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Often considered the sincerest form of flattery, imitation has practically always underlain the business sector. Firms mimic the innovations of others in all industries and at varied levels, resulting in a spectrum of copies that range from identical reproductions of the originals to copies with merely subtle resemblances. Intellectual property law generally prohibits the former via patent, copyright, and trademark protection. The retail sector has historically relied on trademark law to prevent imitations that confuse consumers as to the identity of the true manufacturer. However, imitations that do not create such confusion, primarily by copying aspects of another's offering that are unrelated to that firm's trademark (i.e., trend imitations), do not invoke infringement law as counterfeits do. Essentially, trend imitations are legal so long as they do not dilute the equity of the original brand. While a number of researchers have thoroughly examined consumer behavior associated with counterfeits, a much smaller sect has investigated the consumer response to trend imitations.

Therefore, the purpose of the current marketing research was to uncover the effects of such trend imitation on both a luxury brand that imitates another (defined as the junior brand), as well as the luxury brand that is mimicked (defined as the senior brand). Specifically, the study employed a 3 x 2 between-subjects experimental design to examine the effects of appearance similarity and price on both junior and senior brand management outcomes (brand attitude, brand equity, and brand preference). The research

was also aimed at exploring the relationships among these variables, as well the moderating effects of the consumer characteristics (ethics, prestige sensitivity, and fashion leadership) on said outcomes. Data were collected from a convenience sample of undergraduate students, with the final sample consisting of 340 participants. Of these, approximately 53% were Caucasians and approximately 90% of participants ranged from 18-22 years old. Multivariate analysis of variance was employed to test the main effects of appearance similarity and price point and the moderating effects of the consumer characteristics, while a series of regressions were performed to test the relationships between the brand management outcomes.

Results revealed that similarity of juniors to seniors in terms of appearance (low, moderate, and high) and price point (at versus below) affect junior brand management outcomes, yet not those of well-known seniors. The results also reveal that consumer ethics moderate the effect of appearance similarity and price point on both junior and senior brand management outcomes, while fashion leadership moderates that effect only with respect to the senior brand. The findings further support the existence of relationships between the brand management outcomes of brand attitude, brand equity, and brand preference for both junior and senior brands. The research reveals a deeper conceptualization of consumer response to retail imitation practices, and provides managerial insight to both junior and senior brands involved in imitation practices. Limitations and future research directions are also offered.

EXPLORING THE IMPACT OF PRODUCT SIMILARITY AND PRICE ON BRAND
MANAGEMENT OUTCOMES OF JUNIOR IMITATIONS AND TRADITIONAL
SENIOR LUXURY BRANDS: THE MODERATING ROLES OF CONSUMER
CHARACTERISTICS

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Areti Tsitsakis Vogel

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Approved by

Committee Chair

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APPROVAL PAGE

This dissertation written by Areti Tsitsakis Vogel has been approved by the following committee of the Faculty of The Graduate School at The University of North Carolina at Greensboro.

Committee Chair _____
Dr. Kittichai Watchravesringkan

Committee Members _____
Dr. Nancy Hodges

Dr. ByoungHo Jin

Dr. Bonnie Canziani

Date of Acceptance by Committee

August 16, 2017
Date of Final Oral Examination

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CHAPTER I

INTRODUCTION

Chapter 1 serves as an introduction for the dissertation, and includes the following sections: 1) Research Background; 2) Statement of the Problem; 3) Context of the Study; 4) Purpose of the Study; 5) Significance of the Study; 6) Definition of Terms; and, 7) Organization of the Study.

Research Background

Imitation Practices in Today's Retail Market

Imitation of one firm by another is quite rife in business. A variety of industries harbor brands that copy the brand initiatives (e.g., brand names, logos, stores, products, packaging) of others (Satomura, Wedel, & Pieters, 2014). The apparel and accessories industry in particular has been plagued with a long-standing history of imitation that often, though not always, involves a high-priced luxury brand offering as the inspiration and a lower-priced/masstige luxury or mass market brand as the copycat (Burns et al., 2011; Green, 1994; *Gucci v. Guess*, 2012; Marcketti, 2005; Vigneron & Johnson, 1999). In this study, launches the offering that is mimicked is defined as the senior brand, and the brand engages in the practices of imitation is defined as the junior brand.

Junior brand engagement of imitation practices generally involves the implementation of a marketing mix that is deliberately meant to capitalize and "free ride" on the equity built by senior brands, which tend to be those that are so well-known to

consumers that the brands are considered "famous" or notorious (Horen & Pieters, 2012a; *Ty Inc. v. Perryman*, 2002). The mix primarily includes, but is not limited to, the type of imitation product offering (which directly relates to the legal status of the copy as well as the retail channel in which consumers can be expected to encounter the imitation stimulus) and the appearance and price (i.e., point-of-sale cues) of the imitation in comparison to the senior. The type of imitation offered by a junior brand dictates whether it would be offered in similar channels as the senior and ultimately, whether the junior brand imitation could actually compete with the senior brand original. Illegal imitations can usually only be found in nontraditional retail channels (e.g., backrooms of retailers on Canal Street in New York, NY) ("Superfakes," 2013). Imitations that could be found in similar retail channels to the senior, then, would naturally have to be legal. Such imitations, defined as trend imitations, have varied appearance levels and prices (i.e., point-of-sale cues) in comparison to the mimicked seniors. Trend imitations frequently are featured in close juxtaposition with the senior brand originals (Peterson, Smith, & Zerrillo, 1999) and are usually offered at lower prices than the senior brand name products (Burns, Mullet, & Bryant, 2011; Collins-Dodd & Zaichkowsky, 1999; Warlop & Alba, 2004; Wilke & Zaichkowsky, 1999).

Given the frequent engagement of junior brand marketing imitation practices that are legal (resulting in trend imitations) in retail, and specifically, apparel and accessories, several questions arise that are ripe for marketing research. The first consideration centers on how consumers evaluate and behave toward the junior imitation brand. The second is focused on consumer evaluation and behavior associated with a senior brand that has

been mimicked at varied levels. The third concerns how the evaluative and behavioral components relate to one another in light of these retail marketing imitation practices, as well as how they differ based on relevant consumer characteristics. Thus, the goal of this dissertation is to ascertain the effects of trend imitation (i.e., legal imitation) on both the copying junior brand and the senior brand that is imitated, as well as to investigate whether certain, related consumer characteristics play a role in any of said effects. The following section explains the legality of imitation practices (determined by the similarity level of the imitation to the senior) that is germane to marketing research on the effects of such practices, which is addressed in the subsequent section.

The legality of imitation practices.

Generally, trademark and patent laws (i.e., intellectual property laws) provide protection to creators from use of their intellectual property by unauthorized others; however, such protection is not unlimited, involving certain nuances that breed several highly similar, legal imitations of intellectual property (Bird, 2007; Lanham Act, 2012; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007; McCarthy, 2015; Tushnet, 2008; *Ty Inc. v. Perryman*, 2002). This point can be explained by consideration of the court's holding in the case of *Louis Vuitton Malletier v. Dooney & Bourke, Inc.* (2006, 2007). In that case, Louis Vuitton had launched Murakami-style accessories (handbags, wallets, etc.), which featured fabrics including the brand's trademarked, recognizable "LV" initials and diamond and flower graphics in varied colorful hues on either black or white backgrounds (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007). The accessories with these fabrics ranged in price from approximately \$400 to \$4,000 (*Louis*

Vuitton Malletier v. Dooney & Bourke, Inc., 2006, 2007). Thereafter, Dooney & Bourke ("D&B"), the defendant, launched its own handbag (ranging in price from approximately \$125 to \$400) made with fabric that similarly featured the brand's "DB" initials in bright, multicolored shades on black and white backgrounds (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). D&B admitted that the Louis Vuitton products/fabric had served as the inspiration for the D&B products (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007). The court found that D&B's handbag was not "confusingly similar" to Louis Vuitton's products, stating that

A competitor is free to develop its own particular combination of initials and/or designs imprinted in various colors, as Dooney & Bourke and many others have, so long as its particular combination is not so similar to Louis Vuitton's (in both designs and colors) as to mislead consumers as to the true source of the competitor's goods. Indeed, because Louis Vuitton does not and cannot claim trademark rights in the Murakami colors alone, *a competitor is free to use precisely those colors* [emphasis added] so long as it displays those colors in imprinted initials and/or designs sufficiently dissimilar to the traditional Vuitton Toile as not to cause consumer confusion. (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2007, p. 592)

The court's decision reveals that a product that is similar enough to cause consumer confusion as to the true manufacturer is illegal (Lanham Act, 2012, § 1114; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007). The court's wording above additionally implies that a product featuring the exact design and colors of another is legal so long as it does not also feature the brand or name of the copied product. The court basically suggests that so long as an imitator uses its own brand name, it is free to copy the product of another firm exactly. Yet, this insinuation is not exactly a decree to all competitors for exact replication of products by other firms. There are some

circumstances in which an imitation that does not confuse consumers as to the identity of the manufacturer can still have negative effects on the original brand (Bird, 2007; Tushnet, 2008; *Ty Inc. v. Perryman*, 2002). These subtle differences between types of imitations that exist in the retail market are dependent on the differences within intellectual property laws, and specifically, trademark laws within that genre, which are meant to protect trademarks from use by others (Lanham Act, 2012; McCarthy, 2015).

Trademark infringement occurs when a firm uses another's trademark in a manner that causes confusion for the consumer as to which company is producing the goods or services (Lanham Act, 2012, § 1114). Trademark dilution, on the other hand, occurs when imitations of a famous brand (publicly renowned and notorious) are similar to the original; however, consumers are not confused about which company manufactures the product (Bird, 2007; Morrin & Jacoby, 2000; Pullig, Simmons, & Netemeyer, 2006). In other words, when a copy exists but is not similar enough to cause confusion (and therefore trademark infringement), dilution is the recourse (*Ty Inc. v. Perryman*, 2002). Recourse for imitated senior brands beyond trademark infringement or trademark dilution is difficult to achieve (Ederer & Preston, 2011). Furthermore, the legal and managerial standards for trademark dilution are somewhat fuzzy (Bird, 2007; Pullig et al., 2006). The general inability of intellectual property law to afford much protection overall fuels a successful market of imitations (Ederer & Preston, 2011), which can be classified based on their relation to trademark infringement or dilution.

Imitations primarily fall into one of three categories: 1) counterfeits and design pirates (or knockoffs); 2) diluting copycats; and, 3) trend imitations (Beltrametti, 2010;

Bird, 2007; Ellis, 2010; Kim & Karpova, 2010; Lanham Act, 2012; Morrin & Jacoby, 2000; Pullig et al., 2006; Tushnet, 2008; Wilke & Zaichkowsky, 1999). Counterfeit goods showcase another's trademark and are illegal by virtue of intellectual property laws (Beltrametti, 2010; Kim & Karpova, 2010) (see Figure 1 for an example of an original trademark and a counterfeit thereof). Design pirates, or knockoffs, are copies that are extremely close to the senior original (sometimes line-for-line); however, the exact trademark of the original is not used (Ellis, 2010). When design pirates cause confusion for consumers as to which company is producing the goods or services, they are illegal (Lanham Act, 2012, § 1114) (see Figure 2 for an example of an original trademark and a copy thereof that is likely to cause consumer confusion). Diluting copycats are similar to the senior brand and pose a threat to the equity thereof; yet, do not cause confusion for consumers (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006; Tushnet, 2008). In other words, these imitations are similar to senior brands, yet do not cause consumer to believe that the senior brands actually manufactured the imitations (see Figure 3 for an example of an original trademark and a copy thereof that is not likely to confuse consumers). Trend imitations are products that find their inspiration in products originated by other brands (not line-for-line copies) and are legal (Ellis, 2010). This is basically the catchall category for imitations that either do not infringe on another's mark by confusing consumers into believing the senior brand manufactured the imitation (as counterfeits and design pirates do), or are not so similar to the senior brand so as to dilute the equity thereof. This study is focused on trend imitations that do not confuse consumers as to the true manufacturer of the product.

Figure 1. An Example of an Original Trademark and a Counterfeit Thereof

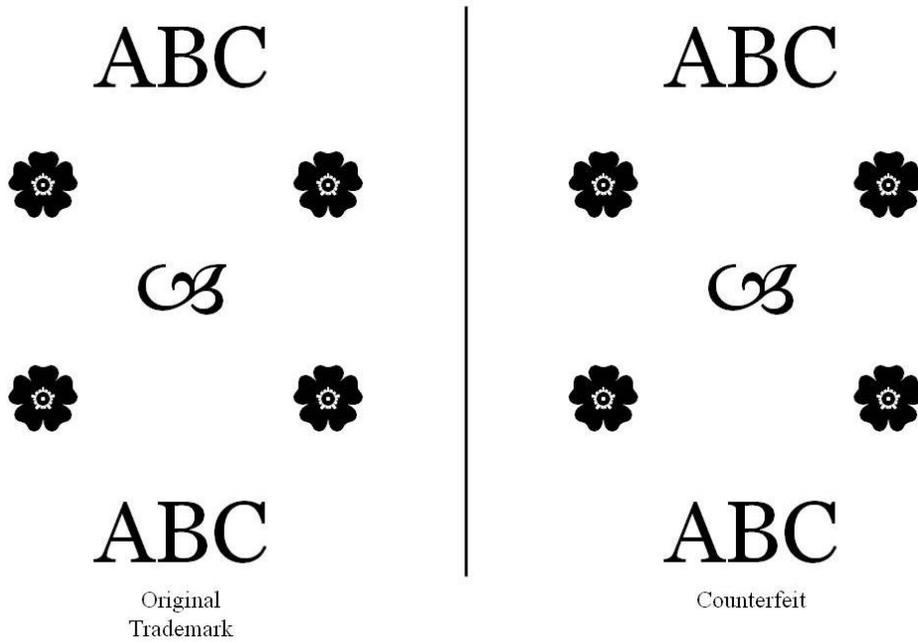


Figure 2. An Example of an Original Trademark and a Copy Thereof that is Likely to Cause Consumer Confusion

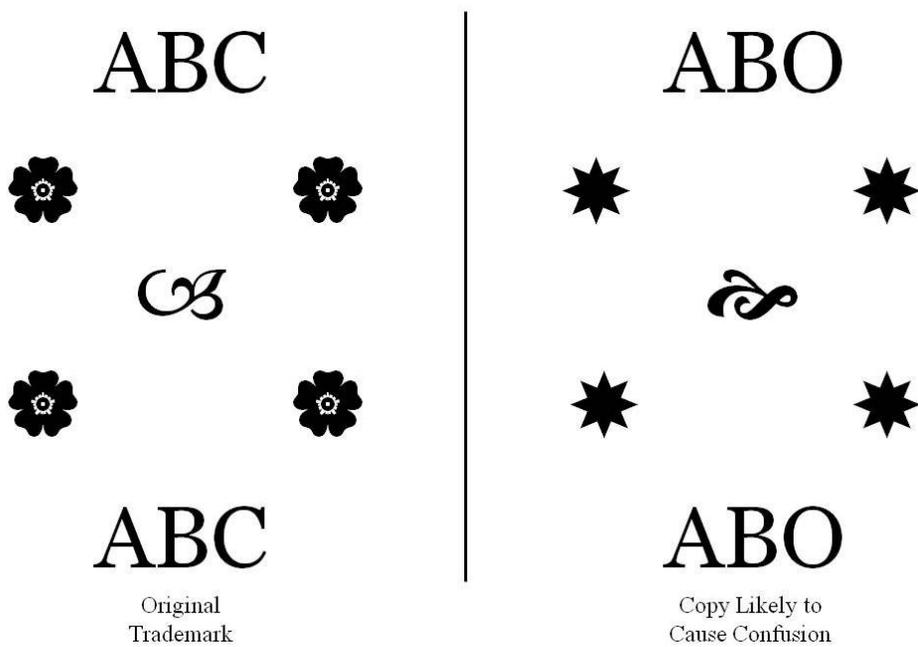
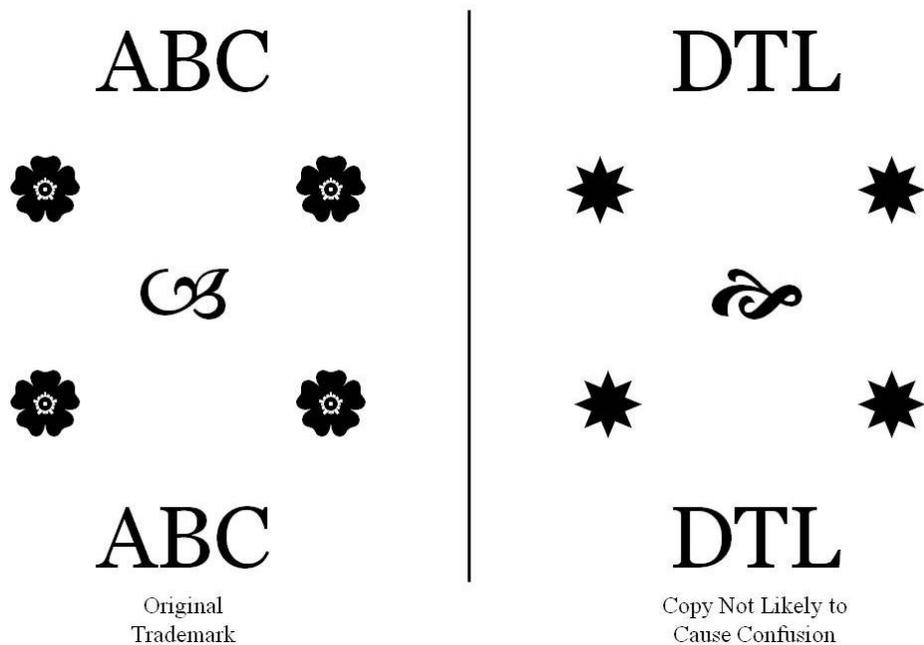


Figure 3. An Example of an Original Trademark and a Copy Thereof that is Not Likely to Confuse Consumers



The effects of imitation practices.

Imitation occurs in a variety of industries including, but not limited to, those industries associated with automotives (Y. Wang & Song, 2013), electronics and computers, footwear, apparel, accessories, jewelry, and pharmaceuticals (Frohlich, Hess, & Calio, 2014). The collective pirate and counterfeit multi-billion dollar industry thrives on a global level, with the U.S. market accounting for 196 billion dollars, and sales of copies representing approximately 12 billion dollars of that amount (Ellis, 2010). In the U.S., the combination of pirated and counterfeit goods cause financial losses of greater than 200 billion dollars, and labor losses of approximately 750,000 jobs per year (Kim & Karpova, 2010).

With respect to the effect of imitations, specifically consumer attitudes and behaviors toward the senior brands once imitations thereof emerge in the market, the literature reveals an abundance of studies related to counterfeit goods (Kim & Karpova, 2010). The literature on the effects of the remaining imitation types on the senior brand is limited and does not clearly distinguish between the varied types of imitations based on their legal classifications (Choy & Kim, 2013; Horen & Pieters, 2012a, 2012b; Morrin & Jacoby, 2000; Pullig et al., 2006), and does not specifically account for consumer evaluations of highly similar legal imitations (Ellis, 2010; Horen & Pieters, 2012a). Evaluations thereof are likely to be more varied, particularly in light of the variations amongst consumers in terms of their values, motivations, and ethical positions (Solomon, 2013). These characteristics may influence evaluations of imitations and ultimately, consumer behavior related to the senior brands that are mimicked. Thus, understanding the effects of legal trend imitations on the senior brands they imitate is important to the industry, as well as the discipline of consumer behavior.

The Controversy: The Judicial and Legislative Perspectives

Trademark-related lawsuits within the retail industry.

Imitation of senior brands, and the effects thereon as a result, is a topic of much debate (Marcketti, 2010). The courts have been weighted down with related lawsuits against junior brands that have allegedly engaged in actions that infringe upon or dilute the senior brand (Lovells & Pecnard, 2012; Pullig et al., 2006). These lawsuits have involved a range of brands (some well-known, others not as much) within the retail industry, and some have triggered interest within the academic sector. For example,

Pullig, Simmons, and Netemeyer's (2006) study was inspired by the case of *Moseley v. V Secret Catalogue, Inc.* (2003), where large-scale lingerie retailer, Victoria's Secret sued a small-scale Kentucky-based retail business, Victor's Secret, alleging trademark dilution. The similarities upon which the claims were based are quite obvious, and after the plaintiff's first attempt to persuade the defendant to stop, the latter changed the name of the retail store to Victor's Little Secret (*Moseley v. V Secret Catalogue, Inc.*, 2003). As this change was not good enough for the retail giant, it responded with a lawsuit, yet the Supreme Court held that Victoria's Secret did not meet the evidentiary standard for trademark dilution, noting that a firm must prove actual dilution to succeed in a trademark dilution action (*Moseley v. V Secret Catalogue, Inc.*, 2003). The court indicated that this dilution need not be in the form of lost profits or sales; however, consumer mental association of one brand with the other is not enough to succeed on a claim of trademark dilution (*Moseley v. V Secret Catalogue, Inc.*, 2003).

Since the Moseley case, additional trademark-related cases have been filed involving more recognizable defendants that sell to consumers all over the U.S. To illustrate, consider the case of *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.* (2005). In that case, Louis Vuitton launched the Murakami style handbags on or about October of 2002, which featured a bright, multi-colored Louis Vuitton ("LV") monogram on either a white or black background, with pricing ranging from \$400 to \$4,000 per bag. Almost one year later, Burlington (a retail discount chain) offered similar, beaded, multicolored handbags with the letters, "NY" (for New York), as decoration on white or black backgrounds, along with other flower and diamond shapes,

which were priced just under \$30. (*Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005). Noteworthy, the style code for Burlington's imitation was "LVTN" (short for LV) (*Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005). The appellate court ultimately affirmed the district court's ruling in favor of Burlington (*Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2007).

A second case involving both Louis Vuitton and the same original design (the Murakami-style of accessories) also illustrates the controversy (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). Louis Vuitton's Murakami-style accessories launched in October of 2002, and ranged in price from approximately \$400 to \$4,000 (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). In the case of *Louis Vuitton Malletier v. Dooney & Bourke, Inc.* (2006), the defendant, Dooney & Bourke ("D&B"), launched the It-Bag in July of 2003, which also featured a bright, multicolored D&B monogram on a white background (black also subsequently became available as a background color) (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). D&B is a U.S. brand that, prior to releasing the It-Bag, took a group of teenage girls (the It-Team) to Europe to assist D&B in appealing to female teenagers, and visited to a factory where swatches of the LV multicolor fabric were seen by the girls. D&B basically admitted to copying the design of Louis Vuitton's products. The D&B imitation was priced between \$125 and \$400. The federal court held in favor of D&B, stating that the bags were not "confusingly similar," among other reasoning (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006).

In a more recent example, the case of *Christian Louboutin vs. Yves Saint Laurent* (2011), the latter produced and sold shoes with red soles, which is the quintessential trademark of Louboutin, and which is registered with the U.S Patent and Trademark Office. Despite the filing of the lawsuit, *Christian Louboutin vs. Yves Saint Laurent*, where Louboutin sought an injunction to stop Yves Saint Laurent from selling its similar shoes (as well as damages), Louboutin lost (both in the district court, as well as on appeal).

In the case of *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.* (2011), involving two more recognizable brands, Levi sued Abercrombie alleging that the latter's use of similar design stitching on its jeans diluted Levi's association with such stitching. The U.S. Court of Appeals for the Ninth Circuit ruled in favor of Abercrombie, opining that the marks need not be identical or even substantially similar (*Levi Strauss & Co.*, 2011). The case of *Gucci Am., Inc. v. Guess?, Inc.* (2012) also involved familiar brands, which the court distinguished between by labeling the plaintiff, Gucci, an exclusive luxury brand, and the defendant, Guess, a mid-market, trend-following brand. Gucci sued over Guess's alleged infringing/diluting use of four of Gucci's trademarks and one trade dress, and evidence revealed that Guess intentionally copied Gucci to an extent, trying to provide its customers with something similar to the luxury brand (*Gucci Am., Inc. v. Guess?, Inc.*, 2012). The court held in favor of Gucci on several of its claims (e.g., Guess' Quattro "G" pattern diluted Gucci's "GG"-diamond pattern) (*Gucci Am., Inc. v. Guess?, Inc.*, 2012). There are also plenty of lawsuits involving fast fashion brands, such as Forever 21 (Ellis, 2010) and Zara (Lovells & Pecnard, 2012); however, information on

these cases is not readily available, as these cases that are often settled out of court (Ellis, 2010).

In essence, a myriad of controversial lawsuits instigated by senior brands that have been imitated by junior brands have arisen over the years (Sauers, 2011), and the issue remains contentious (Bird, 2007; Marcketti, 2010; Tushnet, 2008; K. Wang, 2013)

Legislative efforts to curb the practice.

Imitation practices have occurred in the retail sector since the early 1900s (Marcketti, 2005), when demand for ready-to-wear apparel and accessories grew (with the aid of fashion magazines also arriving at that time), and technology for mass production had evolved to meet that demand (Burns, Mullet, & Bryant, 2011; Marcketti, 2005). Not surprisingly, the controversy about these imitation practices also dates back to this era (Marcketti, 2005). Accordingly, since 1914, efforts have been made to pass laws to protect apparel and accessories designs from imitation (Beltrametti, 2010). One of the most recent forms of these legislative efforts has been the Innovative Design Protection Act of 2012 (IDPA), which would include such designs under copyright law (Ederer & Preston, 2011). The bill had support from both New York's Council of Fashion Designers of America (CFDA) and the American Apparel & Footwear Association (AAFA) (Ederer & Preston, 2011).

Support for such legislation rests primarily on the negative effects of imitation practices, discussed more generally above, which includes the rise and persistence of a billion dollar global copycat market (Ederer & Preston, 2011), the U.S. portion of which accounts for 196 billion dollars (Ellis, 2010). Proponents of the bill argue that piracy

thwarts the purpose of business enterprise by both diluting branding and making it more difficult for new designers to launch careers (Ellis, 2010). Sales of copies results in returns, decreased sales, or canceled orders for the original designers as some customers may prefer to buy lower-priced practically identical substitutes (Ellis, 2010). Other consumers who would purchase the "real" product refrain from doing so when the exclusivity of the originals is lost (Ellis, 2010).

IDPA supporters note that the industry recognizes the function of copies, yet emphasize that technological advancements have made it possible for designs to be replicated at a much quicker rate than in the past (what used to take from several months to a year now occurs in only a few weeks) (Ellis, 2010), eliminating the time interval previously enjoyed by the senior brand before junior imitations reached the market (Beltrametti, 2010; Ellis, 2010). Today, imitations can be available to the masses faster than the time it takes for the styles and trends that serve as the inspiration for the copies to become available to consumers (Beltrametti, 2010; Ellis, 2010).

Opposition to the legal protection of apparel and accessories designs focuses on the "piracy paradox" theory, which holds that the act of copying causes trends to have a shorter lifespan, in turn spurring innovation (Ederer & Preston, 2011). The opposition argues that if Congress affords copyright protection to fashion designs, the law will hinder the creative cycle and increases prices (Ederer & Preston, 2011). Further, the law would negatively affect mass merchandising as retailers and manufacturers would no longer be able to provide average consumers with trendy apparel at reasonable costs (Bader, 2013). In response to the argument that copies prevent sales of originals, the

opposition contends that because the copies are imperfect, consumers who purchase the copies would not have purchased the originals, resulting in no actual loss of revenue to the original designers (Beltrametti, 2010). While true in the case of low-priced imitations of high end designs, copies in the same price zone as the original will likely hinder sales thereof (Beltrametti, 2010). Finally, the opposition points out that the applications for copyrights would overwhelm the U.S. Patent and Trademark Office, that courts would have difficulty defining the standard for infringement (Ederer & Preston, 2011), and that industry attention will shift from innovation toward more litigation (Ellis, 2010). Siding with the opposition yet again, Congress failed to pass the last version of the IDPA (Bader, 2013).

In essence, arguments exist both for and against the protection of apparel and accessories designs from imitations. Part of the crux of the issue depends on whether the senior brand being imitated experiences true harm as a result of such practice. The next section discusses the empirical research that has been conducted in an effort to answer this question, and the problem that remains despite the existence of this research.

Statement of the Problem

Empirical research in the area of imitation practices is lacking for several reasons, each of which is discussed below. First, the research focuses on imitations that would likely be confusing to consumers as to the true manufacturer, and as such, such imitation stimuli would likely not be considered legal. Copious empirical research exists on consumer behavior related to marketplace imitation practices resulting in counterfeit goods (meant to confuse consumers as to the true manufacturer) (de Matos, Ituassu, &

Rossi, 2007; Doss & Robinson, 2013; Kim & Karpova, 2010; Phau & Teah, 2009; Zampetakis, 2014). Prior research outside the realm of counterfeits seems to focus on effects of imitations of identical or highly similar brand names and logos, which may still confuse consumers as to the true producer of the goods (e.g., Big Red snack bars) (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006; Satomura, Wedel, & Pieters, 2014). As such, research on legal imitations (i.e., those that that would not confuse consumers) such as trend imitations that may be more threatening to senior brands (Horen & Pieters, 2012a, 2012b) remains scant (Bird, 2007; Marcketti, 2005).

Second, studies assessing the effects of imitations have not adequately accounted for variations in the imitations in terms of similarity level/type and price in comparison to the senior brands (Choy & Kim, 2013; Pullig et al., 2006). Research indicates varied levels and types of similarity result in varied consumer evaluations of imitations (Horen & Pieters, 2012a, 2012b). Thus, research on the effects of copycatting practices should incorporate varied similarity levels of the imitations to the seniors copied, as well as similarity types, as this study purports to do. Along this vein, previous research focused on determining the effects of imitations also seems to have omitted the role of consumer evaluations of the imitations. To explain, similarity between an imitation and the senior triggers an association between the two that not only is responsible for any effects related to the senior brand (i.e., changes in its brand equity) (Choy & Kim, 2013; Cohen 1982; Cohen & Basu, 1987; Pullig et al., 2006, Solomon, 2013), but also results in an evaluation of the imitation (Cohen 1982; Cohen & Basu, 1987; Fiske & Pavelchak, 1986; Loken, 2006; Simonson, 1993; Solomon, 2013). In other words, consumer categorization

and evaluation of an imitation is ignited by its similarity to the senior, rendering consumer evaluations important to related research.

On that same subject, in addition to the appearance of an imitation in terms of similarity that initiates consumer categorization and evaluation, price is also a factor that cues consumers (Fiske & Pavelchak, 1986; Loken, 2006; Simonson, 1993; Solomon, 2013). Imitations pose the largest threat to seniors when the prices of the two are similar, such that consumers view the products as comparable (and potentially substitutes for one another) (Beltrametti, 2010). Further, the literature reveals that price affects consumer preference related to marketplace imitations (Warlop & Alba, 2004); however, the previous research assessing effects of imitations on senior brands does not appear to have included a price cue. In essence, consumer comparison of the imitation with existing knowledge of the senior brand (i.e., brand equity) (Cohen, 1982; Pullig et al., 2006), in terms of both price and similarity level and type will result in an imitation evaluation that will ultimately determine whether there will be any effect on the senior brand (Loken, 2006; Solomon, 2013). Accordingly, research on the effects of imitations should incorporate the variables capturing imitation similarity level/type and price, along with the resulting imitation evaluation.

Third, empirical research has also primarily established effects represented by in changes consumer ability to recognize the senior brand (i.e., mental associations), focusing very little on effects that might translate to actual losses or gains for senior brands. To explain, prior research assessing the effects of imitations has focused on measurement of changes in the equity of senior brands. Specifically, prior studies have

measured changes in brand equity in terms of brand associations, brand awareness (Pullig et al., 2006; Morrin & Jacoby, 2000), and brand personality (Choy & Kim, 2013), each of which is considered a dimension of brand equity or a sub-facet thereof (D. A. Aaker, 1991, 1992, 1996). Such research indicates that changes in these dimensions of the senior brand equity depend on consumer familiarity with the senior brand, and the product category and attributes of the junior (in comparison to the senior) (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006). Moreover, brand equity dilution has been shown primarily via reduced consumer ability to recognize senior brands (e.g., Pullig et al., 2006).

Lawsuits instigated by senior brands are based on empirical evidence showing such changes in senior brand equity, namely brand awareness (e.g., *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). However, evidence of such reductions in consumer brand recognition ability has not been sufficient to convince courts of effects that are harmful enough to warrant recovery for the senior brands (Bird, 2007; Bunker & Bissell, 2013; Tushnet, 2008). This is likely true because, as Tushnet (2008) notes, changes in senior brand equity do not necessarily affect consumer purchasing choices related to the brand. In response to this gap in the literature, a small number of studies have revealed decreases in purchase intention and consumer choice for senior brands after exposure to identically named junior imitations (Choy & Kim, 2013; Pullig et al., 2006). Yet, as indicated above, these empirical attempts do not clearly extend to legal imitations that would not confuse consumers (as to the true manufacturer) (Choy & Kim, 2013; Horen & Pieters, 2012a, 2012b; Morrin & Jacoby, 2000; Pullig et al., 2006), and

does not account for the literature related to the junior imitating brands (Horen & Pieters, 2012a, 2012b; Warlop & Alba, 2004). Moreover, such research is generally not applicable to all consumption environments (a point discussed in more detail in the next section of this chapter).

In essence, the empirical gap noted above correlates with a lack of understanding in the legal sector regarding the effects of imitations beyond cognitive brand associations. The inability to reveal effects of imitations on senior brands beyond these debatable subconscious results may be the reason for the legislature's apathetic response to laws proposed for the specific purpose of protecting senior brands from imitation practices (i.e., the IDPA) (Bader, 2013). An additional explanation may be based on the dichotomy between the requirement that senior brands filing dilution-based lawsuits must be considered "famous" (i.e., publicly renowned and/or notorious) (*Ty Inc. v. Perryman*, 2002) and the research indicating that at least some brands are famous enough that they do not experience brand equity dilution from imitations, but often instead enjoy reinforcement (Morrin & Jacoby, 2000).

Fourth and finally, variance amongst consumers also does not seem to have been considered in prior studies. The measurement of changes in senior brand equity measures changes occurring in the minds of consumers after encountering imitations in the marketplace (Keller, 1993; Pullig et al., 2006). This coupled with the acknowledged variance within consumer evaluations that stems from diverse values, ethical positions, and motivations (among other things) (Solomon, 2013), warrant a more inclusive conceptualization of the effects of marketplace imitations. Due to the interweaving of

legal issues and imitation practices, ethical considerations logically arise, at least to some extent. The literature relating consumer ethics and imitation practices appears to be focused on counterfeits (Cordell, Wongtada, & Kieschnick, 1996; Kim & Karpova, 2010; Kozar and Marcketti, 2011; Phau & Teah, 2009), and devoid of any discussion of other imitation types. Additionally, as indicated by the lawsuits mentioned above and discussed in more detail in the following section, apparel and accessories imitations are often copies of products by luxury brands (Pouillard, 2011). Consumers of luxury brands vary in terms of motivations for such patronage (i.e. prestige seeking and fashion leadership) (Casidy, 2012; Lim, Kim, & Runyan, 2013; Vigneron & Johnson, 1999; Weidmann, Henning, & Siebels, 2009). Once imitations reduce the exclusivity traditionally associated with luxury brands or broadcast a trend to the masses, luxury consumers may cease such patronization, which would affect the equity of said senior luxury brands. Thus, consumer characteristics such as ethics, prestige sensitivity, and fashion leadership may moderate consumers' responses to imitations in the marketplace, and as such are included in the instant study. The following section addresses the context of the study, which is another aspect of the prior research that is somewhat limited.

Context of the Study

Prior research on the effects of imitations exposed participants to imitation stimuli in the form of advertisements, logos, statement of products categories and attributes (Morrin & Jacoby, 2000; Pullig et al., 2006) or images of brand names and packaging (i.e., trade dress) (Choy & Kim, 2013; Satomura, Wedel, & Pieters, 2014). Yet, a number of lawsuits on this issue involve apparel and/or accessories product imitations (e.g.,

Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al., 2011; *Gucci Am., Inc. v. Guess?, Inc.*, 2012; *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 2011; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). A stroll through a mall or an online search for apparel or accessories products reveals that product packaging is not as important, but rather, the product itself (e.g., the shirt, shoes, purse, scarf, etc.) and any visible brand information is essentially the trade dress and/or the product cue. Thus, the stimuli employed in previous research do not necessarily apply to all product imitation types and/or all consumption environments. As the instant study is inspired by the aforementioned lawsuits, the context will be imitation practices in the apparel and accessories sector.

Design and trend imitation is quite common in the apparel and accessories industry (Burns et al., 2011). The literature indicates that within the apparel and accessories industry, luxury brands often emit the new trends that are shortly thereafter imitated (Pouillard, 2011; Vigneron & Johnson, 1999). Luxury brands focus on exclusivity, which is achieved not only by higher pricing, but also by the use of exclusive distribution and retail channels (Burns et al., 2011; Weidmann, Henning, & Siebels, 2009). This is why a Gucci-brand belt would not be available at a Target or Walmart, as the court in the case of *Gucci Am., Inc. v. Guess?, Inc.* (2012) recognized. Retail channels for luxury brands (almost one-third of the market that includes wholesale) consist of company-owned monobrand stores (comprising 29% of the retail market), department stores (27%), specialty stores (25%), off-price and airport stores (14%) and online

channels (5%) (Burns et al., 2011; D'Arpizio, Levato, Zito, & de Montgolfier, 2014).

Within department stores, one might notice that some luxury brands even build out their own space, resulting in a shop-in-shop channel that separates the brand from the others the department store also offers. In essence, luxury brand exclusivity in terms of retail channels does not often result in the juxtaposition of high end/luxury senior brands with significantly lower-priced imitations thereof (Burns et al., 2011; Vigneron & Johnson, 1999; Weidmann et al., 2009).

This study is focused on legal imitations that could potentially steal sales from senior brands, as such imitations are the most threatening (Beltrametti, 2010). As indicated above, these imitations must be of similar quality and price to the senior brands in order to be included in the same exclusive retail channels as the latter and compete therewith (Buchanan, Simmons, & Bickart, 1999; Burns et al., 2011; D'Arpizio et al., 2014). The recent phenomenon termed the democratization of luxury has made luxury products more available to the masses with pricing just above middle-range products, yet these brands can be found in similar retail channels to traditional luxury brands such that they still convey a certain amount of prestige (Truong et al., 2009; Vigneron & Johnson, 2004). Accordingly, legal imitations that could steal sales from senior luxury brands would most likely be offered by either similarly priced traditional luxury brands or more affordable masstige luxury brands (Beltrametti, 2010; Pouillard, 2011; Truong et al., 2009; Vigneron & Johnson, 1999).

The luxury industry (comprised of personal goods, furniture, automobiles, private jets, yachts, cruises and hospitality, and fine food and wine/spirits) witnessed

seven percent growth in 2014 (over 950 billion dollars) (D'Arpizio, Levato, Zito, & de Montgolfier, 2014). Personal luxury goods buttress the market, having tripled since the mid-1990s, with accessories accounting for almost one-third of that sect, which also includes apparel, shoes, leather goods, and jewelry (D'Arpizio, Levato, Zito, & de Montgolfier, 2014). Luxury apparel and accessories experienced a retard in 2013 associated with the slowing economies of China, Russia, and Brazil, along with changing attitudes toward luxury consumption by those in the millennial generation, which collectively decreased overall luxury brand value (D'Arpizio, Levato, Zito, & de Montgolfier, 2014; Millward Brown, 2015). In response, as Millward Brown's (2015) report indicates, luxury exclusivity is changing shape to include consumer experience and/or interaction with the brands, as many luxury apparel and accessories brands are now providing live footage of their fashion shows. This also affords consumers the opportunity to view the detailed craftsmanship associated with the production of luxury apparel and accessories (Millward Brown, 2015). Essentially, the scope of the luxury apparel and accessories market is shifting a bit and masstige luxury brands therein, such as Michael Kors, are thriving within that sphere (Millward Brown, 2015).

Purpose of the Study

Given the scarcity of research related to the effects of marketplace imitation practices on the senior brand, it is important for empirical research to achieve greater understanding with respect to how imitation practices not only affect the junior imitation brand, but also how such practices ultimately affect the senior brand. Imitation has both historically fueled this market, but also resulted in an influx of litigation in the U.S. court

system, coupled with the inability to pass legislation to curb imitation in relation to apparel and accessories fashion designs. These collective circumstances amount to an unresolved, controversial issue that has yet to receive much empirical support.

Therefore, the purpose of the present study is to experimentally investigate how junior imitations of senior brands affect consumers' attitudes and behaviors toward junior imitations as well as senior brands. Specifically, the objectives of the study are as follows:

1. To investigate the main effects of similarity levels of the imitation to the senior imitated product in terms of appearance (low, moderate, and high) and price point (at versus below) on junior brand attitude, brand equity, and brand preference, as well as senior brand attitude, brand equity, and brand preference.
2. To explore the two-way interaction effects of similarity level of the imitation to the senior brand in terms of appearance and price point on junior brand attitude, brand equity, and brand preference, as well as senior brand attitude, brand equity, and brand preference.
3. To examine the relationships among brand attitude, brand equity, and brand preference for both junior imitations and senior brands.
4. To explore the moderating effects of the consumer characteristics of ethics, prestige sensitivity, and fashion leadership on the relationship between the 2-way interaction effect (appearance similarity x price) and brand attitude, brand equity, brand preference, respectively of both junior imitations and senior brands.

Significance of the Study

The knowledge to be gleaned from this study is understanding of the effects of trend imitations, here considered to be those that are highly similar to the senior they mimic, yet not similar enough to either cause consumers to believe the senior manufactured the imitations and infringe on the senior's trademark, or to blur, tarnish, or free ride on the equity of the senior to levels sufficient for dilution claims. Further, said effects are to be understood in terms of consumer attitudes and behaviors related to the senior brand once these imitations hit the market, and will be assessed by consumer attitude, brand equity, and brand preference. Empirical research focused on limited aspects of these effects has merely begun to address the overall issue, revealing that imitations can have both positive (i.e., reinforcement) and negative (i.e., dilution) effects on senior brand equity (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006). This study seeks to more specifically determine the circumstances under which the effects of trend imitations are more positive or negative. This insight will provide several positive outcomes in the theoretical, managerial, public policy, legal, and legislative arenas.

From a theoretical standpoint, garnering more information related to consumer evaluations of and behaviors towards imitations and the brand they mimic can assist with building theory in the area of retail practices. Apart from counterfeits, it is no secret that imitation practices are endemic to the retail sector, resulting in cheaper offerings that benefit from the equity built by the brands being imitated (Burns, Mullet, & Bryant, 2011; Collins-Dodd & Zaichkowsky, 1999; Peterson, Smith, & Zerrillo, 1999; *Ty Inc. v.*

Perryman, 2002; Wilke & Zaichkowsky, 1999). There is general understanding that certain forms of this practice has effects that manifest themselves in the form of reduced associations between brands and their distinct aspects (Anderson, 1983; Choy & Kim, 2013; Collins & Loftus, 1975; Morrin & Jacoby, 2000; Pullig et al., 2006) (e.g., the Levi brand and jeans). Yet, an explicit theory does not seem to exist that incorporates all forms of imitations, especially those that would likely not trigger trademark liability (Morrin & Jacoby, 2000; Pullig et al., 2006) and fall into the same category as the senior brands (posing a potential threat to sales thereof) (Beltrametti, 2010; Peterson et al., 1999). The research also has not accounted for the potential variance in said effects from consumer comparisons of imitations with the senior products in terms of similarity and price (Horen & Pieters, 2012a; Warlop & Alba, 2004), which are processes occurring when consumers encounter imitation stimuli in the shopping environment (Cohen 1982; Cohen & Basu, 1987). Whether imitations can capitalize on the equity of the senior brands mimicked (i.e., are included in the same category) depends on this process (Loken, 2006; Horen & Pieters, 2012a). As this study endeavors to address these considerations, the results can assist with retail theory development.

Managerially, the study is important for several reasons. Firms invest both time and money building brand equity (Keller & Sood, 2003), which serves as a rather tremendous asset (Keller, 1993) requiring maintenance and even enrichment (Lahiri & Gupta, 2009). Knowledge regarding the effects of imitations practices on the brands on both sides of the controversy (i.e., those that are copying and being copied) is important to brand managers constantly working to build, sustain and/or control their firm's equity

(Pullig et al., 2006). For managers of senior brands, information shedding light on the circumstances under which imitations positively or negatively affect senior brands will reveal when imitations place senior brands at risk and when they do not. Further, this research will reveal how consumer attitudes relate to brand equity, and how same relates to brand preference, which will provide insight on how effects on brand equity can ultimately translate to consumer choice in a marketplace filled with imitations. This is an area that requires further research (Tushnet, 2008) so that brand managers can glean better understanding of the circumstances under which imitations might have the ability to affect the sales/profits of the senior brands that are imitated. Comprehension of whether certain imitation practices either negatively or positively affect sales can guide managers as to whether trademark dilution lawsuits are warranted and/or unnecessary. If the adage runs true that imitations are the sincerest form of flattery, resulting in increased senior brand attitude, equity, and preference (and ultimately, the bottom dollar), these brands need not engage in litigation against imitators. Perhaps such brands could consider entering into strategic partnerships with imitators in order to: 1) control and/or have a voice in aspects of the imitations; and/or, 2) further increase senior brand equity over time. In cases where imitations decrease these aspects of senior brands, litigation may be the wisest business decision to restore senior brand equity and preference. Thus, understanding the influence of imitations practices on senior brands is important to senior brand managers.

Aimed also at capturing the effects of similarity levels and prices points of junior imitations on attitude and preference towards imitations, this research can also aid

managers of such juniors. As discussed above, junior imitations in this study will be priced similarly and below the seniors brand copied, such that both the senior and junior are luxury brands and therefore comparable. Preliminary related research in this area reveals that when luxury brands employ imitation practices their equity is diluted, while attitude and preference are more negative (Vogel & Watchravesringkan, 2017). Thus, consumers may negatively evaluate some junior imitations, particularly when the juniors are juxtaposed with the copied seniors (Vogel & Watchravesringkan, 2017), which could affect sales related to the juniors. Understanding when consumer evaluations of and preference for imitation juniors are more positive or negative provides information that can be used not only in product design and pricing choices related to imitation juniors, but also with respect to distribution decisions.

From a public policy perspective, when imitations either confuse consumers or blur or tarnish brands, consumers must exert more time and energy when associating brands, which is detrimental to consumers (*Ty Inc. v. Perryman*, 2002). Understanding the effects of trend imitations on senior brands will assist in pinpointing when these legal imitations have negative effects that would also increase consumer mental costs. Knowledge of these circumstances will assist in curbing them and protecting brands, which is important from a public policy perspective, as doing so reduces consumer mental costs (Bird, 2007; Tushnet, 2008; *Ty Inc. v. Perryman*, 2002).

Additionally, as discussed at length above, litigation related to the issue of imitations is extensive (Bird, 2007; *Playtex Prods. v. Georgia-Pacific Inc.*, 2004; *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 2009; *Ty, Inc. v. Softbelly's, Inc.*, 2008),

particularly regarding apparel and accessories brands (*Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al.*, 2011; *Gucci Am.. Inc. v. Guess?, Inc.*, 2012; *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 2011; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006; *Moseley v. V Secret Catalogue, Inc.*, 2003; K. Wang, 2013). High numbers of trademark-related cases causes social losses (e.g., crowding the court systems so other issues cannot be heard as timely) (Tushnet, 2008). Less litigation is therefore a goal of public policy. This study can assist senior brands in determining whether or not to sue junior brand imitators based on whether their brands are ultimately negatively affected by these imitations, which should result in reduced numbers of lawsuits. In essence, in addition to the managerial advantages emanating from the proposed empirical research, this study will also assist from a public policy perspective.

