivariate vector. Of all the covariates, only HYUF significantly influenced the ACOM mean, which demonstrates the need to account for this variable in corporate branding research. Finally, general familiarity with the automobile industry (INDF) does significantly impact AB, BLF and CET at the univariate level, but all multivariate tests are insignificant so these results should be taken with caution.

This study is limited to one company in a single U.S. industry. Although both the company and the industry featured here are significant in terms of FDI in the U.S., generalizability may be limited. To address this limitation, a well-designed cross-national analysis featuring methodological attributes similar to this study can help determine factors important for foreign-owned firms to thrive in *any* international economy. Similar analyses should be conducted featuring other products in other industries. In addition, the purpose of this study was to determine if a single exposure to one Facebook advertisement can significantly influence respondents immediately post-processing. This does not accurately model how firms normally conduct promotion campaigns in their marketplaces. Although every effort was made to create a realistic research design, the effects of repeated exposure are not measured and tested here. Forced exposure to the test ad does not replicate the reality of information processing in the daily lives of consumers. Attention-compelling devices frequently used by marketers at different levels in the U.S. automobile industry (i.e., local vs. national) were not tested here. Finally, future studies should test the collective impact on company brand image when firms feature employees across integrated marketing communication (IMC) campaigns delivered to consumers through multiple forms of promotion.

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## APPENDIX

**TABLE A.1**  
**QUESTIONNAIRE ITEMS FOR SIX DEPENDENT VARIABLES**

Multi-Item Scale	Item Description
Attitude toward the Ad (AAD) <sup>1</sup> (Cronbach's alpha = .90)	(1) Believable - Not Believable (2) Convincing - Not Convincing (3) Likable - Not Likable (4) Interesting - Not Interesting (5) Professional - Not Professional (6) Informative - Not Informative (7) Not Offensive - Offensive (8) Not Irritating - Irritating
Attitude toward the Brand (AB) <sup>1</sup> (Cronbach's alpha = .93)	(1) High Quality - Low Quality (2) Unique - Not Unique (3) Modern - Not Modern (4) Different - Not Different (5) Beautiful - Not Beautiful (6) Technologically Advanced - Not Technologically Advanced

Brand Beliefs (BLF) <sup>a</sup> (Cronbach's alpha = .92)	(1) Safe - Not Safe (2) Aerodynamic - Not Aerodynamic (3) Roomy Inside - Not Roomy Inside (4) Economical - Not Economical (5) Environmentally Friendly - Not Environmentally Friendly (6) High Grade Parts and Material - Low Grade Parts and Material
Purchase Intentions (PI) <sup>a</sup> (Cronbach's alpha = .94)	(1) Desirable - Not Desirable (2) Affordable - Not Affordable (3) Worth Test Driving - Not Worth Test Driving (4) Worth Leasing - Not Worth Leasing (5) Worth Buying - Not Worth Buying (6) Good Choice for Me - Bad Choice for Me
CETSCALE (CET) <sup>b</sup> (Cronbach's alpha = .94)	(1) Only those products that are not available in the U.S. should be imported. (2) American products first, last, and foremost. (3) Purchasing foreign-made products is un-American. (4) It is not right to purchase foreign products. (5) A real American should always buy American-made products. (6) We should buy products manufactured in America instead of letting other countries get rich off us. (7) Americans should not buy foreign products, because that hurts American business and causes unemployment. (8) It may cost me in the long run, but I prefer to support American products. (9) We should buy from foreign countries only those products that we cannot obtain within our own country. (10) American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.
Attitude toward the Company (ACOM) <sup>c</sup> (Cronbach's alpha = .97)	(1) Has Good Products - Does Not Have Good Products (2) Is Well Managed - Is Not Well Managed (3) Is Involved in the Community - Is Not Involved in the Community (4) Responds to Consumer Needs - Does Not Respond to Consumer Needs (5) Is a Good Company to Work For - Is Not a Good Company to Work For (6) Is Technologically Advanced - Is Not Technologically Advanced (7) Has Well-Trained Employees - Does Not Have Well-Trained Employees (8) Is a Good Corporate Citizen - Is Not a Good Corporate Citizen (9) Cares About Bettering Society - Does Not Care About Bettering Society (10) Is Socially Responsible - Is Not Socially Responsible (11) Is Environmentally Friendly - Is Not Environmentally Friendly (12) Supports Good Causes - Does Not Support Good Causes (13) Plays a Necessary Role in Society - Does Not Play a Necessary Role in Society (14) Contributes to Society - Does Not Contribute to Society

