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WHEN "MADE IN USA" IS OR ISN'T

ABSTRACT

Product claims help consumers make informed decisions about purchases. Country of origin claims help trigger associations related to product quality, performance, price, and allure. However, products can be assembled and produced in a particular country with imported parts. In this study, we examine consumer perceptions of the elasticity of “Made in the USA” claims. Using a preliminary sample of 131 consumers, this study shows that a third of consumers doubt the true extent of such claims while expressing concerns about whether marketers manipulate constructs, such as “assembled” or “made” in the U.S., to obtain positive consumer responses. We also show that individual consumer differences, such as political orientation, result in different purchasing outcomes.

Keywords

Brand management, consumer ethnocentrism, international marketing, consumer behavior

INTRODUCTION

While there is a vast body of literature on consumer perceptions of Country of Origin (COO) ([1] [4]), only one study has focused on what "American-made" means to consumers [3]. In the U.S., a COO label is required only for autos, textile products, and imported products [2]. Still, many manufacturers have profited by adding COO labels that declare a product is Made in USA (MUSA). This study takes a closer look at the consumer information processing of MUSA-type advertising claims to understand consumer perceptions of what MUSA labels do (vs. should) mean. This understanding will assist in pinpointing possible deception in labeling and help inform academics and practitioners on how to avoid deceptive labeling practices.

METHODS AND RESULTS

We developed an online survey to address our research questions. Participants ($N = 131$) were recruited through Prolific. Respondents then were asked, through an open-ended question, to express their perception of the MUSA label and how their perception influences their purchase decisions. Other measures included consumers' beliefs and expectations regarding MUSA claims, attitudes toward MUSA claims, attitudes toward products/brands with a MUSA claim, purchase intentions for products with MUSA claims, and intention to select the MUSA-labeled brand when two options are available-with (without) a MUSA claim.

We posed the following research questions: (RQ1) When consumers see a "Made in the USA label," what does it mean to them? The most frequent association with MUSA label was quality, positive emotions, country of manufacture, marketing, negative emotion, and authenticity. (RQ2) Which legal dimensions of "Made in the USA" do consumers believe are part of this claim? The highest-rated belief about the meaning of MUSA claims was that it would have to be *assembled in the USA of entirely USA-made parts, but a few of those parts use foreign-origin raw materials*. (RQ3) What are consumer perceptions of what "Made in the USA" label should mean? A MUSA product should be assembled in the USA of entirely USA-made parts, and USA-sourced materials. (RQ4) What degree of congruence exists between what consumers believe to be true about MUSA and what they think MUSA *should* mean? Participants' beliefs and expectations differed about the meaning of MUSA claims, with largest effect size for the statement "*Assembled in the USA of entirely foreign-made parts*." (RQ5) What are consumer purchase intentions related to MUSA-labeled products? Purchase intention was higher for products with a MUSA claim ($M = 5.90$, $SD = 1.13$), compared to one without that claim ($M = 5.66$, $SD = 1.26$), $t(83) = 2.82$, $p = .006$.

This study examined what meaning consumers attribute to MUSA claims, what meaning consumers think the label *ought* to have, and how such labels influence consumer purchase intentions. Consumers believe MUSA labels to mean that a product is assembled in the USA of entirely USA-made parts, even if a few of those parts use foreign-origin raw materials. However, participants believe a MUSA label *should* mean that a product is assembled in the USA of entirely USA-made parts, *and* USA-sourced materials. A notable conclusion to draw, here, is that confusion exists. Consumers are not sure what the MUSA label means, nor is their expectation aligning with reality in any consistent fashion. Future research should continue investigating "Made in the USA" labels. Qualitative methods, such as consumer interviews and focus groups, should be conducted to further understand the meanings and interpretations of MUSA claims.

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