The study will also contribute knowledge to the legal field. Thus far, the most quantifiable evidence of the effect of imitations has been by measurement of the effects on senior brand equity in terms of brand associations and brand awareness, which has not been enough to convince courts of negative effects on the senior brand (Bird, 2007; Bunker & Bissell, 2013; Tushnet, 2008). Empirical research going beyond measurement of these dimensions of brand equity will provide deeper understanding of consumer behaviors toward senior imitated brands, revealing when positive and negative effects on the senior brand occur. As mention above, trademark-related cases are numerous and cause social losses (Bird, 2007; Tuchnet, 2008), and this study will assist senior brands in determining whether or not to litigate against a junior imitation. Should litigation occur,

however, this research can also assist involved parties (i.e., both the senior and junior brand firms) in terms of their litigation strategies, as well as courts in adjudicating trademark-related cases.

Finally, this study can assist the legislative sector with respect to the IDPA, which Congress did not pass into legislation, thereby failing to extend intellectual property protection to fashion designs under copyright law (Bader, 2013). Similar bills that would provide copyright protection to fashion designs have failed to pass since 1914 actually (Beltrametti, 2010). This may be due, at least in part, to the difficulty courts will likely experience in defining the standard for infringement (Ederer & Preston, 2011). Understanding circumstances under which imitations have positive and negative effects on senior brands, as this study seeks to do, may assist lobbyists, senators, and representatives in several ways. It may become clear that the law is not as necessary as originally thought, and lobbyists for the law can perhaps focus efforts elsewhere. In the alternative, the research can better pinpoint circumstances when negative effects do occur, which will aid senators and representatives in more accurately drafting the legislation.

In summary, the knowledge regarding consumers' attitudes and behaviors toward senior brands that have been imitated to be gleaned from this study will provide information as to the circumstances under which the effects of trend imitations are more positive or negative. This will assist firm managers and consumers, as well as the legal and legislative communities.

Definition of Terms

Table 1 provides key terms, along with their definitions, that are used throughout this dissertation.

Table 1. Key Terms and Definitions

Key Term	Definition
Apparel	A garment made of fabric that covers the body (Kaiser, 1997).
Apparel industry	The industry concerned with production of garments and accessories (Dickerson, 1999).
Blurring	A type of dilution characterized by a reduction of the levels of consumer brand awareness or distinctiveness caused by the interruption or deceleration of recollection of a brand or the related brand associations (Bird, 2007; Morrin & Jacoby, 2000).
Brand	A name, design, symbol, or mark that identifies the good or service offered in the market by a particular firm and distinguishes the offering from those offered by other firms (D. A. Aaker, 1991; Farquhar, 1989).
Brand association	A unique and strong recollection about (or link to) a brand that exists in a consumer's memory (Keller, 1993).
Brand awareness	Relates to strength of a brand in consumer minds (Keller, 1993; Pappu et al., 2005).
Brand equity	The additional value a brand gives a product (Farquhar, 1989).
Brand personality	The human traits of a brand (J. L. Aaker, 1997).
Brand positioning	The defined and unique place a brand occupies in a particular market (Herrmann & Huber, 2000)

Branding	The practice of attaching a brand to a firm's market offering(s) to gain competitive advantage (Farquhar, 1989).
Consumer-based brand equity (CBBE)	The disparate effect that consumer knowledge of a brand has on the consumers' response to that brand's marketing efforts (Keller, 1993).
Copycat	A junior brand that seeks to access familiar and positive information consumers have stored in their memory about another, senior brand and transfer that equity to the junior brand through similar, yet not confusing design (Horen & Pieters, 2012a).
Counterfeit	A good that illegally applies another's registered trademark to the copied good (Beltrametti, 2010; Kim & Karpova, 2010).
Design piracy	The practice of legally copying the design of another without using another's trademark (Beltrametti, 2010; Kim & Karpova, 2010).
Democratization of luxury	The emergence of masstige brands in the luxury sector that attempt to convey the prestige associated with luxury at a lower price point, making luxury more available to the masses (Vigneron & Johnson, 1999).
Dilution	"The gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods" (Schechter, 1927, p. 825), occurring when consumers are not confused about the origin of a firm offering (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006).
Famous brand	A brand that is renowned and notorious such that the public knows of it (<i>Ty Inc. v. Perryman</i> , 2002).
Free-riding	A type of dilution characterized by the benefit a firm achieves from the successful branding efforts of another firm brand (<i>Ty Inc. v. Perryman</i> , 2002).

Imitation stimulus	The marketplace imitation consumers encounter in the shopping and decision making environment that ignites the categorization process (Cohen & Basu, 1987; Pullig et al., 2006).
Involvement	Describes how enthusiastic and interested a consumer is in a product and is based on a consumer's values and needs (Kim 2005; Solomon, 2013).
Junior brand	A brand that imitates the offerings and/or products of a well-known senior brand (Peterson et al., 1999).
Masstige brand	A type of luxury brand that offers lower pricing than traditional luxury brands, yet similar prestige, in order to make luxury more available to the masses (Truong et al., 2009).
Senior brand	A well-known brand, the offerings of which are imitated by junior brands (Peterson et al., 1999).
Tarnishment	A type of dilution characterized by a reduction of the favorability of trademark or brand upon consumer evaluation of the brand (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006).
Trademark	A word, symbol, phrase, or combination thereof that consumers identify with a particular company's products or services (Lanham Act, 2012).
Trademark infringement	Occurs when another uses a trademark in such a manner that causes confusion for the consumer as to which company is producing the goods or services (Lanham Act, 2012, § 1114).
Traditional luxury brand	A type of luxury brand that maintains high pricing to preserve exclusivity and perceived prestige associated with the brand (Truong et al., 2009).

Organization of the Study

Chapter 1 serves as an introduction to the study, and ultimately the dissertation.

This chapter includes a discussion of the background research on the topic, the statement

of the problem, the study's context, the purpose of the study, the significance of the study, and definitions of key terms. Chapter 2 reviews the literature that is relevant to the topic, providing a state of the art related to the topic, while highlighting the resulting gaps therein. This chapter also includes the conceptual framework for the study and the set of testable hypotheses. Chapter 3 sets forth the methodology of the study, which includes development of the survey, selection of the sample, the procedure for data collection, and the statistical analysis that were used to test the hypotheses. Chapter 4 presents an overview of the sample characteristics, participants' response to the setting of the stimulus and the senior brand, the results of the manipulations checks, descriptive statistics of the investigated variables and finally, the results of the statistical analysis that were employed to answer the proposed hypotheses. Chapter 5 concludes the dissertation, presenting the discussion, conclusions, implications, limitations, and future research directions.

CHAPTER II

LITERATURE REVIEW

Chapter 2 affords an overview of the literature that relates to the research questions set forth in Chapter 1. The literature review includes a discussion of the imitation practices in the marketplace, which offers an explanation of the practice as well as a classification of imitation types. This chapter also discusses the theoretical foundations of the study, which include the outcomes of brand management (i.e., brand attitude, brand equity, and brand preference) and the possible impact of brand imitation on brand management outcomes. In addition, the literature review also includes a discussion of consumer characteristics (e.g., consumer ethics, prestige sensitivity, fashion leadership) that are relevant to the context of the study. This literature is then used as the basis of the development of the conceptual framework and testable hypotheses.

Imitation Practices in the Marketplace

The marketplace today contains numerous diverse competitors vying for consumer patronage. Almost immediately after a product or service is launched, it seems that similar offerings are simultaneously available in the market that range from practically identical copies to mere inspirations thereof, in an effort to capture some of the market share. Imitation practices include copies of brand names, product designs, and sometimes both (Pouillard, 2011) as well as the designs of logos, packaging, stores, websites, and advertising (Satomura, Wedel, & Pieters, 2014). Current technological

innovation has allowed for more rapid imitation practices than were historically possible (Ellis, 2010); however, copycatting is not a new phenomenon. A consideration of the history of such practices with respect to the apparel and accessories industry sets the stage for imitation practices in today's market.

History of Imitation and Copycatting

Practically all apparel and accessories today are considered "ready-to-wear" (complete for wear at the time of purchase) offerings, the production of which began on a small scale in the 18th century and increased in the early 19th century due to the growing middle class (Burns, Mullet, & Bryant, 2011), along with the societal role change of women and the emergence of minimalist styles, among other things (Green, 1994; Marcketti, 2005). Until the sewing process became mechanized, firms could not meet that demand, yet by the early 20th century mass production reigned supreme (Burns et al., 2011; Green, 1994; Marcketti, 2005). At that time, the industry-leading luxury houses of Paris, France displayed their new trends during fashion shows abroad and reports thereof eventually spread to the U.S. (Burns et al., 2011). Wealthy individuals consumed the luxury goods to display their affluence and to signify status, according to Veblen's (1899) conspicuous consumption theory. The trends then diffused to the masses primarily by way of the trickle-down theory (Marcketti, 2005), occurring when lower social classes mimic the trends of the upper social classes (often to move up the social ladder) (Simmel, 1957). The arrival of fashion magazines and trade publications, such as *Vogue* in 1892 and *Women's Wear Daily* in 1910 (Burns et al., 2011), promoted trend diffusion and fueled demand for more frequent new styles (Marcketti, 2005). Moreover, the Great

Depression increased demand for cheaper apparel, while also being a reason for retail price-lining, which is the categorization of goods by cost for the purpose of create different quality levels (Marcketti, 2005).

Local manufacturers copied and adapted the French designs for the U.S. market (Green 1994; Marcketti, 2005; Pouillard, 2011). To protect the French fashion houses from unauthorized copying, France instituted that is known today as the *Chambre Syndicale de la Haute Couture (Chambre Syndicale) (Fédération Française de la Couture, du Prêt-à-Porter des Couturiers et des Créateurs de Mode, n.d.; Sterlacci & Arbuckle, 2009)*. The *Chambre Syndicale* allowed authorized copies by selling a package, including the original garment, the pattern, and a list of components required to replicate the item, to buyers. As such, U.S. firms gained notoriety for their ability to manufacture cheaper versions of the French styles (Marcketti, 2005). In essence, the emergence and growth of ready-to-wear apparel and accessories resulted in readily available imitations of upper class trends (Ellis, 2010), and ultimately the birth of inexpensive fashion (Burns et al., 2011).

Despite the ability to legally copy French designs, the 20th century saw U.S. firms continuing to manufacture unauthorized copies, some of which could be completed within 48 hours (Green, 1994; Haire, 1913; Marcketti, 2005). These rapid replications in the U.S. were thereafter copied by other firms looking to save money by not having to travel to Paris to scrutinize the designs firsthand (Marcketti, 2005). As far back as the early 1900s, individuals in the industry had begun questioning the ethics and legality of

apparel and accessories imitation, noting the piratical nature of the practice (Haire, 1913). Thus, the controversy is not a new phenomenon.

To revive the economy after the Great Depression and as part of the New Deal, Congress established the National Recovery Administration (NRA) agency to collaborate with industries in determining prices and creating codes for fair industry practices (Marcketti, 2010; National Recovery Administration, n.d.). The apparel industry did not include any aspects of the imitation issue in its final code, which focused mainly on labor and other trade practices (Marcketti, 2010). After only two years, the Supreme Court held the NRA unconstitutional, terminating the industrial attempts at self-governing (Marcketti, 2010; National Recovery Administration, n.d.).

Subsequently, World War II resulted in the temporary decline of Paris as the fashion capital, which provided the opportunity in the U.S. for both sportswear (considered a U.S. trend) to achieve popularity and for designers, such as Claire McCardell, to glean fame (Claire McCardell, n. d.; Burns et al., 2011). Despite the chance to lead design innovation, imitation practices in the U.S. persisted as the firms had meager funds (and could not afford to retain inventive designers) and could not seem to break their ingrained routine of mimicking European trends (Marcketti, 2005).

Another effort to stop copying in the U.S. took the form of the Fashion Originators Guild of America (FOGA) (Marcketti, 2005). FOGA was a trade association that required members to agree to not purchase or sell goods that were copies of styles that had been registered with the association (*Fashion Originators' Guild of America v. FTC*, 312 U.S. 457, 1941; Marcketti, 2005). Though efficient in its commitment to

discourage copying, in the case of *Fashion Originators' Guild of America v. FTC*, 312 U.S. 457 (1941), the Supreme Court found FOGA promulgated unfair competition (i.e., monopolistic) and issued a cease and desist order. After World War II, Paris reclaimed the fashion throne and the copying of French designs continued (Marcketti, 2005). Even Jackie Kennedy's infamous pink suit (worn on the day President Kennedy was killed in 1963) was a line-for-line copy of a Chanel style that was made in the U.S. (allegedly for patriotic purposes) and only trimmed in Chanel-brand fabric and buttons (Fleming, 2013).

Strategies of Apparel and Accessories Brands in Today's Market: Prestige versus Masstige Brands

The extensive history of the practice of imitation, which seems nearly as old as the ready-to-wear apparel and accessories industry itself, sets the stage for the industry today, which is chockfull of copies of various types and levels of similarity to the senior brand they imitate. Today's market witnesses the imitation of logo, product, packaging, and store designs, along with other marketing efforts (Satomura et al., 2014) for footwear, apparel, accessories, and jewelry, among other industry offerings as well (Frohlich, Hess, & Calio, 2014). Existing within this market are vast numbers of firms that range in size (e.g., small chains, big box store chains), and vary aspects of their marketing strategies (e.g., pricing, production, distribution channels) to entice consumers (Burns et al., 2011).

The production strategies of apparel and accessories firms relate in part to product lifecycles as well as imitation practices (Burns et al., 2011). The foci of firm production

strategies range from mass production (usually of more basic items in a range of price zones that incorporate aspects of current trends) and fast fashion production (usually of more similar copies of the most current trends of other designers) to smaller-scale production of more cutting edge designs (usually fashion innovators in the higher price zones) (Burns et al., 2011). In line with these strategies, some firms are the vanguard for new trends (design innovators), while others operate with a strategy of imitating those trends and making them available to the masses (design imitators and fast fashion firms), or incorporating those trends into the regular offerings of the firm (design interpreters) (Burns et al., 2011). Even the court in the case of *Gucci Am., v. Guess?, Inc.* (2012) acknowledged the difference between trend setters and trend followers (p. 221).

Firms also vary their pricing approach depending on their production strategy and the point in the product lifecycle occupied by the firm offering (Burns et al., 2011). Generally, brands tend to keep their offerings within a certain price range, which then falls into a loosely defined price zone, ranging from lower/budget pricing (e.g., under \$50) to high end/designer pricing (over \$1000), and in between (bridge, better, moderate, and etc.) (Burns et al., 2011). Budget pricing often marks more mass produced brands, while designer pricing is traditionally more associated with lower production levels (Burns et al., 2011). Firms combine strategies related to pricing and production, among other things, to attempt to position themselves in a way that will appeal to their target market (Burns et al., 2011; Solomon, 2013). A brand position is a defined and unique place that a brand occupies in the market (Herrmann & Huber, 2000). How brands position themselves in the market often correlates with their brand personalities, or

human traits attributed to the brand (e.g., sophistication, ruggedness) (J. L. Aaker, 1997; Solomon, 2013).

Accordingly, brands positioned as being more sophisticated are usually accompanied by higher pricing, which translates to increased consumer involvement levels and decision-making for the brands (Kim, 2005), and limited or exclusive distribution (Solomon, 2013). These brands are often referred to as high-end/designer, prestige, or luxury brands (Burns et al., 2011; Truong, McColl, & Kitchen, 2010; Weidmann et al., 2009). The exclusivity associated with luxury brands is achieved by the prestige and status luxury goods convey, the consumption of which generally being done more for these results than for the usefulness of the goods (Amaldoss & Jain, 2005; Truong et al., 2010), in accordance with Veblen's (1899) conspicuous consumption theory. Recently within the luxury brand sector, lower-priced brands (with products priced just above middle-range) intending to convey the same prestige as traditional luxury brands have emerged, which are sometimes referred to as masstige brands (Truong, McColl, & Kitchen, 2009). This phenomenon has been deemed the democratization of luxury, which results in a spectrum of brands of varied levels of luxuriousness and pricing (Vigneron & Johnson, 2004).

Imitation trend.

The above-described stratification collectively based on production philosophy and product life cycle stage leads to the next question that relates to the origin, and subsequent direction, of the imitated trends. Luxury brands are often the first to launch a trend that is subsequently imitated (Vigneron & Johnson, 1999). However, luxury trends

are not the only imitation inspirations, as even lower priced, non-designer goods, such as Crocs's sandals and Ugg's boots, are imitated and then offered in mass quantities (Beltrametti, 2010). Thus, in addition to the trickle-down theory of trend diffusion (Simmel, 1957), other directions of diffusion have also been posited to occur, one of which being the trickle-across theory of King (1963), which suggests that trends move across social classes in a mass production environment due to the simultaneous availability of products reflecting the trends. There is also a burgeoning theory related to trend adoption by upper classes of street styles, colloquially referred to as the trickle-up theory. An example of this might be found in the admission of Nicolas Ghesquiere that, while serving as the designer at Balenciaga, he copied a style by an unknown designer from San Francisco (Horyn, 2002). Further, as Horyn (2002) alleges, imitation strategies are also carried out by above-average priced brands, such as Allen B. Schwartz of ABS, as well as high end brands such as Tom Ford and Marc Jacobs (Horyn, 2002). This supports the view that even luxury brand designers imitate the designs of others.

While some designers, like Ghesquiere, may admit to imitating other brands or designers, this information is not exactly readily available. In order to determine the brands that engage in imitation practices (and ultimately where in the apparel and accessories industry brands position themselves in terms of their merchandising philosophy and imitation practices), a look at the brands involved in imitation-related lawsuits provides some insight. To illustrate, the case of *Louis Vuitton Malletier v. Dooney & Bourke, Inc.* (2006) involved a traditional luxury brand as the senior brand and an arguable masstige brand as the junior. In that case, the junior admitted to copying the

senior brand's products (with retail pricing between \$360 and \$3,950) serving as inspiration for the similar product (priced between \$125 and \$400) (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). Similarly, in the case of *Gucci Am., Inc. v. Guess?, Inc.* (2012), the court labeled Gucci, the plaintiff, an exclusive luxury brand, and Guess a "mid-market lifestyle brand, somewhere below the 'haute couture' fashion houses, but nonetheless above low-end retail discounters like Target or Wal-Mart" (p. 6). The court then referred to the parties as Gucci, a trend-setting brand, and Guess, a trend-following brand (*Gucci Am., Inc. v. Guess?, Inc.*, 2012, p. 221). Arguably, this case involved a more traditional luxury brand (with designer-brand prices) against a more moderately-priced brand.

Furthermore, fast fashion brands such as Zara and Forever 21, which fall into more budget and moderate prize zones (Burns et al., 2011), are often sued for imitation practices related to luxury brands, as well as other moderate brands (Ellis, 2010; Lovells & Pecnard, 2012). Imitation of the designs of senior brands is actually integral to the strategy of fast fashion firms (Burns et al., 2011). To illustrate, according to A. V. Garcia (personal communication, November 19, 2015), a product manager at Spanish fast fashion giant, Zara, many of the firm's branded offerings closely resemble (or are practically replicas of) products of other brands, and are available at reasonable prices within weeks of the debut of the original design at fashion week. Forever 21 is another example of a fast fashion company offering such imitations of senior brand designs (Ellis, 2010), which have resulted in over 50 lawsuits filed against the company over the years (most of which having been settled out of court) (Sauer, 2011). Generally, fast fashion

imitations are offered at prices lower than those of the senior brand (Burns et al., 2011; Collins-Dodd & Zaichkowsky, 1999; Warlop & Alba, 2004; Wilke & Zaichkowsky, 1999). The quality levels of many imitations have both historically and more recently been lower than the quality levels of the original offerings of the senior brand (Pouillard, 2011; Wilke & Zaichkowsky, 1999), rendering a quality comparison between seniors and imitating juniors important to related court cases (*Gucci Am., Inc. v. Guess?, Inc.*, 2012).

However, occasionally the brands involved in these lawsuits are a bit closer to one another in terms of pricing and positioning. For instance, the case of *Christian Louboutin SA et al v. Yves Saint Laurent America, Inc. et al.* (2011), involved an arguable designer/luxury brand as the senior (with the imitated product reaching as much as \$1,000/each), and another arguable high-end/luxury brand as the junior (with the imitation being priced around the same as the senior). In *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.* (2011), the former sued the latter over a blue jean stitch design. The products of both companies are also arguably in similar, more moderate price zones (Abercrombie & Fitch, 2016; Levi Strauss & Co., 2016). Generally, imitating junior brands often rest in lower (Collins-Dodd & Zaichkowsky, 1999; Ellis, 2010; Lovells & Pecnard, 2012; Pullig et al., 2006; Wilke & Zaichkowsky, 1999) or occasionally similar price zones (*Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al.*, 2011; Ellis, 2010; *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 2011) than the inspirational senior brands. Additionally, as brand name serves as a quality signal for consumers (Zeithaml, 1988), it is important to note that, as

Wilke and Zaichkowsky (1999) indicate, the quality levels of the imitating junior brand are often lower than the senior brand.

After considering the practice of imitation in the apparel and accessories market and the related production and positioning strategies of brands in light of these imitation practices, some of which are specifically focused on imitating other brands, a discussion of the intellectual property laws that were enacted to prevent blatant copying assists in explaining and classifying the various types of imitations.

Classification of imitation types.

An intellectual property law overview.

Imitations can be classified several ways with differences hinging on three main factors, the first of which triggers the second, which triggers the third as follows: 1) the characteristics of the imitation as related to legal standards; 2) the potential legal recourse for the senior imitated brand; and 3) the legal status of the imitation. As such, and as a precursor to this taxonomy, below is a discussion of U.S. intellectual property law covering patents, copyrights, and trademarks, (Chaudhry, Zimmerman, Peters, & Cordell, 2009), with a focus on the latter, as trademark law ultimately serves as somewhat of a line of demarcation between the various imitation types.

Patents protect designs related to machines and processes, primarily scientific and technological innovations, that meet the requirements of novelty, utility, and non-obviousness (35 U.S.C. § 101-103, 2012), yet provide little, if any, protection for apparel and accessories designs in large part due to the difficulty of same to overcome the non-obvious requirement (Ellis, 2010). Copyright law protects original works that are literary,

dramatic, musical, graphical, pictorial, sculptural, audiovisual and motion pictures, or architectural, in addition to sound recordings, pantomimes, and choreography (Copyright Act of 1976, 2012, § 102). Apparel has not enjoyed copyright protection because it is a useful article, meaning that the artistic aspects of apparel are inseparable from the use of apparel to clothe oneself (*Kieselstein-Cord v. Accessories by Pearl, Inc.*, 1980).

Since 1914, senators and representatives have introduced as many as 70 bills to Congress that would provide protection to apparel and accessories fashion designs (Beltrametti, 2010). One of the most recent bills proposed the inclusion of such designs under copyright law (Ederer & Preston, 2011). The bill, the Innovative Design Protection Act of 2012 (IDPA), would have extended copyright protection to fashion designs for three years. The bill had support from, and was drafted by, New York's Council of Fashion Designers of America (CFDA) and the American Apparel & Footwear Association (AAFA) (Ederer & Preston, 2011); however, after surviving voting in the Senate, the IDPA died in the House of Representatives (Bader, 2013).

As discussed, patents and copyrights have offered little protection to apparel and accessories designs, leaving trademarks as the primary form of intellectual property that can provide protection for designs. A trademark is a symbol, word, or group of words that consumers identify with a particular company, and that serves to identify the source or origin of goods or services (Lanham Act, 2012, §§ 1051, 1127). Trade dress falls under trademark law and the nomenclature is used simply to distinguish between the types of objects being protected (McCarthy, 2015). Marks include words, logos, designs, color, scents, and sounds, while trade dress includes the non-functional aspects of product

configuration or packaging or any combination of elements that present a product or service (Lanham Act, 2012, §1127). The same types of protection that extend to trademarks also extend to trade dress (McCarthy, 2015). A trademark provides value simply by being attached to an article, providing protection to the consumer and facilitating business by allowing the registrant to create an impression of a certain level of quality in its goods or services (*In re Wood*, 1983). The protection afforded by trademark law lasts indefinitely as long as the mark is properly used (Lanham Act, 2012, § 1127).

Of note, although trademarks and brands are similarly defined and used interchangeably to an extent (Pullig et al., 2006), the terms are different. Trademarks have the legal connotation discussed above, which determines how an imitation can be classified and ultimately whether it might invoke legal action. As Jones and Slater (2003) posit, brands emerged from trademarks. Brands can obtain trademark protection for their words, logos, designs, color, scents, and sounds, along with the non-functional aspects of product or service packaging and/or presentation (Lanham Act, 2012, §§ 1051, 1127; McCarthy, 2015). For instance, trademarks often protect brand names, logos, and even colors (*Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al.*, 2011). The protection afforded by the intellectual property laws discussed here, however, extends to trademarks and trade dress, not the "brand" per se.

Imitation classification via infringement: Counterfeits and design pirates.

Trademark infringement occurs when a firm uses another firm's trademark in such a manner that causes confusion for the consumer as to which company is producing the goods or services (Lanham Act, 2012, § 1114). Remedies for infringement include the right of victims to seize and destroy offending goods (Lanham Act, 2012, § 1118), injunctions to stop the infringer's actions (Lanham Act, 2012, § 1116), and, of course, monetary awards (such as the defendant's profits, the plaintiff's actual business damages, the plaintiff's lost profits, punitive damages, and/or attorney's fees) (McCarthy, 2015). U.S. law protecting firms against trademark infringement is essentially what makes counterfeit goods illegal, as counterfeiting is the practice of utilizing the trademark of another firm (Beltrametti, 2010; Kim & Karpova, 2010). On the other hand, the practice of design piracy consists of copying the design of another without utilizing the other firm's trademark (Beltrametti, 2010; Kim & Karpova, 2010). Design piracy occurs first and counterfeiting is the next step, which means a design pirate or copycat is basically a counterfeit that lacks another's the trademark (Beltrametti, 2010). Nevertheless, sometimes design pirates are line-for-line copies of the original (Ellis, 2010).

As indicated, counterfeits and design pirates very closely resemble the goods they are copying, with illegal/infringing goods either using the trademark of, and being identical to, the original (resulting in a counterfeit), or similar enough to cause confusion as to the true manufacturer of the goods (resulting in a design pirate) (Beltrametti, 2010; Kim & Karpova, 2010; Lanham Act, 2012, § 114). The standard for determining counterfeits and design pirates is based on whether the good creates consumer confusion

(Lanham Act, 2012). In other words, a court will consider whether the imitation is so similar to the senior brand that consumers believe the latter is the manufacturer (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006; *Ty Inc. v. Perryman*, 2002).

Research reveals that the combination counterfeits and design pirates comprise a multi-billion dollar industry that thrives on a global level, with the U.S. market accounting for \$196 billion, and sales of copies representing approximately \$12 billion of that amount (Ellis, 2010). In the U.S., the combination of pirated and counterfeit goods cause financial losses of greater than \$200 billion, and labor losses of approximately 750,000 jobs per year (Kim & Karpova, 2010).

Imitation classification via dilution: Diluting copycats.

The market also contains goods that are extremely similar in design to another firm's offering (the senior brand), yet do not cause confusion because the imitating firm (the junior brand) uses its own brand in conjunction with the imitation (Bird, 2007; Pullig et al., 2006; Tushnet, 2008). The question then centers on the legality of these types of imitations, which relates to laws on trademark dilution. Dilution is "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods" (Schechter, 1927, p. 825). The Federal Trademark Dilution Act of 1995 (the first attempt to provide federal protection against dilution) defines dilution as the decreased capacity of a well-known trademark to classify and differentiate certain goods and/or services.

The literature generally reveals that trademark dilution occurs when a junior brand creates a market offering similar to that of a famous senior brand (publicly

renowned and notorious) that does not confuse consumers as to which company manufactures the product (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006). In other words, dilution results in imitations that are not similar enough to cause confusion and, therefore, trademark infringement (*Ty Inc. v. Perryman*, 2002). Rather than be confused with the original or even another brand, these imitations attempt to capitalize on the senior brand name's marketing tactics and overall positive brand image by imitating its design, logo, or name (Horen & Pieters, 2012a).

There are three types of trademark dilution. The first type, blurring, is characterized by a reduction of the levels of consumer brand awareness or distinctiveness caused by the interruption or deceleration of recollection of a brand or the related brand associations (Bird, 2007; Morrin & Jacoby, 2000). Tarnishment is the second type of dilution, which is characterized by a reduction of the favorability of trademark or brand upon consumer evaluation of the brand (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006). The third form of dilution, termed "free-riding," does not involve mental associations per se, but rather, involves a firm benefitting from the successful branding efforts of another firm in its own brand (Horen & Pieters, 2012a; *Ty Inc. v. Perryman*, 2002). In the case of *Ty Inc. v. Perryman* (2002), Judge Posner noted that with respect to free-riding, senior brands are not at risk because patrons of the free-riding brand generally do not also patronize the famous brand. This implies that potential damage to senior brands occurs only when their consumers no longer patronize the brand. Dilution based on free-riding is also the most inferentially extensive (*Ty Inc. v. Perryman*, 2002),

and likely as such, senior brand dilution claims are usually based blurring and/or tarnishment (Bird, 2007).

Currently, the managerial and legal standards for trademark dilution are somewhat fuzzy (Bird, 2007; Pullig et al., 2006). This is most likely due to the Supreme Court's rather vague description of the standards for proving dilution in the case of *Moseley v. V Secret Catalogue, Inc.* (2003), where the Court indicated that a firm need not show lost profits or sales, yet more than consumer mental association between the junior and senior brands. Subsequently, the Trademark Dilution Revision Act (2006) was passed, which decreases the burden of proof and toughens protection for trademarks; however, clarity regarding the standards for dilution has yet to be had (Tushnet, 2008).

Imitation classification via legality: Trend imitators.

Beyond counterfeits and design pirates that cause confusion and give rise to potential trademark infringement claims (Beltrametti, 2010; Kim & Karpova, 2010; Lanham Act, 2012, § 114), or diluting copycats that are similar, yet do not cause confusion (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006; Tushnet, 2008), the market also contains a plethora of goods that are not line-for-line copies, but rather, are "inspired" by senior brand originals (Ellis, 2010; Wilke & Zaichkowsky, 1999). Sometimes referred to as "me too" brands that mimic attributes of category leaders (Arboleda & Alonso, 2015; Quintal & Phau, 2013). These trend interpretations/imitations ("trend imitations") do not blur or tarnish the equity built by the senior brand (Burns et al., 2011; Ellis, 2010; Jiang & Shan, 2016; Simonson, 1993). Furthermore, trend imitations do not violate any legal standards related to infringement or dilution, and

comprise the majority of the goods that use a trend introduced by a senior brand (design innovator) for purposes of either design imitation/fast fashion or design interpretation (inspiration and incorporation into the regular offerings of the firm) (Burns et al., 2011).

Classification based on legal status.

The collective literature above reveals that depending on whether and to the extent that imitations cause confusion and potential infringement, dilution, or neither, they can be classified as counterfeits and design pirates, diluting copycats, and trend imitations/interpretations (Ellis, 2010; Pullig et al., 2006; Wilke & Zaichkowsky, 1999). Table 2 assists in understanding and differentiating these classifications based on their characteristics (that may give rise to the related legal recourse/action), the potential legal recourse for the senior imitated brand, and the legal status of the classifications.

Table 2. Imitation Classification Chart

Classification	Characteristics	Legal recourse	Legal status
Counterfeits and design pirates	Confusing or likely to confuse consumers as to the true manufacturer	Trademark infringement	Illegal
Diluting copycats	Not confusing (as to the true manufacturer), yet blurs, tarnishes, or free rides on the senior brand equity	Trademark dilution	Illegal

Trend imitators	Not confusing (as to the true manufacturer), does not blur, tarnish, or free ride on the senior brand equity	None	Legal
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Notes. Developed from the collective literature related to trademark infringement and trademark dilution (Bird, 2007; Ellis, 2010; Horen & Pieters, 2012a; Lanham Act, 2012, § 114; Morrin & Jacoby, 2000; Pullig et al., 2006; Tushnet, 2008; Wilke & Zaichkowsky, 1999).

The first classification is split into two sub-types (i.e., counterfeits and design pirates). Both possess the same characteristics that may trigger legal action (i.e., causation of consumer confusion, or the likelihood thereof, as to the true manufacturer); however, there is a difference between the two with regard to how similar the imitation is. Counterfeits are exact replicas, while design pirates are not identical albeit extremely similar (resulting in a design pirate) (Beltrametti, 2010; Kim & Karpova, 2010; Lanham Act, 2012, § 114). Counterfeits infringe on a senior brand's trademark (Lanham Act, 2012). The presence of counterfeits affect the equity of the imitated senior brands both negatively (Loken & Amaral, 2010; Y. Wang & Song, 2013) and sometimes positively (Nia & Zaichkowsky, 2000). The sale of counterfeits is illegal (Kim & Karpova, 2010), though they continue to flood the market ("Superfakes," 2013). Design pirates are also illegal (Beltrametti, 2010). With respect to counterfeits and design pirates, the recourse for senior brands lies in the judicial action of trademark infringement (Lanham Act, 2012). The standard for trademark infringement related to counterfeits and design pirates is consumer confusion resulting as to the true manufacturer from either use of the senior's exact trademark (resulting in a counterfeit), or a highly similar, yet not identical, trademark (resulting in a design pirate) (Kim & Karpova, 2010; Lanham Act, 2012).

Intellectual property law does not afford much protection to the designs of apparel or accessories beyond actual trademark infringement (Ederer & Preston, 2011). This means that an imitation that does not cause consumer confusion as to the true manufacturer (i.e., infringes) must blur or tarnish the equity of the senior brand in order for the latter to prevail (Bird, 2007; Tushnet, 2008). These diluting copycats, the second classification in Table 2, essentially affect famous senior brands by decreasing their capacity to identify their offerings (Bird, 2007; Morrin & Jacoby, 2000; Pullig et al., 2006; Schechter, 1927). Noteworthy, dilution claims must be brought by a famous brand (*Ty Inc. v. Perryman*, 2002), and usually involve a junior brand capitalizing on the equity already established by the famous, senior brand (Horen & Pieters, 2012a; *Ty Inc. v. Perryman*, 2002). As diluting copycats do not cause confusion as to the manufacturer of the product (Bird, 2007; Pullig et al., 2006), they seem to generally refrain from imitating the senior brand name in any way, focusing more on imitation of design aspects of the senior brand offering.

The final classification in Table 2 refers to trend imitators. Similarity between these offerings and the senior brands they mimic is varied (from highly similar imitations to mere trends inspired offerings); however, the imitations do not reach levels sufficient for trademark law to offer recourse to the imitated senior brands via infringement or dilution claims (Ellis, 2010; Horen & Pieters, 2012a). This is because trend imitators do not identically (or extremely similarly) imitate the trademark of the senior firm so as to confuse consumers into believing the imitation is manufactured by the senior brand (Ellis, 2010; Horen & Pieters, 2012a), which would otherwise expose them to liability for

trademark infringement. Trend imitators, which are often highly similar to the senior brand inspirations, also do not cause consumer confusion as to the identity of the manufacturer. As such, trend imitators are only exposed to liability if they blur, tarnish, or free ride on the equity of the senior brand (which would result in diluting copycats) (Horen & Pieters, 2012a; Pullig et al., 2006). Thus, trend imitators are legal, and basically include imitations that do not fall into one of the other categories. If an imitation is not considered trademark infringing or diluting, such as the imitation in the *Louis Vuitton Malletier v. Dooney & Bourke, Inc.* (2006) case (Clark, 2008), it is essentially a trend imitation. These offerings seem to imitate the design aspects of a senior brand product offering or logo, rather than the senior brand name.

In short, counterfeits and design pirates involve consumer confusion (i.e., incorrect consumer beliefs that the imitation is manufactured by the senior brand) or the likelihood that same will occur, while diluting copycats and trend imitators do not. That is, diluting copycats and trend imitators do not confuse consumers as to the producing firm, and instead rely on their own firm equity. The first three classifications: counterfeits, design pirates, and diluting copycats, run the risk of potential legal liability based on either trademark infringement or trademark dilution, while trend imitators generally do not. Imitations that do not fall into one of the three categories to the left essentially fall into the trend inspiration catchall category for legal imitations.

The recourse for senior brands that have been imitated is either trademark infringement (when the imitation confuses consumers) (Lanham Act, 2012) or trademark dilution (when the imitation does not cause confusion) (*Ty Inc. v. Perryman*, 2002). The

ultimate classification as to whether a junior imitation infringes upon or dilutes a senior brand must be determined by a court (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006; *Moseley v. V Secret Catalogue, Inc.*, 2003; *Ty Inc. v. Perryman*, 2002), rendering imitation classification somewhat of a gray area. Moreover, a senior brand would need to initiate a lawsuit against a junior brand in order to actually have a court label an imitation, and many of these cases never reach the judicial system (Ellis, 2010). Nevertheless, assuming a court has not adjudicated a trend imitation as infringing or diluting, these imitation types generally do not violate trademark laws and are essentially legal (Ellis, 2010). As such, senior brands that have been imitated do not seem to have much recourse against junior imitations in this category.

The following section focuses on the gaps in the literature covering trend imitations.

Gaps in the Literature on Trend Imitations

In terms of the research specifically related to the various imitation classifications, the literature primarily contains consumer behavior research related to counterfeit goods (de Matos, Ituassu, & Rossi, 2007; Doss & Robinson, 2013; Kim & Karpova, 2010; Phau & Teah, 2009; Zampetakis, 2014). The literature related to the remaining imitation types is not as abundant and does not appear to consistently distinguish between imitation classifications (specifically, design piracy, diluting copycats, and trend imitations) in terms of their relation, or lack thereof, to trademark laws (Bird, 2007; Ellis, 2010; Marcketti, 2005). Moreover, the foci of the research vacillate between imitation effects related to the senior brand (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al.,

2006) and effects related to the junior brand (Horen & Pieters, 2012a, 2012b; Warlop & Alba, 2004).

As indicated above, beyond design pirates and diluting copycats, the apparel and accessories industry includes trend imitations that exist due to the collective circumstances involving the tickle down theory (Simmel, 1957) and firms with merchandising strategies specifically meant to provide copies of current trends or designs at least inspired by the current trends (Burns et al., 2011). Unless these imitations blur or tarnish the senior brand equity, or free ride thereon such that they steal sales from the senior (Beltrametti, 2010; *Ty Inc. v. Perryman*, 2002), trend imitations do not result in trademark liability and are legal (Ellis, 2010; Horen & Pieters, 2012a). Yet, despite the industry's recognition of the innovation-motivating function of copies, technological advancements have made it possible for imitations to be replicated much faster than in the past, and occasionally in even shorter time than it takes for the senior brand originals to become available to consumers (Beltrametti, 2010; Ellis, 2010). According to A. V. Garcia (personal communication, November 19, 2015), a product manager at Spanish fast fashion giant, Zara, the firm produces imitations of high end fashions close to the company headquarters so that the imitations can thereafter be delivered to any store in the world within two days of completion of production.

Further, outcomes of the controversial apparel and accessories-related imitation cases are not only varied, but also provide an indication as to how similar imitations can be to the senior originals. The Gucci brand won some of its claims against Guess related to imitations featuring similar trademark-focused product fabric designs (e.g., the court

deemed Guess's Quattro "G" pattern too similar to Gucci's "GG"-diamond pattern such that the former diluted the latter) (*Gucci Am., v. Guess?, Inc.*, 2012). On the other hand, Louis Vuitton lost its claims against Dooney & Bourke related to imitations featuring similar trademark-focused product fabric designs (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006). The court even noted that:

A competitor is free to develop its own particular combination of initials and/or designs imprinted in various colors, as Dooney & Bourke and many others have, so long as its particular combination is not so similar to Louis Vuitton's (in both designs and colors) as to mislead consumers as to the true source of the competitor's goods. Indeed, because Louis Vuitton does not and cannot claim trademark rights in the Murakami colors alone, *a competitor is free to use precisely those colors* [emphasis added] so long as it displays those colors in imprinted initials and/or designs sufficiently dissimilar to the traditional Vuitton Toile as not to cause consumer confusion. (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2007, p. 592)

This leaves some ambiguity regarding types of senior brand products that are imitated, and the effects of highly similar, yet legal, trend imitations on the senior brands they imitate. At this juncture, literature of this type seems rather limited. As Wilke and Zaichkowsky (1999) note, "opinions on the acceptance of imitations are much wider than for pirated goods," (p. 11), and as such, consumer evaluations of imitations will also likely vary to a greater extent than those for counterfeits and pirates. For the foregoing reasons, this study will focus on trend imitations that are highly similar to the senior brand inspiration, yet use their own dissimilar brand name and do not attempt to confuse consumers into believing the senior brand is the manufacturer (so as to not trigger trademark infringement issues).

In summary, the sections above set forth the literature relating to marketplace imitation practices and imitation types in terms of their legal status. The following section discusses the theoretical foundations that are pertinent to the measurement of the effects of marketplace imitation practices, including the similarity between the junior imitation and the senior brand in the consumption environment, which results in the outcomes of brand management (i.e., brand equity and brand preference) and the impact of brand imitation on brand management outcomes. In addition, relevant literature pertaining to consumer characteristics (e.g., consumer ethics, prestige sensitivity, fashion leadership) is also included in the next section.

Theoretical Foundations

This section pertains to the theoretical foundations of this study. The outcomes of brand management will be addressed. This is followed by a discussion on the impact of brand imitation on brand management outcomes. Finally, this section concludes with a discussion on consumer characteristics that may account for differences in consumer evaluations and behaviors in response to imitation practices.

The Outcomes of Brand Management

This section discusses the outcomes of brand management. The brand, which essentially is the basic unit of brand management, can be a name, design, symbol, or mark that is added to a firm offering to give it value above and beyond that of simply the item's purpose or function (Farquhar, 1989), and to identify the offering of a particular firm(s) and distinguish it from those offered by other firms (Aaker, 1991). Brands help firms gain a competitive edge in the market (Lahiri & Gupta, 2009), for example, by

serving as a signal of quality to consumers, among other extrinsic cues (Zeithaml, 1988). A firm's brand is often considered a firm's most important asset (Keller, 1993; Quelch & Harding, 1996). Branding is the practice of attaching a brand to a firm's market offering(s) to gain competitive advantage and has been in existence for several centuries (Farquhar, 1989). Branding strengthens firm economic positions, and as such, brand management is paramount in today's market in order to build brand equity (Colucci, Montaguti, & Lago, 2008), one of the outcomes of brand management. This section sets forth the literature related to several outcomes of brand management, specifically brand attitude, brand equity, and brand preference.

Brand attitude.

According to Fishbein and Ajzen (1975), attitudes are learned predispositions to respond consistently (either favorably or unfavorably) to a particular object. Brand attitudes are consumers' evaluations of brands (Solomon, 2013), which are comprised of both cognitive and affective dimensions (Fishbein & Ajzen, 1975). The cognitive dimension refers to brand knowledge as it relates to brand associations in consumer memories (Keller, 1993). These associations relate to brand attributes that are either more functional (e.g., durability and color) or symbolic (e.g., status and prestige) (Czellar, 2003). Thus, the cognitive dimension of attitude stems from consumer evaluations of a brand that are based on brand knowledge. On the other hand, the affective dimension represents feelings that are associated with product categories or brands (Loken & John, 1993). In other words, the affective aspect of attitude refers to consumer brand evaluations based on feelings, which can result from, for example, prior positive or

negative experiences with the brand. As consumers often have attitudes about senior brands prior to their launch of brand extensions (Czellar, 2003), consumers also likely possess attitudes about senior brands prior to the appearance of imitation juniors, which can be retrieved from memory as needed (Carlston, 1980; Peterson et al., 1999).

There are several approaches to analyzing brand attitude; however, literary emphasis seems to be placed primarily on multiattribute models, which view attitude toward the brand (i.e., an object) as a group of attributes and/or characteristics (Wilkie & Pessemier, 1973). These models provide insight as to the elements that, when combined, influence the evaluations of individuals with respect to brands (Solomon, 2013). Of the models, Martin Fishbein's multi-attribute model is one of the most prominent, and is based on the idea that attitude toward a brand is a function of the salient beliefs an individual holds about a brand, along with the probability that the brand possesses important attributes and the evaluation (or weight) given to those attributes (Fishbein & Ajzen, 1975; Solomon, 2013). This is essentially the foundation of the theory of reasoned action, which posits that consumer attitude toward a brand and subjective norm (SN) collectively determine behavioral intention toward that brand (Fishbein & Ajzen, 1975; Solomon, 2013). This model holds that negative beliefs can outweigh positive beliefs, and ultimately result in lower behavioral intention.

In the context of imitation practices, brand attitude related to imitations seems to have been captured primarily via positive (or negative) consumer evaluations (Choy & Kim, 2013; Horen & Pieters, 2012a, 2012b), general brand/imitation product likeability (or dislike-ability) (d'Astous & Gargouri, 2001; Horen & Pieters, 2013; Morrin & Jacoby,

2000), favorableness (Choy & Kim, 2013; Le Roux, Thébault, Roy, & Bobrie, 2016), attractiveness (Choy & Kim, 2013), perceived quality (d'Astous & Gargouri, 2001; Morrin & Jacoby, 2000), and purchase value (d'Astous & Gargouri, 2001).

The majority of studies assessing legal imitations and senior brands have focused less on brand attitude and more on measurement related to senior brand equity (Choy & Kim, 2013; Morrin & Jacoby; 2000; Pullig et al., 2006), which is addressed in the following section. What appears to be the only research measuring senior brand attitude and imitation practices is the study by Choy and Kim (2013), who measured senior brand attitude via favorability, positivity, and attractiveness.

Brand equity.

Research indicates that the manner in which to assess the effects of imitation practices on senior brands is by measuring changes in their brand equity (Phau & Teah, 2009; Pullig et al., 2006; Simonson, 1993). Prior to a discussion of brand equity, a broader conceptualization of the concepts related to brands and branding is helpful, both of which are discussed in detail below.

Definition and dimensions of brand equity.

Brand equity is generally defined as the additional value a brand gives a product (Farquhar, 1989), which is based on consumer perceptions of the brand and associations therewith (Baldinger & Robinson, 1996; Dyson et al., 1996; Park & Srinivasan, 1994). The concept of brand equity seems to have been initially termed as such towards the late 1980s and early 1990s, as Aaker (1992) posits that this is when mechanisms for measuring brand equity came into existence. Not surprisingly, then, brand valuation was

also quite novel around this same time as well (Farquhar, 1989). A number of researchers (Aaker, 1991; Farquhar, 1989) have indicated that brand equity is valuable to consumers and firms. Consumers utilize brand equity for information processing, storage, and interpretation, purchase decision confidence, and satisfaction enhancement, while firms glean value via assistance in areas such as with marketing strategy, brand loyalty, product development, and pricing strategy (Aaker, 1992; Lassar, Mittal, & Sharma, 1995).

Accordingly, brand equity can be conceptualized from either the financial perspective of firms (Simon & Sullivan, 1993), or the consumer perspective (Cobb-Walgren, Ruble, & Donthu, 1995; Erdem & Swait, 1998; Park and Srinivasan, 1994; Yoo, Donthu, & Lee, 2000). Yet, as Cobb-Walgren, Ruble, and Donthu (1995) posit, firms realize value only when consumers have first obtained value of their own, which arguably renders the consumer perspective the more important of the two. This study utilizes the consumer perspective of brand equity.

Conceptualization of brand equity.

Aaker (1991) conceptualizes the consumer perspective of brand equity as the collective assets and liabilities of a particular brand, which either increase or decrease the value afforded to a firm or its customers by that firm's product and/or service offerings. These assets and liabilities, often referred to as dimensions, include brand loyalty, brand associations, perceived quality of a brand, awareness of brand name, and additional proprietary factors and/or assets of the brand (Aaker, 1991, 1992). The dimension of brand loyalty refers to a consumer's dedication to a brand, represented by continued, consistent re-patronage regardless of situational circumstances that might normally cause

the consumer to change brands (Oliver, 1997). Brand awareness refers to the strength of a brand in consumer minds (Pappu, Quester, & Cooksey, 2005), which is based on the strength of the node or trace therein (Rossiter & Percy, 1987). Brand associations are links to the brand in the memories of consumers, with varying degrees of strength (Aaker, 1991) and comprise the manner in which consumers recollect favorable brand attributes (Keller, 1993). Perceived quality refers to consumer evaluations of the superiority or excellence of firm offering, and encompasses brand leadership (Aaker, 1996; Zeithaml, 1988). Proprietary brand assets refer to intellectual property (e.g., patents, trademarks, copyrights, and trade secrets) (Boatright, 2016), distribution channels, perceived value, price, market share, and brand credibility (Aaker, 1991, 1992; Erdem & Swait, 1998).