*Note.*

<sup>a</sup> Reverse-coded 7-point Semantic Differential scale: 1 = Least Positive; 7 = Most Positive.

<sup>b</sup> Reverse-coded 7-point Likert scale: 1 = Strongly Disagree; 7 = Strongly Agree.

<sup>c</sup> Reverse-coded 7-point Semantic Differential scale: 1 = Least Positive; 7 = Most Positive.

**TABLE A.2**  
**QUESTIONNAIRE ITEMS FOR FIVE COVARIATES**

Multi-Item Scale	Item Description
Company Familiarity (HYUF) <sup>a</sup> (Cronbach's alpha = .91)	(1) How familiar are you with Hyundai USA manufacturing? (2) How familiar are you with Hyundai Motor Manufacturing Alabama? (3) How familiar are you with the Hyundai Sonata automobile? (4) How familiar are you with an automobile dealership that carries Hyundai products? (5) How familiar are you with the type of advertising that Hyundai currently uses?
Industry Familiarity (INDF) <sup>a</sup> (Cronbach's alpha = .90)	(1) How familiar are you with the United States automobile industry? (2) How familiar are you with automobiles in general? (3) How familiar are you with family sedans in general?
Cognition (COG) <sup>b</sup> (Cronbach's alpha = .83)	(1) You are never going to get a car made 100 percent in one country anymore. (2) U.S. automobile production is now assembling parts made in foreign countries and shipped to the United States. (3) Ford, GM, and Chrysler still make the largest number of passenger vehicles in the U.S., but Toyota, Honda, and Nissan are a close second. (4) Several foreign automobiles assembled in the U.S. have the same percent of U.S. component parts as GM, Ford, or Chrysler. (5) Today, the majority of automobiles produced in the U.S. are not manufactured in Detroit, Michigan. (6) Foreign automobile companies have built the majority of their U.S. production facilities in the southeastern United States.
Affection (AFF) <sup>b</sup> (Cronbach's alpha = .82)	(1) I have always been upset that foreign companies like Honda, Toyota, and Nissan have built factories in the United States (2) The only reason Japanese automobile manufacturers built their plants in the southeastern United States is to avoid higher-wage unions like the United Auto Workers (UAW), which I don't think is fair for American workers. (3) I don't care what anybody claims; Japanese and German cars like Toyota or Mercedes can never be considered "American" regardless of where they are assembled. (4) In my opinion, the best automobile vehicles produced anywhere on Earth are still made by Ford, General Motors, and Chrysler. (5) I am usually critical of foreign automobile brands.
Conation (CON) <sup>b</sup> (Cronbach's alpha = .97)	(1) I work for a foreign company that creates products or services used to manufacture automobiles in the United States. (2) I am employed by a company that directly sells or markets German, Japanese, Korean, or some other foreign brand of automobile in the United States. (3) I work for a traditional American automobile manufacturing company (i.e., Ford, GM, or Chrysler). (4) I am employed by a dealership that sells or markets Ford, GM, or Chrysler automobile brands in the United States. (5) The dealership I work for sells both U.S. and foreign automobile brands.

Note.

<sup>a</sup> Reverse-coded 7-point Semantic Differential scale: 1 = Not Very Familiar; 7 = Very Familiar.

<sup>b</sup> 7-point Likert scale: 1 = Strongly Disagree; 7 = Strongly Agree.