Inspired by Aaker's (1991) conceptualization of brand equity, other definitions have emerged that propose additional dimensions or different configurations thereof (Keller, 1993; Pappu, Quester, & Cooksey, 2005; Yoo et al., 2000). For example, Keller (1993) uses the term, consumer-based brand equity (CBBE), and defines it as the disparate effect that consumer knowledge of a brand has on the consumers' response to that brand's marketing efforts such that brand equity will be positive when consumers respond positively to a marketing mix element (and vice versa), as opposed to the response to that same element for an unbranded firm offering. In short, Keller's (1993) CBBE consists of the image of a brand that exists in consumers' minds, or brand knowledge (Ailawadi & Keller, 2004). Keller (1993) further posits that brand awareness and brand image are two sub-dimensions of this brand knowledge.

Viewing brand equity in a similar fashion, Yoo et al. (2000) define brand equity as the choice of the consumer as between two products that are completely identical but for the brand names, and propose that perceived quality, brand loyalty, brand awareness, and brand association comprise the dimensions of brand equity. Yoo and his colleagues (Yoo & Donthu, 2001; Yoo, Donthu, & Lee, 2000) joined the dimensions of brand awareness and brand associations into one; however, Pappu, Quester, and Cooksey's (2005) study revealed that brand associations and brand awareness are distinct dimensions of brand equity. From slightly different perspectives, Park and Srinivasan (1994) suggest that brand equity be split into two components (one based on attributes and one based on an overall brand preference). Erdem and Swait (1998) base their conceptualization of brand equity more in economics, positing that the construct consists of the dimensions of credibility (noted as the most important dimension), consistency, clarity, perceived risk and quality, brand investments, expected utility, and information costs saved.

Although relatively scarce, research on marketplace imitation practices has measured the effects thereof on senior brands via brand equity primarily in terms of the dimensions of brand awareness and brand associations (and subcategories thereof) (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006). Research on effects of marketplace imitation practices should, at the very least, incorporate these dimensions of brand equity. Additionally, brand loyalty and perceived quality (augmented by brand leadership) are related to the dimensions of brand awareness and brand associations (Aaker, 1991, 1992) and may provide insight as to additional effects of imitation

practices. Moreover, as prior researchers (Pullig et al., 2006) in the area of imitation practices posit, multiple measurement methods are necessary. The inclusion of the dimensions of brand loyalty and perceived quality may serve to capture changes in consumer evaluations of imitated brands that extend beyond those related to mental associations. These types of changes may serve as more persuasive evidence for courts searching for alterations more closely linked to consumer purchase behavior (Tushnet, 2008). Aaker's (1991, 1992, 1996) conceptualization of brand equity includes brand awareness, brand associations, perceived brand quality, and brand loyalty, and each of these dimensions has been identified as being important to research on imitation practices (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006). Consequently, this study will implement the concept of brand equity as conceptualized by Aaker (1991, 1992, 1996). Each of these dimensions is discussed in more detail in the following sections.

Brand awareness.

Brand awareness relates to strength of a brand in consumer minds (Keller, 1993; Pappu et al., 2005). That strength is based on the intensity of the node in the mind (Rossiter & Percy, 1987), which signifies a brand and its aspects and/or attributes (Anderson, 1983; Collins & Loftus, 1975). Brand awareness is related to consumer recall of brands, which can be triggered by cues stemming from exposure to promotional efforts by the brand and otherwise (e.g., word of mouth) (Keller, 1993). Along this vein, Keller (1993) breaks down brand awareness into brand recognition and recall performance, with the former being the ability to verify previous brand exposure when cued with the brand

and the latter being the ability to bring the brand to the forefront of the mind when cued with the product category. Aaker (1996) suggests that recognition and recall are levels of awareness, along with brand dominance (when a brand is the only one recalled), top-of-mind (first brand recalled), brand knowledge (what a brand means) and brand opinion (about a brand). Aaker (1996) defines brand recognition as having heard of a particular brand, as compared to brand recall, defined as the brand names that come to mind for a particular product category.

On the other hand, Keller's (1993) conceptualization of brand equity includes brand awareness as a sub-dimension of brand association, along with brand image and knowledge. With this logic a home-building metaphor is created, whereby brands are built by establishing a solid foundation through brand awareness, on top of which will be positive brand associations (Pitta & Katsanis, 1995). Somewhat similarly, Dew and Kwon (2010) posit that brand awareness precedes the remaining dimensions of brand equity because consumers must first remember a brand in order to develop any associations or loyalty with it. Accordingly, branding efforts are usually focused on consumer memory (Tushnet, 2008). Although Yoo and his colleagues (Yoo & Donthu, 2001; Yoo, Donthu, & Lee, 2000) joined brand awareness with brand associations for measurement purposes, these researchers recognize that brand awareness is not as deep of a dimension as brand associations, and does not automatically result in greater brand associations. Thus, brand awareness essentially amounts to consumers' ability to recognize and/or recall brands.

The literature reveals that brand awareness, along with brand associations, brand loyalty, and perceived quality, increase overall brand equity (Yoo et al., 2000). Brand awareness also affects perceptions and brand attitudes, and can guide brand loyalty and choice (Aaker, 1996). Furthermore, brand awareness is useful in the consumer decision making process (Pitta & Katsanis, 1995), particularly in how the dimension relates to brand associations.

Brand associations.

Associations are links to the brand in the memories of consumers (Aaker, 1991, 1992; Keller, 1993). Brand associations refer to the meanings of brands in the minds of consumers, and are based on the ability of consumers to recollect a favorable attributes of brands (Keller, 1993). The concept of brand associations is rooted in associative network theory (Morrin & Jacoby, 2000; Pullig et al., 2006), which holds that information about brands is stored in consumer minds in patterns that are made up of links between nodes, which represent brands and their particular aspects (Anderson, 1983; Collins & Loftus, 1975). Thus, those connections between the brands and their attributes comprise the associations (Pullig et al., 2006). In short, and in relation to brand awareness discussed above, brand associations are the links between brands (nodes) and their aspects (other nodes), and brand awareness refers to the strength of those brands and/or aspects (nodes).

Associations include items such as price, celebrities/people, competitors, users/customers, countries and/or geographic areas, intangibles, and products attributes, among other things, and are essentially how brands can be differentiated from one another (Aaker, 1991; 1996). Sets of associations make up brand images that are unique

to brands and that differentiate them from their competition (Aaker, 1991; 1996). Aaker (1996) posits that three perspectives of brand associations exist, one centered on the value or function a brand provides (via its products), one based on the personality of the brand, and one related to the firm that produces the brand. Thus, brand associations encompass brand personality (Choy & Kim, 2013; Pappu et al., 2005; Yoo & Donthu, 2001), which refers to the human-like characteristics of a brand (Aaker, 1996). Accordingly, brands can be rugged, sophisticated, exciting, sincere, or competent (Aaker, 1997), for example, just as individual people might be. The perspective related to the firm producing the brand incorporates the innovation levels, values, social responsibility, and so on of the organization linked with the brand (Aaker, 1996).

Brand associations have varying degrees of strength (Aaker, 1991), and have various meanings for consumer with respect to certain brands (Keller, 1993). Further, brand associations vary depending on the level of consumer exposure to brands, which can be direct or indirect, in which case, advertisements and word of mouth will be the mediums through which consumers obtain brand exposure rather than their own experiences (Campbell & Keller, 2003). Naturally, unique, strong, and favorable associations for a brand will amount to a positive image for that brand in consumer minds (Keller, 1993).

During the decision making process, which consists of problem recognition, information search, evaluation of options, choice, and outcomes (Solomon, 2013), brand associations assist consumers in handling and using information in their memory that leads them to product choice (Aaker, 1991). As such, brand associations influence brand

recall, brand attitude, and ultimately purchase decisions (Aaker, 1991; Keller, 1993).

Positive brand associations positively influence brand equity, as do brand loyalty, brand awareness, and perceived quality (Yoo, Donthu, & Lee, 2000).

Perceived quality.

Perceived quality is another dimension of brand equity (Aaker, 1991; 1996), and can be defined as consumers' subjective judgments about the overall excellence or superiority of certain brands (Yoo et al., 2000). As Zeithaml (1988) notes, perceived quality does not refer to the actual quality of the products of brands, but rather, consumers' subjective evaluations of the quality of products. Perceived quality provides a reason for consumer patronage of certain brands, which renders the dimension valuable to both consumers and firms (Pappu et al., 2005). As such, perceived quality grants firms competitive advantage by serving to differentiate said brands from their competition (Pappu et al., 2005). Cues in the consumption environment, such as price, country of origin, brand name, and physical appearance, signal product quality (Dawar & Parker, 1994; Yoo et al., 2000). Research reveals perceived quality to be associated with price premiums (Netemeyer et al., 2004), brand usage, and even stock return, along with other brand equity dimensions (Aaker, 1996).

Aaker (1996) notes that the perceived quality dimension may lack the ability to capture changes in the dynamics of the marketing, e.g., when consumers believe a brand to be of high quality, yet market entrants with similar products sway the patronage of such consumers and damage the equity of the older brand without necessarily changing the consumer quality perceptions thereof. For this reason, Aaker (1996) posits

augmenting the perceived quality dimension with a leadership variable, which captures sales leadership, product class innovation, and consumer acceptance. All of these aspects provide information as to the popularity and importance of the brand. This falls in line with the view of a number of consumer researchers (Mazursky & Jacoby, 1985; Zeithaml, 1988) that brand leadership could be employed as a signal of quality.

Brand loyalty and overall brand equity.

Brand loyalty is considered a core component of brand equity (Aaker, 1991; 1996, Pappu et al., 2005). While Aaker (1991) defines brand loyalty as consumers' attachment to certain brands, Oliver (1999) defines brand loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 34). Pappu, Quester, and Cooksey (2005) posit that the latter definition is focused on the behavioral aspect of loyalty, which is in line with Gounaris and Stathakopoulos's (2004) indication that brand loyalty can be considered from various perspectives: 1) attitudinal; 2) behavioral; and, 3) reasoned action. Viewing the perspectives collectively, Rossiter and Percy (1987) consider the concept as being comprised of both favorable brand attitudes and associated repeat purchase behavior. From another angle, Chaudhuri and Holbrook (2001) differentiate attitudinal from behavioral loyalty by defining the latter in terms of repeat purchase behavior and the former in terms of inherent brand dedication based on unique value brand provide. Chaudhuri and Holbrook (2001) found that behavioral loyalty results in increased market share for brands while attitudinal loyalty

results in the ability of brands to increase their prices. Along this vein, Aaker (1996) suggests that, "a loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor innovations, and a bulwark against deleterious price competition" (p. 105-106).

As Yoo and Donthu (2001) conceptualized brand loyalty as consumer intentions to initially purchase certain brands, such definition assists with understanding the differences between the perspectives and their relation to brand equity. Pappu, Quester, and Cooksey (2005) explain that the behavioral perspective relates to consumers' actual brand loyalty represented by purchasing actions, and the attitudinal perspective relates to consumers' intentions to be brand loyal. This study seeks to measure loyalty in terms of consumer intent related to purchase behavior, and as such, considers brand loyalty from the behavioral perspective. Research indicates that general brand loyalty is negatively related to consumer evaluations of imitations (d'Astous & Gargouri, 2001). Yoo, Donthu, and Lee (2000) also developed a scale for overall brand equity, which is meant to capture consumer intention to select the focal brand and is in line with the researchers' definition of brand equity as consumer choice between identical products differing only with respect to brand name. The literature indicates that brand awareness, brand associations, perceived quality, and brand loyalty increase overall brand equity (Yoo, Donthu, & Lee, 2000).

Brand preference.

Brand preference is consumer bias toward a specific brand (Chang & Liu, 2009), and is essentially a measure of consumer choice between products, along with behavioral

intention and direct choice measurements (Pullig et al., 2006; Yoo, Donthu, & Lee, 2000). Product choice falls towards the end of a relatively advanced consumer decision making process, occurring after consumers recognize their needs, search for information, and evaluate their alternatives via classification and comparison (Dietz & Stern, 1995; Solomon, 2013). Both personal values and social influences play roles in consumer choice (Dietz & Stern, 1995). Individual goals, both intrinsic and/or extrinsic, can also have an effect on brand preference (Truong, McColl, & Kitchen, 2010). As Helgeson and Supphellen (2004) posit, consumers prefer brands that fall in line with their sense of self. As such, the brand personality dimension of brand equity, which gives human-like characteristics to brands (Aaker 1991; 1992; 1996) likely influences consumer preference (Helgeson & Supphellen, 2004).

Measurement of brand preference in relation to marketplace imitation practices is important to supplement measurement of changes in brand equity, particularly because upon exposure to similar brand options, consumers make similarity-based inferences that affect consumer choices related to the brands (Janakiraman & Niraj, 2011). As indicated, brand equity exists in consumers' minds (Keller, 1993). Although, as Cobb-Walgren, Ruble, and Donthu (1995) found that higher brand equity leads to higher consumer preference, it is not a certainty that changes in brand equity will result in any action related to either the imitations available in the market, or the senior brands they mimic. As Tushnet (2008) notes, it is important to determine when changes in brand association or other dimensions of brand equity actually alter consumers decisions with respect to purchases. This is similar to the general agreement that a somewhat inexplicable gap

exists between behavioral intentions and future purchase behavior, for example, rendering the predictability of behavior based on measurement of intentions slightly dubious (Chandon, Morwitz, & Reinartz, 2005). Accordingly, as Pullig et al. (2006) suggest, multiple methods of measuring effects of marketplace imitation practices is necessary, and specifically, measurement of how brand equity relates to brand choice and/or preference.

Thus, in recognition of both the link between dimensions of brand equity and consumer preference (Helgeson & Supphellen, 2004) and the need for additional measurements related to imitation practices, Pullig et al. (2006) conducted additional studies beyond the measurement of changes in brand to determine whether same translated to a decrease in consumer propensity to choose the senior brand. They found that senior brand equity dilution results in a decreased likelihood of consumers considering the senior brand for two of three brands studied (Big Red brand gum and Gap brand apparel), and ultimately choosing the senior brand for all three (Big Red, Gap and Trix brand cereal) (Pullig et al., 2006). Pullig et al. (2006) repeated the study with a five-day delay and found that senior brand equity dilution results in a decreased likelihood of consumers considering the senior brand for two of three brands studied (Trix and Gap), and ultimately choosing the senior brand two of three brands (Big Red and Gap)

Warlop and Alba's (2004) research revealed that consumers preferred identical imitations over differentiated juniors when pricing of the two is lower than or similar to the senior. This suggests that preference is higher for imitations, and practically identical ones at that, than differentiated juniors (Warlop & Alba, 2004). These results indicate a

need to include a choice measurement (i.e., a measure requesting that consumers choose between the senior and junior brand offerings), as Pullig et al. (2006) also did, when assessing effects of marketplace imitation practices. Such a measure is important to research on effects of imitations where some are potential substitutes for the seniors that may steal sales from the latter (posing a significant threat thereto) (Beltrametti, 2010). Thus, in determining the effects of imitations, it is important to assess preference in relation to brands offered at the point of sale.

The Impact of Brand Imitation on Brand Management Outcomes

This section is focused on the impact of brand imitation on brand management outcomes. Specifically, this section addresses both the features of brand imitation that affect brand management outcomes, as well as the consequences of brand imitation.

Features of brand imitation affecting brand management outcomes.

Consumers organize and classify the products into categories or schemata, a basic psychological process that is performed in an effort to reduce cognitive exertion (Cohen, 1982; Fiske, 1982; Halkias, 2015; Rosch & Lloyd, 1978). The categories are associated with market-specific concepts in the minds of consumers, and groups of these associations comprise a schema (Fiske, 1982; Halkias, 2015). Consumers develop schemata by abstracting aspects of market constituents (Halkias, 2015). Essentially, consumers both categorize and develop schemata to organize prior knowledge that can be applied to later situations (Fiske, 1982; Halkias, 2015).

In virtually every environment related to apparel and accessories consumption consumers encounter an assortment of product stimuli that ignite categorization processes

(Cohen & Basu, 1987; Solomon, 2013). Consumers will compare the stimuli to their existing knowledge, and classify the products into categories based on how similar they are to the consumer schemata (Cohen, 1982; Fiske, 1982; Halkias, 2015), most often organized by brands (Keller, 2009), or less frequently, by goals (Loken, 2006). In other words, the consumer categorization process entails the comparison of a stimulus (such as an imitation) to one's stored categorical knowledge or schemata based on perceived similarity (Cohen 1982; Cohen & Basu, 1987). The level of ease and/or difficulty is dependent upon how distinctive and accessible the categories are, contextual aspects of the situation, and the similarity of the category to the new object (Cohen, 1982). Three models of the categorization process exist, which differ in terms of the comparison used in the process, the representation of the category, and whether the process is elective or automatic (Cohen & Basu, 1987).

The manner in which consumers categorize products or other stimuli ultimately affects the evaluations thereof (Solomon, 2013). Consumers evaluate products based on attributes (a piecemeal process) or categories (Fiske & Pavelchak, 1986; Solomon, 2013), or a mixture of both, yet one evaluation process will likely dominate the other (Nan, 2006). Attributes are characteristics of the product (e.g., appearance, price, brand name) that serve as cues in categorization and decision making in the consumption environment (Loken, 2006; Simonson, 1993; Solomon, 2013). According to the theory of cue utilization, products comprise an assortment of cues (e.g., color, price, and brand name) that individually provide impressions about the products (Jacoby, Olson, & Haddock, 1971). Categories in which products fall also serve as cues, particularly when product

categories are led by certain brands (e.g., Big Red arguably leads the cinnamon-flavored gum category) (Pullig et al., 2006). Based on these various cues, consumers categorize stimuli, such as imitations, by comparing their categories and/or attributes to existing knowledge, which results in evaluation of the stimuli (Cohen 1982; Cohen & Basu, 1987; Fiske & Pavelchak, 1986; Loken, 2006; Simonson, 1993; Solomon, 2013). For example, appearance and brand name, coupled with typicality (i.e., how typical a brand is for a product category), affects consumer categorization and evaluation of imitations (Le Roux, Thébault, Roy, & Bobrie, 2016). As apparel and accessories consumption environments usually contain an assortment of products and/or stimuli rather than just one (Cohen & Basu, 1987) the focus of the current study is situations where both the senior and junior brands are offered.

The next section discusses the features of imitations that are relevant to consumer categorization thereof upon encountering imitation stimuli in the consumption environment, namely similarity of product and price.

Similarity of product.

As similarity between the stimulus and existing knowledge and/or categories is a key to the categorization process, similarity affects whether the stimulus is assimilated to, or contrasted with, the category (Loken, 2006; Horen & Pieters, 2012a). Assimilation holds that when a consumer is in the process of categorizing an object, that object's similarity to a category will result in assimilation, where the object adopts the category's features (Loken, 2006). This happens when, for example, consumers infer similar product quality to the original based on similarity (Collins-Dodd & Zaichkowsky, 1999). From

the other perspective, an object's dissimilarity results in contrast, where the object does not fit into the category (Loken, 2006). To generally illustrate this process consider Horen and Pieters' (2012b) example where, in comparison to a Rolex, a semi-luxurious watch may seem either more (or less) luxurious.

Essentially, imitation stimuli will generate consumer categorization with the use of product cues that will result in impressions, and eventually evaluations, of the products, which, in turn, will invoke any existing brand knowledge and attitude, potentially altering them (Carlston, 1980; Cohen, 1982; Cohen & Basu, 1987; Jacoby, Olson, & Haddock, 1971; Loken, 2006; Peterson et al., 1999; Pullig et al., 2006). Further, whether an imitation mimics features or themes of the senior, along with consumer mindset, determines how similar consumers perceive imitations to be to the senior (Miceli & Pieters, 2010).

Brand familiarity and positioning.

Within product categories, some brands are more familiar to consumers (i.e., have stronger presence and storage in consumer mental networks) and as a result, are triggered more often (Morrin & Jacoby, 2000). As indicated by both the literature (Morrin & Jacoby, 2000; Pullig et al., 2006) and the courts charged with adjudicating imitation-based cases (*Ty Inc. v. Perryman*, 2002), not all brands are as familiar as others. Some brands must create and promote brand familiarity (Park & Stoel, 2005), while other brands are already quite familiar, some of which even being immune to effects from junior imitations (Morrin & Jacoby, 2000). Accordingly, familiarity has been shown to moderate the effects of imitations on senior brand equity (Morrin & Jacoby, 2000).

Morrin and Jacoby (2000) found that less familiar senior brands experience greater dilution and recall interference than extremely familiar brands; however, these results were qualified by an interaction between category similarity and familiarity (i.e., the extent of the dilution was affected by category similarity for unfamiliar brands). Morrin and Jacoby (2000) also found that dilution measured in terms of consumer ability to recall the junior brand was greater for unfamiliar brands.

Instigating the more controversial lawsuits based on imitation practices are arguably some of the more familiar apparel and accessories brands, such as Louis Vuitton and Gucci (Clark, 2008; *Gucci Am., v. Guess?, Inc.*, 2012; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006; K. Wang, 2013). Yet, these brands may not need to proceed on these claims. However, if, as Morrin and Jacoby (2000) found, they may be immune from negative effects from junior imitations (Morrin & Jacoby, 2000). Additionally, in relation to brand familiarity, one of the legal requirements for brands claiming dilution is that the brand is famous (i.e., reached levels of notoriety such that the general public knows of them) (*Ty Inc. v. Perryman*, 2002).

Regarding the positioning of the familiar senior brand, as discussed above, luxury brands instigate many of the new trends (Vigneron & Johnson, 1999) that are thereafter imitated (Pouillard, 2011). These brands have also been plaintiffs in a number of controversial lawsuits related to imitation practices (*Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al.*, 2011; Ellis, 2010; *Gucci Am., v. Guess?, Inc.*, 2012; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis*

Vuitton Malletier v. Dooney & Bourke, Inc., 2006). Moreover, several of the designers of these brands are members of the CFDA, one of the organizations responsible for drafting the IDPA (the bill to protect designs from imitation), and with luxury brand designer, Diane von Furstenberg, serving as the president thereof since 2006 (Council of Fashion Designers of America, 2016).

Brand imitation.

With respect to the junior imitation stimulus, studies have ranged from using brand names alone or brand names coupled with logos or written statements about the product or its attributes, to brand names and packaging (trade dress) (Choy & Kim, 2013; Horen & Pieters, 2012a, 2012b; Morrin & Jacoby, 2000; Pullig et al., 2006; Warlop & Alba, 2004). However, in the apparel and accessories consumption environment, a stroll through a mall or an online product search reveals that the product itself (e.g., the shirt, shoes, purse, scarf, etc.) often serves as the cue rather than product packaging. Further, examples of apparel and accessories imitations that have been involved in controversial lawsuits include the designs of actual products operating in similar categories to the senior brand (Casabona, 2007; *Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al.*, 2011; Clark, 2008; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006; Racked staff, 2013; Solomon, 2012; K. Wang, 2013).

As addressed above, consumer categorization of the stimulus (based on categories, attributes, or both) will affect the evaluation of the product (Fiske & Pavelchak, 1986; Nan, 2006; Solomon, 2013) and whether the imitation is associated

with the original product (Cohen & Basu, 1987; Loken, 2006). Again, the imitation here will be in the same product category as the senior product inspiration, the attributes of the imitation will serve as cues to assist consumers in the process (Fiske & Pavelchak, 1986; Loken, 2006; Simonson, 1993; Solomon, 2013). The literature indicates that, with respect to marketplace imitations, the appearance and price attributes have been important to consumer categorization and evaluation (Choy & Kim, 2013; Horen & Pieters, 2012a, 2012b; Warlop & Alba, 2004), along with brand name (Loken, 2006; Simonson, 1993).

The appearance of the imitation product (stimulus).

In the context of apparel and accessories, the appearance of the imitation product (i.e., how similar it is to the senior), along with other factors (e.g., price, brand name) serves as a cue for consumers as they categorize and evaluate the imitation (Cohen, 1982; Le Roux, Thébault, Roy, & Bobrie, 2016; Satomura et al., 2014; Solomon, 2013). Thus, similarity level of the imitation in terms of appearance is a pertinent attribute. As indicated previously, differences exist between types of imitations (Ellis, 2010), and research reveals that differences in imitation types and similarity levels to the senior affect consumer evaluations of the imitation (Horen & Pieters, 2012a, 2012b).

In much of the literature, similarity level of the junior imitation to the senior is manipulated as high, moderate, or low (Choy & Kim, 2013; Horen & Pieters, 2012a). For example, Horen and Pieters' (2012a) study focused on the effects of levels of similarity (to the senior brand) and senior brand presence on consumer evaluations of imitation practices. In their first experiment, Horen and Pieters (2012a) found that when the senior brand is not present, consumers have more positive evaluations of highly similar brands

than dissimilar ones. However, when the senior is present, the opposite is true. In a second experiment, Horen and Pieters (2012a) manipulated similarity on three levels (low, moderate, and high). Results reveal that when the senior is not present, consumers have marginally more positive evaluations of highly similar brands than moderately or lowly similar ones; however, when the senior is present, evaluations of moderately similar brands are the most positive (Horen & Pieters, 2012a). Horen and Pieters (2012a) suggest that the presence of the senior creates a difference in consumer evaluations of the junior because such presence accounts for a consumer evaluation mode that is more comparative than when the senior is not present. Horen and Pieters (2012a) further posit that high similarity to the senior is more beneficial when it is not present. Perhaps consumers view a highly similar junior as somewhat of a substitute for the senior when it is not present (i.e., available). Nevertheless, Horen and Pieters' (2012a) results indicate that levels of similarity of the imitation to the senior brand affect consumer evaluation of imitations, along with senior brand presence. The latter finding is corroborated by d'Astous and Gargouri's (2001) study, which generally revealed that the presence of the senior brand plays a role in consumer evaluations of imitations.

In a later study, Horen and Pieters (2012b) continued to focus on how imitation type affects consumer evaluations thereof. This time, the imitation types were differentiated based on whether they were literal or semantic. To explain, Horen and Pieters (2012b) posited that feature imitations occur when visual features of the senior brand's name and/or package design are imitated (e.g., letters in the name, logo design, etc.) that directly activate senior brand associations. Further, theme imitations occur when

the overall semantic meaning of the senior brand is imitated (i.e., the scene of the senior brand's packaging presented a bit differently) that indirectly activates associations of the senior brand (Horen & Pieters, 2012b). Theme imitation basically occurs when the overall feel or look of a senior brand is imitated (Collins-Dodd & Zaichkowsky, 1999). In terms of level of similarity to the senior, feature imitations are more similar to the senior than theme imitations due to their direct activation of senior brand associations (Horen & Pieters, 2012b). For the first experiment, Horen and Pieters (2012b) manipulated senior brand names in four product categories (Puma brand shoes, Almhof yogret, Sourcy bottled water, and Robijn detergent) to create a theme imitation (e.g., Jaguar brand shoes), a feature imitation using the same letters as those in the senior name (e.g., Pumo brand shoes), and a feature imitation using a name that had meaning (e.g., Fuma, which means smoke). In this experiment, Horen and Pieters (2012b) found that consumers evaluated theme imitations of brand name more positively than both types of feature imitations.

In the second experiment, Horen and Pieters (2012b) exposed participants to the trade dress of imitating junior brands, asking participants to evaluate the junior, and provide information related to their willingness to purchase same. Using Bertolli brand butter as the senior, Horen and Pieters (2012b) used a junior theme imitation that mimicked the Tuscan farm scene on the senior's packaging with some differentiation, and was named "Mediterrane" to be in alignment with that theme. The junior feature imitation also used the farm scene, however, the font, colors, letters, and even the name, "Penetolli," mimicked distinct aspects of the senior (Horen & Pieters, 2012b). Results

from this second experiment revealed that consumers more positively evaluated the theme imitation, and were also more willing to purchase it (Horen & Pieters, 2012b). In a third experiment, Horen and Pieters (2012b) specifically sought to determine the extent that acceptability of the imitation affected consumer evaluations. The senior brand was Milka chocolate, and the junior theme imitation mimicked the scene of grazing cows with some differentiation and was named "Montana," while the junior feature imitation mimicked the color, cow, and font of the senior and was named "Lecha" (Horen & Pieters, 2012b). Results showed that acceptability mediated consumers' more positive evaluation of the theme imitation over the feature imitation, which indicates that the more positive evaluation is due to the consumer perception that the theme imitation is more acceptable than the feature imitation (Horen & Pieters, 2012b).

In addition to running the risk of consumer confusion, juniors with high similarity to seniors may also be "obvious" copies (i.e., consumers are aware of the imitation strategy). In a more recent study, Horen and Pieters (2013) assessed whether consumer awareness of imitation practices affects their evaluations. Results reveal that when consumers are aware of junior employment of imitation practices and are certain about product quality (i.e., consider the senior to be a quality brand), highly similar imitations are evaluated more negatively than less similar imitations (Horen & Pieters, 2013). Horen and Pieters (2013) note that while the results indicate that consumer affinity for imitations depends on the decision-making context (i.e., preferences are flexible and can be transposed in uncertain situations), the results do not explain the underlying reasoning for such dependency.

Le Roux, Thébault, Roy, and Bobrie (2016) found that typicality (i.e., how typical a brand is for a product category), coupled with appearance and brand name, affects consumer categorization and evaluation of imitations. On a slightly different trajectory, Satomura, Wedel, and Pieters (2014) focused on consumer evaluations of imitations that mimic shapes, colors, and textures of the senior brand so much so that such juniors cause consumer confusion as to which company produces the offering. Satomura, Wedel, and Pieters (2014) developed a metric to assist in identifying confusing imitations based on the extent to which junior brands imitate packaging and visual features of seniors. Such a metric would be useful in litigation based on trademark infringement claims. Along these lines, both Arboleda and Alonso (2015) and Herm and Möller (2014) found that consumers are more likely to confuse juniors with seniors when the senior is not present. Again, this study is focused on trend imitators that do not invoke trademark issues (i.e., those that do not confuse consumers as to the true manufacturer of the goods).

Imitations can vary as to which aspects of the senior brand are imitated and how much of each aspect. While some imitations copy aspects of the senior that directly activate senior brand associations (i.e., feature imitations), some imitations copy aspects of the senior that more indirectly activate senior brand associations (i.e., theme imitations) (Horen & Pieters, 2012b). Moreover, as indicated above, other factors (e.g., familiarity and senior brand presence) can affect consumer evaluations related to imitation stimuli. In essence, the literature collectively reveals that the similarity of the imitation to the senior is a cue that will affect consumer evaluations related to both the

imitation and the senior brand. The following section discusses price, which is another cue that is likely to play a role in said consumer evaluations.

Price.

Price is an attribute that also serves as a cue in consumer categorization and evaluation (Fiske & Pavelchak, 1986; Loken, 2006; Simonson, 1993; Solomon, 2013). The literature reveals that price affects consumer preference related to marketplace imitations (Warlop & Alba, 2004), and preference stems from more positive evaluation (Solomon, 2013). The experiments in Warlop and Alba's (2004) study appear to be some of the only research exploring the effect of price as it relates to market imitations. In their first experiment, Warlop and Alba (2004) exposed participants to groups of three brands containing a famous senior brand and two unknown or fictitious brands priced either at, higher than, or lower than, the senior's price point. The products used were traditional grocery items (e.g., coffee, hot sauce, laundry detergent) (Warlop & Alba, 2004). The results revealed that consumers preferred identical imitations (as opposed to differentiated junior brands) by 69.2% in the lower priced condition, 57.1 % in the same-price condition, and 35.7% in the higher priced condition (Warlop & Alba, 2004). Warlop and Alba (2004) posit that these results are due to a lack of blatant skepticism as a consumer response to high similarity, which essentially assists juniors.

In view of these results and the industry reality of juniors often being priced below senior brands, Warlop and Alba (2004) conducted a second experiment replicating the one above and eliminating the higher price condition. Warlop and Abla (2004) found that consumers preferred the identical junior by approximately 61% - 79% in the lower

priced condition and 58% - 62% in the same-price condition. Overall, Warlop and Alba's (2004) results suggest that practically identical visual similarity is not evaluated negatively, but may even be the preference when identical juniors are priced lower than the senior. Noteworthy, Warlop and Alba's (2004) study may have revealed such results due to the nature of the imitations used (i.e., grocery items as opposed to luxury products).

In the context of apparel and accessories, imitations are generally priced either lower than the senior brands they imitate (Collins-Dodd & Zaichkowsky, 1999; Ellis, 2010; *Gucci Am., v. Guess?, Inc.*, 2012; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006; Lovells & Pecnard, 2012; Pullig et al., 2006; Wilke & Zaichkowsky, 1999) or occasionally near the same price level as the seniors (*Christian Louboutin SA et al v. Yves Saint Laurent America, Inc et al.*, 2011; Ellis, 2010; *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 2011). Essentially, imitations are somewhat restricted from high prices in relation to the senior (Sinapuelas & Robinson, 2012). This falls in line with the trickle-down (Simmel, 1957) and trickle-across (King, 1963) theories of diffusion of innovation in the apparel and accessories industry, which vary depend on the merchandising strategy of the junior imitations (Burns et al., 2011). In addition, consumers are more likely to substitute imitations for the original senior when the former are more similarly priced to the latter, as opposed to when imitations are extremely lower in price (Beltrametti, 2010).

Consequences of brand imitation.

This section discusses the consequences of brand imitation. Research reveals that senior brands are generally harmed by private label imitation (even when consumers are not confused) (Aribarg, Arora, Henderson, & Kim, 2014) and to varied extents with brands that are not private labels (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006). In other words, seniors can lose their competitive advantage by virtue of the existence of imitations, especially when the designs emerge in close time proximity (Carson, Jewell, & Joiner, 2007; Quintal & Phau, 2013). The literature reveals that the effects of junior imitations on the copied senior brands can be assessed by measuring whether any changes occur to the equity of the senior brands (Choy & Kim, 2013; Pullig et al., 2006; Morrin & Jacoby, 2000). Changes in brand equity are often referred to as dilution or reinforcement effects (Keller & Sood, 2003; Loken & John, 1993; Pullig et al., 2006). While dilution is defined as the diminishing or decrease in value of the equity enjoyed by an established brand (Keller & Sood, 2003; Kort, Caulkins, Hartl, & Feichtinger, 2006; Loken & John, 1993), reinforcement is defined as an increase in brand value (Pullig et al., 2006). A number of studies related to changes in brand equity are focused on effects from senior brand extensions (Gurhan-Canli and Maheswaran, 1998; Lau & Phau, 2007; Loken & John, 1993; Leong, Ang, & Liao, 1997), occurring when senior brands seek to benefit from their own equity by applying their brands to new and different products to entice consumers in alternative markets (Kerin, Kalyanaram, & Howard, 1996). In these circumstances, similarity between senior brands and their extensions is paramount for successful extensions (Aaker & Keller, 1992; Kim, Lavack,

& Smith, 2001), particularly in terms of quality (Dacin & Smith, 1994, Park & Kim, 2001; van Riel et al., 2001). Nevertheless, senior brands can also experience negative effects on their equity when their extensions are too dissimilar (Keller, 2000; Loken & John, 1993; Milberg, Park, & McCarthy, 1997).

Apart from the effects of brand extensions on senior brand equity, which occur by virtue of actions taken by senior brands themselves (Keller & Sood, 2003; Pullig et al., 2006), brand equity can also be affected by circumstances that are not within the control of the firm. For example, Buchanan, Simmons, and Bickart's (1999) study considered the effects of retailer control of brand presentation at the point-of-sale on brand equity. The study acknowledges the mixed brand communities (e.g., luxury brands juxtaposed with masstige brands) that result when retailers control product presentation at the point-of-sale, which can ignite problems for firms with established brand equity that desire close proximity to similar brands (and distance from lesser known brands) (Buchanan, Simmons, & Bickart, 1999). Buchanan, Simmons, and Bickart (1999) found that dilution can result from retailer choices with respect to product placement in displays at the point-of-sale (either in catalogues or in stores). As an additional example of circumstances not under the control of senior brands, the existence of counterfeits of senior brands can also dilute senior brand equity (Loken & Amaral, 2010; Y. Wang & Song, 2013); however, Nia and Zaichkowsky (2000) found the opposite to be true. That is, the majority of consumers in Nia and Zaichkowsky's (2000) study indicated that the status and value of, and ultimately the purchase intention toward, senior brands are not negatively affected by the existence of counterfeits of the seniors.

In essence, increases or decreases in the equity of senior brands can occur as a result of circumstances either within senior brand control (e.g., brand extensions) or not (e.g., the existence of counterfeits). Unrelated junior brands producing highly similar imitations of senior brands are circumstances not within the control of senior brands, yet may affect the equity thereof. The next section addresses the literature on the effects of junior imitations on senior brand equity.

Impact of imitations on brand equity dimensions.

The research focused on measuring the effects of imitation practices by junior brands on the brand equity of senior brands mainly engages the brand awareness and/or association dimensions of brand equity (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006; Satomura et al., 2014). Morrin and Jacoby (2000) empirically assessed the effects of imitation practices on senior brand equity for the primary purpose of determining whether the practice causes senior trademark dilution. In the first of two experiments, Morrin and Jacoby (2000) used stimuli in the form of advertisements featuring identical or confusingly similar imitations of the names of senior brands (e.g., Heineken beer, Hyatt hotels and Godiva chocolate) by junior brands in different product categories (e.g., Heineken popcorn, Hyatt legal services, and Dogiva dog biscuits). Focusing on brand recall (i.e., the brand awareness dimension of brand equity) (Aaker, 1992; 1996), Morrin and Jacoby (2000) then administered a computerized brand matching task where two words appeared on the screen (one after another) representing the senior brand name and some distinct and obvious aspect of the brand (e.g., its product category or a distinct attribute) in random order. Participants were instructed to indicate

as quickly as possible whether the words amounted to a correct (versus incorrect) match (e.g., Godiva and chocolate would be a correct match), and the computer would emit a high beeping sound for correct matches and a low beep for incorrect matches (Morrin & Jacoby, 2000). Decreases in, or dilution of, senior brand equity was indicated by both higher numbers of incorrect matches (i.e., brand recognition inaccuracy) and higher response latency for correct matches (Morrin & Jacoby, 2000). The study revealed lower senior brand recognition accuracy for all three brands, and increased response time for two of the three famous brands (Heineken and Godiva, yet not Hyatt), indicating that dilution can occur for certain brands and not others (Morrin & Jacoby, 2000).

In their second experiment, Morrin and Jacoby (2000) again assessed the effects of imitations on senior brand awareness by measuring consumer brand recall of the senior brand, followed by recall of the junior brand, and also sought to determine if familiarity moderated the effects on brand equity. A printed booklet contained the stimuli, which consisted of visual pictures of logos of brand names accompanied by written descriptions of the product categories. The junior imitations consisted of identical senior brand names (e.g., Avon cosmetics and Continental airlines) paired with descriptions of either similar product categories (e.g., Avon health spas and Continental travel agencies) or dissimilar product categories (e.g., Avon lumber and Continental laundry detergent). After evaluating the imitations and undergoing an unspecified distracting task, participants were instructed to freely recall what they could from the stimuli (Morrin & Jacoby, 2000). This was followed by a written task where participants were given the brand names and asked to list the product categories for each (Morrin & Jacoby, 2000).

Results revealed that when not exposed to junior imitations (i.e., only the senior brands and their actual/accurate product categories), participants recalled the senior brands 80% of the overall time (Morrin & Jacoby, 2000). This number decreased to 70% when participants were also exposed to junior imitations in similar product categories and to 58% when the imitations were in dissimilar product categories (Morrin & Jacoby, 2000). Results also revealed that after exposure to junior imitations, recall was lower for unfamiliar (versus familiar) brands; however, category similarity moderated the diluting effects for unfamiliar brands, such that they are more diluted when the junior is in a different product category than the senior (Morrin & Jacoby, 2000). Morrin and Jacoby (2000) suggest that these results can be somewhat attributed to the immunity to dilution of some extremely well-known brands (i.e., those with established memory links and awareness levels close to 100%). Additionally, using consumers' ability to recall junior brands as a second measure of dilution in the study, Morrin and Jacoby (2000) found that said ability is enhanced for junior imitations with identical brand names to the senior, especially when the juniors operate in similar categories to the senior.

Also in an attempt to measure the effects of imitation practices, Pullig, Simons, and Netemeyer (2006) focused on measuring changes in brand equity. In their first experiment, Pullig et al. (2006) exposed participants to stimuli in the form of advertisements for junior imitations. The junior brand imitations featured brand names identical to the senior brand (Big Red), product categories either similar to the senior (bubble gum) or dissimilar (snack bars), and product claims either similar to the senior (cinnamon flavored) or dissimilar (blows bubbles for the bubble gum, and vitamin

enriched for the snack bar) (Pullig et al., 2006). These researchers used a computerized task similar to Morrin and Jacoby's (2000) study, wherein participants were given the brand name and an aspects of the brand (chewing gum and cinnamon flavor) as separate cues (one following the other, in random order), and then instructed to press a key indicating whether the words were connected to each other (Pullig et al., 2006). The computer measured the time it took from the presentation of the second cue until participants responded about the connection of the words (Pullig et al., 2006). The accessibility of the senior brand name was operationalized by cueing participants with a distinct aspect of the brand and measuring the time it took participants to connect the brand name with the cue, and the accessibility of the senior brand's distinct aspect was operationalized by cueing participants with the brand name and measuring the time it took participants to connect the aspect with the cue (Pullig et al., 2006). They compared these response latencies with a control group (exposed to an unbranded junior imitation), and labeled response latencies that had increased as being indicative of senior brand dilution and those that had decreased as being indicative of senior brand reinforcement (Pullig et al., 2006). The results of the first experiment revealed that when senior brands and identically named junior imitations fall into the same product category, the senior brands are reinforced and when in different categories, senior brands are diluted (Pullig et al., 2006).

The second experiment by Pullig et al. (2006) sought to assess differences related to attribute/feature similarity (which were written into the advertisement stimulus). Results demonstrate that when an identically branded junior is in the same product

category as the senior, all senior brand associations (i.e., category and attribute) are reinforced when the junior has similar attributes to the senior, and when the junior has different attributes, category associations for the senior brand increase while the attribute associations decrease (Pullig et al., 2006). In the situation where an identically branded junior is in a different category than the senior, similar attributes result in dilution of name accessibility, no effect on aspect accessibility, and partial effects on attribute associations (Pullig et al., 2006). Different attributes result in dilution of senior brand attribute and category associations (Pullig et al., 2006). They repeated this second study with an aided recall (pencil-and-paper) measure, noting that same requires brand association recollection, rather than the recognition measure used in their first and second studies, which can be completely based on familiarity (Pullig et al., 2006). Results further revealed that diluting conditions result in a decrease in consideration of the senior brand (for two of the three brands used) and choice thereof, which persisted with a delay of five days for two of the three brands (Pullig et al., 2006).

Additional researchers (Choy & Kim, 2013) also attempted to assess effects of imitations on brand equity via the brand personality dimension of brand equity. They found that when consumers are familiar with the senior brand, brand personality is reinforced rather than diluted by a junior brand (Choy & Kim, 2013). Similar results also occurred in low familiarity conditions when the similarity between the brands was high (Choy & Kim, 2013). Choy and Kim (2013) found brand personality dilution only when consumers are not familiar with the senior brand and the similarity between the brands is

low. Additionally, results further revealed that dilution decreased consumer attitude toward the senior brand, which lowered purchase intention (Choy & Kim, 2013).

In summary, the impact of marketplace imitation practices can be measured through changes in dimensions of brand equity. The following section discusses certain consumer characteristics that may further explain the consequences of imitations that affect brand management outcomes, and that serve as another portion of the theoretical framework of the instant study.

Consumer Characteristics Affecting Brand Evaluations

In discussing the effects of marketplace imitation practices, it is imperative to also consider the characteristics of consumers who will be evaluating the brands involved. Consumers are by no means homogeneous, having distinctive values, ethical positions, and motivations, all of which having a role in consumer categorization and evaluations (Cohen, 1982; Cohen & Basu, 1987; Kim & Karpova, 2010; Solomon, 2013).

Accordingly, consumer evaluations of marketplace imitation practices may vary in relation to these differences. Research indicates that some characteristics (e.g., brand sensitivity and price sensitivity) can be significantly related to consumer evaluations of imitations (d'Astous & Gargouri, 2001; Kim & Karpova, 2010; Phau & Teah, 2009). The following sections address the consumer characteristics that may affect their evaluations, the first of which being consumer ethics.

Consumer ethics.

Consumer ethics are the principles and rules that guide purchasing behavior (along with the related use and sale of whatever is purchased) (Muncy & Vitell, 1992). In

a broader sense then, ethics can be considered rules of conduct that are based on beliefs related to right and wrong (Ethics, n.d.), whereas morals consist of those beliefs (Ha & Lennon, 2006). Mudrack and Mason (2013) define ethical judgments as an individual's evaluation of some action based on their perception of appropriateness. Academia began concentrating on ethical issues early in the 1980s, when publications dedicated to the topic emerged (e.g., *Journal of Business Ethics* in 1982) (Vitell & Ho, 1997). Within the arena of ethical beliefs, behaviors, and considerations, the focus seems to have been on businesses and less on the ethics of individual consumers (Cui, Mitchell, Schlegelmilch, & Cornwell, 2005; Vitell & Ho, 1997). Nevertheless, the literature focusing on consumers indicates that while consumers are generally opposed to unethical behavior (Fullerton, Kerch, & Dodge, 1996), in weighing such situations, important factors to consumers include the identity of the party at fault (Vitell & Muncy, 1992), whether deception is involved, and the level of resulting harm (Fullerton, Kerch, & Dodge, 1996; Muncy & Vitell, 1992).

In terms of how beliefs vary amongst consumers, younger consumers seem to be less ethical (or at least, more tolerant of unethical practices/behaviors) than older consumers (Fullerton, Kerch, & Dodge, 1996; Rawwas, & Singhapakdi, 1998; Vitell, Lumpkin, & Rawwas, 1991); however, as consumers age, they experience improvement in their ethical beliefs (Flurry & Swimberghe, 2016). It is reported that regarding personality traits, less ethical consumers tend to be those individuals that are innovative, accepting of risk, aggressive, and autonomous, while more ethical consumers tend to be problem solvers, have high social acceptance needs (Rallapalli, Vitell, Wiebe, & Barnes,

1994), and be less materialistic (Flurry & Swimberghe, 2016; Muncy & Eastman, 1998). Further, intrinsic religiosity and the ethical meaning consumers assign to money (e.g., whether it serves as the most meaningful object or is more related to personality) also factor into consumer ethical positions (Vitell, Paolillo, & Singh, 2006). Money ethic (i.e., love of money) and materialism contribute to negative ethical positions, while religiosity does the opposite (Flurry & Swimberghe, 2016).

Specifically with respect to consumer ethics and imitation practices, the literature seems to be focused more on illegal imitations (i.e., counterfeits and design pirates) (Kim & Karpova, 2010) rather than legal imitations (i.e., trend imitators). Nonetheless, the former can serve as a guide; however, as Mudrack and Mason (2013) note, the research is varied as to the conceptualization of the ethical components in these studies. To illustrate, viewing ethics from a legal standpoint, Cordell, Wongtada, and Kieschnick's (1996) research indicates that consumers that tend to behave in accordance with legal standards are not as apt to purchase counterfeits. Ha and Lennon (2006) found that ethical ideologies (i.e., rules for morally acceptable behavior) have no influence on purchasing intent for counterfeits. Labeling ideologies more of a personal attribute and ethical judgments more of a process, this study also revealed that said judgments regarding purchasing fashion counterfeit products have a negative influence on purchasing intent for counterfeits (Ha & Lennon, 2006). Measuring ethics via integrity (i.e., the extent to which a consumer's sense of justice affects his or her behavior), Phau and Teah (2009) found that lower integrity translates to more favorable attitudes towards counterfeits. Kim and Karpova (2010) found no relationship between integrity and attitude toward fashion

counterfeits; however, Kozar and Marcketti (2011) found that consumers with more ethical beliefs tend to be less likely to make counterfeit apparel purchases. The literature reveals mixed findings with respect to consumer ethics and counterfeit consumption.

Regarding ethics and imitations, what seems to be one of the only studies approaches ethics from the moral perspective, defining moral judgments as rigid evaluations of right and wrong, moral intensity as situational moral necessity (which includes consequences, time until the consequences, related social concurrence, and effect probability) and moral affect as the motivation to avoid wrong and seek right (which includes guilt, shame, embarrassment, and pride feelings) (Kim, Cho, & Johnson 2009). Kim, Cho, and Johnson (2009) found that moral judgment negatively affected purchase intention for imitations (as well as counterfeits), while moral intensity did not have an effect. Moral intensity did positively influence moral judgments related to imitations (in addition to counterfeits), however (Kim et al., 2009). Propensity for feelings of shame did not affect moral judgment of purchasing intentions for any product type (i.e., imitations, counterfeits, and genuine illegal goods) (Kim et al., 2009). In addition, guilt had a significant negative influence on purchase intent for genuine illegal (i.e., gray-market) goods only, and appositive influence on moral judgments related to imitations, as well as counterfeits and genuine illegal goods (Kim et al., 2009).

In summary, the perspectives of ethics in the literature varies between ethical judgments and ideologies (Ha & Lennon, 2006; Kozar & Marcketti, 2011), integrity (Kim & Karpova, 2010; Phau & Teah, 2009), and morality (Kim, Cho, & Johnson 2009). Moreover, the objects that are the subjects of such research are varied between

counterfeits, imitations, and genuine illegal products, as are the findings from the research. Accordingly, we believe a consumption-focused ethical inquiry is warranted in this study, especially due to the controversial and sometimes illegal nature of imitation practices, discussed at length above. The following section addresses prestige sensitivity, which is another consumer characteristic relevant to this study.

Prestige sensitivity.

Prestige sensitivity refers to consumer beliefs that luxury brand purchases serve as status signals to others, ultimately serving as a motivator of luxury brand patronage (Casidy, 2012; Lichtenstein, Ridgway, & Netemeyer, 1993; Vigneron & Johnson, 2004). Consumer motivations, which both lead individuals to behave in certain ways and are primarily functional or hedonic in nature, vary amongst consumers just as their ethical beliefs do (Lee & Workman, 2014a; Solomon, 2013). For example, Arnold and Reynolds (2003) found that the act of shopping is motivated by both utilitarian motives as well as hedonic ones such as those related to adventure, social interaction, gratification, ideas, and role playing. Values serve as the crux of motivations (Hansen, Risborg, & Steen, 2012), which also includes involvement (i.e., interest in a product, brand) (Kim, 2005; Seo, Hathcote, & Sweaney, 2001). Apparel and accessories products, which are acquired by consumers and attached to their bodies or worn, are part of appearance (along with whatever other attachments, body modifications, or body enclosures consumers utilize to alter their appearance or to "dress") (Kaiser, 1997). As appearances result in evaluations and deductions by others, appearance management, defined as the thought and activity allotted to one's "look," is important for consumers (Kaiser, 1997). Not surprisingly, then,

apparel and accessories are generally considered high involvement products for consumers (Kim, 2005; Laurent & Kapferer, 1985), which relates to considerable motivation levels.

As Vigneron and John (2004) indicate, luxury is difficult to precisely define, and within that industry, all luxury brands are not considered equal (i.e., as luxurious as others). Nevertheless, luxury brands and the apparel and accessories produced by many of them are generally considered prestigious, symbolizing both status and quality (Casidy, 2012; Vigneron & Johnson, 1999). As a result, these brands attract consumers with specific types of motivations, one of which being the belief that luxury brand purchases will signal said status to others (Casidy, 2012). Accordingly, luxury brands are often patronized by consumers that are motivated by the prestige luxury brands convey, i.e., those that have high levels of prestige sensitivity (Casidy, 2012), and brands that are patronized by the masses are not considered prestigious (Vigneron & Johnson, 1999). Prestige sensitive consumers are cued by luxury brands, and specifically the associated higher prices, which are believed to signal status and prominence to others (Casidy, 2012; Lichtenstein, Ridgway, & Netemeyer, 1993).

Vigneron and Johnson (1999) posit that luxury brands provide the following value for patronizing consumers: 1) signaling affluence and status, in accordance with Veblen's (1899) conspicuous consumption theory; 2) uniqueness due to their exclusivity; 3) social value (which includes role-playing opportunities); 4) emotional/hedonic value; and, 5) perceived quality. Vigneron and Johnson (1999) further argue that each of these values afforded by luxury brands relate to specific consumer motivations. To explain, the

bandwagon effect motivates the social value, hedonism motivates the emotional value, perfectionism motivates the perceived quality associated with luxury, and the snob effect motivates the uniqueness luxury provides (Vigneron & Johnson, 1999). The snob and bandwagon effects are collectively based on changes in demand relative to others' purchasing (i.e., snobs no longer desire products purchased by the masses, and contrarily, those on the bandwagon desire products used by the masses) (Lim, Kim, & Runyan, 2013; Vigneron & Johnson, 1999). These somewhat contrary motivations indicate that consumers within the group of luxury patrons differ in terms of their motivations. Vigneron and Johnson (1999) suggest that prestige-seeking consumers are motivated primarily by sociability, self expression, and the snob effect (Vigneron & Johnson, 1999). Specifically regarding imitation practices, consumers who are more conscious of how they are perceived in social settings (and as a result tend to patronize luxury brands) prefer luxury counterfeits to trend imitators (Jiang & Shan, 2016). Accordingly, the consumers that patronize senior luxury brands for their exclusivity and the prestige they convey (i.e., prestige sensitive consumers) may have different evaluations from consumers who do not patronize those brands. This may be the case because imitations of senior luxury brands essentially result in greater similar options, which may decrease the exclusivity prestige sensitive consumers are seeking by purchasing luxury goods.

Fashion leadership.

Along the vein of consumer characteristics also rests one that relates to a high interest in fashion. This characteristic is termed fashion leadership, with those falling into this category generally making purchases prior to mass market, and thereafter influencing

others (Goldsmith, Heitmeyer, & Freiden, 1991; Lee & Workman, 2014a). Fashion leadership plays a role in fashion problem recognition, along with new fashion adoption, social activities, and spending habits (Lim, Kim, & Runyan, 2013; Workman & Studak, 2006). Fashion leaders have a high degree of control over their appearance (Lee & Workman, 2014a) and are generally more involved in fashion, including trends and clothing styles, fashion shows, and designers, and fashion clothing enhances prestige and social status (Goldsmith, Freiden, & Kilsheimer, 1993; Lim, Kim, & Runyan, 2013).

Fashion leadership has been linked to younger consumers (Kim & Hong, 2011), who were the focus of a study by Lee and Workman (2014b) that revealed that South Korean fashion leaders were more vain and self-conscious (on both a public and private level) than those considered fashion followers. Along this vein, Lim, Kim, and Runyan, (2013) found that fashion leadership has a positive association with social comparison, meaning that these individuals are highly influenced by the opinions of others with respect to purchases (Lim, Kim, & Runyan, 2013). The literature also indicates that women have long been associated with fashion leadership, devoting significant time and effort to their apparel due to related interest and excitement (Goldsmith et al., 1993). Women's fashion leadership influences several of their shopping motivations, including those related to the social aspects, value and idea seeking, and general gratification (Kim & Hong, 2011). Focusing less on women and more on cultural differences regarding fashion leadership, Lee and Workman's (2014a) study indicated that both South Korean and U.S. fashion leaders have higher tendencies toward gossiping and self-monitoring than consumers who are considered to be fashion followers.

The literature indicates that luxury brands are often at the forefront of new trends and fashion shows and, as mentioned above, are associated with prestige, as well as status and wealth perceptions (Vigneron & Johnson, 1999). Thus, it is not surprising that fashion leadership is associated with luxury shopping (Lim, Kim, & Runyan, 2013). However, not all fashion leaders will necessarily be able to afford luxury brand products. These individuals may patronize lower priced luxury masstige brands (Truong, McColl, & Kitchen, 2009) that imitate higher priced traditional luxury brands (e.g., *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006), or fast fashion brands that copy luxury brands (Burns et al., 2011; *Gucci Am., v. Guess?, Inc.*, 2012). In essence, there are differences among fashion leaders regarding their patronage of various brand types, and these differences may manifest themselves in brand evaluations and equity, especially when imitation practices are involved.

This section set forth the theoretical foundations of this research. The following section presents the resulting proposed conceptual framework.

Proposed Conceptual Framework

The proposed conceptual framework of this dissertation stems from the following research streams: 1) appearance similarity (Cohen & Basu, 1987; Fiske, 1982; Halkias, 2015; Horen & Pieters, 2012a, 2012b; Loken, 2006); 2) price point (Jacoby et al., 1971; Warlop & Alba, 2004; Wilke & Zaichkowsky, 1999); 3) brand attitude (Carlston, 1980; Czellar, 2003; Fishbein & Ajzen, 1975; Keller, 1993; Loken & John, 1993; Peterson et al., 1999; Solomon, 2013); 4) brand equity (Aaker, 1992, 1992; Keller, 1993; Pullig et al., 2006); and, 5) brand preference (Pullig et al., 2006; Warlop & Alba, 2004; Yoo et al.,

2000). The framework also incorporates the consumer characteristics of ethics (Kim & Karpova, 2010; Kozar & Marcketti, 2011; Phau & Teah, 2009), prestige sensitivity (Casidy, 2012; Lichtenstein et al., 1993; Vigneron & Johnson, 1999), and fashion leadership (Goldsmith et al., 1991; Lim et al., 2013; Truong et al., 2009; Workman & Studak, 2006).

Appearance and price point are variable point-of-sale product cues/attributes that will trigger similarity-based categorization and consumer schemata and result in evaluations of the junior and senior brands. Brand attitude will capture consumer evaluations (either positive or negative) of both the junior and senior brand. Brand equity centers on the cognitive value of the senior and junior brands for consumers, which can increase or decrease upon exposure to imitations. Brand preference serves as a measure of brand choice between alternative brand options. With respect to consumer characteristics, ethics serves as a measure of consumer integrity and notions of right and wrong in the consumption environment. Prestige sensitivity refers to consumer motivation related to luxury brand consumption. Finally, fashion leadership captures consumer motivation related to general fashion interest.

Combining these research streams, the adapted model for the junior brand is shown in Figure 4 and the model for the senior brand is shown in Figure 5. Both figures indicate that the similarity of the junior brand imitation to the senior brand in terms of appearance and price is expected to exert different degrees of influence on brand attitude, brand equity, and brand preference for both the junior and senior brand. In addition, brand attitude is likely to influence brand equity, which in turn, is likely to influence

brand preference. Further, the consumer characteristics of ethics, prestige sensitivity, and fashion leadership are expected to moderate the effects of appearance and price point similarity on brand attitude, brand equity, and brand preference.

Figure 4. Proposed Conceptual Framework for the Junior Brand

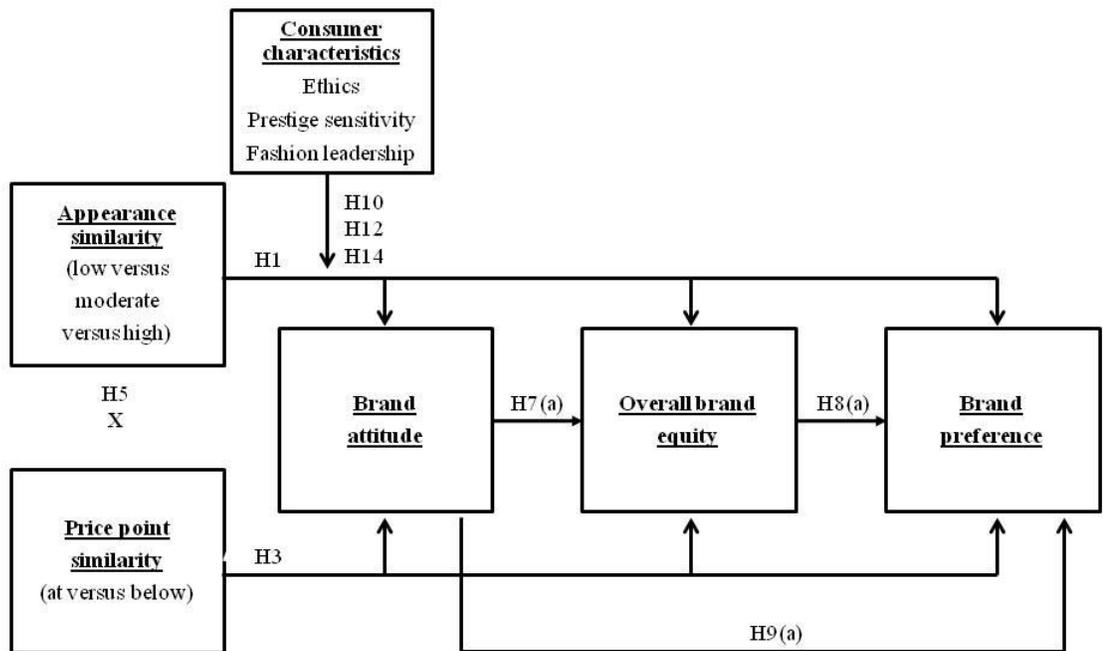
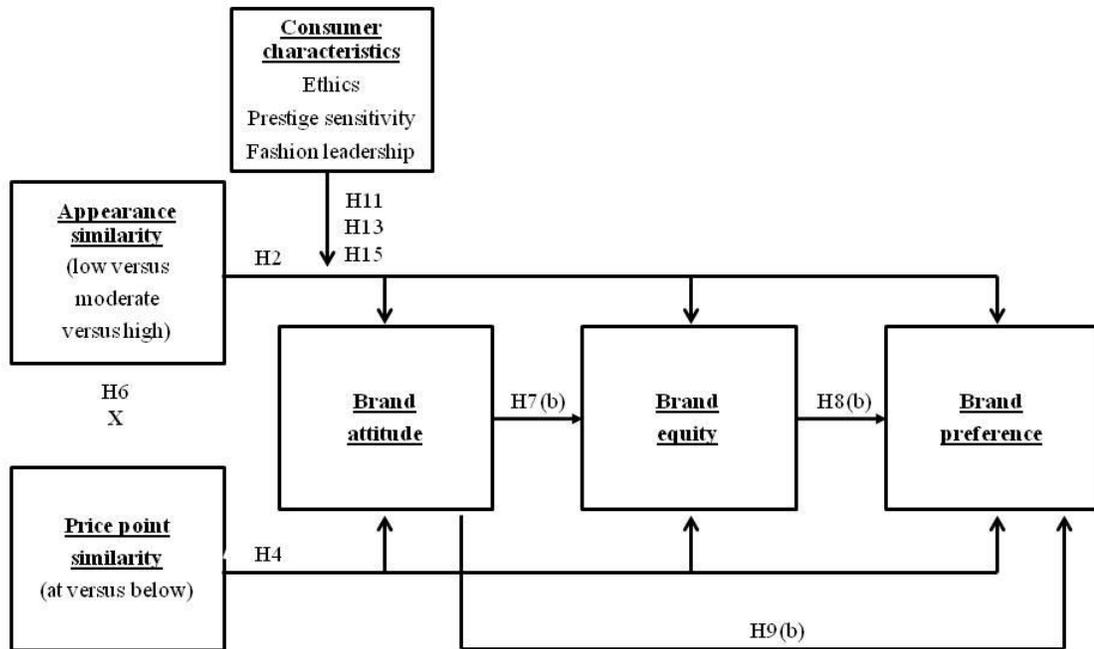


Figure 5. Proposed Conceptual Framework for the Senior Brand



Hypothesis Development

Development of H1-H2: The Effect of Appearance Similarity on Brand

Management Outcomes of the Junior Imitation (H1) and the Senior Brand (H2)

Upon encountering junior brand imitations consumers will categorize them by comparing them to their existing knowledge, classifying them based on how similar they are to what exists in the consumer's memory (i.e., any similar senior brand aspects), and finally, evaluating the imitation (Cohen 1982; Cohen & Basu, 1987; Fiske & Pavelchak, 1986; Loken, 2006; Simonson, 1993; Solomon, 2013). Regarding the evaluation, the literature reveals that consumers evaluate junior imitations that are moderately similar to the copied seniors more positively than imitations that are highly or less similar thereto (Horen & Pieters, 2012a). In addition, consumers also evaluate imitations that copy

overall themes of the senior inspiration products (i.e., moderately similar juniors) more positively than imitations that mimic exact features (i.e., highly similar juniors) (Horen & Pieters, 2012a, 2012b). These researchers further reported that when the senior is present, consumer more negatively evaluate junior imitations that are highly similar to the senior product (Horen & Pieters, 2012a). Interestingly, the presence of the senior brand coupled with high level of similarity of the junior to the senior may lead to the inference of imitation (Janakiraman & Niraj, 2011), and when consumers are aware of the imitation practices and are certain about product quality, highly similar imitations are evaluated more negatively than less similar imitations (Horen & Pieters, 2013). Thus, it is expected that junior brand attitude for the moderately similar imitation will be higher than for the highly or less similar imitation given the presence of senior brand.

In addition, although there do not seem to be studies specifically examining the effect of appearance similarity on imitation brand equity, a number of researchers have reported that brand attitude is a predictor of brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001). Since we rely on junior brand attitude as a predictor of overall junior brand equity and as mentioned above, we expect that junior brand attitude tend to be evaluated more positive for the moderately similar imitation than the highly or less similar imitation. Likewise, we also anticipate that the overall brand equity of the junior will also be higher for the moderately similar imitation than for the highly or less similar imitation.

Related to brand preference, consumer behavioral intention related to marketplace imitations has been measured by choice (Pullig et al., 2006) or preference (Warlop &

Alba, 2004; Yoo et al., 2000). Such behavior is important in a consumption setting, containing both the senior brand inspiration product and the junior imitation (based on similar luxury positioning due to similar pricing and retail channel) in order to present the products as comparable and potential substitutes for one another. In these circumstances where the senior is present, consumers tend to negatively evaluate junior imitations that are highly similar to the senior product, which consequently, are less likely to purchase the imitation product (Horen & Pieters, 2012a). Using this logic, we expect that brand preference will be higher for moderately similar imitations than those that are highly or less similar. Based upon the aforementioned discussion, it is expected that:

H1: For the junior imitation, its a) brand attitude, b) overall brand equity, and c) brand preference will be evaluated more favorably when the junior imitation is moderately similar to the senior brand as compared to an imitation that is highly similar or less similar to the senior brand.

With respect to the senior brand, similarity between the imitation and the senior triggers the association between the two that is relied upon in studies assessing effects on senior brands from imitations (Choy & Kim, 2013; Pullig et al., 2006). Consumer evaluation of the imitation stimulus brings any existing senior brand knowledge (i.e., brand attitude and brand equity) to the forefront of consumer memory for comparison, which in turn, determines whether the imitation will affect the equity of the senior brand (Carlston, 1980; Cohen, 1982; Cohen & Basu, 1987; Loken, 2006; Peterson et al., 1999; Pullig et al., 2006; Solomon, 2013). In other words, consumer categorization and evaluation of imitations creates a link between them and the senior brands that is

responsible for reinforcement or dilution of senior brand equity (Choy & Kim, 2013; Cohen 1982; Cohen & Basu, 1987; Pullig et al., 2006, Solomon, 2013).

In addition, a number of studies directly assessing imitations and senior brand attitude do not seem to exist; however, studies related to imitation practices revealed that brand attitude is a predictor of senior brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001). Researchers have argued that imitations with identical (or highly/obviously similar) brand names to the senior that are in similar categories and/or have similar attributes reinforce senior brand equity (in terms of brand awareness and brand personality) (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006), unless the imitation has dissimilar attributes, which results in reinforcement of senior brand name recall and dilution of some of the associations between the senior and its attributes (Pullig et al., 2006). Furthermore, when the senior brand is well-known, imitations with similar brand names and packaging (i.e., trade dress) to the senior reinforce its brand equity (as measured in terms of brand personality), while dissimilar juniors decrease senior brand personality and ultimately senior brand attitude (Choy & Kim, 2013).

The literature does not seem to have specifically measured the effects of imitations on other dimensions of senior brand equity (i.e., brand leadership and brand loyalty). Nevertheless, these aspects of brand equity, as conceptualized above in this study, are more focused on capturing changes in brand equity due to marketplace occurrences, such as the emergence of imitations, more directly than brand awareness or associations (Aaker, 1996). From another perspective, brand leadership and brand loyalty

are not as targeted at underlying (and perhaps even more subconscious) consumer mental capacities, but rather, conscious thoughts of consumers that take into account the consumption environment. As such, it is expected that the existence of imitations will create consumer perceptions that the senior is less of a leading brand (i.e., less innovative in terms of product design) (Aaker, 1996), which may have caused them to be less loyal to the senior brand.

Regarding the other dimensions of brand equity, we believe that the effects of imitations on those dimensions capturing general senior brand awareness and consumer ability to recall the senior brand (i.e., brand awareness and brand associations) will be different from the effects on dimensions capturing market occurrences (i.e., brand leadership) and potential consumer behavioral changes related to the brand (i.e., brand loyalty) (Aaker, 1996; Yoo & Donthu, 2001). More specifically, we argue that the brand awareness and brand associations dimensions of brand equity will be reinforced by a highly similar imitation in the same category as the senior, which is also expected to result in more positive senior brand attitude than when the imitation is moderately or less similar. In addition, it is likely that a highly similar imitation in the same category as the senior will create the perception of great availability highly similar options in the market, which is expected to result in decreases in senior brand leadership and brand loyalty.

Researchers have stated that brand equity is connected to brand preference (Helgeson & Supphellen, 2004; Pullig et al., 2006). Imitations causing senior brand awareness dilution result in decreased consumer choice related to senior brands (Pullig et al., 2006). As discussed above, while senior brand awareness is expected to increase in

this study, especially for imitations that are highly similar to the senior brand, senior brand leadership and brand loyalty dimensions of brand equity are expected to decrease. As brand leadership and loyalty are arguably more inclusive of market changes than the brand awareness dimension of brand equity, and overall brand equity captures consumer intention to select the senior brand (Yoo, Donthu, & Lee, 2000), we expect brand preference to fall in line more so with the latter three dimensions. As such, brand preference is also likely to decrease for the senior, particularly when the imitation is highly similar thereto. Based on the aforementioned discussion, it is hypothesized that;

H2: For the senior brand, while its a) brand attitude and b) brand equity will be evaluated more favorably, c) brand preference will be evaluated less favorably when the junior imitation is highly similar to the senior brand as compared to an imitation that is moderately similar or less similar to the senior brand.

Development of H3-H4: The Effect of Price Point on Brand Management Outcomes of the Junior Imitation (H3) and the Senior Brand (H4)

Upon simultaneous exposure to both the senior and the junior, consumers will likely make similarity-based inferences that will affect their evaluations and ultimately, their preferences (Janakiraman & Niraj, 2011; Yoo et al., 2000). Preliminary research exploring consumer evaluations of luxury brands operating in the current market (i.e., traditional luxury brands and more affordable luxury brands) generally indicates that brand attitude is also lower, though not always significantly, for more affordable luxury brands (Vogel & Watchravesringkan, 2017). Further, when imitations are priced similarly to the imitated senior brands, consumers prefer imitations over dissimilar options,

indicating higher attitudes for imitations in such a context (Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000). Essentially, similar pricing should result in more positive junior brand attitude (Janakiraman & Niraj, 2011; Yoo et al., 2000; Warlop & Alba, 2004). We expect that when pricing of the imitation is similar to that of the senior, consumers will infer that the junior imitation is of a similar level of luxuriousness as the senior. Therefore, consumers should generally have more favorable attitudes toward the junior when it is similar in price to the senior rather than lower in price (i.e., more affordable such that the inference is less luxurious). We expect that overall junior brand equity will also be higher when the junior is priced similarly to the senior than when the price is lower. As attitude is an antecedent to brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001), and both brand attitude and brand equity relate to brand preference (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001; Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000), brand preference should follow brand attitude and overall brand equity and be higher for the junior when it is priced similarly to the senior than when it is priced lower. Thus, we expect that junior brand attitude, overall brand equity, and brand preference will be higher when the junior is priced similar to the senior than when it is priced lower. Based upon the aforementioned discussion, it is anticipated that;

H3: For the junior imitation, its a) brand attitude, b) overall brand equity, and c) brand preference will be evaluated more favorably when the price point of the

junior imitation is similar to the senior brand as compared to pricing below the senior brand.

With regard to the senior brand, there do not appear to be studies assessing the effects of imitation pricing on senior brands. Nevertheless, brand evaluations are generally higher for traditional luxury brands than for more affordable luxury brands (Vogel & Watchravesringkan, 2017). Again, brand preference and brand equity relate to each other, as well as to brand attitude (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001; Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000). Additionally, as the junior may benefit from the perception of similar luxuriousness to the senior when the junior is priced similarly, such perception may also creating the perception that similar alternatives to the senior exist (discussed above), resulting in more negative senior brand evaluations. We expect senior brand attitude, brand equity, and brand preference to be lower when the junior is priced similarly to the senior. As such, it is hypothesized that;

H4: For the senior brand, its a) brand attitude, b) brand equity, and c) brand preference will be evaluated more favorably when the price point of the junior imitation is less than the senior brand as compared to pricing similar to the senior brand.

Development of H5 and H6: The 2-Way Interaction Effect of Appearance Similarity and Price on Brand Management Outcomes of the Junior Imitation (H5) and the Senior Brand (H6)

As indicated above, the literature reveals that consumer evaluations of imitations vary in relation to how similar the juniors are to the seniors they mimic in terms of appearance and price (Horen & Pieters, 2012a, 2012b; Warlop & Alba, 2004). When imitations are priced similarly to the seniors they mimic, consumers more positively evaluate and prefer imitations over dissimilar options (Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000). Similar pricing of the junior to the senior should create the inference that the products are of similar quality and luxuriousness (Janakiraman & Niraj, 2011; Yoo et al., 2000). In addition, generally when senior brands are present, consumers more positively evaluate moderately similar imitations over highly similar ones (Horen & Pieters, 2012a). As such, we expect that when the senior is present and junior and senior pricing is similar, attitudes toward the junior brand imitation will be higher for moderately similar juniors than highly or less similar juniors in appearance. As attitude predicts brand equity, and the two relate to brand preference (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001; Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000), we also expect overall junior brand equity and brand preference to be higher for the moderately similar junior than the highly or less similar junior when the imitation is priced similarly to the senior.

As similar pricing will likely create the inference of similar quality and luxuriousness, a junior priced below the senior should lead to the inference of lower quality and luxuriousness (Dawar & Parker, 1994; Janakiraman & Niraj, 2011; Netemeyer et al., 2004; Yoo et al., 2000). Nevertheless, when imitations are priced below the seniors they mimic, consumer evaluation and preference is high for more similar imitations (Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000). Juniors priced below the seniors should also result in increased overall junior brand equity for highly similar imitations (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001). Although Horen and Pieters (2013) found that when consumers are aware of the imitation practices and are certain about product quality, highly similar imitations are evaluated more negatively than less similar imitations. However, this study did not incorporate a price element. Moreover, the existence of a highly similar junior imitation available at a cheaper price than the senior (i.e., a potential substitute) should result in increased evaluations for said highly similar junior in comparison to a moderately or less similar junior, that will likely not be perceived as a potential substitute in the same manner. As such, we expect that when the junior is priced below the senior, brand attitude, overall brand equity, and brand preference for the junior will be higher for highly similar juniors than moderately or less similar juniors. Accordingly,

H5: There will be a 2-way interaction effect of appearance similarity and price point on brand management outcomes of the junior imitation. That is, when the junior imitation is priced similar to the senior brand, the junior imitation's a)

brand attitude, b) overall brand equity, and c) brand preference will be evaluated more favorably when the junior imitation is moderately similar to the senior brand as compared to an imitation that is highly similar or less similar. However, when the junior imitation is priced lower than senior brand, the junior imitation's e) brand attitude, f) overall brand equity, and g) brand preference will be evaluated more favorably when the junior imitation is highly similar to the senior brand as compared to an imitation that is moderately similar or less similar.

At this juncture, no studies appear to exist that assess the effects of junior and senior pricing similarity on outcomes of senior brand management. Nevertheless, higher prices signal product quality for consumers (Dawar & Parker, 1994; Netemeyer et al., 2004; Yoo et al., 2000), and consumers will likely infer that a junior similarly priced to the senior is of similar quality and luxuriousness that may have resulted in more positive junior brand attitude, as indicated above (Janakiraman & Niraj, 2011; Yoo et al., 2000). High similarity of a junior to a familiar senior may trigger senior brand attitude (Carlston, 1980; Cohen, 1982; Cohen & Basu, 1987; Loken, 2006; Peterson et al., 1999). In addition, appearance dissimilarity can dilute senior brand equity, while similarity generally reinforces senior brand equity (Choy & Kim, 2013; Pullig et al., 2006; Morrin & Jacoby, 2000), which should, in turn, increase brand preference (Helgeson & Supphellen, 2004; Pullig et al., 2006). Thus, when consumers are exposed to highly similar junior imitations that are perceived to be of the same quality as the senior, attitude toward the latter should be positive, along with senior brand equity and brand preference. We expect that when juniors are priced similarly to the seniors they mimic, highly similar

imitations will result in more favorable attitudes toward the senior brand, will reinforce the equity of the senior, and will increase brand preference.

As noted above, consumers will likely perceive a junior priced below the senior to be of lower quality and luxuriousness (Dawar & Parker, 1994; Janakiraman & Niraj, 2011; Netemeyer et al., 2004; Yoo et al., 2000). The availability of highly similar, lower quality (yet still somewhat luxurious) alternatives are available in the same retail channel as the senior (Dawar & Parker, 1994; Janakiraman & Niraj, 2011; Netemeyer et al., 2004; Vogel & Watchravesringkan, 2017; Yoo et al., 2000) could result in consumers considering the senior to be not worth the high price or not as much of a brand leader (Aaker, 1996; Aribarg et al., 2014; Jiang & Shan, 2016). Although research indicates that highly similar imitations generally reinforce senior brand awareness and personality (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006), imitations with dissimilar attributes can dilute senior brand associations (Pullig et al., 2006).

Additionally, when consumers are aware of imitation having taken place, as they likely will be here (i.e. when the senior is present and the products are highly similar), and are certain about product quality (i.e. know the senior as a quality brand), such highly similar imitations are evaluated more negatively than less similar imitations (Horen & Pieters, 2013). We expect that when junior imitations are priced lower than the senior, consumers will have more positive brand attitude and brand equity toward the senior when the imitation alternative is less similar. We also expect that consumers will prefer the senior more when the imitation alternative is less similar than moderately or highly similar.

Based on the aforementioned discussion, it is expected that;

H6: There will be a 2-way interaction effect of appearance similarity and price point on brand management outcomes of the senior brand. That is, when the junior imitation is priced similar to the senior brand, the senior's a) brand attitude, b) brand equity, and c) brand preference will be evaluated more favorably when the junior imitation is highly similar as compared to an imitation that is moderately similar or less similar to the senior brand. However, when the junior imitation is priced lower than senior brand, the senior's e) brand attitude, f) brand equity, and g) brand preference will be evaluated more favorably when the junior imitation is less similar as compared to an imitation that is moderately similar or highly similar to the senior brand.

Development of H7 through H9: The Relationships among Brand Attitudes, Brand Equity, and Brand Preference

Discussed at length above, attitude is an antecedent to brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001), and is also related to brand preference (Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000). In addition, brand equity and brand preference share a connection (Helgeson & Supphellen, 2004; Pullig et al., 2006). As such, we expect that these variables will share relationships. Accordingly,

H7: There will be a positive relationship between brand attitudes and brand equity for both a) the junior imitation and b) the senior brand.

H8: There will be a positive relationship between brand equity and brand preference for both a) the junior imitation and b) the senior brand.

H9: There will be a positive relationship between brand attitudes and brand preference for both a) the junior imitation and b) the senior brand.

Development of H10 through H15: The Moderating Effects of Consumer Characteristics on the Relationship between the 2-Way Interaction Effect (Appearance Similarity x Price) on Brand Management Outcomes

Consumer ethics have been linked to counterfeit practices (Cordell et al., 1996; Kim & Karpova, 2010; Kozar & Marcketti, 2011; Phau & Teah, 2009), and although the trend imitators in this study are specifically meant to not invoke any illegality, they will engage imitation practices that are separated from counterfeiting by sheer barriers. As such, the literature on counterfeits serves as a starting point for ethical considerations related to highly similar imitations. Such literature generally reveals that consumers shy away from purchasing counterfeits (Cordell et al., 1996; Kozar & Marcketti, 2011) and that lower integrity translates to more favorable attitudes towards counterfeits (Phau & Teah, 2009), although some research indicates the opposite (Kim & Karpova, 2010). As counterfeits are highly similar to (and sometimes even replicas of) senior brands (Beltrametti, 2010; Kim & Karpova, 2010; Lanham Act, 2012, § 114), we expect consumer responses to highly similar imitations to be somewhat in line with responses to counterfeits. As such, we predict that consumer ethical positions/integrity will moderate the 2-way interaction effect of appearance similarity and price on brand attitudes for both the junior and senior brands. In addition, brand attitude is an antecedent to brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001), which predicts brand preference (Helgeson & Supphellen, 2004; Pullig et al., 2006). Thus, we expect consumer

ethics to also moderate the effects of appearance similarity and price on brand equity and brand preference for both the junior and senior brands. Accordingly,

H10: For the junior imitation, consumer ethics will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) overall brand equity, c) brand preference, respectively.

Likewise,

H11: For the senior brand, consumer ethics will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) brand equity, c) brand preference, respectively.

Ethics represent just one manner in which consumers differ in regard to the values and motivations that ultimately affect their evaluations and behavior (Solomon, 2013). Some characteristics relate to brand positioning, and specifically, luxury brands with related strategies based on higher product costs (Weidmann et al., 2009). Luxury brands are patronized by prestige sensitive consumers who believe the higher prices signal status and prominence to others (Casidy, 2012; Lichtenstein, Ridgway, & Netemeyer, 1993). Lower imitation pricing, which represents the existence of more affordable luxury in today's market (Vigneron & Johnson, 2004), should create the perception that the junior is of lower quality and luxuriousness (Dawar & Parker, 1994; Janakiraman & Niraj, 2011; Netemeyer et al., 2004; Yoo et al., 2000), and more so for prestige sensitive consumers. Research indicates that consumers that are more apt to purchase luxury brands prefer counterfeits to highly similar imitations of comparable quality (Jiang & Shan, 2016). We expect that prestige sensitivity will moderate the effects of appearance

similarity and price on brand attitudes for both the junior and senior brands. Again, as brand attitude predicts brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001), which predicts brand preference (Helgeson & Supphellen, 2004; Pullig et al., 2006), we expect prestige sensitivity to also moderate the effects of appearance similarity and price on brand equity and brand preference for both the junior and senior brands.

Thus,

H12: For the junior imitation, prestige sensitivity will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) overall brand equity, c) brand preference, respectively.

Likewise,

H13: For the senior brand, prestige sensitivity will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) brand equity, c) brand preference, respectively.

In addition to prestige sensitive consumers, fashion leaders are also linked to luxury brands, patronizing them (Lim, Kim, & Runyan, 2013) to make purchases prior to mass market (Goldsmith et al., 1991) due to their frequent label as trend-setting brands (Burns et al., 2011; *Gucci Am. Inc. v. Guess?, Inc.*, 2012; Vigneron & Johnson, 1999). Yet, imitation by junior brands denotes mass market availability at least with respect to the trends launched by luxury senior brands. We expect that fashion leadership will moderate the effects of appearance similarity and price on the brand attitudes for both the junior and senior brands, as well as on brand equity (Chang & Liu, 2007; Faircloth,

Capella, & Alford, 2001), and brand preference (Helgeson & Supphellen, 2004; Pullig et al., 2006). Accordingly,

H14: For the junior imitation, fashion leadership will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) overall brand equity, c) brand preference, respectively.

Likewise,

H15: For the senior brand, fashion leadership will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) brand equity, c) brand preference, respectively.

Chapter Summary

The objective of this chapter is to outline and discuss the constructs relevant to this study, namely the outcomes of brand management (i.e., brand attitude, brand equity, and brand preference) and the consumer characteristics (i.e., consumer ethics, prestige sensitivity, and fashion leadership) that are relevant to the context of the study. These constructs are included in the proposed conceptual model. The chapter then concludes with a number of testable hypotheses.

CHAPTER III

RESEARCH METHODOLOGY

Chapter 3 is dedicated to presenting the methodology employed to examine the hypothesized relationships proposed in this study. Specifically, the chapter includes: (1) Research Design; (2) Stimuli Selection and Pilot Studies; (3) Instrument Development and Measures; (4) Sample and Data Procedures; (5) Pretest of the Instrument; (6) Statistical Analysis; and (7) Chapter Summary.

As noted in Chapter 1, the purpose of the present study is to experimentally investigate how junior imitations of senior brands affect consumers' attitudes and behaviors toward junior imitations as well as senior brands. Specifically, the research objectives guiding this study are as follows:

1. To investigate the main effects of similarity levels of the imitation to the senior imitated product in terms of appearance (low, moderate, and high) and price point (at versus below) on junior brand attitude, brand equity, and brand preference, as well as senior brand attitude, brand equity, and brand preference.
2. To explore the two-way interaction effects of similarity level of the imitation to the senior brand in terms of appearance and price point on junior brand attitude, brand equity, and brand preference, as well as senior brand attitude, brand equity, and brand preference.

3. To examine the relationships among brand attitude, brand equity, and brand preference for both junior imitations and senior brands.
4. To explore the moderating effects of the consumer characteristics of ethics, prestige sensitivity, and fashion leadership on the relationship between the 2-way interaction effect (appearance similarity x price) and brand attitude, brand equity, brand preference, respectively of both junior imitations and senior brands.

Research Design

To examine the hypotheses, the research employed a 3 (similarity level: high versus moderate versus low) x 2 (price point: at versus below) between-subject experimental design. This results in six scenarios, to which participants were randomly assigned. Information pertaining to each scenario is as follows:

- Scenario 1 (High similarity product with the same price point to senior brand: HSSP) includes an imitation with high similarity to the senior brand inspiration product that is priced exactly the same as the senior.
- Scenario 2 (Moderate similarity product with the same price point to senior brand: MSSP) features an imitation that is moderately similar to the senior brand inspiration product and priced exactly the same.
- Scenario 3 (Low similarity product with the same price point to senior brand: LSSP) incorporates a low similarity imitation that is also priced exactly the same as the senior.

- Scenario 4 (High similarity product with lower price point to senior brand: HSLP) includes a highly similar imitation that is priced below the senior brand inspiration product.
- Scenario 5 (Moderate similarity product with lower price point to senior brand: MSLP) involves an imitation with moderate similarity to the senior product and a lower price.
- Scenario 6 (Low similarity product with lower price point to senior brand: LSLP) features a low similarity imitation as well as a lower price.

The two independent variables (main effects) are the similarity level of imitation to the senior brand inspiration product and the price point of the imitation in relation to the senior. The dependent variables are brand attitude, brand equity, and brand preference toward the junior imitation, and brand attitude, brand equity, and brand preference toward the senior brand. Additionally, consumer ethics, prestige sensitivity, and fashion leadership serve as moderators in the study.

Stimuli Selection and Pilot Studies

The stimuli for this study can be broken down into three components as follows: 1) the senior brand inspiration product; 2) the junior brand imitations; and, 3) the contextual setting (featuring the two products and the price points of each). Each of these components is discussed individually below.

The Senior Inspiration Brand Product

Central to the proposed research is the ability to assess effects of imitation practices related to famous, publicly renowned brands (*Ty Inc. v. Perryman*, 2002).

Previous similar studies using famous senior brands (e.g., Big Red) relied on high participant familiarity levels with said brands as the measure for famousness (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006). Again, the focus of this study is luxury retail brands. According to Millward Brown's 2015 report, the top five luxury consumer retail brands are Louis Vuitton, Hermès, Gucci, Chanel, and Rolex. The Louis Vuitton brand is one of the most imitated luxury brands on a global level (Frohlich, Hess, & Calio, 2014; Gupta, 2015). Further, the court's language in the case of *Louis Vuitton Malletier v. Dooney & Bourke, Inc.* (2006, 2007) indicates that imitators may develop products featuring their own initials in the exact same hues as the senior brand product (as long as the designs are adequately dissimilar to not confuse consumers as to the true manufacturer). This allowance serves a part of the inspiration for the instant study.

The first out of a series of three pretests ($n = 20$) indicated that, on a seven-point Likert-type scale, participants had high familiarity with the Louis Vuitton brand ($M = 6.65$, $SD = 0.59$). As such, Louis Vuitton was selected as the senior inspiration brand for the current study. With respect to the category of the product to be copied, a second pretest ($n = 40$) indicated that, on a seven-point Likert-type scale, participants strongly associated Louis Vuitton with accessories such as wallets and handbags ($M = 5.6$, $SD = 1.57$). So as to use a gender neutral product, a Louis Vuitton brand wallet that had a rectangular shape and a simple bi-fold design was selected as the senior inspiration product for the current study (see Figure 6).

As this study is focused on junior imitations that directly trigger associations with the senior brand, thereby free riding on its equity (Horen & Pieters, 2012a; *Ty Inc. v.*

Perryman, 2002), the junior must mimic recognizable aspects of the senior (i.e., associated attributes) (Pullig et al., 2006). Although prior research (Morrin & Jacoby, 2000; Pullig et al., 2006) utilized stimuli containing logos, brand names, and/or statements rather than actual products, the mimicked senior aspects were those with which participants had strong associations. The second pretest discussed above (n = 40) further indicated that, on a seven-point Likert-type scale, participants strongly associated Louis Vuitton with a logo featuring "LV" initials (M = 6.26, SD = 0.98) and a pattern of repeated initials and flower and diamond graphics (M = 5.65, SD = 1.21). These are design aspects of the senior brand product that relate to the fabric of the product. Along this vein, a number of cases inspiring this study involved copies of senior products featuring patterned initials and/or graphics (e.g., *Gucci Am., Inc. v. Guess?, Inc.*, 2012; *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 2005; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007). Accordingly, a Louis Vuitton brand wallet featuring the highly recognizable initials and flower and diamond graphics (i.e., the traditional monogram canvas patterned fabric) was selected as the senior brand inspiration product (see Figure 6).

The Junior Brand Imitations

In line with the prior research using a fictitious imitation brand (Choy & Kim, 2013; Horen & Pieters, 2012a, 2012b), a fictitious brand was developed to represent the junior brand. Again, due to the focus of this study on trend imitators that are highly similar to senior brand inspirations without causing consumer confusion as to the true manufacturer (mimicking senior product designs rather than brand names), a brand name

completely different from the senior brand name (Jean Claude) was developed, in contrast to the identical or highly similar junior brand names used in much of the seminal research in this area (Morrin & Jacoby, 2000; Pullig et al., 2006).

The shape and design of the junior brand imitation wallets were identical to those of the senior product (i.e., the senior wallet was used as a design base for all of the imitations). The fabric of the junior was digitally designed by layering graphics (in diamond, star, and circular shapes) and interlocking "JC" initials to create a fabric similar in both color and graphic design to that of the Louis Vuitton monogram canvas. Juniors that are highly similar to the senior inspiration product feature the fabric on the entire wallet (see Figures 6 and 9), moderately similar juniors feature a portion of the fabric on the wallet, specifically two interlocking "JC" initial graphics and one diamond-shape graphic (see Figures 7 and 10), and the low similarity junior features only one interlocking "JC" initial graphic on the bottom right corner of the wallet (see Figures 8 and 11).

The Contextual Setting and Product Price

As one of the goals of the study is to determine the effects of junior imitations that are highly similar to and directly compete with the senior inspiration products, the setting of the stimuli was created to represent a reasonably accurate point of sale scenario that would include both senior brands and junior imitations thereof. Further, the combination of the context of the study, namely apparel and accessories, and the focus on luxury brands necessitated such a point of sale to be a multi-brand specialty retail channel that would realistically house and offer both senior and junior luxury brands (Buchanan et al.,

1999; Burns et al., 2011; D'Arpizio et al., 2014). As such, and due to the online nature of the survey, an existing online multi-brand specialty online retail channel was used to display the products, specifically Net-A-Porter.com, which features a variety of luxury brand products (Net-A-Porter Group, LLC, n.d.). The point of sale was ultimately represented by a depiction of the available product assortment resulting from a completed online search wallets at Net-A-Porter.com, which included on the senior brand product and the junior imitation, juxtaposed with one another. Brand names were listed directly beneath the products, and just under the names the pricing information could be found.

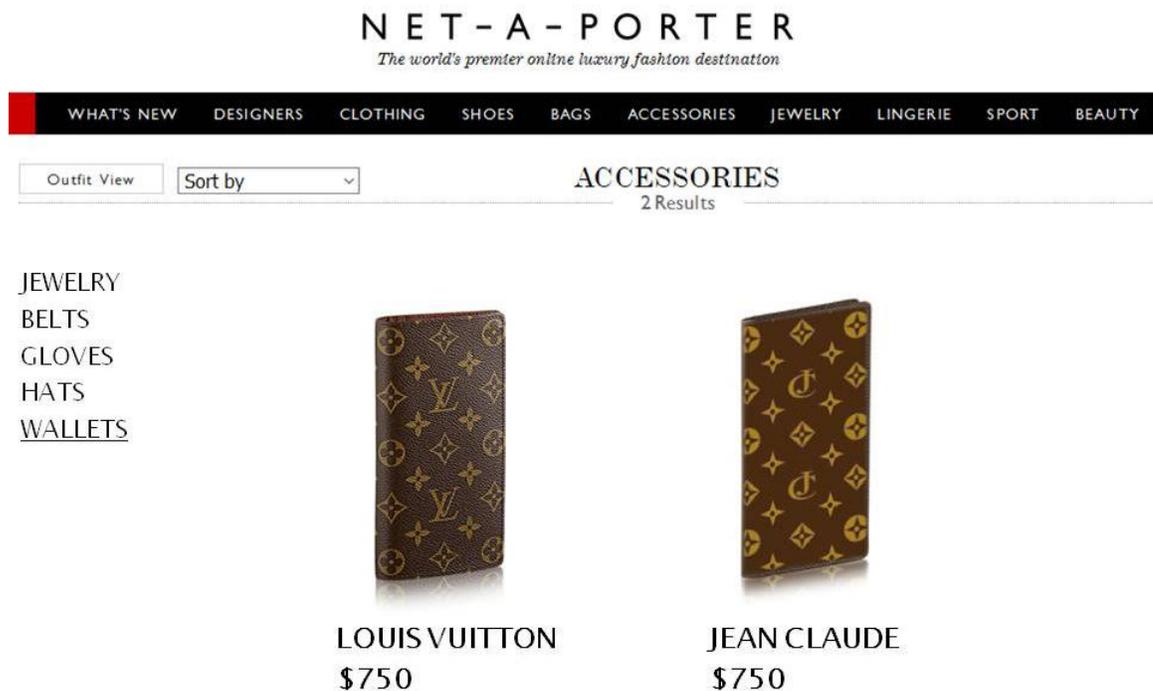
In regard to pricing, the senior brand product was priced similar to the product's actual retail price in the market (\$750.00). The similarly priced junior imitation was set at exactly the same price as the senior brand product, so as to directly compete therewith, in accordance with one of the main goals of the study (i.e., to determine if imitations that could potentially steal sales from the senior have an effect thereon). The imitation priced below the senior product was set at a price point of \$350.00 in an effort to represent both the tendency of imitations to be price below the inspiration products (Burns et al., 2011; Collins-Dodd & Zaichkowsky, 1999; Warlop & Alba, 2004; Wilke & Zaichkowsky, 1999) and the recent emergence of more affordable luxury brands priced just above middle-range products intending to convey similar prestige (i.e., *masstige* brands) (Burns et al., 2011; Truong et al., 2009; Vigneron & Johnson, 2004).

The resulting complete photographic stimuli of the six scenarios utilized in this study are as follows:

Scenario 1 (High similarity product with the same price point to senior brand: HSSP):

An online point of sale channel featuring the senior inspiration product juxtaposed with a high-similarity junior imitation priced similar to the senior (Figure 6)

Figure 6. Scenario 1

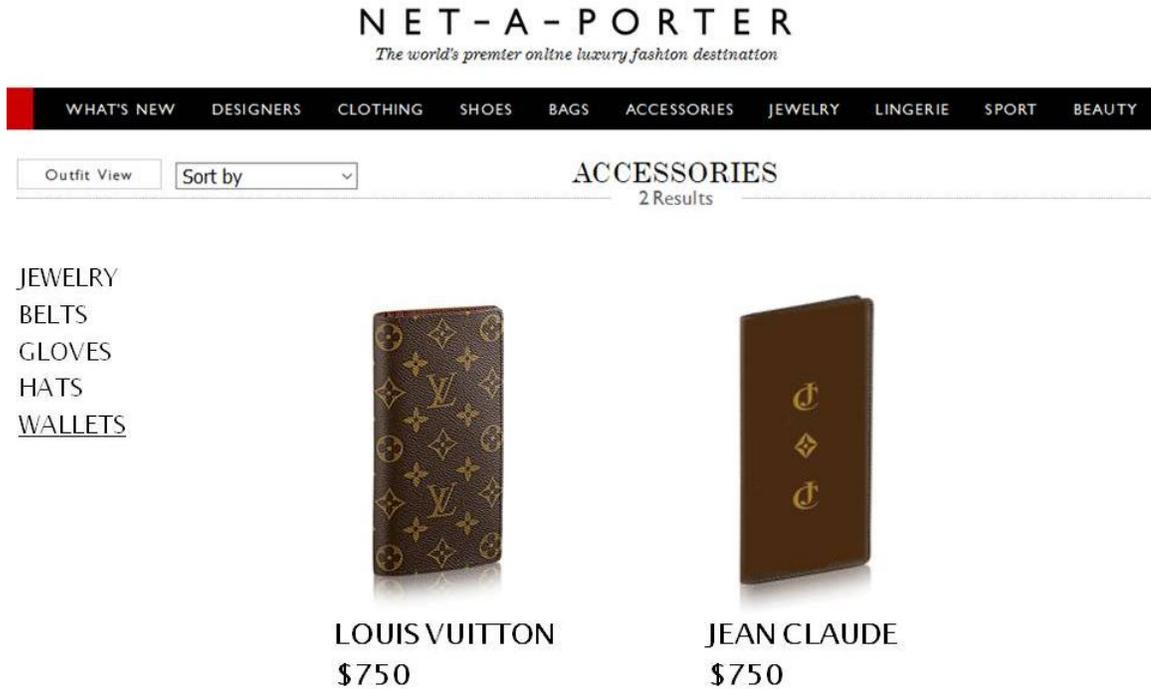


Scenario 2 (Moderate similarity product with the same price point to senior brand:

MSSP):

An online point of sale channel featuring the senior inspiration product juxtaposed with a moderate-similarity junior imitation priced similar to the senior (Figure 7)

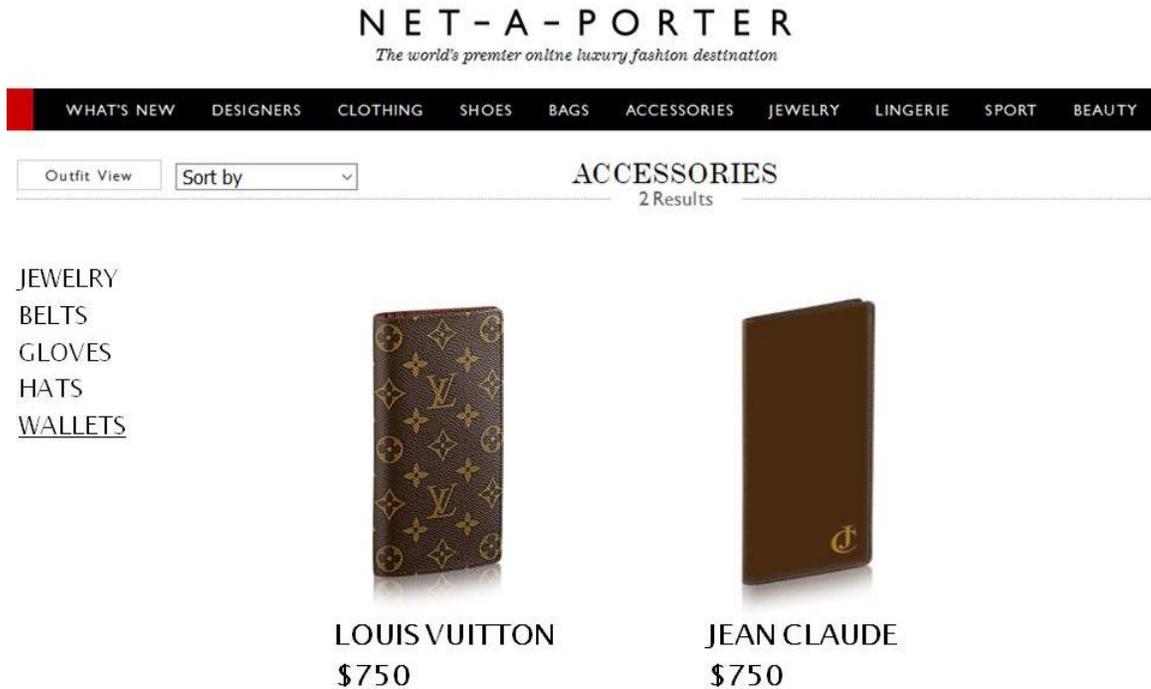
Figure 7. Scenario 2



Scenario 3 (Low similarity product with the same price point to senior brand: LSSP):

An online point of sale channel featuring the senior inspiration product juxtaposed with a low-similarity junior imitation priced similar to the senior (Figure 8)

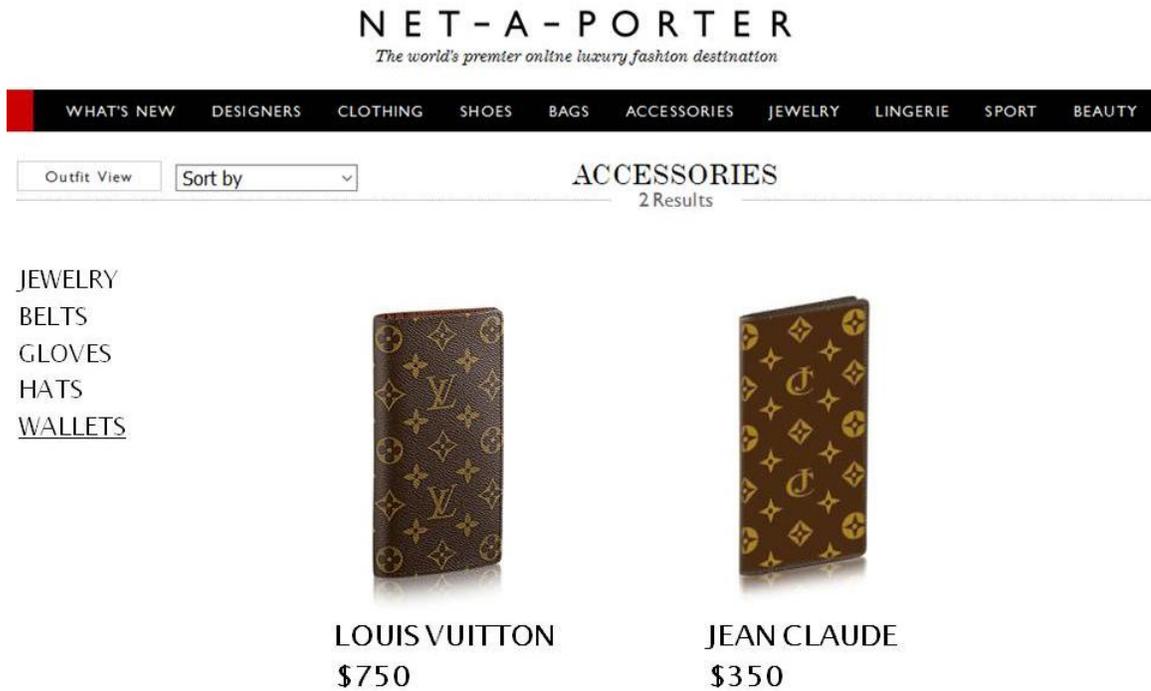
Figure 8. Scenario 3



Scenario 4 (High similarity product with lower price point to senior brand: HSLP):

An online point of sale channel featuring the senior inspiration product juxtaposed with a high-similarity junior imitation priced below the senior (Figure 9)

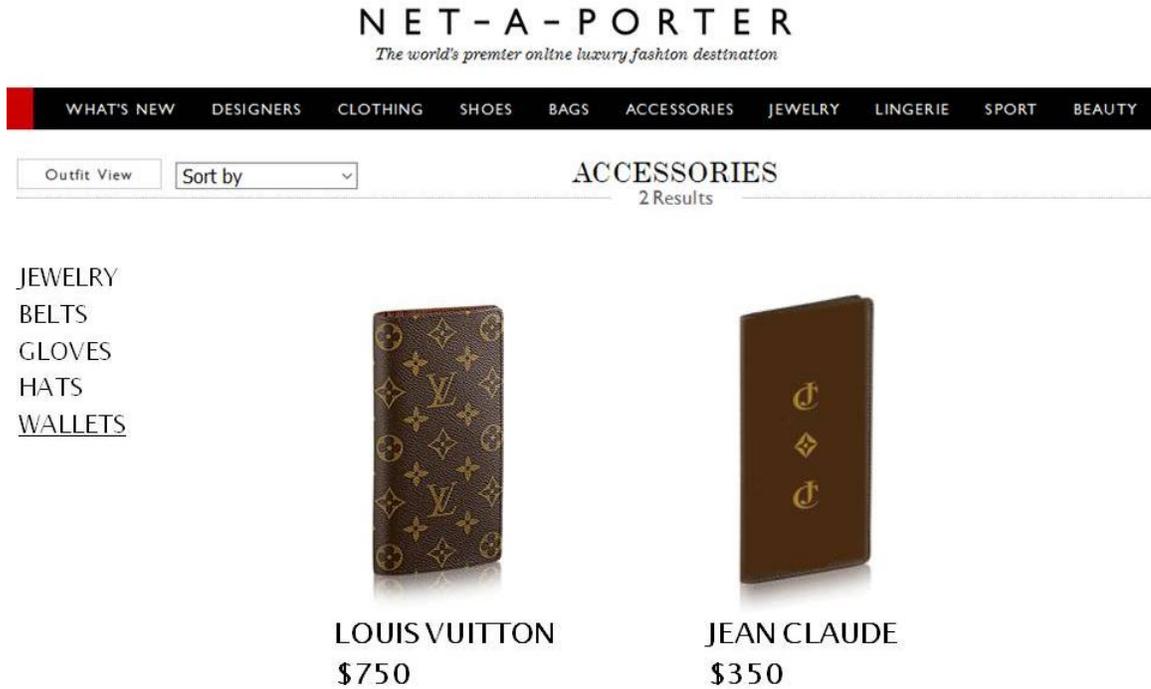
Figure 9. Scenario 4



Scenario 5 (Moderate similarity product with lower price point to senior brand: MSLP):

An online point of sale channel featuring the senior inspiration product juxtaposed with a low-similarity junior imitation priced similar to the senior (Figure 10)

Figure 10. Scenario 5



Scenario 6 (Low similarity product with lower price point to senior brand: LSLP):

An online point of sale channel featuring the senior inspiration product juxtaposed with a low-similarity junior imitation priced similar to the senior (Figure 11)

Figure 11. Scenario 6

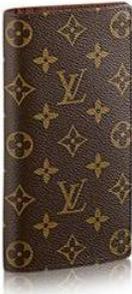
NET-A-PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by

ACCESSORIES
2 Results

JEWELRY
BELTS
GLOVES
HATS
WALLETS



LOUIS VUITTON
\$750



JEAN CLAUDE
\$350

Instrument Development and Measures

A review of extant literature provided conceptual and measurement information related to variables being investigated in the current study. The literature served as the basis for the development of a questionnaire that was used in the final data collection procedure (see Appendix A). Said questionnaire was comprised of five major sections. First, participants were asked to imagine shopping online for a wallet at Net-A-Porter, after which participants were shown one of the six point of sale stimuli. Second, participants provided their evaluations of the junior imitation brand in terms of brand attitude, overall brand equity, and brand preference. Third, participants provided their familiarity and prior purchase experience with the senior brand. Participants also rated items related to senior brand attitude, brand equity (in terms of brand associations, brand

awareness, price-quality/brand leadership, brand loyalty, and overall brand equity), and brand preference. Fourth, participants provided information related to their ethical positions and integrity, prestige sensitivity, and fashion leadership. Fifth and finally, demographic characteristics were obtained.

Measures

Measures employed in this study were selected from previous studies (Buil, Chernatony, & Martinez, 2009; Dew & Kwon, 2010; Pappu et al., 2005; Stayman and Batra, 1991; Yoo et al., 2000; Yoo & Donthu, 2001). These studies provided information related to acceptable degrees of psychometric properties (i.e., validity and reliability) of the measures. Specifically, the measures utilized in the current study were brand attitude (toward the junior and senior brands), overall brand equity (toward the junior brand), six dimensions of brand equity, including brand awareness, brand association, brand image, brand leadership, perceived brand quality, and brand loyalty (toward the senior brand), and brand preference (toward the junior and senior brands). Furthermore, measures of consumer characteristics included ethical positions, prestige sensitivity, and fashion leadership. Finally, demographics were obtained. Table 2 summarizes the major constructs that were included in the current study.

Brand attitude (toward the junior and senior brands).

Consumer brand attitude toward the junior imitation was measured with five items (e.g., "Negative/Positive," "Bad/Good") adapted from Stayman and Batra (1991). Participants were asked to rate these items on 7-point semantic differential scales. Likewise, the same scale was used to assess consumer brand attitude toward the senior

brand. Stayman and Batra (1991) reported an acceptable degree of validity and reliability related to the measure (Cronbach's $\alpha > .85$). Among others, Stokburger-Sauer and Teichmann (2013) also previously used the scale (Cronbach's $\alpha > .86$) (see Appendix A).

Brand equity (toward the junior and senior brands).

Brand equity was measured in relation to both the junior and senior brands. As the junior brand in the instant study is fictitious, consumers were not likely to possess existing brand awareness, associations, or loyalty, or have any knowledge as to the leadership of the brand. Accordingly, an overall brand equity measure was used to capture the equity related to the junior brand. Three items measuring overall brand equity were adapted from Yoo et al. (2000) (e.g., "If I need a product of this nature, it makes sense to buy Brand X instead of any other brand, even if they are the same," "Even if another brand has same features as Brand X, I would prefer to buy Brand X."). Participants were asked to indicate the level of their agreement with each statement on 7-point Likert-type scales (where 1 = "strongly disagree" and 7 = "strongly agree"). Yoo et al. (2000) reported an acceptable degree of validity and reliability related to the measure (Cronbach's $\alpha > .70$).

Senior brand equity was measured via the specific dimensions thereof discussed at length above: brand awareness, brand associations/image, price-quality/brand leadership, and brand loyalty. Beginning with the dimension of brand awareness, the current study adapted a scale used by Yoo et al. (2000), who reported an acceptable degree of validity and reliability related to the measure (Cronbach's $\alpha > .70$). The scale has been subsequently used by Netemeyer et al. (2004) and Yoo and Donthu (2001). A

total of six items related to the ability to recall and/or recognize the senior brand (e.g., "I can recognize brand X among other competing brands," and "I have difficulty in imagining brand X in my mind"). Participants were asked to indicate the level of their agreement with each brand awareness statement on 7-point Likert-type scales (where 1 = "strongly disagree" and 7 = "strongly agree").

A total of eighteen items capturing brand association (or brand image) were derived from three different research streams: general brand associations, brand image/personality, and brand-specific associations. Five items measuring general brand associations were adapted from D. A. Aaker (1996) and Pappu et al. (2005), and related to the brand's distinctiveness from other brands (e.g., "Brand X is different from competing brands in this nature," and "There are reasons to buy Brand X over competitors"). Pappu et al. (2005) reported an acceptable degree of validity and reliability related to the measure of general brand associations (Cronbach's $\alpha > .70$). The scale was later used by Buil et al. (2009), who also reported an acceptable degree of validity and reliability related to the measure (Cronbach's $\alpha > .60$). Nine items assessing brand image were adapted from Dew and Kwon (2010) and related to the brand's ability to convey prestige and luxuriousness (e.g., "Brand X is luxurious," "Brand X signals high status," and "Brand X is expensive") as well as trend orientation (e.g., "Brand X is stylish," and "Brand X is fashionable"). Dew and Kwon (2010) reported an acceptable degree of validity and reliability related to the measure of brand image/personality items (Cronbach's $\alpha > .70$).

Perceived quality items were adapted from Chang and Ko (2014) (e.g., "When compared with other competing brands, Brand X is higher in quality standards," and "When compared with other competing brands, Brand X is reasonably priced"), and augmented by items capturing brand leadership, as suggested by Aaker (1996) (and discussed above), from Ming-Sung Cheng, Shui-Lien Chen, Ying-Chao Lin, and Shih-Tse Wang (2007) (e.g., "Brand X is known for innovative product designs," and "Brand X is a leading brand in apparel and accessories). Participants were asked to indicate the level of their agreement with each statement on 7-point Likert-type scales (where 1 = "strongly disagree" and 7 = "strongly agree"). Both Chang and Ko (2014) and Ming-Sung Cheng et al. (2007) reported acceptable degrees of validity and reliability related to said brand leadership measures (Cronbach's $\alpha > .70$). Brand loyalty items were adapted from Yoo and Donthu (2001) (e.g., "I consider myself to be loyal to Brand X, and "Brand X would be my first choice"), who reported an acceptable degree of validity and reliability related to the measure (Cronbach's $\alpha > .70$) (see Appendix A).

Brand preference (toward the junior and senior brands).

Three items measuring brand preference were adapted from Overby and Lee (2006) (e.g., "I prefer this brand to other brands of its type," and "I consider this brand to be my primary source of this type of merchandise"). Participants were asked to indicate the level of their agreement with each statement on 7-point Likert-type scales (where 1 = "strongly disagree" and 7 = "strongly agree"). Overby and Lee (2006) reported an acceptable degree of validity and reliability related to the measure (Cronbach's $\alpha > .80$).

Consumer characteristics.

Items pertaining to consumer ethics, prestige sensitivity, and fashion leadership were also obtained. Fourteen items related to consumer ethical positions were adapted from Kozar and Marcketti (2011). The items depict ethical situations, which vary from deceptive practices to those resulting in passive benefits, and participants indicate their beliefs as to how "wrong" the situations are (e.g., "Buying an apparel item from a retail store, wearing it, and then returning it," "Returning damaged merchandise when the damage is your own fault," and "Not saying anything when the waitress miscalculates the bill in your favor") on 7-point Likert scales (where 1 = "not at all wrong" and 7 = "very wrong"). Kozar and Marcketti (2011) reported an acceptable degree of validity and reliability related to the measure of consumer ethical positions (Cronbach's $\alpha > .70$).

Eight items capturing prestige sensitivity were adapted from Lichtenstein, Ridgway, and Netemeyer (1993) (e.g., "People notice when I buy the most expensive brand of a product," "Buying a high priced brand makes me feel good about myself," and "Buying the most expensive brand of a product makes me feel classy"). Participants were asked to indicate the level of their agreement with each statement on 7-point Likert-type scales (where 1 = "strongly disagree" and 7 = "strongly agree"). Lichtenstein et al. (1993) reported an acceptable degree of validity and reliability related to the measure of prestige sensitivity (Cronbach's $\alpha > .70$).

Three items capturing fashion leadership were adapted from Lim, Kim, and Runyan (2013) (e.g., "I am the first to try new fashion," "Many people regard me as a fashion leader," and "It is important for me to be a fashion leader"). Participants were

asked to indicate the level of their agreement with each of these statements on 7-point Likert-type scales (where 1 = "strongly disagree" and 7 = "strongly agree"). Lim et al. (2013) reported an acceptable degree of validity and reliability related to the measure of fashion leadership (Cronbach's $\alpha > .70$) (see Appendix A). Table 3 provides a summary of all of the aforementioned measures.

General questions.

In addition to answering questions regarding brand attitude, brand equity, brand preference, and consumer characteristics discussed above, participants were asked two general questions that were created by the researchers, which were used to assess consumer acceptability of the copycatting practices employed by the junior brand, and prior purchase experience related to the senior brand. The former was assessed via a 7-point Likert-type scale (where 1 = "strongly disagree" and 7 = "strongly agree"), and the latter was assessed with a "yes" or "no" dichotomous response. The questions were as follows:

- To what extent do you believe it is acceptable that Jean Claude would have copied the Louis Vuitton product?
- Have you ever purchased apparel or accessories made by the Louis Vuitton brand?

Demographics.

Demographic information that was obtained related to the following participant information: 1) gender, 2) age, 3) income, 4) year in school, and 5) ethnicity/race (see Appendix A).

Table 3. Summary of Key Measures

Construct (no. of items)	Item Description	Source
Junior and Senior Brand Items		
Brand attitude (5 items)	Negative/Positive Bad/good Unattractive/Attractive Unfavorable/Favorable Uninteresting/Interesting	Stayman and Batra (1991) and Stokburger-Sauer & Teichmann (2013)
Brand preference (3 items)	I prefer this brand to other brands of its type. I consider this brand to be my primary source of this type of merchandise. When it comes to making a purchase, this brand is my first preference.	Overby and Lee (2006) and Pullig et al. (2006)
Junior Brand Only Items (overall brand equity)		
Overall brand equity (3 items)	If I need a product of this nature, it makes sense to buy Brand X instead of any other brand, even if they are the same. Even if another brand has same features as Brand X, I would prefer to buy Brand X. If there is another brand as good as Brand X, I prefer to buy Brand X if I need a product of this nature.	Yoo et al. (2000)
Senior Brand Only Items (brand equity dimensions)		
Brand awareness (6 items)	I can recognize brand X among other competing brands. I know what brand X looks like. I am aware of brand X. I have difficulty in imagining brand X in my mind.* Some characteristics of X come to my mind quickly. I can quickly recall the symbol or logo of X.	Netemeyer et al. (2004), Yoo et al. (2000), and Yoo and Donthu (2001)

Brand associations - general (5 items)

Brand X has a personality.
Brand X is interesting.
I have a clear image of the type of person who would use the brand.
Brand X is different from competing brands
There are reasons to buy Brand X over competitors.

Aaker (1996) and Pappu et al. (2005)

Brand associations - image/personality (9 items)

Brand X is luxurious.
Brand X is prestigious.
Brand X signals high status.
Brand X is expensive.
Brand X is stylish.
Brand X is fashionable.
Brand X is trendy.
Brand X is unique.
Brand X has a variety of assortment.

Dew and Kwon (2010)

Perceived quality/brand leadership (10 items)

Brand X is known for innovative product designs.
Brand X is a leading brand in apparel and accessories.
When compared with other competing brands, Brand X:

- Is higher in quality standards
- Is reasonably priced
- Has better features for the price
- Offers more benefits for the price
- Is more creative
- Is more of a trendsetter
- Is more preferred
- Is more recognized

Cheng, Chen, Lin, and Wang (2007) and Chang and Ko (2014)

Brand loyalty (3 items)

I consider myself to be loyal to Brand X.
Brand X would be my first choice.
I will not buy other brands if Brand X is available at the store.

Yoo and Donthu (2001)

Consumer Characteristics

Fashion leadership (3 items)

I am the first to try new fashion.
Many people regard me as a fashion leader.
It is important for me to be a fashion leader.

Lim, Kim, and Runyan (2013)

Prestige sensitivity (8 items)

People notice when I buy the most expensive brand of a product.
Buying a high priced brand makes me feel good about myself.
Buying the most expensive brand of a product makes me feel classy.
I enjoy the prestige of buying a high-priced brand.
It says something to people when I buy the high-priced version of a product.
I have purchased the most expensive brand of a product just because I knew other people would notice.
I think others make judgments about me by the kinds of products and brands I buy.
Even for a relatively inexpensive product, I think that buying a costly brand is impressive.

Lichtenstein,
Ridgway, and
Netemeyer (1993)

Consumer ethical positions/situations (14 items)

Buying an apparel item from a retail store, wearing it, and then returning it.
Changing price-tags on merchandise in a retail store.
Giving misleading price information to a clerk for an unpriced item.
Reporting a lost item as “stolen” to an insurance company in order to collect the money.
Returning damaged merchandise when the damage is your own fault.
Not saying anything when the waitress miscalculates the bill in your favor.
Not reporting getting too much change.
Lying about one's age to get a lower price.
Moving into a new residence, finding that the cable TV is still hooked up, and using it rather than signing up and paying for it.
Using an expired coupon for merchandise.
Returning merchandise to a store by claiming that it was a gift when it was not.
Not telling the truth when negotiating the price of a new automobile.
Stretching the truth on an income tax return.
Using a coupon for merchandise you did not buy.

Kozar and Marcketti
(2011)

Notes: *denotes reversed items

Sample and Data Collection Procedure

Data were collected in the spring of 2017 from a convenience sample of students in business-related programs at two schools in the southeastern United States: the University of North Carolina at Greensboro and Stetson University. College students were used because their socio-economic backgrounds, along with their demographics, allow for a level of homogeneity, which assists with the reduction of random error (Calder, Phillips, & Tybout, 1981; Lysonski, Durvasula, & Zotos, 1995). Further, students in this age range are specifically targeted by certain luxury brands (Doss & Robinson, 2013), and especially by masstige brands and trend imitators, as they were in the very case that inspired this study (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007).

Questionnaires were administered via Qualtrics. An electronic link to the questionnaire was sent to students primarily in one of three classes at each of the two universities (either an apparel business course at the University of North Carolina at Greensboro, or a business ethics or professional communication course at Stetson University). Upon clicking on the link, participants were exposed to a cover letter explaining the purpose of study, that participation is voluntary, and that information collected was to be confidential and anonymous. The nature of the research was also explained in the letter. Participants were required to respond affirmatively to a question at the end of the letter inquiring as to whether participants understood the consent form, were at least 18 years of age, and desired of their own free will to participate in the study. Once participants agreed, Qualtrics randomly assigned them to one of the six

experimental conditions as follows: 1) Scenario 1 (high similarity product with the same price point to senior brand: HSSP); 2) Scenario 2 (moderate similarity product with the same price point to senior brand: MSSP); Scenario 3 (low similarity product with the same price point to senior brand: LSSP); Scenario 4 (high similarity product with lower price point to senior brand: HSLP); Scenario 5 (moderate similarity product with lower price point to senior brand: MSLP); or, Scenario 6 (low similarity product with lower price point to senior brand: LSLP). After reading a short description asking participants to imagine shopping online for a wallet and being exposed to the stimuli, participants responded to questions related to their evaluations of the junior brand, the senior brand, their consumer characteristics, and demographics. To achieve statistical power, 340 responses were collected.

Pre-Test of the Instrument

Once the instrument and embedded stimuli were completely developed (see complete survey in Appendix A) and prior to final data collection, a third pretest ($n = 32$) was administered for the purposes of ensuring question comprehension and clarity as well as the operationalization of the experiment manipulations. The pretest was conducted via the use of college students in the fall of 2016. Participants were asked to complete the survey, and to voice any concerns regarding clarity, readability, and comprehension of measurement items.

With regard to the manipulation checks, prior research employed imitations that varied in similarity, yet not attractiveness (Horen & Pieters, 2012a). The results from this third pretest revealed that the imitations did not significantly differ ($F = 1.04, p > .05$) in

attractiveness ($M_{\text{Highly Similar}} = 3.75, SD = 2.10$ vs. $M_{\text{Moderately Similar}} = 3.82, SD = 1.72$ vs. $M_{\text{Low Similar}} = 4.78, SD = 1.30$). The imitations did significantly differ in terms of color scheme ($M_{\text{Highly Similar}} = 6.17, SD = 1.19$ vs. $M_{\text{Moderately Similar}} = 4.82, SD = 1.47$ vs. $M_{\text{Low Similar}} = 4.44, SD = 1.74$; $F = 4.23, p < .05$), overall number of visible graphics and letters/brand initials ($M_{\text{Highly Similar}} = 5.58, SD = 1.83$ vs. $M_{\text{Moderately Similar}} = 3.36, SD = 1.63$ vs. $M_{\text{Low Similar}} = 2.56, SD = 0.88$; $F = 11.09, p < .01$), placement of letters/brand initials ($M_{\text{Highly Similar}} = 5.42, SD = 2.07$ vs. $M_{\text{Moderately Similar}} = 3.82, SD = 2.14$ vs. $M_{\text{Low Similar}} = 2.56, SD = 1.51$; $F = 5.64, p < .01$), non-letter graphics used ($M_{\text{Highly Similar}} = 5.17, SD = 2.08$ vs. $M_{\text{Moderately Similar}} = 3.82, SD = 1.99$ vs. $M_{\text{Low Similar}} = 2.89, SD = 1.76$; $F = 3.58, p < .05$), and placement of non-letter graphics ($M_{\text{Highly Similar}} = 5.58, SD = 1.83$ vs. $M_{\text{Moderately Similar}} = 2.91, SD = 1.70$ vs. $M_{\text{Low Similar}} = 2.78, SD = 1.92$; $F = 8.53, p < .01$). Results further indicated that the junior imitation priced the same as the senior ($M_{\text{Same}} = 4.76, SD = 2.36$) and the junior priced below the senior ($M_{\text{Below}} = 1.67, SD = 1.11$) significantly differed in price compared to the senior product ($t = 4.84, p < .01$). These significant differences in appearance similarity and price corroborated the experiment manipulations.

The instrument was also reviewed in its entirety by four scholars from the department of Consumer, Apparel, and Retail Studies (with expertise in consumer behavior). These scholars reviewed the survey for clarity, appropriateness, and comprehensiveness of the questions, along with the stimuli and the results of the manipulations checks from the third pretest discussed above. These efforts collectively contribute to the face validity of experimental studies (Malhotra, 2010).

Statistical Analysis

The data collected in conjunction with this research was entered in SPSS for statistical analysis. First, all participant responses were checked for completeness, and data were coded. Second, descriptive analyses (e.g., frequencies, means, and median) were conducted to ensure all values fell within an expected range, to check for missing data and outliers, and to assess the skewness of each variable. Third, the reliability of each multi-item scale was assessed via Cronbach's alpha. Cronbach's alpha measures above 0.7 are acceptable (Hair, Black, Babin, & Anderson, 2010). To answer hypotheses 1 through 6, multivariate analysis of variance (MANOVA) was performed, with the independent variables being similarity level and price point, and the dependant variables being brand attitude, brand equity, and brand preference. To answer hypotheses 7 through 9, a series of regressions were employed. To answer hypotheses 10 through 15, MANOVA was again conducted.

Chapter Summary

Chapter 3 provided detailed information regarding the methodology of this study. Specifically, this chapter addressed research design, stimuli selection and pilot studies, questionnaire development and measures, sample and data collection procedure, pretest of the instrument, and statistical analysis that were employed to answer the hypothesized relationships discussed in Chapter 2.

CHAPTER IV

RESULTS

Chapter 4 provides the results of the statistical analysis employed for the purpose of answering the hypotheses set forth in Chapter 2. First, this chapter presents an overview of the sample characteristics. Presented second is information pertaining to participants' response to the setting of the stimulus and the senior brand, along with the results of the manipulations checks. Next is the evaluation of measures, which includes descriptive statistics of the investigated variables. Finally, the results of the hypotheses testing are provided, along with a summary of the results of each hypothesis proposed in Chapter 2.

Sample Characteristics

The demographic characteristics of the sample are summarized in Table 4. Of the 370 total responses collected, 30 were removed due to incompleteness (i.e., more than a quarter of the survey was left blank), resulting in 340 usable responses. Of these, approximately 28.5% ($n = 97$) of the participants identified themselves as male and 71.5% ($n = 243$) as female. The average age of the sample was 20.18 ($SD = 2.82$) years old, with most participants falling into an age range of 18 - 22 years (89.7%). In terms of ethnicity, approximately 53.2% ($n = 181$) were Caucasian, 27.6% ($n = 94$) were African American, 9.7% ($n = 33$) were Hispanic American, and 6.8% ($n = 23$) selected "Other," and 2.6% ($n = 9$) were Asian American. The sample represented all levels of class

standing with approximately 37.4% (n = 127) being sophomores, 32.1% being freshman (n = 109), 18.5% (n = 63) being juniors, 11.2% (n = 38) being seniors, and 0.9% (n = 3) being graduate students. With regard to monthly gross income, over 50% (n = 180) of the sample reported that it was below \$500, and the other one-half reported incomes in the following ranges: \$500 - \$749 (18.8%; n = 64), \$750 - \$999 (8.2%; n = 28), \$1,000 - \$1,499 (9.4%; n = 32), \$1,500 - \$1,999 (4.1%; n = 14), and above 2,000 (6.5%; n = 22).

Table 4. Sample Characteristics

Demographic Variable	Frequency	Percent
Gender		
Male	97	28.5
Female	243	71.5
Ethnicity		
African American	94	27.6
Asian American	9	2.6
Caucasian	181	53.2
Hispanic American	33	9.7
Other	23	6.8
Class standing (year in school)		
Graduate	3	0.9
Senior	38	11.2
Junior	63	18.5
Sophomore	127	37.4
Freshman	109	32.1

Age		
18	56	17.0
19	104	30.6
20	80	24.4
21	35	10.6
22	29	8.1
23	11	2.7
Above 23	23	5.9
Monthly gross income		
below \$500	180	52.9
\$500 - \$749	64	18.8
\$750 - \$999	28	8.2
\$1,000 - \$1,499	32	9.4
\$1,500 - \$1,999	14	4.1
above \$2,000	22	6.5

Participants' Response to Stimulus Setting and Senior Brand

As discussed in Chapter 3, the stimuli for this study included the senior brand inspiration product and the junior brand imitation, along with pricing information for each, into an online shopping context, specifically the Net-a-Porter website. Accordingly, participants reported (on seven-point Likert-type scales) that they were not very familiar with the Net-a-Porter website ($M = 2.05$; $SD = 1.74$) and furthermore, did not highly associate the website with luxury products ($M = 2.78$, $SD = 2.13$). On the contrary, participants were quite familiar with the senior brand, Louis Vuitton (LV) ($M = 5.97$, $SD = 1.38$), and 33.8% ($n = 115$) reported having purchased products offered by the brand in the past.

Manipulation Checks

To verify that participants accurately perceived the manipulated variables in this research, manipulation checks were performed. A summary of the means (all of which

were measured on seven-point Likert-type scales) related to such checks is presented in Table 5. Regarding the appearance similarity manipulation, one-way ANOVA results revealed that the extent to which participants agreed that the junior imitation was similar to the senior brand product (anchored by strongly disagree and strongly agree) was significantly different ($F = 26.56, p < .01$) as between the highly similar imitation ($M_{\text{Highly Similar}} = 5.57, SD = 1.76$), the moderately similar imitation ($M_{\text{Moderately Similar}} = 4.75, SD = 1.45$), and the low similarity imitation ($M_{\text{Low Similar}} = 4.04, SD = 1.49$). Moreover, the level of similarity of the junior to the senior (anchored by low and high similarity) between the highly similar imitation ($M_{\text{Highly Similar}} = 5.48, SD = 1.56$), the moderately similar imitation ($M_{\text{Moderately Similar}} = 4.75, SD = 1.50$), and the low similarity imitation ($M_{\text{Low Similar}} = 4.07, SD = 1.39$) were also significantly different ($F = 24.42, p < .01$).

Participants' perceptions of the similarity of the junior to the senior with respect to more specific aspects of the wallets that were also significantly different (summarized in Table 5), and these specific aspects included: wallet shape ($F = 6.10, p < .01$), overall number of visible graphics and letters/brand initials ($F = 164.86, p < .01$), letters/brand initials used ($F = 111.30, p < .01$), non-letter graphics used ($F = 91.89, p < .01$), placement of letters/brand initials ($F = 29.15, p < .01$), and placement of non-letter graphics ($F = 137.02, p < .01$). Noteworthy, participants did not find the color schemes of the junior and senior brand wallets to be significantly different ($F = 0.64, p > .05$), which comports the court's holding in the LV case that allows trend imitations to possess the exact same colors as the seniors they mimic (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2007). Finally, with respect to the price manipulation, the junior imitation priced the

same as the senior ($M_{\text{Same}} = 4.59$, $SD = 2.26$) and the junior priced below the senior ($M_{\text{Below}} = 2.38$, $SD = 1.69$) significantly differed in price compared to the senior product (t -value = 10.21, $p < .01$).

Table 5. Manipulation Checks.

Manipulated Variable	Mean (<i>SD</i>)		
	High Similarity	Moderate Similarity	Low Similarity
Appearance similarity			
General similarity**	5.57 (1.76)	4.75 (1.45)	4.04 (1.49)
Level of similarity**	5.48 (1.56)	4.75 (1.50)	4.07 (1.39)
Wallet shape**	5.19 (1.69)	5.08 (1.51)	4.51 (1.52)
Color scheme	5.87 (1.50)	6.03 (1.44)	5.80 (1.60)
Overall number of visible graphics and letters/brand initials**	5.58 (1.68)	2.96 (1.61)	2.04 (1.26)
Letters/brand initials used**	5.63 (1.62)	3.59 (1.92)	2.32 (1.48)
Non-letter graphics used**	5.12 (1.82)	3.92 (1.78)	2.08 (1.45)
Placement of letters/initials**	4.68 (1.99)	3.81 (1.80)	2.81 (1.72)
Placement of non-letter graphics**	5.57 (1.68)	3.38 (1.84)	1.95 (1.44)
		Same Price	Lower Price
Price			
Junior price (compared to senior price)**		4.59 (2.26)	2.38 (1.69)

Notes: *indicates $p < .05$; **indicates $p < .01$

Evaluation of Measures

Reliability checks via IBM SPSS Statistics 24 were employed for parsimonious analysis of all major constructs, including the brand management outcomes related to the junior and the senior brand, as well as the consumer characteristics of ethics, prestige

sensitivity, and fashion leadership. Brand management outcomes for the junior brand comprise brand attitude (BAT), overall brand equity, (OBE), and brand preference (BPR). Table 6 presents scale items, descriptive statistics (means and standard deviations), and item reliability for the brand management outcome measures for the junior brand.

Table 6. Descriptive Statistics and Item Reliability for Junior Brand Management Outcomes

Item ID	Item Description	Mean (SD)
<i>Brand attitude (BAT)</i>		
JAT1	Negative/Positive	4.04 (1.44)
JAT2	Bad/good	4.11 (1.41)
JAT3	Unattractive/Attractive	4.11 (1.70)
JAT4	Unfavorable/Favorable	3.87 (1.58)
JAT5	Uninteresting/Interesting	3.69 (1.63)
Cronbach's $\alpha = .925$		
<i>Overall brand equity (OBE)</i>		
JBE1	If I need a product of this nature, it makes sense to buy Brand X instead of any other brand, even if they are the same.	2.73 (1.44)
JBE2	Even if another brand has same features as Brand X, I would prefer to buy Brand X.	2.57 (1.35)
JBE3	If there is another brand as good as Brand X, I prefer to buy Brand X if I need a product of this nature.	2.66 (1.45)
Cronbach's $\alpha = .906$		
<i>Brand preference (BPR)</i>		
JBP1	I prefer this brand to other brands of its type.	2.51 (1.36)
JBP2	I consider this brand to be my primary source of this type of merchandise.	2.27 (1.35)
JBP3	When it comes to making a purchase, this brand is my first preference.	2.17 (1.35)
Cronbach's $\alpha = .930$		

Prior to hypothesis testing, the reliability of each multi-item scale was calculated using the Cronbach alpha value, which, according to Hair et al. (2010), is widely used when analyzing the reliability of a psychometrically developed scale, where a higher value indicates higher reliability (with a recommended cutoff value of 0.70) (Hair et al., 2010). Overall, reliability measures for the scales used in this study were all above this 0.70 baseline, supporting the reliability of the measurements (Hair et al., 2010).

Brand management outcomes for the senior brand comprise brand attitude (BAT), the dimensions of brand equity, including brand awareness (BAW), brand associations (BAS), brand image (BIM), brand leadership (BLE), perceived brand quality (PBQ), and brand loyalty (LOY), and brand preference (BPR). Table 7 features scale items, descriptive statistics, and item reliability for those measures related to the senior brand. Table 8 includes the scale items for the consumer characteristics explored in the instant study (consumer ethics, prestige sensitivity, and fashion leadership).

Table 7. Descriptive Statistics and Item Reliability for Senior Brand Management Outcomes

Item ID	Item Description	Mean (SD)
<i>Brand attitude (BAT)</i>		
SAT1	Negative/Positive	5.83 (1.25)
SAT2	Bad/good	5.79 (1.27)
SAT3	Unattractive/Attractive	5.84 (1.39)
SAT4	Unfavorable/Favorable	5.79 (1.38)
SAT5	Uninteresting/Interesting	5.59 (1.44)
Cronbach's $\alpha = .940$		

Brand awareness (BAW)

SAW1	I can recognize brand X among other competing brands.	5.96 (1.40)
SAW2	I know what brand X looks like.	6.06 (1.32)
SAW3	I am aware of brand X.	6.19 (1.17)
SAW4	I have difficulty in imagining brand X in my mind.*	5.33 (1.92)
SAW5	Some characteristics of X come to my mind quickly.	5.83 (1.44)
SAW6	I can quickly recall the symbol or logo of X.	6.04 (1.38)

Cronbach's $\alpha = .946$

Brand associations (BAS)

SAS1	Brand X has a personality.	5.40 (1.41)
SAS2	Brand X is interesting.	5.22 (1.49)
SAS3	I have a clear image of the type of person who would use the brand.	5.92 (1.20)
SAS4	Brand X is different from competing brands	5.12 (1.47)
SAS5	There are reasons to buy Brand X over competitors.	5.21 (1.50)

Cronbach's $\alpha = .891$

Brand image (BIM)

SIM1	Brand X is expensive.	6.36 (0.97)
SIM2	Brand X is stylish.	5.71 (1.28)
SIM3	Brand X is fashionable.	5.76 (1.25)
SIM4	Brand X is trendy.	5.74 (1.24)
SIM5	Brand X is luxurious.	6.21 (1.04)
SIM6	Brand X is prestigious.	6.01 (1.31)
SIM7	Brand X signals high status.	6.04 (1.21)
SIM8	Brand X is unique.	5.10 (1.57)
SIM9	Brand X has a variety of assortment.	5.63 (1.31)

Cronbach's $\alpha = .926$

Brand leadership (BLE)

SLE1	Brand X is known for innovative product designs.	4.94 (1.50)
SLE2	Brand X is a leading brand in apparel and accessories.	5.64 (1.36)

Cronbach's $\alpha = .777$

Perceived brand quality (PBQ)

When compared with other competing brands, Brand X:		
SQU1	Is higher in quality standards	5.68 (1.27)
SQU2	Is reasonably priced	3.33 (1.64)
SQU3	Has better features for the price	4.18 (1.54)
SQU4	Offers more benefits for the price	4.13 (1.57)
SQU5	Is more creative	4.49 (1.51)
SQU6	Is more of a trendsetter	5.27 (1.40)
SQU7	Is more preferred	5.54 (1.30)
SQU8	Is more recognized	6.01 (1.29)

Cronbach's $\alpha = .852$

<i>Brand loyalty (LOY)</i>		
SLO1	I consider myself to be loyal to Brand X.	3.00 (1.80)
SLO2	Brand X would be my first choice.	3.39 (1.95)
SLO3	I will not buy other brands if Brand X is available at the store.	2.91 (1.72)
Cronbach's α = .911		
<i>Brand preference (BPR)</i>		
SBP1	I prefer this brand to other brands of its type.	3.55 (1.92)
SBP2	I consider this brand to be my primary source of this type of merchandise.	3.07 (1.92)
SBP3	When it comes to making a purchase, this brand is my first preference.	2.94 (1.89)
Cronbach's α = .941		

Table 8. Descriptive Statistics and Item Reliability for Consumer Characteristics

Item ID	Item Description	Mean (SD)
<i>Fashion leadership (FL)</i>		
FL1	I am the first to try new fashion.	3.95 (1.72)
FL2	Many people regard me as a fashion leader.	3.92 (1.82)
FL3	It is important for me to be a fashion leader.	3.74 (1.96)
Cronbach's α = .921		
<i>Prestige sensitivity (PR)</i>		
PS1	People notice when I buy the most expensive brand of a product.	3.84 (1.87)
PS2	Buying a high priced brand makes me feel good about myself.	3.94 (1.97)
PS3	Buying the most expensive brand of a product makes me feel classy.	4.21 (1.94)
PS4	I enjoy the prestige of buying a high-priced brand.	4.30 (1.88)
PS5	It says something to people when I buy the high-priced version of a product.	4.33 (1.83)
PS6	I have purchased the most expensive brand of a product just because I knew other people would notice.	3.27 (1.99)
PS7	I think others make judgments about me by the kinds of products and brands I buy.	3.62 (1.85)
PS8	Even for a relatively inexpensive product, I think that buying a costly brand is impressive.	4.28 (1.88)
Cronbach's α = .928		

<i>Consumer ethics (CE)</i>		
EP1	Buying an apparel item from a retail store, wearing it, and then returning it.	5.03 (1.79)
EP2	Changing price-tags on merchandise in a retail store.	6.26 (1.25)
EP3	Giving misleading price information to a clerk for an unpriced item.	5.94 (1.39)
EP4	Reporting a lost item as “stolen” to an insurance company in order to collect the money.	6.19 (1.34)
EP5	Returning damaged merchandise when the damage is your own fault.	5.71 (1.51)
EP6	Not saying anything when the waitress miscalculates the bill in your favor.	4.89 (1.73)
EP7	Not reporting getting too much change.	4.93 (1.72)
EP8	Lying about one's age to get a lower price.	4.76 (1.76)
EP9	Moving into a new residence, finding that the cable TV is still hooked up, and using it rather than signing up and paying for it.	4.87 (1.82)
EP10	Using an expired coupon for merchandise.	4.02 (1.89)
EP11	Returning merchandise to a store by claiming that it was a gift when it was not.	4.61 (1.83)
EP12	Not telling the truth when negotiating the price of a new automobile.	5.06 (1.81)
EP13	Stretching the truth on an income tax return.	5.61 (1.51)
EP14	Using a coupon for merchandise you did not buy.	4.87 (1.75)
Cronbach's $\alpha = .926$		

Hypotheses Testing

Hypotheses 1, 3, and 5: Effects of Appearance Similarity and Price Point on Junior Brand Management Outcomes

Hypotheses 1, 3, and 5, which related to the junior brand management outcomes, are addressed together. H1 anticipated that junior brand management outcomes would be evaluated more favorably when the junior imitation was moderately similar to the senior brand. H3 posited that junior brand management outcomes would be evaluated more favorably when the price point of the junior imitation was similar to the price point of the senior brand, and H5 assumed that there would be a two-way interaction effect of

appearance similarity and price point on brand management outcomes for the junior brand.

In testing Hypotheses 1, 3, and 5, multivariate analysis of variance (MANOVA) was performed with appearance similarity and price point as the independent variables (i.e., between-group variables). The dependent variables include brand management outcomes of junior imitations as measured in terms of brand attitudes, overall brand equity, and brand preference. Per Mertler and Vannatta's (2002) recommendation, MANOVA procedure was employed to guard against Type I error. In addition, the three dependent variables (i.e., brand attitudes, overall brand equity, and brand preference) examined in the current study were conceptually related to each other (the correlation coefficient ranged from $0.45_{\text{BAT-BPR}}$, $p < .001$, to $0.80_{\text{OBE-BPR}}$, $p < .001$), suggesting that the MANOVA procedure was suitable for this type of analysis (Hair et al., 2010; Mertler & Vanatta, 2002).

H1 examined relationships between appearance similarity and brand management outcomes of the junior imitation. MANOVA results revealed a significant main effect for appearance similarity, Wilks' Lamda = 0.904, $F_{(6, 664)} = 5.731$, $p < .001$, and $\eta^2 = 0.049$. According to Hair et al. (2010), the Wilks' Lamda statistic was employed because "it is the one most immune to violations of the assumptions underlying MANOVA, while maintaining the greater power" (p. 162). Furthermore, Box's M was not significant (Box's M = 40.111, $p = 0.121$), providing insufficient evidence that the covariance matrices differ. Thus, these data were appropriate for the MANOVA procedure. Further, the univariate main effect of appearance similarity was significant on only brand attitude

($F_{(2, 334)} = 13.34, p < .001, \text{ and } \eta^2 = 0.074$). However, univariate results showed that there were no significant main effect of appearance similarity for overall brand equity ($F_{(2, 334)} = 1.23, p = 0.294, \text{ and } \eta^2 = 0.007$) and brand preference ($F_{(2, 334)} = 0.41, p = 0.665, \text{ and } \eta^2 = 0.002$) (see Table 9).

Table 9. MANOVA and ANOVA Results of Brand Management Outcomes of Junior Imitation

Independent Variables	Mean (SD)			
	BAT	OBE	BPR	
Appearance Similarity (AS)				Wilks' $\lambda = 0.904$ Hypothesis df = 6 Multivariate $F = 5.731^{***}$ Partial eta squared = 0.049
Low (L)	4.37 (1.24)	2.70 (1.25)	2.27 (1.15)	
Moderate (M)	4.05 (1.40)	2.76 (1.37)	2.40 (1.37)	
High (H)	3.48 (1.24)	2.51 (1.27)	2.28 (1.27)	
<i>F</i>-value	13.34^{***}	1.23	0.41	
Partial eta squared	0.074	0.007	0.002	
Price Point (P)				Wilks' $\lambda = 0.970$ Hypothesis df = 3 Multivariate $F = 3.368^*$ Partial eta squared = 0.030
Below (B)	3.89 (1.39)	2.79 (1.33)	2.45 (1.30)	
Similar (S)	4.04 (1.34)	2.52 (1.26)	2.19 (1.22)	
<i>F</i>-value	1.03	3.93[*]	3.79^{mar}	
Partial eta squared	0.003	0.012	0.011	

AS * P				Wilks' $\lambda = 0.994$
LAS – PB	4.30 (1.23)	2.81 (1.31)	2.33 (1.13)	Hypothesis df = 6
LAS – PS	4.44 (1.39)	2.58 (1.19)	2.21 (1.17)	Multivariate $F = 0.356$
MAS – PB	3.96 (1.43)	2.83 (1.39)	2.49 (1.40)	Partial eta squared =
MAS – PS	4.13 (1.38)	2.69 (1.36)	2.32 (1.36)	0.003
HAS – PB	3.41 (1.38)	2.74 (1.32)	2.53 (1.37)	
HAS – PS	3.54 (1.09)	2.27 (1.19)	2.03 (1.11)	
F-value	0.01	0.49	0.71	
Partial eta squared	0.000	0.003	0.004	

Notes: BAT = Brand Attitude; OBE = Overall Brand Equity; and BPR = Brand Preference; * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

Given the significant differences in brand attitude, post-hoc comparison was recommended. Prior to conducting the post-hoc comparisons, the Levene's test of equality of error variances was performed. Results revealed that although the groups were not equivalent, the insignificant difference of Levene's test of equality of error variances across three dependent variables, brand attitude ($F_{(5,334)} = 1.24, p = 0.29$), overall junior brand equity ($F_{(5,334)} = 0.56, p = .073$), and brand preference ($F_{(5,334)} = 1.73, p = 0.13$), indicated they had similar variances. Therefore, the Tukey's HSD test was employed to conduct post-hoc comparisons. Contrary to the proposed hypothesis, results showed that brand attitude toward the junior imitation exhibited the highest evaluation when junior imitations was less, followed by moderately and highly similar to the senior brands ($M_{Low} = 4.37, SD = 1.24$ vs. $M_{Moderate} = 4.05, SD = 1.40$ vs. $M_{High} = 3.48, SD = 1.24$). While the difference between the less similar and moderately similar junior imitation was

approaching significance ($M_{\text{Low}} = 4.37$ vs. $M_{\text{Moderate}} = 4.05$, $p = 0.069$), the difference between the less similar and highly similar junior imitation was significant ($M_{\text{Low}} = 4.37$ vs. $M_{\text{High}} = 3.48$, $p < .001$), as was the difference between the moderately similar and highly similar junior imitation ($M_{\text{Moderate}} = 4.05$ vs. $M_{\text{High}} = 3.48$, $p < .01$) (see Table 9).

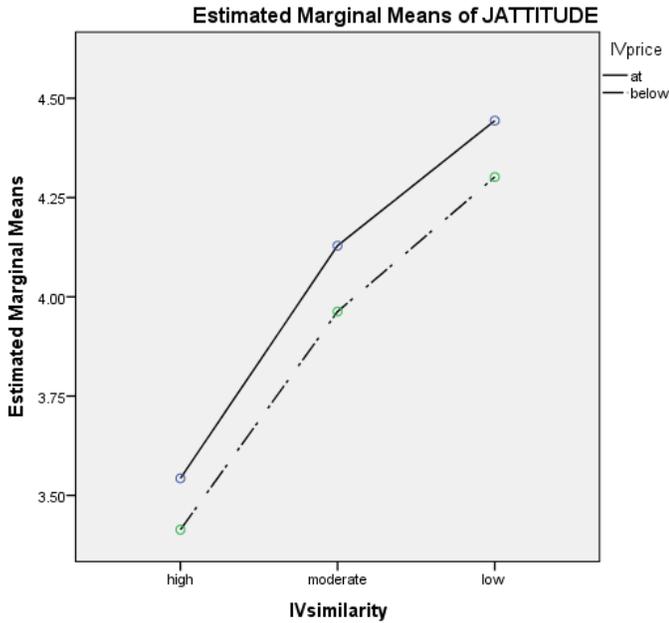
Given the insignificant differences in overall brand equity, the Tukey's HSD results showed that overall brand equity toward the junior imitation exhibited similar evaluations across three levels of appearance similarity ($M_{\text{Low}} = 2.70$, $SD = 1.25$ vs. $M_{\text{Moderate}} = 2.76$, $SD = 1.37$ vs. $M_{\text{High}} = 2.51$, $SD = 1.27$, $p > .05$). In addition, given the insignificant differences in brand preference, the Tukey's HSD results showed that brand preference toward the junior imitation also exhibited similar evaluations across three levels of appearance similarity ($M_{\text{Low}} = 2.27$, $SD = 1.15$ vs. $M_{\text{Moderate}} = 2.40$, $SD = 1.37$ vs. $M_{\text{High}} = 2.28$, $SD = 1.27$) (see Table 9). Thus, H1 was not supported.

Regarding H3 and the effect of price point, the results of the MANOVA described above (also used to test H3) revealed a significant main effect, Wilks' Lamda = 0.970, $F_{(3, 332)} = 3.368$, $p < .05$, and $\eta^2 = 0.03$. The univariate main effect of price point was significant only on overall brand equity ($F_{(1, 334)} = 3.927$, $p < .05$, and $\eta^2 = 0.012$); however, brand preference was approaching significance ($F_{(1, 334)} = 3.788$, $p = 0.052$, and $\eta^2 = 0.011$) while brand attitude was not significant ($F_{(1, 334)} = 1.032$, $p = .310$, and $\eta^2 = 0.003$) (see Table 9). Although H3 posited that junior brand management outcomes would be evaluated more favorably when the price point of the junior imitation was similar to the price point of the senior brand, results showed that overall brand equity ($M_{\text{Same}} = 2.52$, $SD = 1.26$ vs. $M_{\text{Below}} = 2.79$, $SD = 1.33$, $p < .05$) was greater when the

junior was priced below the senior. Further, results showed that brand attitude toward the junior imitation exhibited similar evaluations across two levels of price point ($M_{\text{Same}} = 4.04$, $SD = 1.34$ vs. $M_{\text{Below}} = 3.89$, $SD = 1.39$, $p > .05$) or brand preference ($M_{\text{Same}} = 2.19$, $SD = 1.22$ vs. $M_{\text{Below}} = 2.45$, $SD = 1.30$, $p > .05$) (see Table 9). Thus, H3 was not supported.

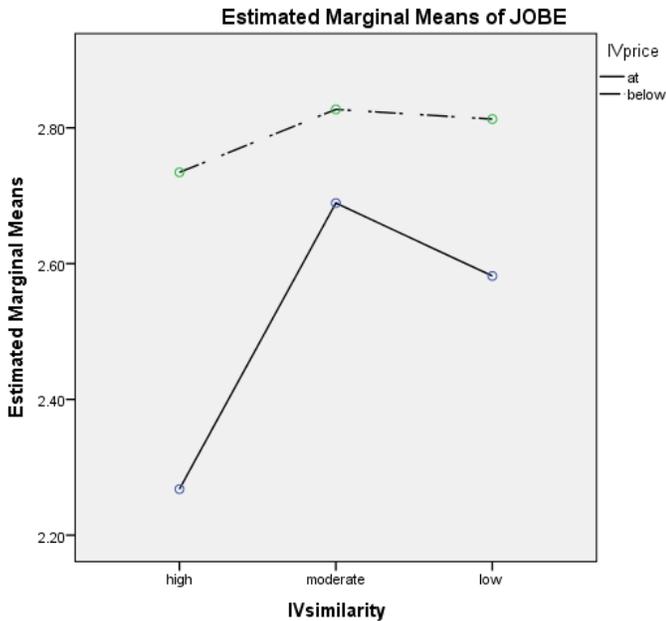
Hypotheses 5 posited that there would be a two-way interaction effect of appearance similarity and price point on brand management outcomes for the junior brand. Specifically, when same was priced similar to the senior brand, the junior imitation's brand attitude, brand equity, and brand preference were expected to be evaluated more favorably when the junior imitation was moderately similar to the senior brand. When the junior was priced lower than senior brand, junior brand attitude, brand equity, and brand preference were expected to be more favorable when the junior imitation was highly similar to the senior brand. The MANOVA described above was employed to examine this two-way interaction. Results revealed no significant interaction effect, Wilks' Lamda = 0.994, $F_{(6, 664)} = 0.356$, $p = .907$, and $\eta^2 = 0.003$. Moreover, the univariate main effect of the interaction of appearance similarity and price point was not significant on junior brand attitude ($F_{(2, 334)} = .006$, $p = .994$, and $\eta^2 = 0.000$), which is depicted in Figure 12. The interaction was also not significant for overall junior brand equity ($F_{(2, 334)} = 0.488$, $p = 0.614$, and $\eta^2 = 0.003$; see Figure 9), or brand preference ($F_{(2, 334)} = 0.713$, $p = 0.491$, and $\eta^2 = 0.004$; see Figure 10).

Figure 12. Plot of the Interaction of Appearance Similarity and Price Point on Junior Brand Attitude



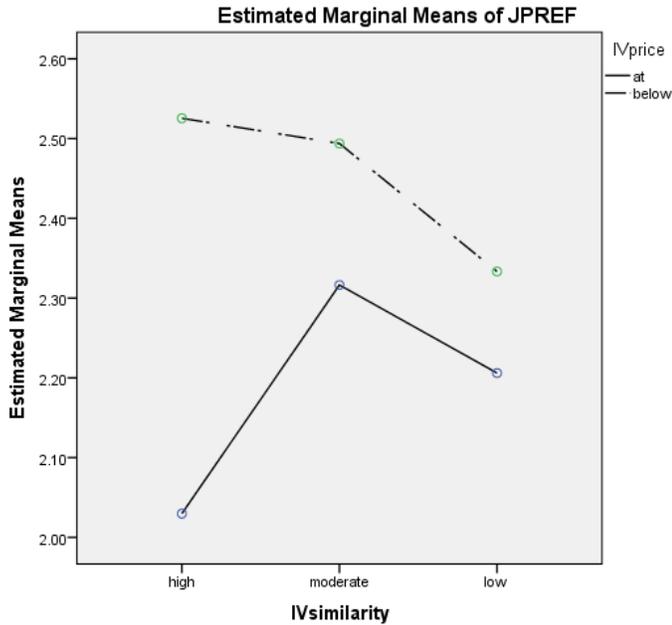
Notes: JATTITUDE = Junior brand attitude.

Figure 13. Plot of the Interaction of Appearance Similarity and Price Point on Overall Junior Brand Equity



Notes: JOBE = Junior overall brand equity

Figure 14. Plot of the Interaction of Appearance Similarity and Price Point on Junior Brand Preference



Notes: JPREF = Junior brand preference

Results showed that brand attitudes toward the junior imitation displayed similar evaluations across three levels of similarity when the price point of the junior was similar to the senior ($M_{\text{SameLAS}} = 4.44$, $SD = 1.39$ vs. $M_{\text{SameMAS}} = 4.13$, $SD = 1.38$ vs. $M_{\text{SameHAS}} = 3.54$, $SD = 1.09$, $p = 0.99$), and contrary to H5, which posited that brand attitude would be higher when the junior imitation displayed moderate similarity to the senior, brand attitude was higher for the low similarity junior imitation ($M_{\text{SameLAS}} = 4.44$, $SD = 1.39$). Evaluations of overall junior brand equity were also similar across the three levels of similarity when junior had a similar price point to the senior ($M_{\text{SameLAS}} = 2.58$, $SD = 1.19$ vs. $M_{\text{SameMAS}} = 2.69$, $SD = 1.36$ vs. $M_{\text{SameHAS}} = 2.27$, $SD = 1.19$, $p = 0.61$), as well as brand preference ($M_{\text{SameLAS}} = 2.21$, $SD = 1.17$ vs. $M_{\text{SameMAS}} = 2.32$, $SD = 1.36$ vs. $M_{\text{SameHAS}} = 2.03$, $SD = 1.11$, $p = 0.49$). When the junior had a lower price than the senior,

across the three levels of similarity, evaluations were similar for brand attitudes ($M_{\text{BelowLAS}} = 4.30, SD = 1.23$ vs. $M_{\text{BelowMAS}} = 3.69, SD = 1.43$ vs. $M_{\text{BelowHAS}} = 3.41, SD = 1.38, p = 0.99$), overall brand equity ($M_{\text{BelowLAS}} = 2.81, SD = 1.31$ vs. $M_{\text{BelowMAS}} = 2.83, SD = 1.39$ vs. $M_{\text{BelowHAS}} = 2.74, SD = 1.32, p = 0.61$), and brand preference ($M_{\text{BelowLAS}} = 2.33, SD = 1.13$ vs. $M_{\text{BelowMAS}} = 2.49, SD = 1.40$ vs. $M_{\text{BelowHAS}} = 2.53, SD = 1.37, p = 0.49$). Further, for the brand attitude and overall brand equity junior brand management outcomes, the highest values were not for the high similarity juniors, as predicted by H5. Thus, H5 was not supported.

Hypotheses 2, 4, and 6: Effects of Appearance Similarity and Price Point on Senior Brand Management Outcomes

Hypotheses 2, 4, and 6 related to the senior brand, and are addressed together in this section. H2 posited that senior brand outcomes would be evaluated less favorably when the junior imitation was highly similar to the senior brand. H4 proposed that senior brand outcomes would be evaluated more favorably when the price point of the junior imitation was less than the senior brand price point. H6 posited that there would be a two-way interaction effect (appearance similarity x price point) on brand management outcomes of the senior brand. Similar to the manner in which H1, H3, and H5 were tested for the junior brand above, MANOVA was employed to test H2, H4, and H6 for the senior brand, to guard against Type I error (Mertler & Vannatta, 2002). Again, appearance similarity and price point served as the independent variables (i.e., between-group variables). The dependent variables included brand management outcomes of the senior brand as measured in terms of brand attitudes, brand equity (i.e., brand awareness,

brand associations, brand image, brand leadership, perceived brand quality, and brand loyalty) and brand preference. The dependent variables were conceptually related to each other (the correlation coefficient ranged from $0.13_{\text{BAW-BPR}}$, $p < .05$, to $0.89_{\text{LOY-BPR}}$, $p < .001$), again suggesting that the MANOVA procedure was suitable for this type of analysis (Hair et al., 2010; Mertler & Vanatta, 2002).

H2 scrutinized relationships between appearance similarity and brand management outcomes of the senior brand. Box's M was significant (Box's M = 264.437, $p < .01$), such that the assumption cannot be made that the covariance matrices of the dependant variables are equal across groups. However, as noted above, all of the dependent variables (i.e., brand attitudes, brand awareness, brand associations, brand image, brand leadership, perceived brand quality, and brand loyalty, and brand preference) examined in the current study were conceptually related to each other, rendering MANOVA an appropriate analysis (Hair et al., 2010; Mertler & Vanatta, 2002). However, the Levene's test of equality of error variances across the dependent variables was insignificant, revealing that they possessed similar variances, and providing additional support for the MANOVA test.

MANOVA results did not reveal a significant main effect for appearance similarity, Pillai's Trace = 0.03, $F_{(16, 654)} = 0.51$, $p = 0.943$, and $\eta^2 = 0.012$. The univariate main effect of appearance similarity was not significant on brand attitude ($F_{(2, 334)} = 0.245$, $p = 0.783$, and $\eta^2 = 0.001$), the brand equity dimensions of brand awareness ($F_{(2, 334)} = 0.265$, $p = 0.767$, and $\eta^2 = 0.002$), brand associations ($F_{(2, 334)} = 0.037$, $p = 0.964$, and $\eta^2 = 0.000$), brand image ($F_{(2, 334)} = 0.089$, $p = 0.915$, and $\eta^2 = 0.001$), brand

leadership ($F_{(2, 334)} = 0.101$, $p = 0.904$, and $\eta^2 = 0.001$), perceived brand quality ($F_{(2, 334)} = 0.307$, $p = 0.736$, and $\eta^2 = 0.002$), brand loyalty ($F_{(2, 334)} = 0.268$, $p = 0.765$, and $\eta^2 = 0.002$), or brand preference ($F_{(2, 334)} = 0.857$, $p = 0.426$, and $\eta^2 = 0.005$) (see Table 10).

Table 10. MANOVA and ANOVA Results of Brand Management Outcomes of Senior Brands

Independent Variables	Mean (SD)								
	BAT	BAW	BAS	BIM	BLE	PBQ	LOY	BPR	
Appearance Similarity (AS)									Pillai's Trace = 0.03
Low (L)	5.96 (1.11)	6.15 (1.16)	5.54 (1.16)	5.96 (0.98)	5.50 (1.21)	4.92 (1.06)	3.19 (1.71)	3.20 (1.84)	Hypothesis df = 16
Moderate (M)	5.85 (1.14)	6.11 (1.11)	5.51 (1.18)	5.91 (0.98)	5.47 (1.27)	4.95 (0.92)	3.29 (1.71)	3.46 (1.86)	Multivariate $F = 0.51$
High (H)	5.92 (1.19)	6.04 (1.27)	5.50 (1.16)	5.93 (0.94)	5.42 (1.24)	5.02 (1.03)	3.35 (1.77)	3.50 (1.82)	Partial eta squared = 0.012
F-value	0.25	0.27	0.04	0.09	0.10	0.31	0.27	0.86	
Partial eta squared	0.001	0.002	0.000	0.001	0.001	0.002	0.002	0.005	
Price Point (P)									Pillai's Trace = 0.01
Below (B)	5.92 (1.20)	6.09 (1.23)	5.56 (1.22)	5.92 (1.00)	5.51 (1.26)	4.96 (1.01)	3.31 (1.79)	3.47 (1.88)	Hypothesis df = 8
Similar (S)	5.91 (1.09)	6.11 (1.13)	5.48 (1.11)	5.95 (0.92)	5.42 (1.22)	4.97 (1.01)	3.24 (1.67)	3.47 (1.80)	Multivariate $F = 0.45$
F-value	0.20	0.03	0.32	0.11	0.38	0.01	0.13	0.65	Partial eta squared = 0.011
Partial eta squared	0.000	0.000	0.001	0.000	0.001	0.000	0.000	0.002	

AS * P									Pillai's Trace = 0.07
LAS – PB	6.01 (1.10)	6.29 (1.02)	5.71 (1.18)	5.93 (1.05)	5.66 (1.17)	4.95 (1.07)	3.36 (1.72)	3.43 (1.84)	Hypothesis df = 16
LAS – PS	5.91 (1.13)	6.02 (1.29)	5.38 (1.14)	5.94 (0.82)	5.34 (1.24)	4.88 (1.06)	3.02 (1.70)	2.98 (1.84)	Multivariate $F = 1.37$
MAS – PB	5.98 (1.05)	6.09 (1.13)	5.51 (1.21)	5.85 (0.95)	5.54 (1.26)	4.97 (0.82)	3.26 (1.77)	3.45 (1.96)	Partial eta squared =
MAS – PS	5.73 (1.21)	6.14 (1.10)	5.52 (1.16)	5.95 (1.00)	5.41 (1.28)	4.94 (1.00)	3.33 (1.67)	3.46 (1.79)	0.033
HAS – PB	5.76 (1.40)	5.89 (1.47)	5.45 (1.26)	5.96 (1.02)	5.32 (1.34)	4.96 (1.11)	3.32 (1.89)	3.52 (1.87)	
HAS – PS	6.07 (0.90)	6.19 (1.01)	5.55 (1.06)	5.95 (0.95)	5.53 (1.14)	5.08 (0.96)	3.39 (1.64)	3.48 (1.77)	
F-value	1.81	1.68	1.06	0.09	1.31	0.26	0.51	0.53	
Partial eta squared	0.011	0.010	0.006	0.001	0.008	0.002	0.003	0.003	

Notes: BAT = Brand Attitude; BAW = Brand Awareness; BAS = Brand Associations; BIM = Brand Image; BLE = Brand Leadership; PBQ = Perceived Brand Quality; LOY = Brand Loyalty; and BPR = Brand Preference; * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

Given the insignificant differences in senior brand management outcomes, the Tukey's HSD results showed that senior brand attitude exhibited similar evaluations across three levels of appearance similarity and, contrary to what was expected, was higher when the junior had low (rather than high) similarity to the senior (brand attitude: $M_{\text{High}} = 5.92$ vs. $M_{\text{Moderate}} = 5.85$ vs. $M_{\text{Low}} = 5.96$, $F = 0.25$, $p > .05$). Tukey's HSD results also indicated that the dimensions of brand equity displayed similar evaluations across three levels of appearance similarity and, as expected, several were greater when the junior was highly similar to the senior (brand image: $M_{\text{High}} = 5.96$ vs. $M_{\text{Moderate}} = 5.91$ vs. $M_{\text{Low}} = 5.93$, $F = 0.09$, $p > .05$; perceived brand quality: $M_{\text{High}} = 5.02$ vs. $M_{\text{Moderate}} = 4.95$ vs. $M_{\text{Low}} = 4.92$, $F = 0.31$, $p > .05$; brand loyalty: $M_{\text{High}} = 3.35$ vs. $M_{\text{Moderate}} = 3.29$ vs. $M_{\text{Low}} = 3.19$, $F = 0.27$, $p > .05$). Nevertheless, certain brand equity dimensions were lesser when the junior was highly similar to the senior, in opposition to the expectations (brand awareness: $M_{\text{High}} = 6.04$ vs. $M_{\text{Moderate}} = 6.11$ vs. $M_{\text{Low}} = 6.15$, $F = 0.27$, $p > .05$; brand associations: $M_{\text{High}} = 5.50$ vs. $M_{\text{Moderate}} = 5.51$ vs. $M_{\text{Low}} = 5.54$, $F = 0.04$, $p > .05$; brand leadership: $M_{\text{High}} = 5.42$ vs. $M_{\text{Moderate}} = 5.47$ vs. $M_{\text{Low}} = 5.50$, $F = 0.10$, $p > .05$). Finally, brand preference also exhibited similar evaluations across three levels of appearance similarity and, contrary to what was expected, was higher when the junior had low (rather than high) similarity to the senior ($M_{\text{High}} = 3.50$ vs. $M_{\text{Moderate}} = 3.46$ vs. $M_{\text{Low}} = 3.20$, $F = 0.86$, $p > .05$). Thus, H2 is not supported.

With regard to the effect of price point, H4 proposed that senior brand outcomes would be evaluated more favorably when the price of the junior imitation was less than that of the senior brand. The results of the MANOVA revealed that price point did not

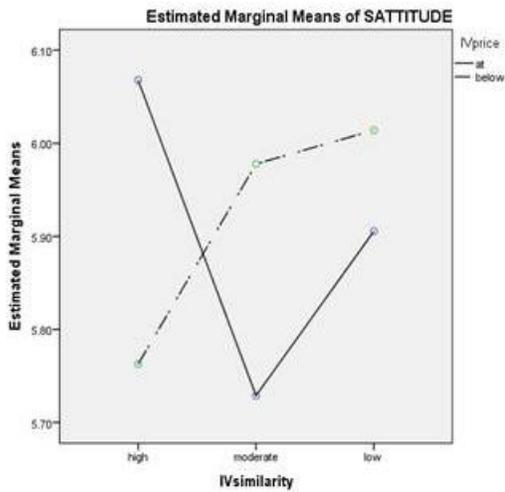
have a significant impact on brand management outcomes, Pillai's Trace = 0.01, $F_{(8, 327)} = 0.450$, $p = 0.890$, and $\eta^2 = 0.011$. Further, the univariate main effect of price point was not significant on brand attitude ($F_{(1, 334)} = 0.020$, $p = 0.888$, and $\eta^2 = 0.000$), the brand equity dimensions of brand awareness ($F_{(1, 334)} = 0.034$, $p = 0.854$, and $\eta^2 = 0.000$), brand associations ($F_{(1, 334)} = 0.324$, $p = 0.569$, and $\eta^2 = 0.001$), brand image ($F_{(1, 334)} = 0.114$, $p = 0.736$, and $\eta^2 = 0.000$), brand leadership ($F_{(1, 334)} = 0.375$, $p = 0.541$, and $\eta^2 = 0.001$), perceived brand quality ($F_{(1, 334)} = 0.005$, $p = 0.943$, and $\eta^2 = 0.000$), brand loyalty ($F_{(1, 334)} = 0.132$, $p = 0.717$, and $\eta^2 = 0.000$), or brand preference ($F_{(1, 334)} = 0.645$, $p = 0.423$, and $\eta^2 = 0.002$) (see Table 10).

Senior brand attitude exhibited similar evaluations across two levels of price point ($M_{\text{Same}} = 5.91$ vs. $M_{\text{Below}} = 5.92$, $F = 0.20$, $p > .05$). Similarly, the dimensions of brand equity were similar across the price point levels: brand awareness: $M_{\text{Same}} = 6.11$ vs. $M_{\text{Below}} = 6.09$, $F = 0.03$, $p > .05$; brand associations: $M_{\text{Same}} = 5.48$ vs. $M_{\text{Below}} = 5.56$, $F = 0.32$, $p > .05$; brand image: $M_{\text{Same}} = 5.95$ vs. $M_{\text{Below}} = 5.92$, $F = 0.11$, $p > .05$; brand leadership: $M_{\text{Same}} = 5.42$ vs. $M_{\text{Below}} = 5.51$, $F = 0.38$, $p > .05$; perceived brand quality: $M_{\text{Same}} = 4.97$ vs. $M_{\text{Below}} = 4.96$, $F = 0.01$, $p > .05$; brand loyalty: $M_{\text{Same}} = 3.24$ vs. $M_{\text{Below}} = 3.31$, $F = 0.13$, $p > .05$. Additionally, brand preference demonstrated similar evaluations for both price point levels ($M_{\text{Same}} = 3.31$ vs. $M_{\text{Below}} = 3.47$, $F = 0.65$, $p > .05$). Thus, H4 is not supported.

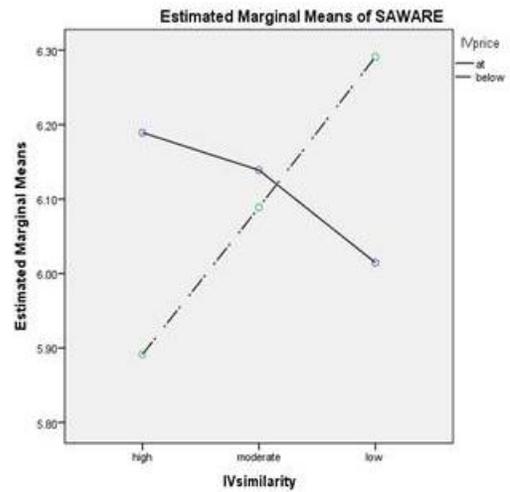
H6 expected an interaction to exist between appearance similarity and price point on senior brand management outcomes such that when the junior was priced similar to the senior brand, the senior's brand attitude, brand equity, and brand preference were

expected to be more favorable for a highly similar junior imitation. When the junior was priced lower than senior brand, the senior's brand attitude, brand equity, and brand preference were expected to be evaluated more favorably when a less similar junior was present. Table 10 features the results of the MANOVA that was conducted to examine this two-way interaction. Results revealed no significant interaction main effect, Pillai's Trace = 0.07, $F_{(6, 664)} = 0.356$, $p = .907$, and $\eta^2 = 0.003$. Further, the univariate effect of the interaction of appearance similarity and price point was also not significant on the senior brand management outcomes of brand attitude ($F_{(2, 334)} = 1.805$, $p = .166$, and $\eta^2 = 0.011$), brand preference ($F_{(2, 334)} = 0.530$, $p = 0.589$, and $\eta^2 = 0.003$), or the dimensions of brand equity: brand awareness ($F_{(2, 334)} = 1.679$, $p = 0.188$, and $\eta^2 = 0.010$), brand associations ($F_{(2, 334)} = 1.058$, $p = 0.348$, and $\eta^2 = 0.006$), brand image ($F_{(2, 334)} = 0.094$, $p = 0.910$, and $\eta^2 = 0.001$), brand leadership ($F_{(2, 334)} = 1.312$, $p = 0.271$, and $\eta^2 = 0.008$), perceived brand quality ($F_{(2, 334)} = 0.261$, $p = 0.771$, and $\eta^2 = 0.002$), and brand loyalty ($F_{(2, 334)} = 0.511$, $p = 0.600$, and $\eta^2 = 0.003$). Figure 15 displays the means plots of the interaction of similarity and price point on all senior brand management outcomes.

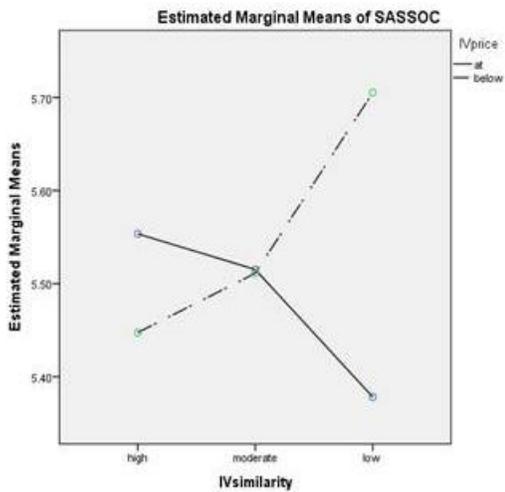
Figure 15. Means Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Management Outcomes



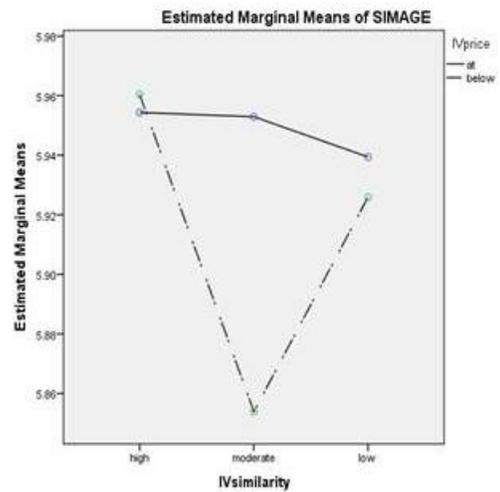
Brand Attitude



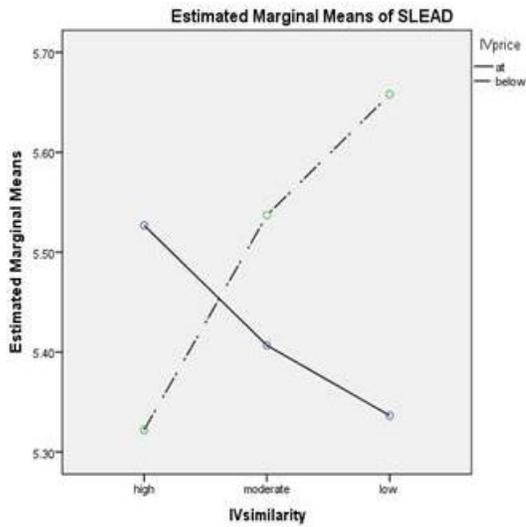
Brand Awareness



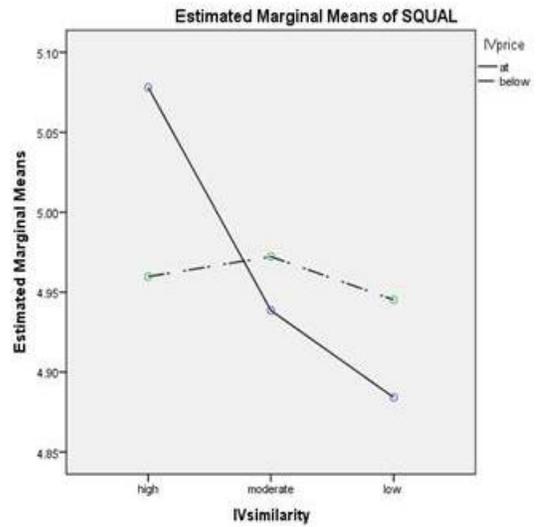
Brand Associations



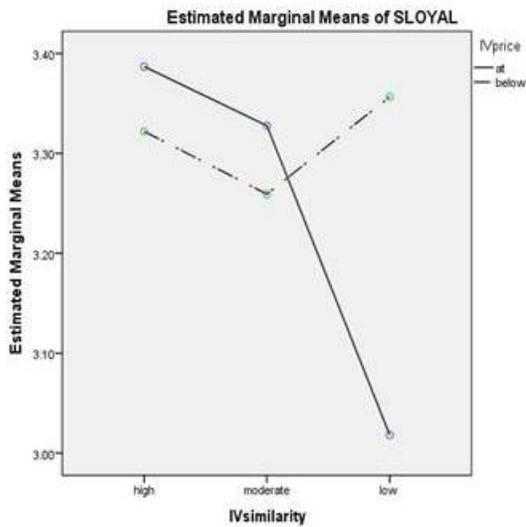
Brand Image



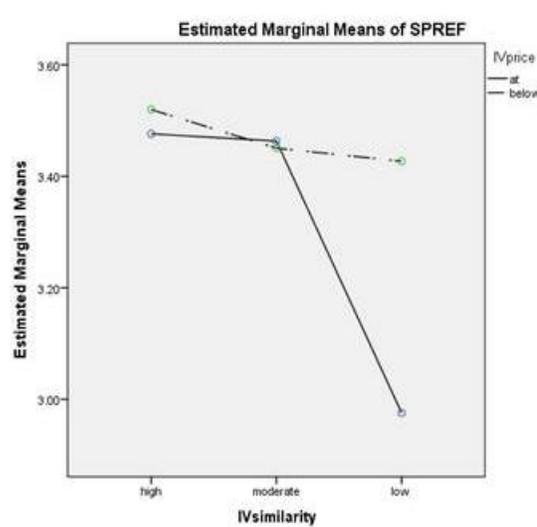
Brand Leadership



Perceived Brand Quality



Brand Loyalty



Brand Preference

Results showed that when the price point of the junior was similar to the senior, evaluations of senior brand attitudes were similar across three levels of similarity

($M_{\text{SameLAS}} = 5.91, SD = 1.13$ vs. $M_{\text{SameMAS}} = 5.73, SD = 1.21$ vs. $M_{\text{SameHAS}} = 6.07, SD = 0.90, p > .05$), as well as brand preference ($M_{\text{SameLAS}} = 2.98, SD = 1.84$ vs. $M_{\text{SameMAS}} = 3.46, SD = 1.79$ vs. $M_{\text{SameHAS}} = 3.48, SD = 1.77, p > .05$). The evaluations of the dimensions of brand equity were also similar across three levels of similarity: brand awareness ($M_{\text{SameLAS}} = 6.02, SD = 1.29$ vs. $M_{\text{SameMAS}} = 5.95, SD = 1.00$ vs. $M_{\text{SameHAS}} = 6.19, SD = 1.01, p > .05$), brand associations ($M_{\text{SameLAS}} = 5.38, SD = 1.14$ vs. $M_{\text{SameMAS}} = 5.52, SD = 1.16$ vs. $M_{\text{SameHAS}} = 5.55, SD = 1.06, p > .05$), brand image ($M_{\text{SameLAS}} = 5.94, SD = 0.82$ vs. $M_{\text{SameMAS}} = 5.95, SD = 1.00$ vs. $M_{\text{SameHAS}} = 5.95, SD = 0.95, p > .05$), brand leadership ($M_{\text{SameLAS}} = 5.34, SD = 1.24$ vs. $M_{\text{SameMAS}} = 5.41, SD = 1.28$ vs. $M_{\text{SameHAS}} = 5.53, SD = 1.14, p > .05$), perceived brand quality ($M_{\text{SameLAS}} = 4.88, SD = 1.06$ vs. $M_{\text{SameMAS}} = 4.94, SD = 1.00$ vs. $M_{\text{SameHAS}} = 5.08, SD = 0.96, p > .05$), and brand loyalty ($M_{\text{SameLAS}} = 3.02, SD = 1.70$ vs. $M_{\text{SameMAS}} = 3.33, SD = 1.67$ vs. $M_{\text{SameHAS}} = 3.39, SD = 1.64, p > .05$). The evaluations of brand preference were also similar across three levels of similarity ($M_{\text{SameLAS}} = 2.98, SD = 1.84$ vs. $M_{\text{SameMAS}} = 3.46, SD = 1.79$ vs. $M_{\text{SameHAS}} = 3.48, SD = 1.77, p > .05$).

Results further indicated that when the junior had a lower price than the senior, across the three levels of similarity, evaluations were similar for brand attitudes ($M_{\text{BelowLAS}} = 6.01, SD = 1.10$ vs. $M_{\text{BelowMAS}} = 5.98, SD = 1.05$ vs. $M_{\text{BelowHAS}} = 5.76, SD = 1.40, p > .05$), brand preference ($M_{\text{BelowLAS}} = 3.43, SD = 1.84$ vs. $M_{\text{BelowMAS}} = 3.45, SD = 1.96$ vs. $M_{\text{BelowHAS}} = 3.52, SD = 1.87, p > .05$) and the dimensions of brand equity: brand awareness ($M_{\text{BelowLAS}} = 6.29, SD = 1.02$ vs. $M_{\text{BelowMAS}} = 6.09, SD = 1.13$ vs. $M_{\text{BelowHAS}} = 5.89, SD = 1.47, p > .05$), brand associations ($M_{\text{BelowLAS}} = 5.71, SD = 1.18$ vs. M_{BelowMAS}

= 5.51, $SD = 1.21$ vs. $M_{\text{BelowHAS}} = 5.45$, $SD = 1.26$, $p > .05$), brand image ($M_{\text{BelowLAS}} = 5.93$, $SD = 1.05$ vs. $M_{\text{BelowMAS}} = 5.85$, $SD = 0.95$ vs. $M_{\text{BelowHAS}} = 5.96$, $SD = 1.02$, $p > .05$), brand leadership ($M_{\text{BelowLAS}} = 5.66$, $SD = 1.17$ vs. $M_{\text{BelowMAS}} = 5.54$, $SD = 1.26$ vs. $M_{\text{BelowHAS}} = 5.32$, $SD = 1.34$, $p > .05$), perceived brand quality ($M_{\text{BelowLAS}} = 4.95$, $SD = 1.07$ vs. $M_{\text{BelowMAS}} = 4.97$, $SD = 0.82$ vs. $M_{\text{BelowHAS}} = 4.96$, $SD = 1.11$, $p > .05$), and brand loyalty ($M_{\text{BelowLAS}} = 3.36$, $SD = 1.72$ vs. $M_{\text{BelowMAS}} = 3.26$, $SD = 1.77$ vs. $M_{\text{BelowHAS}} = 3.32$, $SD = 1.89$, $p > .05$). Thus, H6 is not supported.

Hypothesis 7 through 9: The Relationships between Brand Attitude, Brand Equity, and Brand Preference

Apart from the main effects of appearance similarity and price point, additional hypotheses applicable to the relationships amongst the brand management outcomes were initiated. Specifically, it was anticipated a positive relationship would exist between brand attitudes and brand equity for both the junior imitation (H7(a)) and the senior brand (H7(b)). Further, a positive relationship was expected to exist between brand equity and brand preference for both the junior imitation (H8(a)) and the senior brand (H8(b)). A final positive relationship was expected to exist between brand attitudes and brand preference for both the junior imitation (H9(a)) and the senior brand (H9(b)).

As H7(a), H8(a), and H9(a) pertain to the junior brand, these hypotheses will be addressed first, the testing of which occurred via a series of simple regression. To examine the relationship that was expected to exist between brand attitudes and brand equity for the junior imitation (H7(a)), a simple regression was utilized with junior brand attitudes serving as the independent variable and junior overall brand equity as the

dependent variable. The test of regression for the junior brand was significant ($F_{(1, 338)} = 104.820, p < .001$; see Table 11). Therefore, we can assume that junior brand attitude assists in predicting junior overall brand equity. The R^2 coefficient of 0.24 (see Table 11) suggests that while junior brand attitude does not fully explain and/or account for overall junior brand equity, approximately 24% of the latter can be explained by brand attitude. Results further revealed that brand attitude toward the junior positively influences overall junior brand equity ($\beta = 0.487, t\text{-value} = 10.238, p < .001$). Thus, H7(a) was supported.

Table 11. Regression Results of Junior Brand Attitude on Junior Overall Brand Equity

Independent Variable	Junior Brand Equity		
	Standardized β	t -value	p -value
Brand attitude	.487	10.238	.000**
$R^2 = 0.237$ Adjusted $R^2 = 0.234$ $F = 104.820, p < .001$			

Notes: *indicates $p < .05$; **indicates $p < .01$; ***indicates $p < .001$

To test H8(a), a simple regression was again employed, with the independent variable being overall junior brand equity and the dependant variable being brand preference. The linear regression was significant ($F_{(1, 338)} = 588.854, p < .001$; see Table 12), providing evidence that junior brand equity helps in predicting junior brand preference. In addition, the model accounted for roughly 63.5% ($R^2 = .635$) of the variance explained, indicating overall junior brand equity accounts for junior brand preference to an extent. Results further revealed that overall junior brand equity positively influenced junior brand preference ($\beta = 0.797, t\text{-value} = 24.266, p < .001$). Thus, H8(a) was supported.

Table 12. Regression Results of Junior Brand Equity on Junior Brand Preference

Independent Variable	Junior Brand Preference		
	Standardized β	<i>t</i> -value	<i>p</i> -value
Overall brand equity	.797	24.266	.000**
	$R^2 = 0.635$ Adjusted $R^2 = 0.634$ $F = 588.854, p < .001$		

Notes: *indicates $p < .05$; **indicates $p < .01$; ***indicates $p < .001$

With respect to H9(a), it was expected that a relationship would exist between brand attitudes and brand preference for the junior imitation, and simple regression was employed again to examine this hypothesis, with brand attitudes serving as the independent variable and brand preference as the dependent variable. The simple regression was significant ($F = 83.33, p < 0.001$; see Table 13), which indicates that junior brand attitude helps in predicting junior brand preference. The R^2 indicates that the model accounted for approximately 19.8% of the variance explained ($R^2 = .198$), indicating that junior brand attitudes accounted for a portion of junior brand preference. Further, junior brand attitude positively influenced junior brand preference ($\beta = 0.445, t$ -value = 9.129, $p < .001$; see Table 13). Thus, support exists for H9(a).

Table 13. Regression Results of Junior Brand Attitude on Junior Brand Preference

Independent Variable	Junior Brand Preference		
	Standardized β	<i>t</i> -value	<i>p</i> -value
Brand attitude	.445	9.129	.000**
	$R^2 = 0.198$ Adjusted $R^2 = 0.195$ $F = 83.33, p < .001$		

Notes: *indicates $p < .05$; **indicates $p < .01$; ***indicates $p < .001$

H7(b), H8(b), and H9(b) relate to the senior brand and will be discussed in the remaining portion of this section. Linear regression was employed to examine the relationship that was expected to exist between brand attitudes and brand equity for the senior brand (H7(b)). For this analysis, senior brand attitudes constituted the independent variable and the dimensions of senior brand equity (i.e., brand awareness, brand association, brand image, brand leadership, perceived quality, and brand loyalty) were the dependent variables. The overall test of regression for the senior brand, presented in Table 14, indicated that the multivariate multiple regression was significant ($\Lambda = 0.483$, $F_{(6, 333)} = 59.393$, $p < .001$), providing evidence that senior brand attitude helps in predicting the dimensions of senior brand equity. The range of R^2 coefficients (ranging from approximately 0.18 to 0.46; see Table 14), indicate that senior brand attitude explained, though not completely, the dimensions of senior brand equity. Results further revealed that senior brand attitude positively influenced the senior brand equity dimensions of brand awareness ($\beta = 0.151$, $t\text{-value} = 10.581$, $p < .001$), brand associations ($\beta = 0.681$, $t\text{-value} = 16.503$, $p < .001$), brand image ($\beta = 0.536$, $t\text{-value} = 15.190$, $p < .001$), brand leadership ($\beta = 0.617$, $t\text{-value} = 12.789$, $p < .001$), perceived brand quality ($\beta = 0.543$, $t\text{-value} = 14.437$, $p < .001$), and brand loyalty ($\beta = 0.654$, $t\text{-value} = 8.839$, $p < .001$). Thus, H7(b) was supported.

Table 14. Multivariate Regression Results of Senior Brand Attitude on Senior Brand Equity

Senior Brand Equity Dimension	Senior Brand Attitude		
	Standardized β	<i>t</i> -value	<i>p</i> -value
Brand awareness $R^2 = 0.249$ Adjusted $R^2 = 0.247$ $F = 111.963, p < .001$	.515	10.581	.000**
Brand associations $R^2 = 0.446$ Adjusted $R^2 = 0.445$ $F = 272.339, p < .001$	.681	16.503	.000**
Brand image $R^2 = 0.406$ Adjusted $R^2 = 0.404$ $F = 230.724, p < .001$	.536	15.190	.000**
Brand leadership $R^2 = 0.326$ Adjusted $R^2 = 0.324$ $F = 163.569, p < .001$	.617	12.789	.000**
Perceived brand quality $R^2 = 0.381$ Adjusted $R^2 = 0.380$ $F = 208.415, p < .001$	.543	14.437	.000**
Brand loyalty $R^2 = 0.188$ Adjusted $R^2 = 0.185$ $F = 78.127, p < .001$	.654	8.839	.000**

Notes: *indicates $p < .05$; **indicates $p < .01$; ***indicates $p < .001$

H8(b) posited that a relationship would exist between brand equity and brand preference for the senior brand. Regression was employed to test this hypothesis, with the dimensions of senior brand equity as the independent variables and brand preference as the dependent variable. Results revealed that the multiple regression was significant ($F_{(6, 333)} = 208.799, p < .001$; see Table 15). Moreover, the model accounted for almost 80% ($R^2 = .79$) of the variance explained, indicating that the dimensions of senior brand equity

accounted for senior brand preference. The individual dimensions of senior brand equity that positively influence senior brand preference are: brand associations ($\beta = 0.152$, t -value = 2.822, $p < .01$) and brand loyalty ($\beta = 0.829$, t -value = 26.652, $p < .001$), while brand awareness negatively influences brand preference ($\beta = -.083$, t -value = -2.162, $p < .05$). Thus, H8(b) is partially supported.

Table 15. Multiple Regression Results of Senior Brand Equity on Senior Brand Preference

Senior Brand Equity Dimension	Senior Brand Preference		
	Standardized β	t -value	p -value
Brand awareness	-.083	-2.162	.031*
Brand associations	.152	2.822	.005**
Brand image	-.013	-.285	.776
Brand leadership	-.048	-.994	.321
Perceived brand quality	.038	.901	.368
Brand loyalty	.829	26.652	.000**
	$R^2 = 0.790$		
	Adjusted $R^2 = 0.786$		
	$F = 208.799$, $p < .001$		

Notes: *indicates $p < .05$; **indicates $p < .01$; ***indicates $p < .001$

H9(b) anticipated that a relationship would exist between brand attitudes and brand preference for the senior brand. To test this hypothesis, a linear regression was utilized, the results of which were significant ($F_{(1, 338)} = 67.035$, $p < .001$; see Table 16). The model accounted for approximately 16.6% of the variance explained ($R^2 = .166$), revealing that brand attitudes accounted for brand preference with regard to the senior brand, the former positively influencing the latter ($\beta = 0.407$, t -value = 8.187, $p < .001$). Therefore, H9(b) is supported.

Table 16. Regression Results of Senior Brand Attitudes on Senior Brand Preference

Independent Variable	Senior Brand Preference		
	Standardized β	t-value	p-value
Brand attitude	.407	8.187	.000**
$R^2 = 0.166$ Adjusted $R^2 = 0.163$ $F = 67.035, p < .001$			

Notes: *indicates $p < .05$; **indicates $p < .01$; ***indicates $p < .001$

Hypothesis 10 through 15: The Moderating Effects of Consumer Characteristics

Hypothesis 10 through 15 incorporated the moderating effects of consumer characteristics in this study. Specifically, it was anticipated that consumer ethics would moderate the relationship between the 2-way interaction effect (appearance similarity x price) and brand management outcomes of both the junior (H10) and senior (H11) brands. It was also expected that the consumer characteristics of prestige sensitivity (H12 for the junior brand and H13 for the senior brand) and fashion leadership (H14 for the junior brand and H15 for the senior brand) would moderate the relationship between the 2-way interaction effect (appearance similarity x price) and brand management outcomes of both brands. An examination of whether each of these consumer characteristics moderates the relationship between the 2-way interaction effect (appearance similarity x price) on brand management outcomes of both brands essentially amounts to a 3-way interaction of the consumer characteristic (i.e., consumer ethics, prestige sensitivity, or fashion leadership), appearance similarity, and price point. Accordingly, a series of MANOVA tests were employed to examine H10 through H15.

Prior to testing these hypotheses, each of the consumer characteristics variables needed to be converted to categorical data. To effectuate this, the mean score for each consumer characteristic was calculated, resulting in a mean consumer ethics score of 5.21 ($SD = 1.20$), a mean prestige sensitivity score of 4.04 ($SD = 1.58$), and a mean fashion leadership score of 4.06 ($SD = 1.66$). Employing the median split technique, the mean scores were used to divide the participants into two groups (low and high) for each consumer characteristic.

H10 and H11: The moderating effects of consumer ethics.

The mean score for consumer ethics was calculated ($M = 5.21$, $SD = 1.20$). Exercising the median split technique, the mean score was then used to divide the participants into two groups: high consumer ethics ($M > 5.21$) and low consumer ethics ($M \leq 5.21$). To examine H10 and the 3-way interaction between consumer ethics, appearance similarity, and price point on junior brand management outcomes, MANOVA was employed. The independent variables were consumer ethics, appearance similarity, and price point, while junior brand attitude, overall brand equity, and brand preference served as the dependent variables. Box's M was significant (Box's $M = 94.314$, $p < .05$), providing evidence that the covariance matrices of the dependant variables differed; however, as noted above, the dependent variables (i.e., brand attitudes, overall brand equity, and brand preference) were conceptually related to each other (the correlation coefficient ranged from $0.45_{\text{BAT-BPR}}$, $p < .001$, to $0.80_{\text{OBE-BPR}}$, $p < .001$). Moreover, the Levene's test of equality of error variances across these variables, brand attitude ($F_{(11,328)} = 1.39$, $p = 0.18$), overall junior brand equity ($F_{(11,328)} = 1.28$, $p = 0.24$), and brand

preference ($F_{(11,328)} = 1.31, p = 0.22$), was not significant, providing evidence that their variances were similar. Collectively, this information renders MANOVA appropriate (Hair et al., 2010; Mertler & Vanatta, 2002).

Results revealed that the 3-way interaction of consumer ethics, appearance similarity and price point was approaching significance, Pillai's Trace = 0.04, $F_{(6, 652)} = 2.075, p = .054$, and $\eta^2 = 0.019$ (see Table 17). The univariate main effect of the 3-way interaction was also approaching significance for overall brand equity ($F_{(2, 328)} = 2.517, p = .082$, and $\eta^2 = 0.015$) (see Figure 15). The effect was not significant, however, for junior brand attitude ($F_{(2, 328)} = 0.397, p = .673$, and $\eta^2 = 0.002$) (see Figure 16) or brand preference ($F_{(2, 328)} = 1.001, p = .369$, and $\eta^2 = 0.006$) (see Figure 17). Therefore, H10 is partially supported (i.e., approaching significance).

Table 17. MANOVA Results of the Moderating Effects of Consumer Ethics on the Relationship between the 2-way Interaction Effect of Appearance Similarity and Price on Junior Brand Management Outcomes

Independent Variables	Mean (<i>SD</i>)			
	BAT	OBE	BPR	
Consumer Ethics				Pillai's Trace = 0.04
Low				Hypothesis df = 6
HAS-PS	3.36 (1.04)	2.05 (1.17)	2.16 (1.28)	Multivariate $F =$ 2.075 ^{mar}
MAS-PS	3.93 (0.97)	2.60 (1.09)	2.29 (1.15)	Partial eta squared = 0.019
LAS-PS	4.19 (1.40)	2.54 (1.21)	2.25 (1.26)	
HAS-PB	3.61 (1.27)	3.06 (1.18)	2.67 (1.32)	
MAS-PB	4.31 (1.29)	3.11 (1.19)	2.86 (1.38)	
LAS-PB	4.23 (1.12)	2.58 (1.08)	2.27 (1.14)	

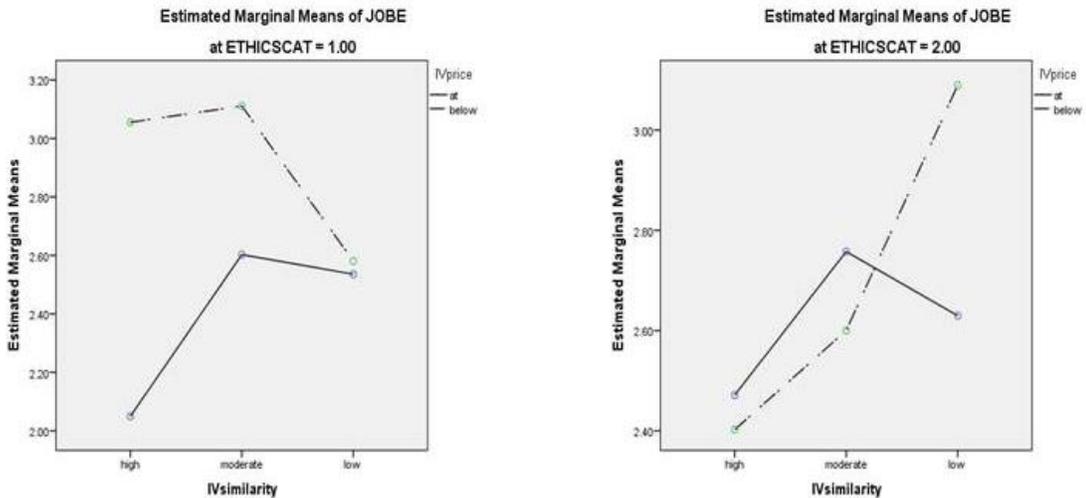
Consumer Ethics

High

HAS-PS	3.72 (1.11)	2.47 (1.19)	1.91 (0.95)
MAS-PS	4.28 (1.63)	2.76 (1.55)	2.33 (1.52)
LAS-PS	4.71 (1.36)	2.63 (1.18)	2.16 (1.08)
HAS-PB	3.21 (1.48)	2.40 (1.38)	2.38 (1.42)
MAS-PB	3.69 (1.50)	2.60 (1.51)	2.20 (1.37)
LAS-PB	4.39 (1.36)	3.09 (1.52)	2.41 (1.15)
F-value	0.397	2.517^{mar}	1.001
Partial eta squared	0.002	0.015	0.006

Notes: HAS = Similarity High; MAS = Similarity Moderate; LAS = Similarity Low; PS = Price Same; PB = Price Below; * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

Figure 15. Plots of the Interaction of Appearance Similarity and Price Point on Junior Overall Brand Equity at Low and High Consumer Ethics



Overall Brand
Equity at Low
Ethics

Overall Brand
Equity at High
Ethics

Figure 16. Plots of the Interaction of Appearance Similarity and Price Point on Junior Brand Attitude at Low and High Consumer Ethics

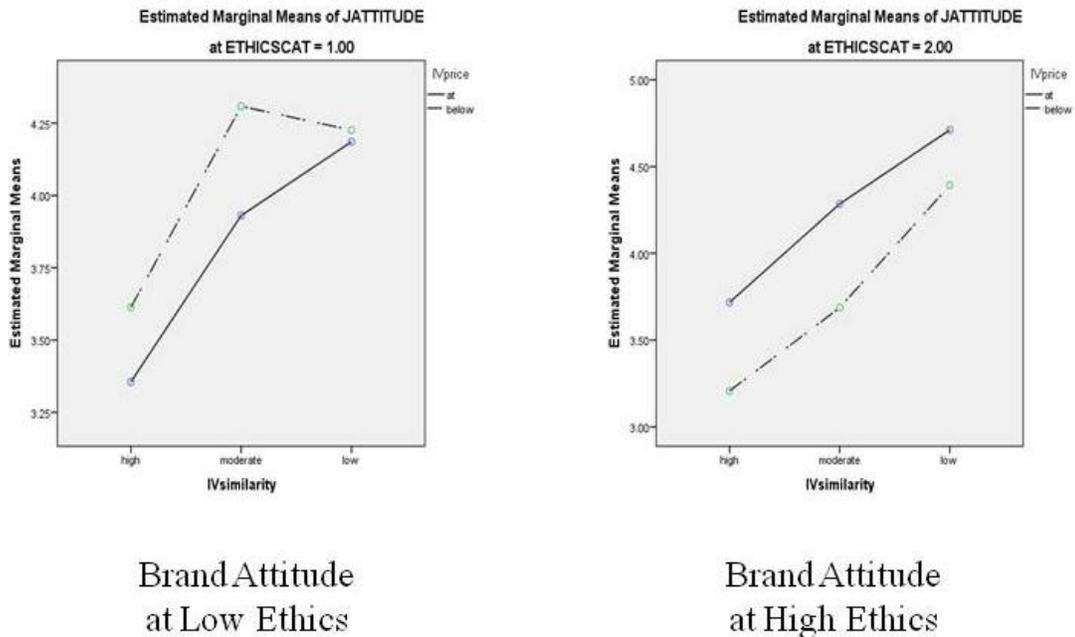
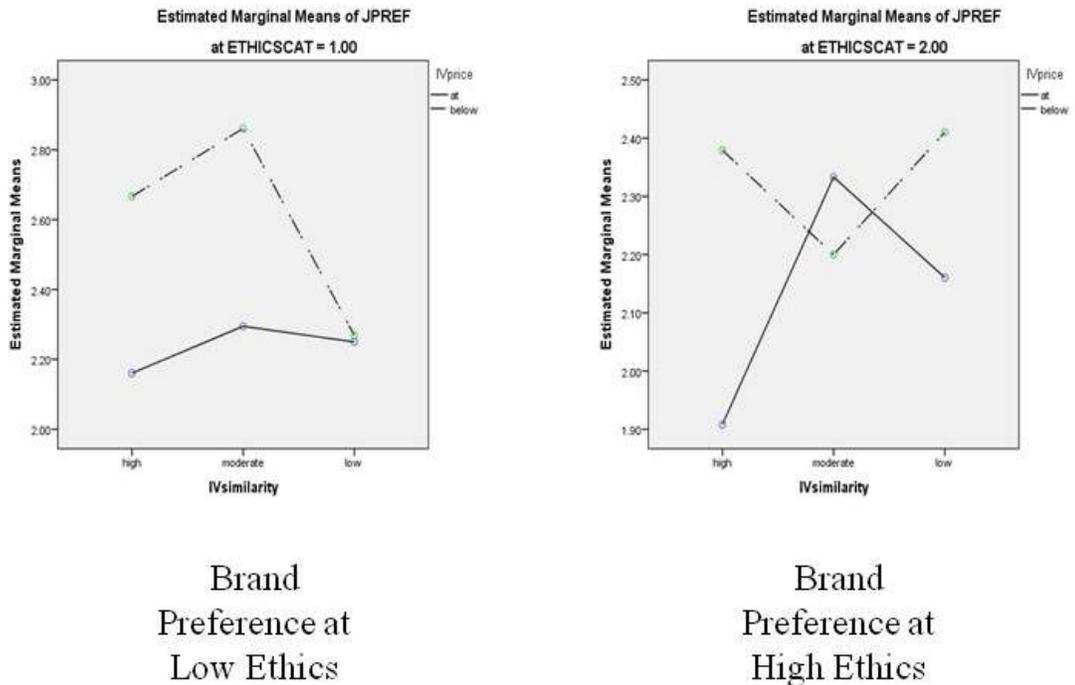


Figure 17. Plots of the Interaction of Appearance Similarity and Price Point on Junior Brand Preference at Low and High Consumer Ethics



A MANOVA was also employed to test H11, and the 3-way interaction between consumer ethics, appearance similarity, and price point on senior brand management outcomes. The independent variables again were consumer ethics, appearance similarity, and price point. The dependent variables were senior brand attitude, brand equity dimensions (i.e., brand awareness, brand association, brand image, brand leadership, perceived quality, and brand loyalty), and brand preference. The covariance matrices of the dependent variables were not equal, as Box's M was significant (Box's M = 597.365, $p < .001$). Nevertheless, as discussed previously, the dependent variables were conceptually related to each other (the correlation coefficient ranged from 0.13_{BAW-BPR}, $p < .05$, to 0.89_{LOY-BPR}, $p < .001$). Levene's tests of equality of error variances were also insignificant across the variables of brand attitude ($F_{(11,328)} = 1.80$, $p = 0.05$), brand awareness ($F_{(11,328)} = 1.26$, $p = 0.25$), brand association ($F_{(11,328)} = 0.94$, $p = 0.51$), brand image ($F_{(11,328)} = 1.48$, $p = 0.14$), brand leadership ($F_{(11,328)} = 1.04$, $p = 0.41$), perceived quality ($F_{(11,328)} = 0.37$, $p = 0.97$), brand loyalty ($F_{(11,328)} = 1.28$, $p = 0.23$), and brand preference ($F_{(11,328)} = 1.16$, $p = 0.31$), providing further support for the employment of the MANOVA test (Hair et al., 2010; Mertler & Vanatta, 2002).

Said MANOVA results were not significant, Pillai's Trace = 0.06, $F_{(16, 642)} = 1.317$, $p = .180$, and $\eta^2 = 0.032$ (see Table 18). The univariate main effects of the 3-way interaction was significant, however, for senior brand attitude ($F_{(2, 328)} = 4.786$, $p = .009$, and $\eta^2 = 0.028$), meaning there was a significant interaction of appearance similarity and price point that varied across the two levels of consumer ethics for senior brand attitude.

Figure 18 depicts the plots of the interaction of appearance similarity and price point on senior brand attitude at low and high consumer ethics.

Table 18. MANOVA Results of the Moderating Effects of Consumer Ethics on the Relationship between the 2-way Interaction Effect of Appearance Similarity and Price on Senior Brand Management Outcomes

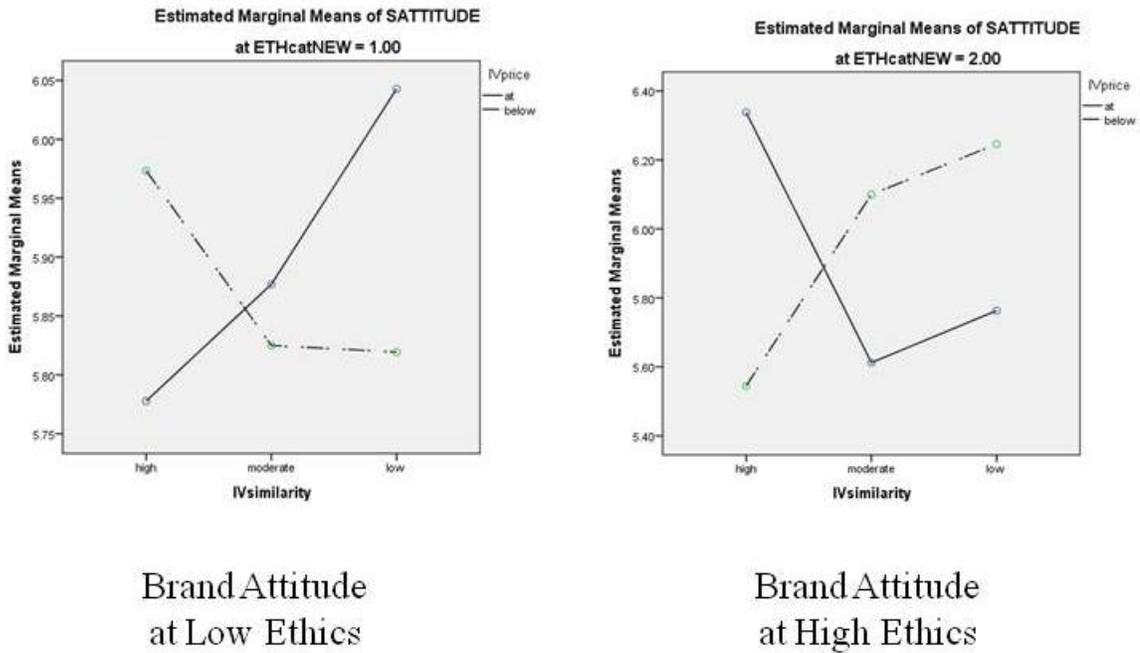
Independent Variables	Mean (<i>SD</i>)								
	BAT	BAW	BAS	BIM	BLE	PBQ	LOY	BPR	
Consumer Ethics Low									Pillai's Trace = 0.06
HAS-PS	5.78 (0.91)	5.97 (1.22)	5.32 (1.06)	5.70 (1.11)	5.20 (1.08)	4.81 (0.97)	3.27 (1.64)	3.41 (1.85)	Hypothesis df = 16
MAS-PS	5.88 (1.14)	6.09 (1.23)	5.48 (1.24)	5.88 (1.13)	5.29 (1.47)	4.88 (0.85)	3.50 (1.26)	3.58 (1.62)	Multivariate <i>F</i> = 1.317
LAS-PS	6.04 (0.98)	6.11 (1.05)	5.54 (0.95)	6.12 (0.75)	5.46 (1.05)	4.98 (1.09)	3.02 (1.58)	2.90 (1.78)	Partial eta squared = 0.032
HAS--PB	5.97 (1.05)	5.78 (1.52)	5.32 (1.22)	5.91 (0.85)	5.20 (1.36)	4.78 (0.95)	3.17 (1.67)	3.37 (1.81)	
MAS-PB	5.83 (1.12)	6.13 (0.92)	5.45 (0.86)	5.66 (0.85)	5.21 (1.02)	4.90 (0.81)	3.26 (1.83)	3.54 (1.97)	
LAS-PB	5.82 (1.18)	6.10 (1.26)	5.41 (1.27)	5.80 (1.17)	5.26 (1.26)	4.69 (1.05)	3.16 (1.59)	3.30 (1.52)	

Consumer
Ethics High

HAS-PS	6.34 (0.80)	6.39 (0.72)	5.77 (1.02)	5.19 (0.72)	5.83 (1.13)	5.33 (0.89)	3.49 (1.67)	3.54 (1.72)
MAS-PS	5.61 (1.26)	6.18 (1.01)	5.55 (1.10)	6.01 (0.91)	5.50 (1.12)	4.98 (1.12)	3.19 (1.94)	3.37 (1.93)
LAS-PS	5.76 (1.27)	5.92 (1.51)	5.21 (1.30)	5.75 (0.85)	5.20 (1.42)	4.79 (1.05)	3.01 (1.85)	3.05 (1.93)
HAS--PB	5.44 (1.68)	6.01 (1.43)	5.58 (1.31)	6.01 (1.18)	5.45 (1.33)	5.14 (1.24)	3.48 (2.12)	3.68 (1.95)
MAS-PB	6.10 (1.00)	6.05 (1.29)	5.56 (1.45)	6.01 (1.01)	5.80 (1.39)	5.03 (0.85)	3.26 (1.76)	3.38 (1.98)
LAS-PB	6.25 (0.96)	6.52 (0.59)	6.06 (0.96)	6.08 (0.88)	6.13 (0.84)	5.25 (1.03)	3.59 (1.86)	3.58 (2.18)
F-value	4.786**	1.013	2.037	2.127	2.709^{mar}	1.562	0.071	0.010
Partial eta squared	0.028	0.006	0.012	0.013	0.016	0.009	0.000	0.000

Notes: BAT = Brand Attitude; BAW = Brand Awareness; BAS = Brand Associations; BIM = Brand Image; BLE = Brand Leadership; PBQ = Perceived Brand Quality; LOY = Brand Loyalty; and BPR = Brand Preference; HAS = Similarity High; MAS = Similarity Moderate; LAS = Similarity Low; PS = Price Same; PB = Price Below * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

Figure 18. Plot of the Interaction of Appearance Similarity and Price Point on Senior Brand Attitude at Low and High Consumer Ethics



Regarding the univariate main effects of the 3-way interaction for the dimensions of senior brand equity, brand leadership was close to approaching significance ($F_{(2, 328)} = 2.709, p = .068, \text{ and } \eta^2 = 0.016$), as indicated via Figure 19 (the plots of the interaction of appearance similarity and price point on senior brand leadership at low and high consumer ethics). However, the remaining senior brand equity dimensions were not significant: brand awareness ($F_{(2, 328)} = 1.013, p = .364, \text{ and } \eta^2 = 0.006$) (see Figure 20), brand association ($F_{(2, 328)} = 2.037, p = .132, \text{ and } \eta^2 = 0.012$) (see Figure 20), brand image ($F_{(2, 328)} = 2.127, p = .121, \text{ and } \eta^2 = 0.013$) (see Figure 21), perceived brand quality ($F_{(2, 328)} = 1.5662, p = .211, \text{ and } \eta^2 = 0.009$) (see Figure 21), brand loyalty ($F_{(2, 328)} = 0.071, p = .932, \text{ and } \eta^2 = 0.000$) (see Figure 22). The univariate main effects of the 3-way

interaction for brand preference was also not significant ($F_{(2, 328)} = 0.010$, $p = .990$, and $\eta^2 = 0.000$) (see Figure 22). Thus, H11 was partially supported.

Figure 19. Plot of the Interaction of Appearance Similarity and Price Point on Senior Brand Leadership at Low and High Consumer Ethics

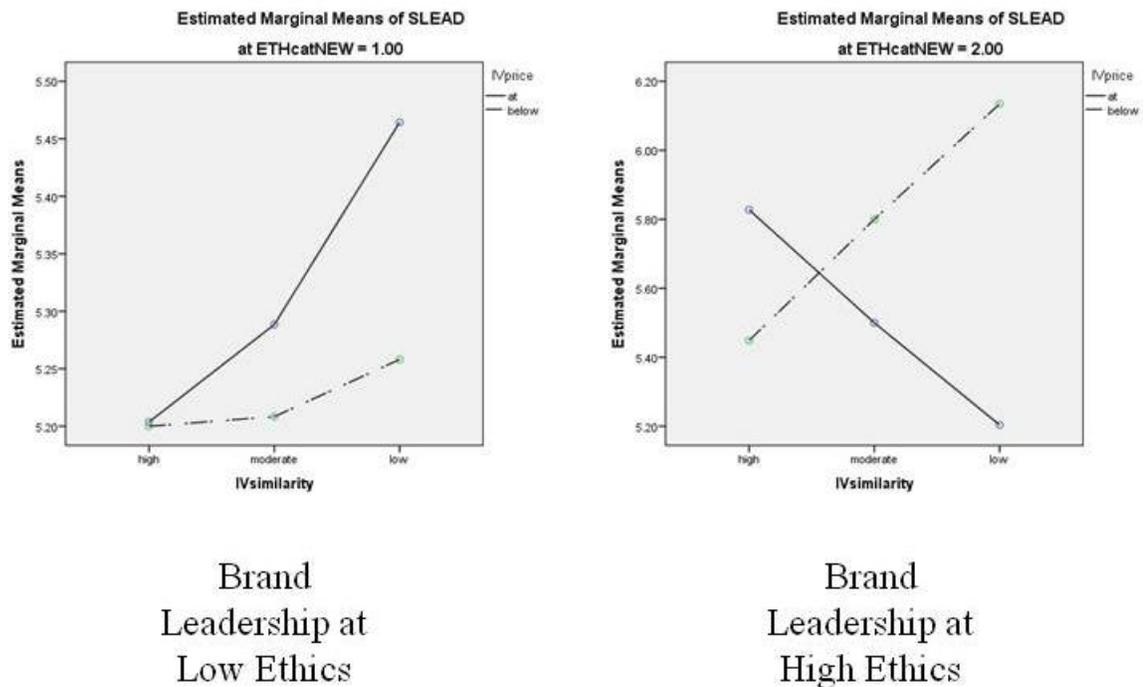


Figure 20. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Awareness and Brand Associations at Low and High Consumer Ethics

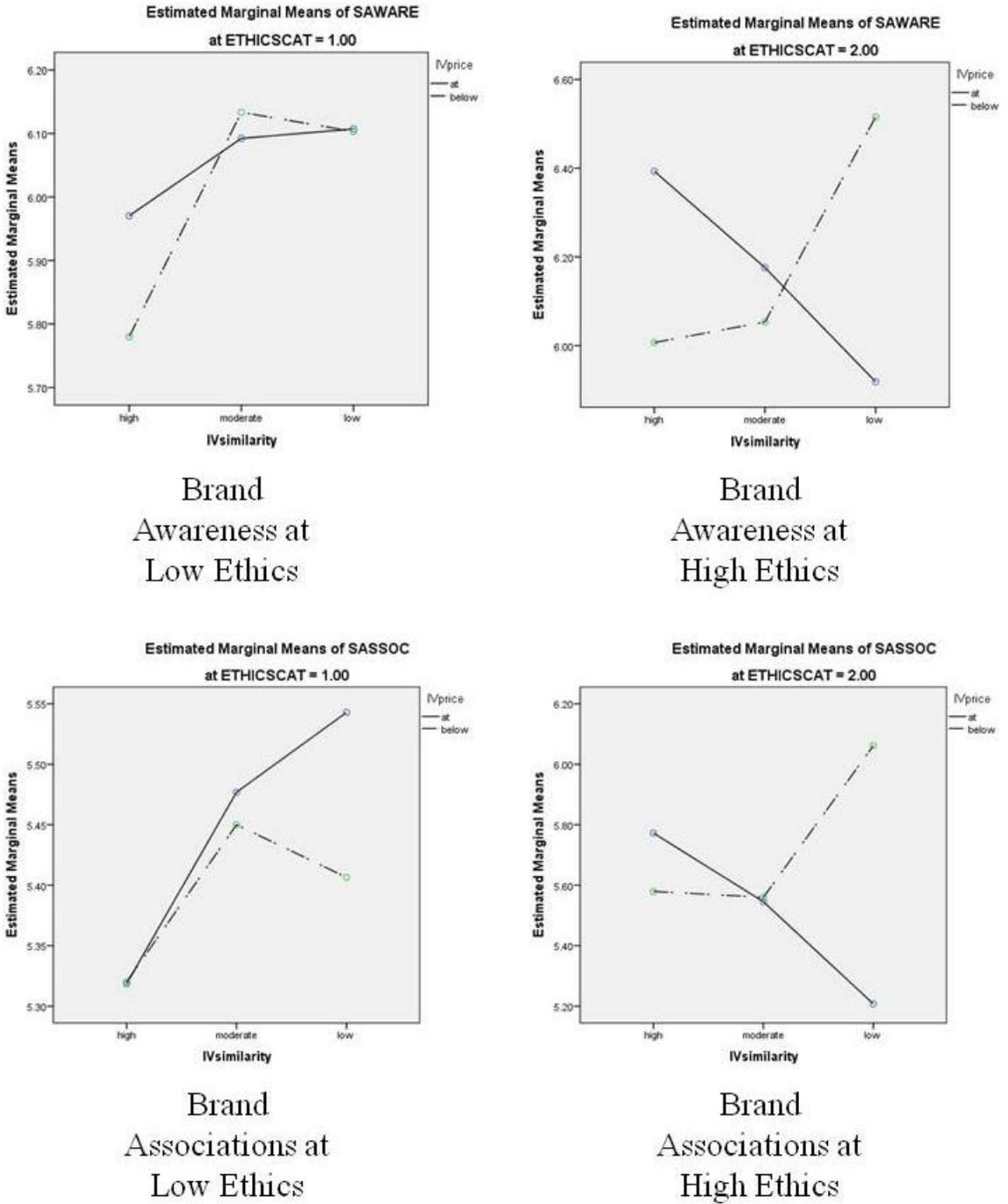
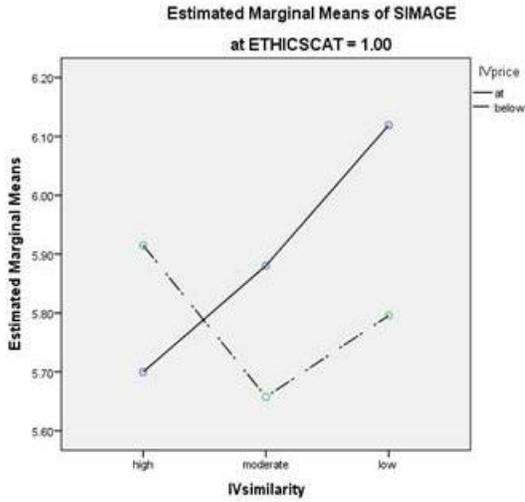
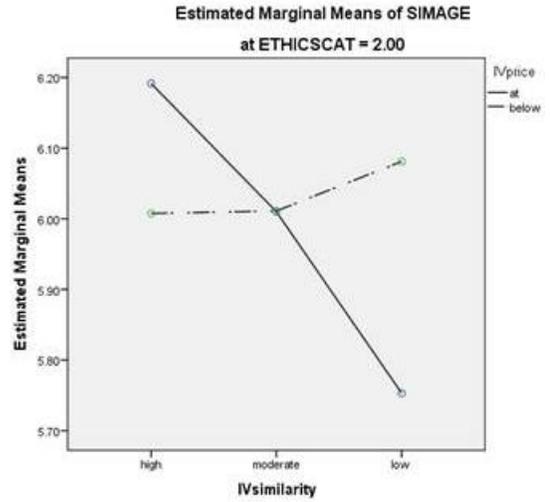


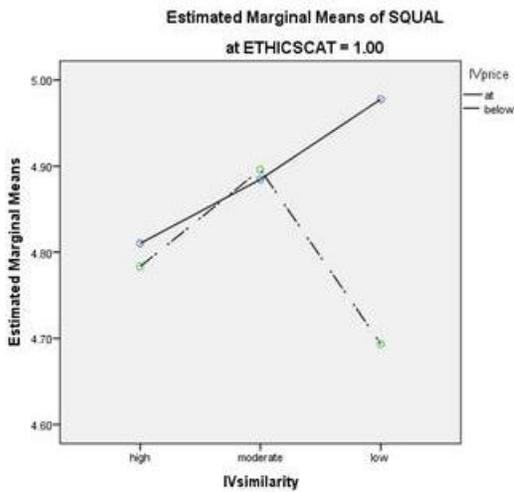
Figure 21. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Image and Perceived Brand Quality at Low and High Consumer Ethics



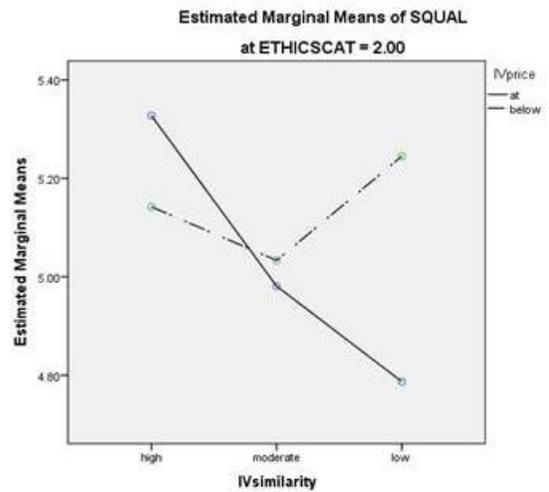
Brand Image at Low Ethics



Brand Image at High Ethics

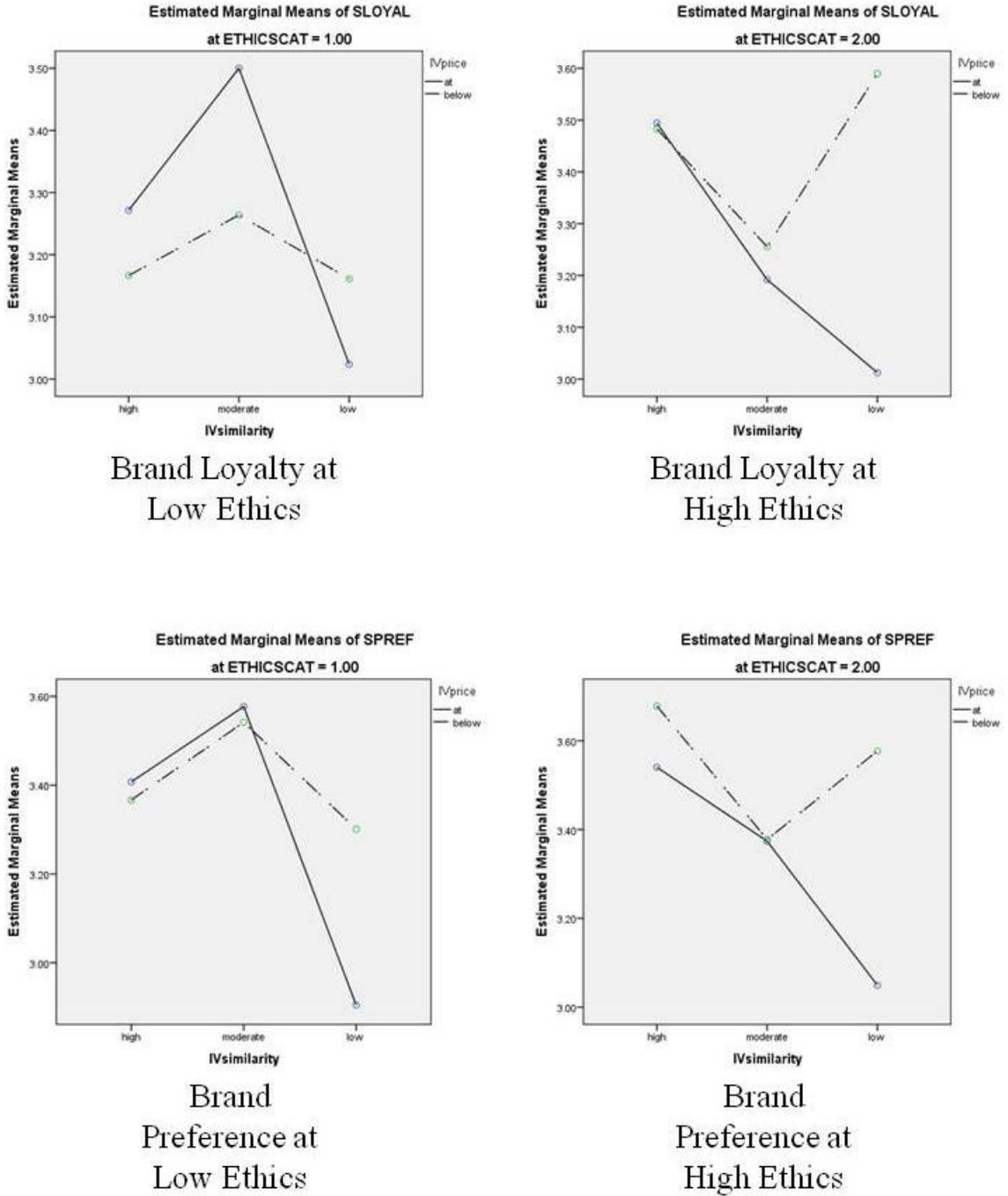


Perceived Brand Quality at Low Ethics



Perceived Brand Quality at High Ethics

Figure 22. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Loyalty and Brand Preference at Low and High Consumer Ethics



H12 and H13: The moderating effects of prestige sensitivity.

Regarding the consumer characteristic of prestige sensitivity, it was expected that same would moderate the relationship between the 2-way interaction effect (appearance similarity x price) and brand management outcomes related to the junior brand (H12) and the senior brand (H13). As conducted for H10 and H11 above that related to consumer ethics, the mean score for prestige sensitivity was calculated ($M = 4.04$, $SD = 1.58$) and again employing the median split technique, the mean score was then used to divide the participants into two groups: high prestige sensitivity ($M > 4.04$) and low prestige sensitivity ($M \leq 4.04$). In testing the 3-way interaction of prestige sensitivity, appearance similarity, and price point on junior brand management outcomes, MANOVA was utilized. Prestige sensitivity, appearance similarity, and price point functioned as the independent variables, and junior brand attitude, overall brand equity, and brand preference as the dependent variables. Box's M was significant (Box's $M = 116.82$, $p < .01$); however, as noted above, the dependent variables were related to each other (the correlation coefficient ranged from $0.45_{\text{BAT-BPR}}$, $p < .001$, to $0.80_{\text{OBE-BPR}}$, $p < .001$), and the Levene's test of equality of error variances across these variables was not significant for all but junior brand preference ($F_{(11, 328)} = 1.852$, $p = .045$). Thus, MANOVA was appropriate to test H12 (Hair et al., 2010; Mertler & Vanatta, 2002).

MANOVA results revealed that the 3-way interaction of prestige sensitivity, appearance similarity and price point was not significant, Pillai's Trace = 0.02, $F_{(6, 654)} = 0.799$, $p = .571$, and $\eta^2 = 0.007$ (see Table 19). The univariate main effects of the 3-way interaction were also not significant for junior brand attitude ($F_{(2, 328)} = 0.929$, $p = .396$,

and $\eta^2 = 0.006$) (see Figure 23), overall brand equity ($F_{(2, 328)} = 0.194, p = .824$, and $\eta^2 = 0.001$) (see Figure 23), or brand preference ($F_{(2, 328)} = 0.099, p = .906$, and $\eta^2 = 0.001$) (see Figure 24). Therefore, H12 is not supported.

Table 19. MANOVA Results of the Moderating Effects of Prestige Sensitivity on the Relationship between the 2-way Interaction Effect of Appearance Similarity and Price on Junior Brand Management Outcomes

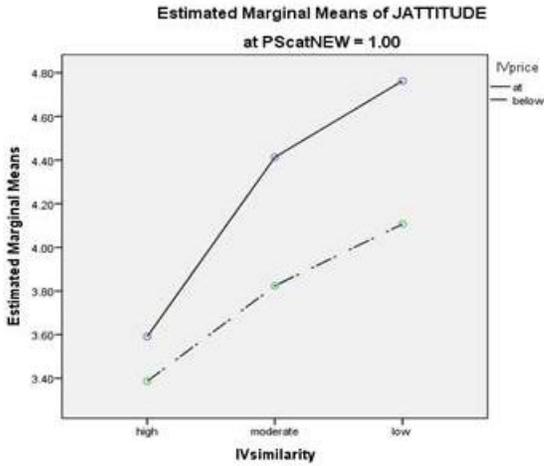
Independent Variables	Mean (<i>SD</i>)			
	BAT	OBE	BPR	
Prestige Sensitivity				Pillai's Trace = 0.02
Low				Hypothesis df = 6
HAS-PS	3.59 (1.11)	2.67 (1.43)	2.16 (1.15)	Multivariate $F = 0.799$
MAS-PS	4.41 (1.23)	2.66 (1.10)	2.23 (1.08)	Partial eta squared =
LAS-PS	4.76 (1.10)	2.67 (1.14)	2.30 (1.15)	0.007
HAS-PB	3.39 (1.38)	2.83 (1.35)	2.48 (1.40)	
MAS-PB	3.82 (1.38)	2.77 (1.14)	2.25 (1.09)	
LAS-PB	4.11 (1.25)	2.81 (1.30)	2.41 (1.26)	

Prestige Sensitivity
High

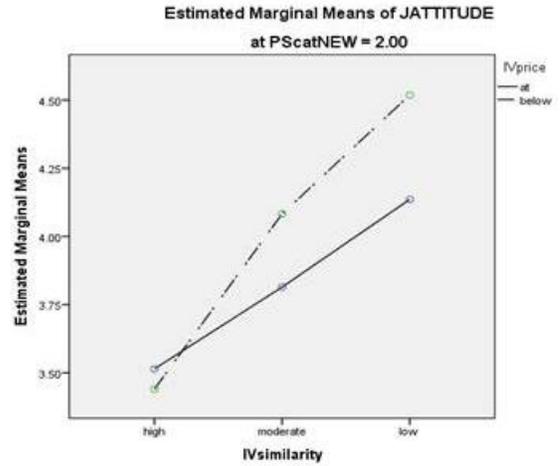
HAS-PS	3.51 (1.08)	2.03 (0.96)	1.95 (1.10)
MAS-PS	3.81 (1.49)	2.73 (1.62)	2.42 (1.63)
LAS-PS	4.14 (1.58)	2.50 (1.25)	2.12 (1.20)
HAS-PB	3.44 (1.40)	2.64 (1.30)	2.57 (1.35)
MAS-PB	4.08 (1.50)	2.87 (1.59)	2.70 (1.61)
LAS-PB	4.52 (1.19)	2.81 (1.34)	2.25 (0.99)
F-value	0.396	0.824	0.906
Partial eta squared	0.006	0.001	0.001

Notes: HAS = Similarity High; MAS = Similarity Moderate; LAS = Similarity Low; PS = Price Same; PB = Price Below; * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

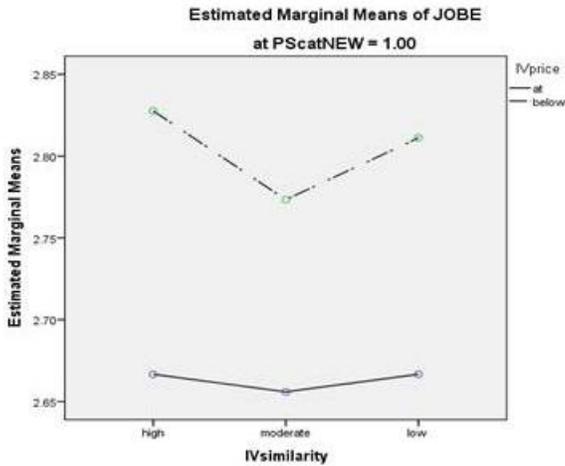
Figure 23. Plots of the Interaction of Appearance Similarity and Price Point on Junior Brand Attitude and Overall Brand Equity at Low and High Prestige Sensitivity



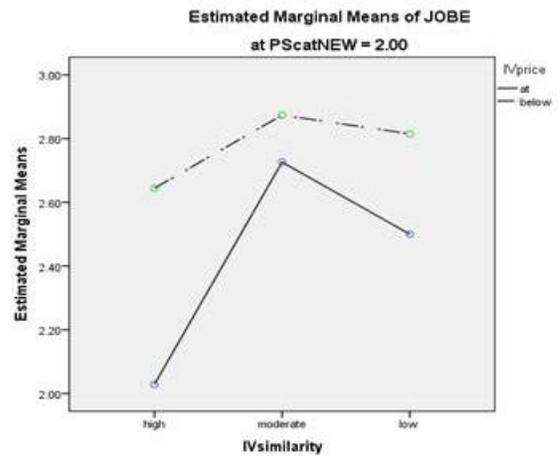
Brand Attitude at Low Sensitivity



Brand Attitude at High Sensitivity

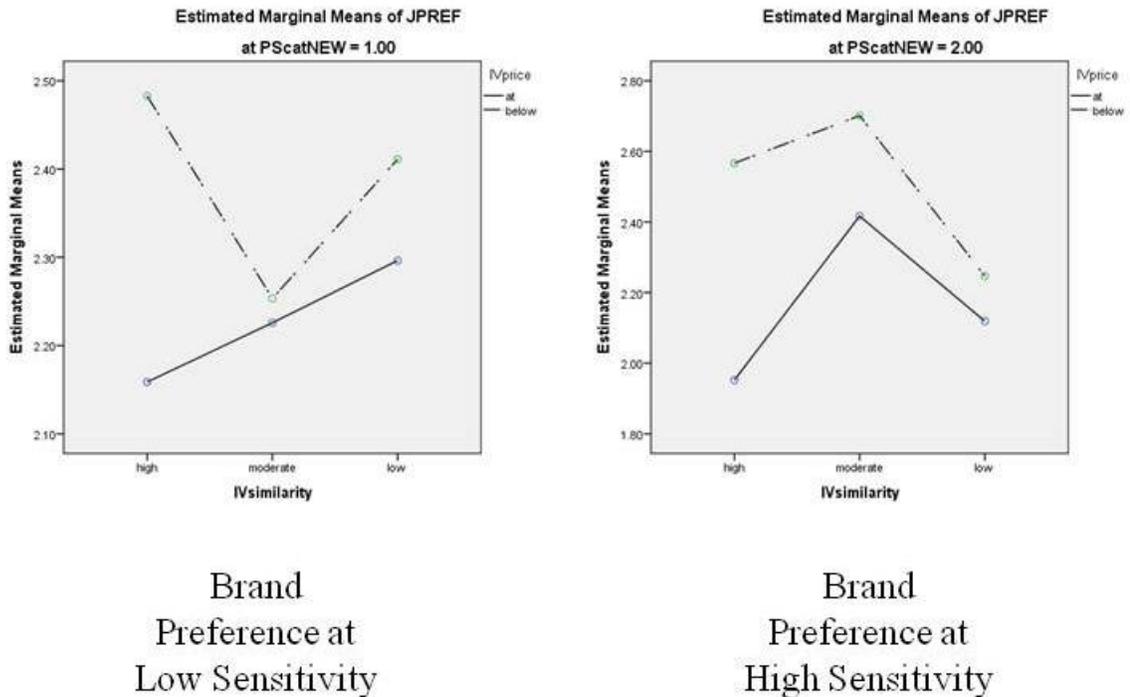


Overall Brand Equity at Low Sensitivity



Overall Brand Equity at High Sensitivity

Figure 24. Plots of the Interaction of Appearance Similarity and Price Point on Junior Brand Preference at Low and High Prestige Sensitivity



Regarding H13 and whether prestige sensitivity moderated the relationship between the 2-way interaction effect (appearance similarity x price) and brand management outcomes related to the senior brand, MANOVA was again utilized to test this hypothesis (independent variables were prestige sensitivity, appearance similarity, and price point; dependent variables were senior brand attitude, brand awareness, brand associations, brand image, brand leadership, perceived brand quality, brand loyalty, and brand preference). Box's M was significant (Box's M = 622.573, $p < .001$); however, as discussed above, the dependent variables were conceptually related to each other (the correlation coefficient ranged from $0.13_{BAW-BPR}$, $p < .05$, to $0.89_{LOY-BPR}$, $p < .001$). The Levene's test of equality of error variances was also insignificant for brand awareness

($F_{(11,328)} = 1.78, p = 0.06$), brand association ($F_{(11,328)} = 1.65, p = 0.09$), brand image ($F_{(11,328)} = 0.76, p = 0.68$), brand leadership ($F_{(11,328)} = 0.91, p = 0.53$), perceived quality ($F_{(11,328)} = 0.99, p = 0.46$), and brand preference ($F_{(11,328)} = 1.35, p = 0.20$), and significant for brand attitude ($F_{(11,328)} = 2.39, p = 0.01$) and brand loyalty ($F_{(11,328)} = 1.91, p = 0.04$), providing more broad evidence of similar variances. Collectively, these results render MANOVA appropriate (Hair et al., 2010; Mertler & Vanatta, 2002).

MANOVA results revealed that the 3-way interaction of prestige sensitivity, appearance similarity and price point was not significant, Pillai's Trace = 0.052, $F_{(16, 644)} = 1.081, p = .370$, and $\eta^2 = 0.026$ (see Table 20). The univariate main effects of the 3-way interaction were also not significant for brand attitude ($F_{(2, 328)} = 1.21, p = .301$, and $\eta^2 = 0.007$) (see Figure 25), brand awareness ($F_{(2, 328)} = 0.569, p = .567$, and $\eta^2 = 0.003$) (see Figure 25), brand association ($F_{(2, 328)} = 1.109, p = .331$, and $\eta^2 = 0.007$) (see Figure 26), brand image ($F_{(2, 328)} = 0.757, p = .470$, and $\eta^2 = 0.005$) (see Figure 26), brand leadership ($F_{(2, 328)} = 0.207, p = .813$, and $\eta^2 = 0.001$) (see Figure 27), perceived brand quality ($F_{(2, 328)} = 3.253, p = .040$, and $\eta^2 = 0.019$) (see Figure 27), brand loyalty ($F_{(2, 328)} = 0.095, p = .910$, and $\eta^2 = 0.001$) (see Figure 28), and brand preference ($F_{(2, 328)} = 0.126, p = .882$, and $\eta^2 = 0.001$) (see Figure 28). Therefore, H13 is not supported.

Table 20. MANOVA Results of the Moderating Effects of Prestige Sensitivity on the Relationship between the 2-way Interaction Effect of Appearance Similarity and Price on Senior Brand Management Outcomes

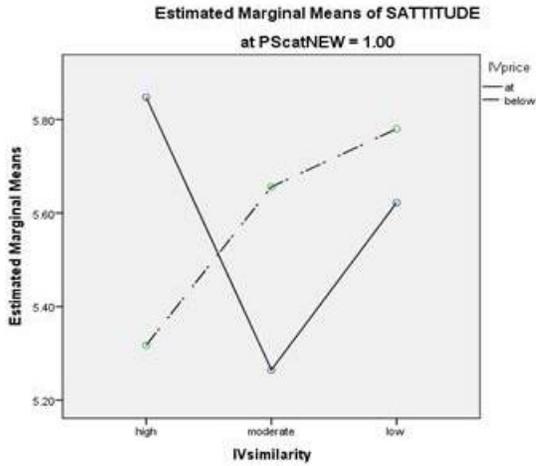
Independent Variables	Mean (<i>SD</i>)								
	BAT	BAW	BAS	BIM	BLE	PBQ	LOY	BPR	
Prestige Sensitivity									Pillai's Trace = 0.052
Low									Hypothesis df = 16
HAS-PS	5.85 (0.93)	6.09 (0.89)	5.30 (1.00)	5.77 (0.81)	5.26 (1.06)	4.98 (0.86)	2.60 (1.21)	2.63 (1.34)	Multivariate <i>F</i> = 1.081
MAS-PS	5.26 (1.26)	5.92 (1.33)	5.03 (1.18)	5.58 (1.12)	4.97 (1.29)	4.42 (0.90)	2.84 (1.20)	2.85 (1.35)	Partial eta squared = 0.026
LAS-PS	5.62 (1.35)	5.59 (1.55)	4.87 (1.20)	5.72 (0.84)	4.89 (1.38)	4.57 (1.06)	2.48 (1.53)	2.32 (1.52)	
HAS--PB	5.32 (1.64)	5.64 (1.54)	4.99 (1.45)	5.72 (1.07)	5.14 (1.52)	4.61 (1.24)	2.62 (1.40)	2.74 (1.54)	
MAS-PB	5.66 (1.10)	5.96 (1.29)	5.16 (1.36)	5.64 (0.96)	5.24 (1.28)	4.80 (0.78)	2.49 (1.43)	2.67 (1.68)	
LAS-PB	5.78 (1.20)	6.03 (1.19)	5.23 (1.26)	5.67 (1.05)	5.23 (1.30)	4.67 (1.10)	2.84 (1.58)	2.32 (1.52)	

Prestige Sensitivity
High

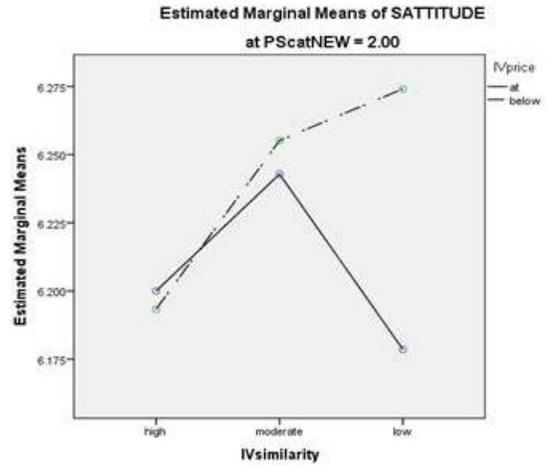
HAS-PS	6.20 (0.86)	6.25 (1.08)	5.71 (1.07)	6.06 (1.02)	5.69 (1.17)	5.14 (1.02)	3.86 (1.70)	3.98 (1.82)
MAS-PS	6.24 (0.91)	6.39 (0.72)	6.06 (0.87)	5.37 (0.65)	5.89 (1.09)	5.52 (0.78)	3.87 (1.95)	4.14 (1.98)
LAS-PS	6.18 (0.81)	6.42 (0.80)	5.86 (0.83)	6.15 (0.74)	5.77 (0.93)	5.19 (0.99)	3.54 (1.72)	3.61 (1.92)
HAS--PB	6.19 (0.97)	6.13 (1.38)	5.89 (0.85)	6.20 (0.91)	5.50 (1.13)	5.30 (0.85)	4.00 (2.07)	4.28 (1.87)
MAS-PB	6.26 (0.94)	6.20 (0.99)	5.81 (1.00)	6.04 (0.92)	5.79 (1.21)	5.12 (0.85)	3.92 (1.80)	4.13 (1.95)
LAS-PB	6.27 (0.92)	6.59 (0.70)	6.23 (0.82)	6.21 (0.98)	6.13 (0.78)	5.25 (0.97)	3.93 (1.71)	3.99 (1.85)
F-value	1.205	0.569	1.109	0.757	0.207	3.253	0.095	0.126
Partial eta squared	0.007	0.003	0.007	0.005	0.001	0.019	0.001	0.001

Notes: BAT = Brand Attitude; BAW = Brand Awareness; BAS = Brand Associations; BIM = Brand Image; BLE = Brand Leadership; PBQ = Perceived Brand Quality; LOY = Brand Loyalty; and BPR = Brand Preference; HAS = Similarity High; MAS = Similarity Moderate; LAS = Similarity Low; PS = Price Same; PS = Price Below * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

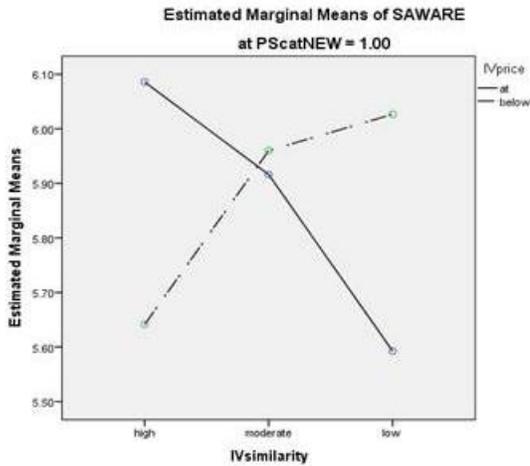
Figure 25. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Attitude and Brand Awareness at Low and High Prestige Sensitivity.



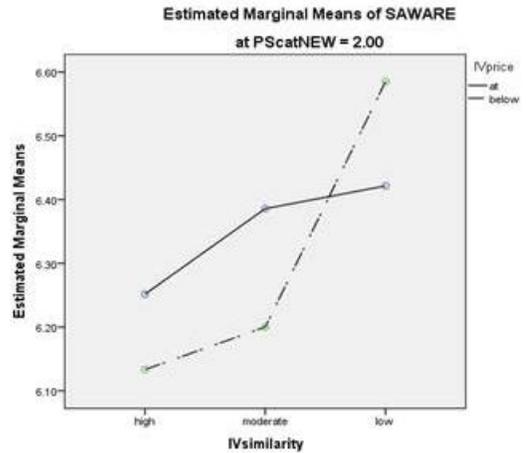
Brand Attitude at Low Sensitivity



Brand Attitude at High Sensitivity

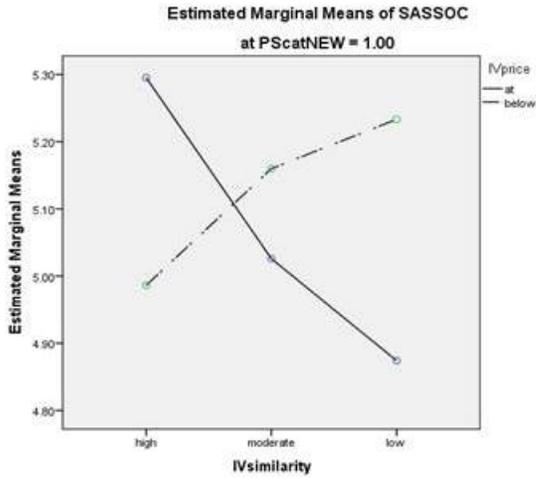


Brand Awareness at Low Sensitivity

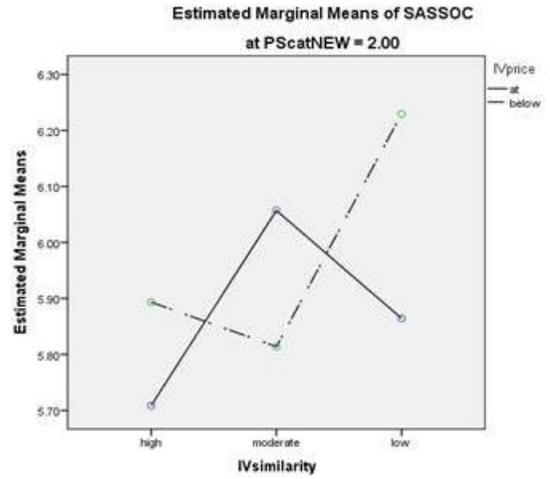


Brand Awareness at High Sensitivity

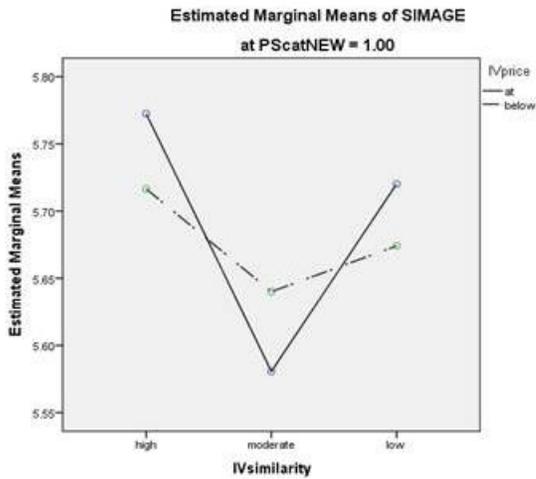
Figure 26. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Associations and Brand Image at Low and High Prestige Sensitivity.



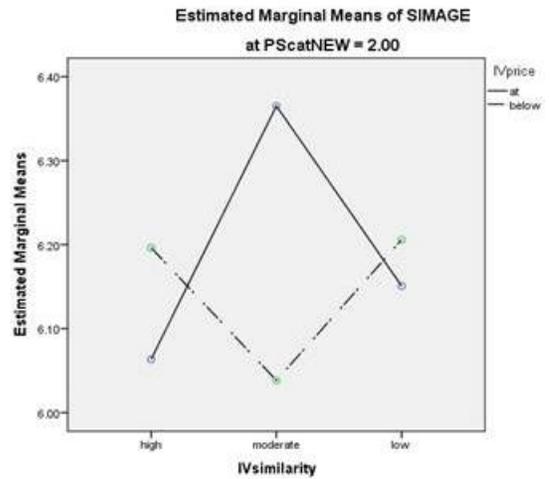
Brand Associations at Low Sensitivity



Brand Associations at High Sensitivity

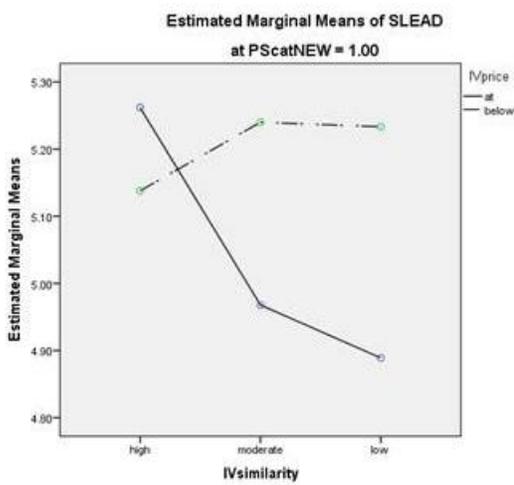


Brand Image at Low Sensitivity

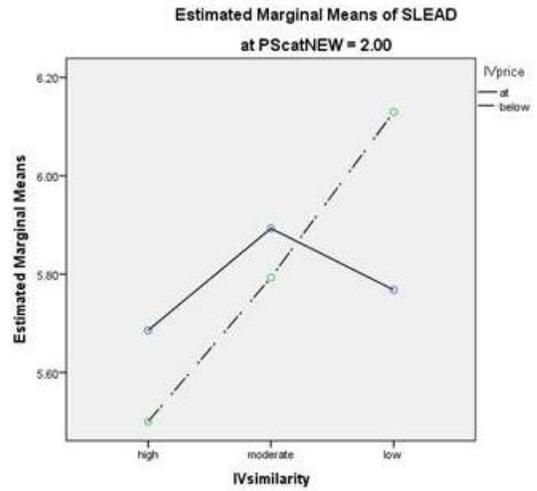


Brand Image at High Sensitivity

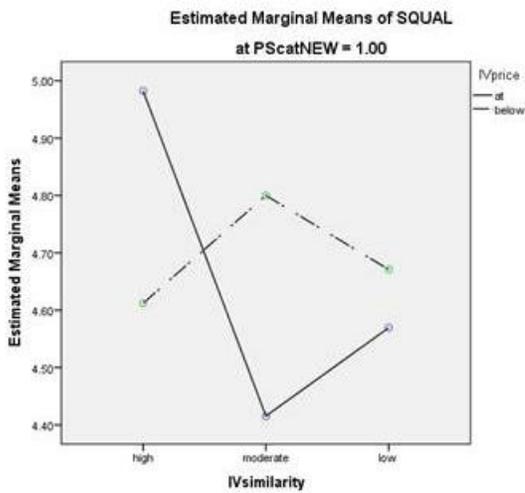
Figure 27. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Leadership and Perceived Brand Quality at Low and High Prestige Sensitivity.



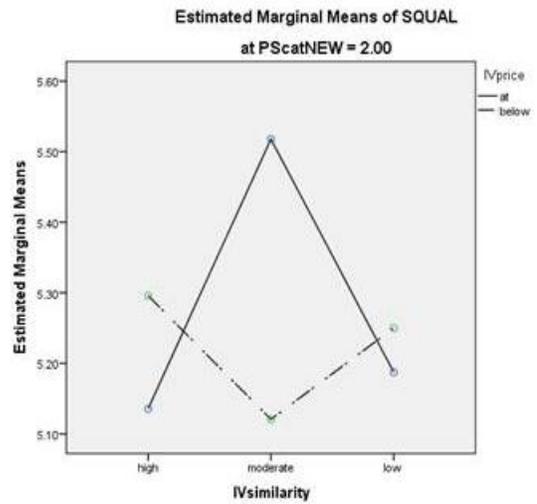
Brand Leadership
at Low
Sensitivity



Brand Leadership
at High
Sensitivity

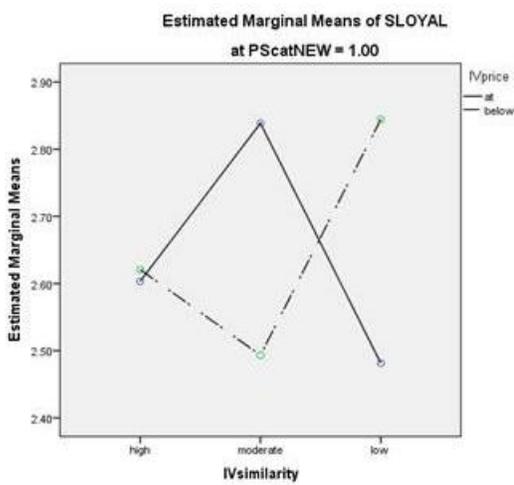


Perceived Brand
Quality at Low
Sensitivity

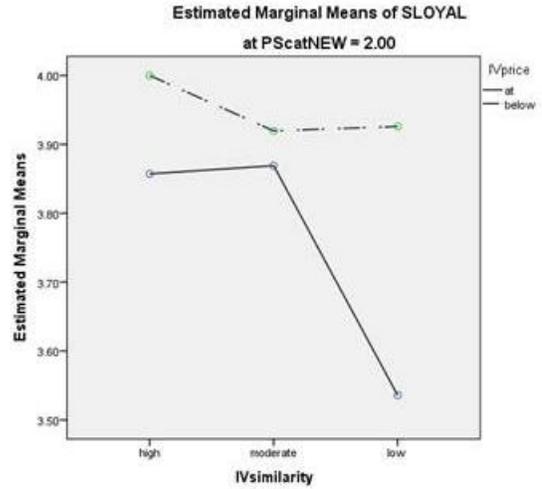


Perceived Brand
Quality at Low
Sensitivity

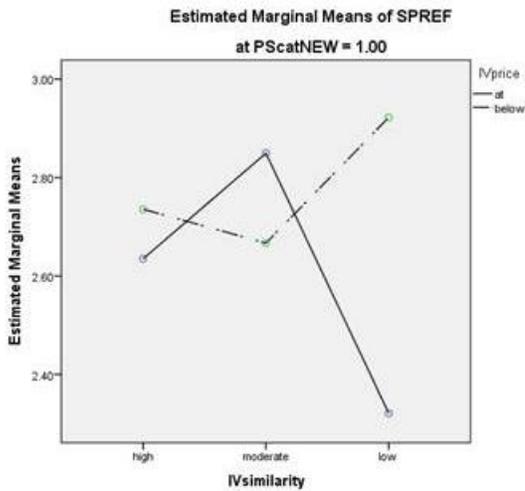
Figure 28. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Loyalty and Brand Preference at Low and High Prestige Sensitivity.



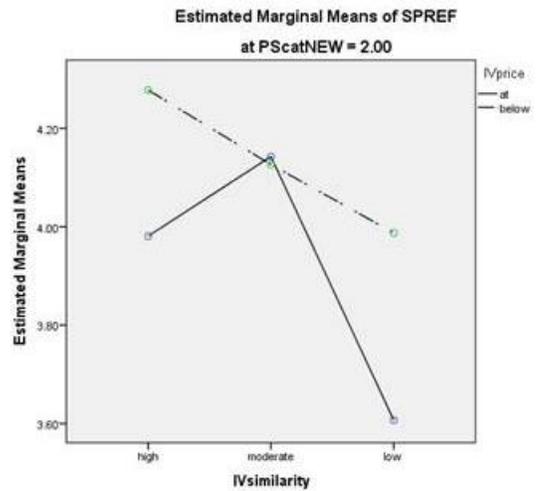
Brand Loyalty at Low Sensitivity



Brand Loyalty at High Sensitivity



Brand Preference at Low Sensitivity



Brand Preference at High Sensitivity

H14 and H15: The moderating effects of fashion leadership.

With respect to the final consumer characteristic, fashion leadership, it was expected to moderate the relationship between the 2-way interaction effect (appearance similarity x price) and brand management outcomes for the junior brand (H14) and the senior brand (H15). Like the prior consumer characteristics, the mean score for fashion leadership was calculated ($M = 4.06$, $SD = 1.66$) and, in accordance with the median split technique, used to divide the participants into two groups: high fashion leadership ($M > 4.06$) and low fashion leadership ($M \leq 4.06$). With respect to H14 and the 3-way interaction of fashion leadership appearance similarity, and price point on junior brand management outcomes, MANOVA was again employed, with these three variables operating as the independent variables, and junior brand attitude, overall brand equity, and brand preference as the dependent variables. Box's M was insignificant (Box's $M = 74.786$, $p > .05$), as was the Levene's test of equality of error variances with respect to overall junior brand equity ($F_{(11, 328)} = 0.99$, $p = 0.46$) and brand preference ($F_{(11, 328)} = 0.95$, $p = 0.49$). Levene's was significant for brand attitude ($F_{(11, 328)} = 1.91$, $p = 0.04$) only. These results roughly indicate that the dependant variables had relatively similar variances. Further, and again, the dependent variables were related to each other (the correlation coefficient ranged from $0.45_{\text{BAT-BPR}}$, $p < .001$, to $0.80_{\text{OBE-BPR}}$, $p < .001$), collectively rendering MANOVA appropriate to test H14 (Hair et al., 2010; Mertler & Vanatta, 2002).

The MANOVA results indicated that the 3-way interaction of fashion leadership, appearance similarity and price point was not significant, Wilks' Lamda = 0.991, $F_{(6, 652)}$

= 0.485, $p = .820$, and $\eta^2 = 0.004$ (See Table 21). The univariate main effects of the 3-way interaction were also not significant for junior brand attitude ($F_{(2, 328)} = 0.109$, $p = .896$, and $\eta^2 = 0.001$) (see Figure 29), overall brand equity ($F_{(2, 328)} = 0.427$, $p = .653$, and $\eta^2 = 0.003$) (see Figure 29), or brand preference ($F_{(2, 328)} = 0.029$, $p = .971$, and $\eta^2 = 0.000$) (see Figure 30). Therefore, H14 is not supported.

Table 21. MANOVA Results of the Moderating Effects of Fashion Leadership on the Relationship between the 2-way Interaction Effect of Appearance Similarity and Price on Junior Brand Management Outcomes

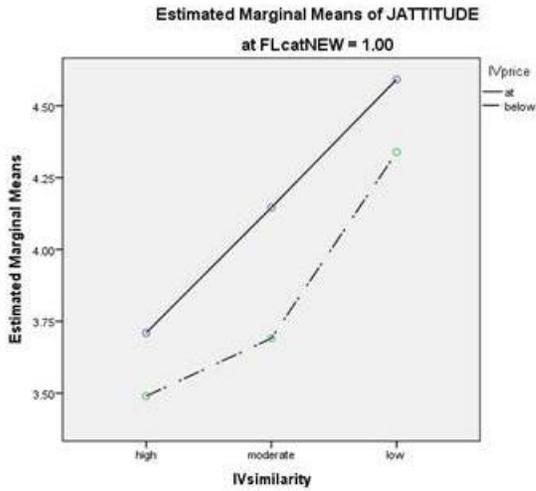
Independent Variables	Mean (SD)			
	BAT	OBE	BPR	
Fashion Leadership				Wilks' $\lambda = 0.991$
Low				Hypothesis df = 6
HAS-PS	3.71 (1.10)	2.38 (1.23)	2.12 (1.14)	Multivariate $F = 0.485$
MAS-PS	4.14 (1.05)	2.78 (1.06)	2.28 (1.19)	Partial eta squared =
LAS-PS	1.59 (1.05)	2.49 (1.23)	2.15 (1.15)	0.004
HAS-PB	3.49 (1.25)	2.87 (1.29)	2.66 (1.42)	
MAS-PB	3.69 (1.28)	2.64 (1.19)	2.47 (1.18)	
LAS-PB	4.34 (1.33)	2.79 (1.23)	2.26 (1.14)	

Fashion Leadership
High

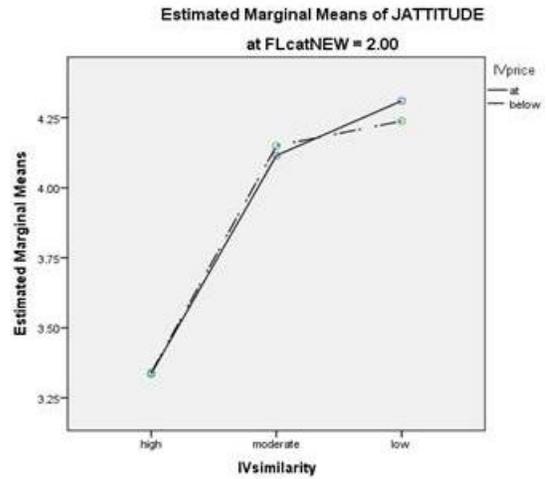
HAS-PS	3.34 (1.06)	2.13 (1.15)	1.92 (1.09)
MAS-PS	4.12 (1.61)	2.62 (1.57)	2.34 (1.50)
LAS-PS	4.31 (1.64)	2.67 (1.16)	2.25 (1.20)
HAS-PB	3.34 (1.51)	2.60 (1.35)	2.40 (1.33)
MAS-PB	4.15 (1.52)	2.96 (1.52)	2.51 (1.55)
LAS-PB	4.24 (1.07)	2.86 (1.46)	2.46 (1.13)
F-value	0.109	0.427	0.029
Partial eta squared	0.001	0.003	0.000

Notes: HAS = Similarity High; MAS = Similarity Moderate; LAS = Similarity Low; PS = Price Same; PB = Price Below; * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

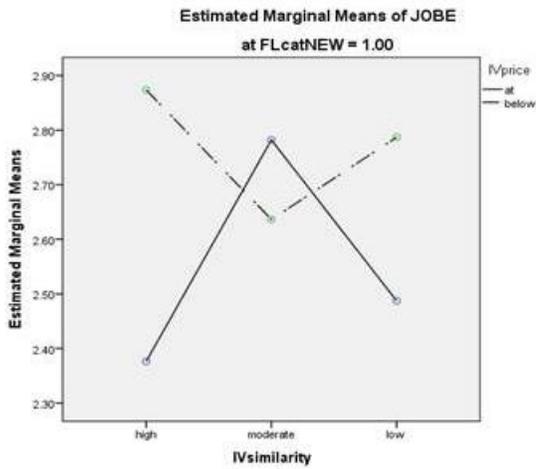
Figure 29. Plots of the Interaction of Appearance Similarity and Price Point on Junior Brand Attitude and Overall Brand Equity at Low and High Fashion Leadership



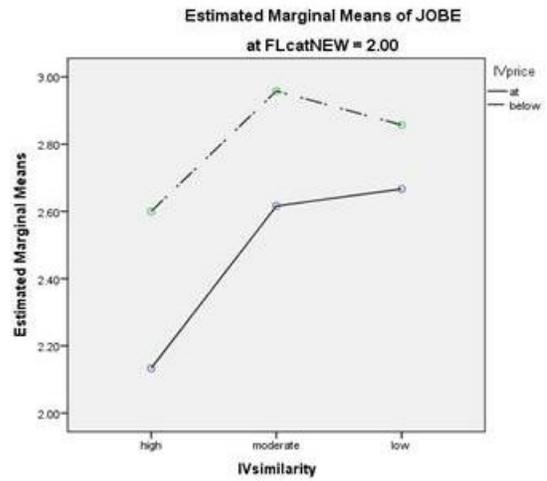
Brand Attitude at Low Leadership



Brand Attitude at High Leadership

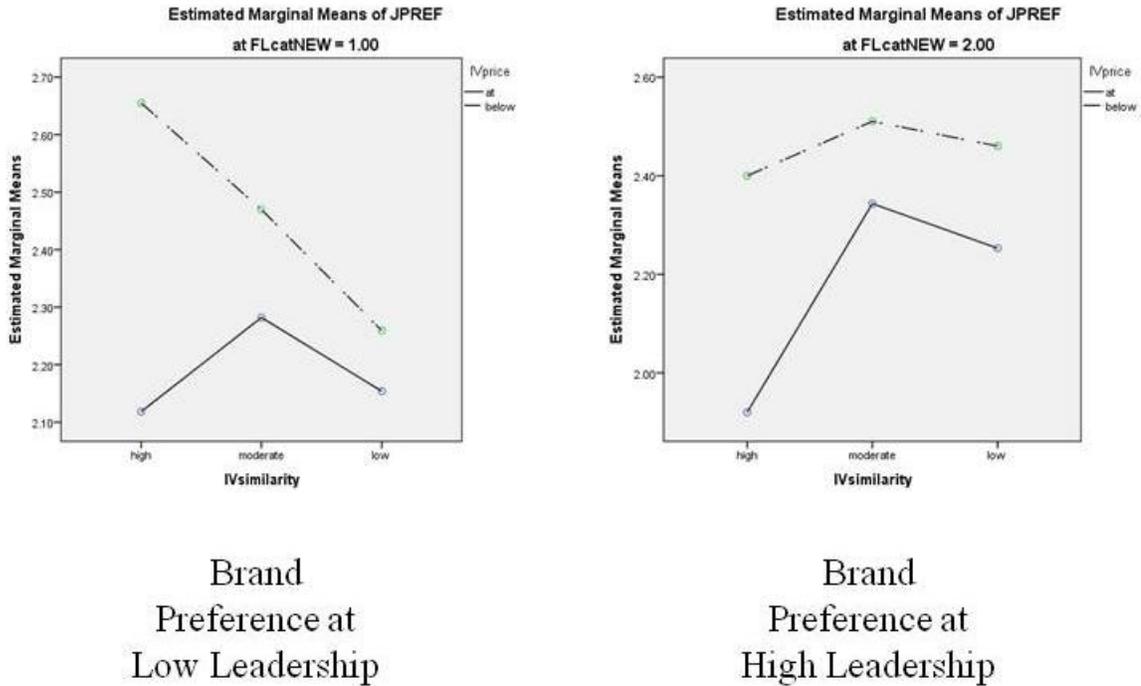


Overall Brand Equity at Low Leadership



Overall Brand Equity at High Leadership

Figure 30. Plots of the Interaction of Appearance Similarity and Price Point on Junior Brand Preference at Low and High Fashion Leadership



Regarding H15 and the 3-way interaction of fashion leadership appearance similarity, and price point on senior brand management outcomes, MANOVA was utilized to answer this hypothesis. The dependent variables were senior brand attitude, brand awareness, brand associations, brand image, brand leadership, perceived brand quality, brand loyalty, and brand preference. Box's M was again significant (Box's M = 610.148, $p < .001$). However, as mentioned above at length, the dependent variables were related (the correlation coefficient ranged from 0.13_{BAW-BPR}, $p < .05$, to 0.89_{LOY-BPR}, $p < .001$), and the Levene's test of equality of error variances was insignificant for brand attitude ($F_{(11,328)} = 1.49$, $p = 0.14$), brand leadership ($F_{(11,328)} = 0.72$, $p = 0.72$), perceived quality ($F_{(11,328)} = 0.57$, $p = 0.85$), and brand loyalty ($F_{(11,328)} = 1.58$, $p = 0.11$), and

significant for brand awareness ($F_{(11,328)} = 4.65, p = 0.00$), brand association ($F_{(11,328)} = 2.06, p = 0.02$), brand image ($F_{(11,328)} = 2.53, p = 0.01$), and brand preference ($F_{(11,328)} = 2.03, p = 0.03$), generally rendering MANOVA appropriate (Hair et al., 2010; Mertler & Vanatta, 2002).

MANOVA results revealed that the 3-way interaction of fashion leadership, appearance similarity and price point was not significant, Pillai's Trace = 0.068, $F_{(16, 644)} = 1.412, p = .130$, and $\eta^2 = 0.034$ (see Table 22). The univariate main effects of the 3-way interaction were, however, significant for brand associations ($F_{(2, 328)} = 3.632, p = .028$, and $\eta^2 = 0.022$) (see Figure 31), brand leadership ($F_{(2, 328)} = 3.038, p = .049$, and $\eta^2 = 0.018$) (see Figure 32), and perceived brand quality ($F_{(2, 328)} = 3.777, p = .024$, and $\eta^2 = 0.023$) (see Figure 33), and marginally significant for brand awareness ($F_{(2, 328)} = 2.700, p = .069$, and $\eta^2 = 0.016$) (see Figure 34).

Table 22. MANOVA Results of the Moderating Effects of Fashion Leadership (FL) on the Relationship between the 2-way Interaction Effect of Appearance Similarity (S) and Price (P) on Senior Brand Management Outcomes

Independent Variables	Mean (SD)								
	BAT	BAW	BAS	BIM	BLE	PBQ	LOY	BPR	
Fashion Leadership Low									Pillai's Trace = 0.068
HAS-PS	5.85 (0.90)	5.99 (1.03)	5.32 (1.05)	5.69 (0.96)	5.29 (1.01)	4.84 (0.91)	3.01 (1.35)	3.05 (1.51)	Hypothesis df = 16
MAS-PS	5.38 (1.32)	5.65 (1.38)	4.89 (1.13)	5.52 (1.06)	4.90 (1.28)	4.46 (0.91)	2.68 (1.34)	2.83 (1.48)	Multivariate $F = 1.412$
LAS-PS	5.51 (1.31)	5.65 (1.62)	4.80 (1.23)	5.72 (0.90)	4.81 (1.40)	4.32 (0.98)	2.13 (1.11)	1.91 (1.03)	Partial eta squared = 0.034
HAS--PB	5.34 (1.43)	5.23 (1.71)	4.75 (1.36)	5.49 (1.18)	4.67 (1.32)	4.41 (1.08)	2.98 (1.76)	3.08 (1.68)	
MAS-PB	5.68 (1.14)	5.56 (1.42)	5.08 (1.45)	5.37 (1.15)	5.00 (1.41)	4.63 (0.89)	2.82 (1.46)	3.02 (1.72)	
LAS-PB	5.86 (1.15)	6.17 (1.06)	5.52 (1.21)	5.80 (1.07)	5.58 (1.22)	4.86 (1.06)	2.89 (1.67)	2.95 (1.75)	

Fashion
Leadership
High

HAS-PS	6.34 (0.83)	6.43 (0.95)	5.85 (1.01)	6.28 (0.85)	5.82 (1.24)	5.38 (0.95)	3.85 (1.88)	4.00 (1.96)
MAS-PS	6.01 (1.05)	6.53 (0.60)	6.01 (0.93)	6.30 (0.82)	5.80 (1.15)	5.32 (0.92)	3.84 (1.74)	3.96 (1.87)
LAS-PS	6.26 (0.82)	6.42 (0.70)	5.90 (0.75)	6.14 (0.68)	5.81 (0.85)	5.39 (0.88)	3.82 (1.76)	3.93 (1.89)
HAS--PB	6.17 (1.27)	6.53 (0.80)	6.12 (0.67)	6.41 (0.54)	5.95 (1.03)	5.49 (0.85)	3.66 (1.99)	3.94 (1.98)
MAS-PB	6.18 (0.95)	6.45 (0.71)	6.81 (0.94)	6.19 (0.61)	5.91 (1.02)	5.21 (0.69)	3.56 (1.92)	3.75 (2.08)
LAS-PB	6.29 (0.96)	6.50 (0.94)	6.02 (1.07)	6.14 (0.99)	5.79 (1.09)	5.09 (1.10)	4.16 (1.53)	4.24 (1.74)
F-value	0.624	2.700^{mar}	3.632*	0.375	3.038*	3.777*	0.054	0.241
Partial eta squared	0.004	0.016	0.022	0.002	0.018	0.023	0.000	0.001

Notes: BAT = Brand Attitude; BAW = Brand Awareness; BAS = Brand Associations; BIM = Brand Image; BLE = Brand Leadership; PBQ = Perceived Brand Quality; LOY = Brand Loyalty; and BPR = Brand Preference; HAS = Similarity High; MAS = Similarity Moderate; LAS = Similarity Low; PS = Price Same; PS = Price Below * $p < .05$; ** $p < .01$; *** $p < .001$; mar = approaching significant (marginal)

Figure 31. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Associations at Low and High Fashion Leadership

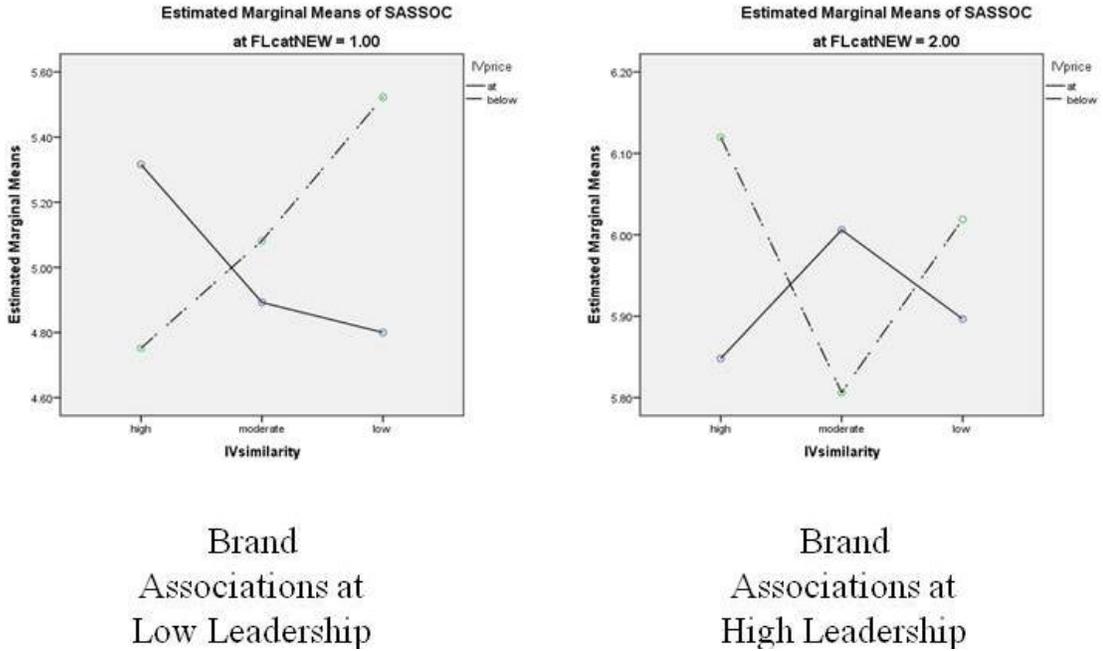


Figure 32. Plot of the Interaction of Appearance Similarity and Price Point on Senior Brand Leadership at Low and High Fashion Leadership

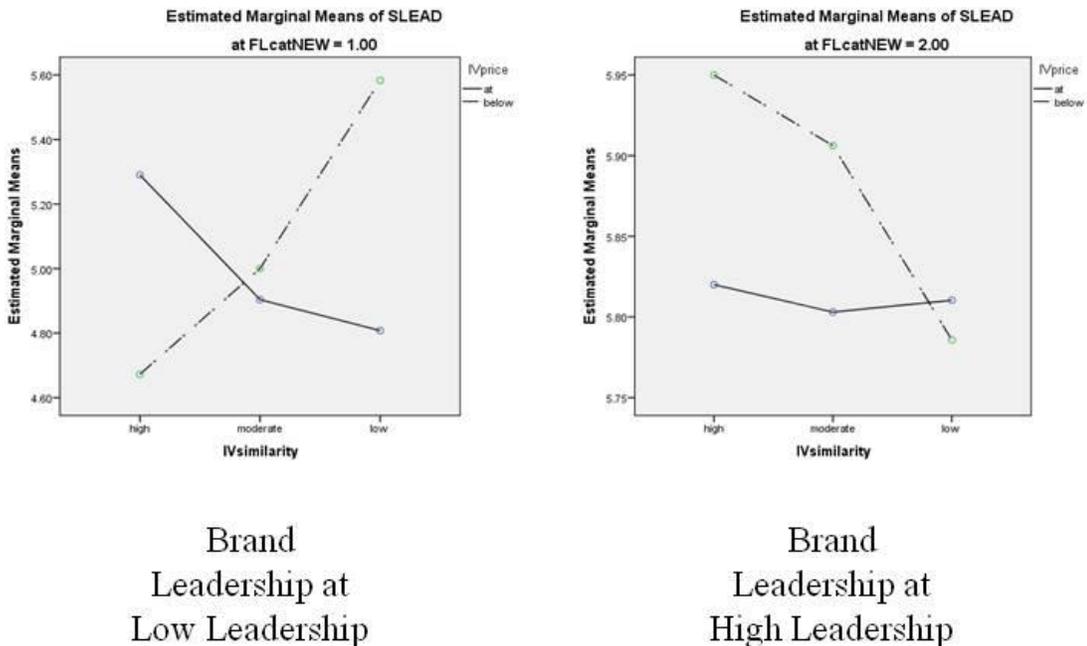
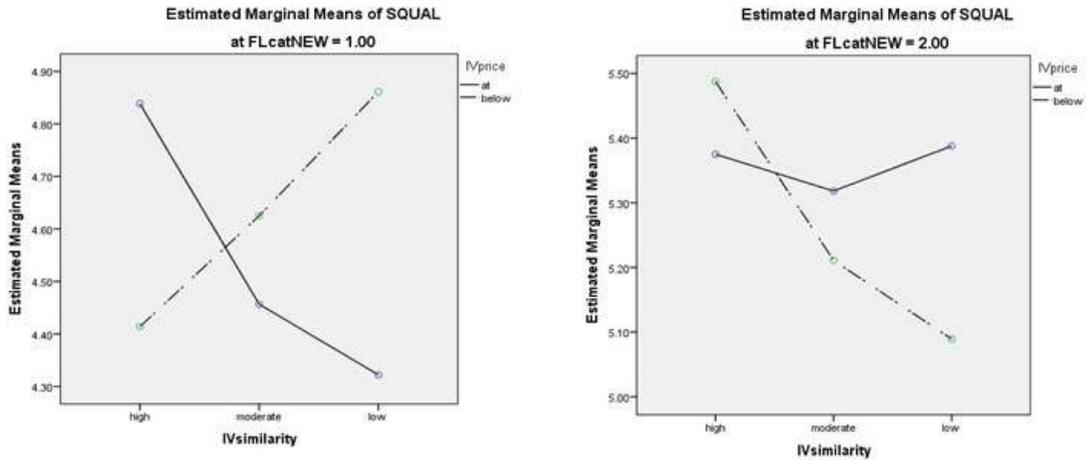


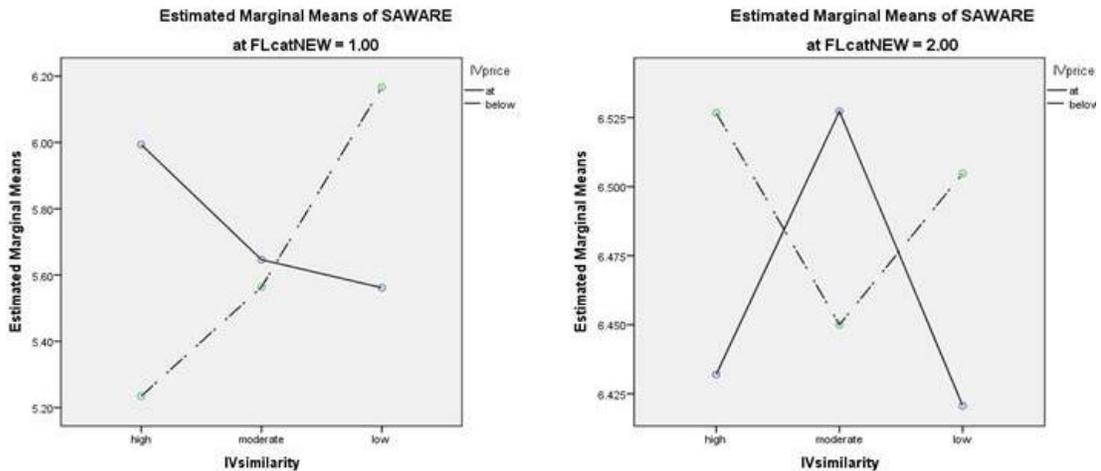
Figure 33. Plot of the Interaction of Appearance Similarity and Price Point on Senior Perceived Brand Quality at Low and High Fashion Leadership



Perceived Brand Quality at Low Leadership

Perceived Brand Quality at High Leadership

Figure 34. Plot of the Interaction of Appearance Similarity and Price Point on Senior Brand Awareness at Low and High Fashion Leadership

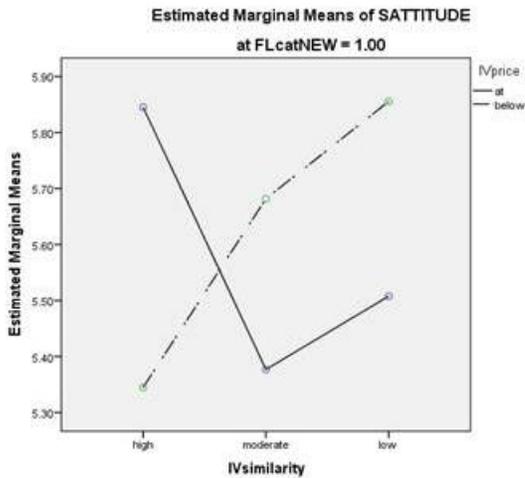


Brand Awareness at Low Leadership

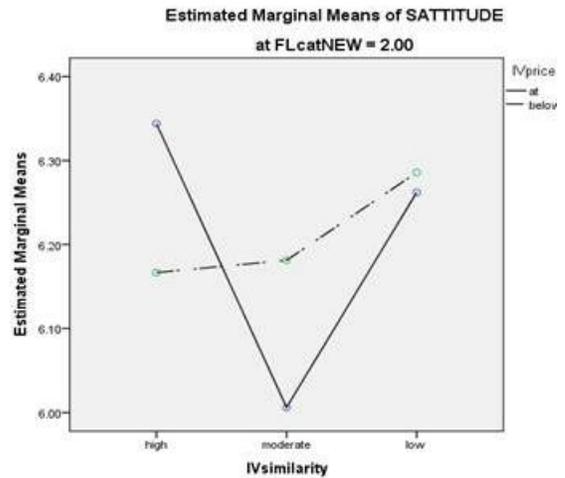
Brand Awareness at High Leadership

The univariate main effects of the 3-way interaction were not significant for senior brand attitude ($F_{(2, 328)} = 0.624, p = .537, \text{ and } \eta^2 = 0.004$) (see Figure 35), brand image ($F_{(2, 328)} = 0.375, p = .687, \text{ and } \eta^2 = 0.002$) (see Figure 35), brand loyalty ($F_{(2, 328)} = 0.054, p = .947, \text{ and } \eta^2 = 0.000$) (see Figure 36), or brand preference ($F_{(2, 328)} = 0.241, p = .786, \text{ and } \eta^2 = 0.001$) (see Figure 36). Therefore, H15 is partially supported. Having addressed the testing of all hypotheses (H1 through H15) in the forgoing section, a summary of the results of such hypothesis tests are provided in Table 23.

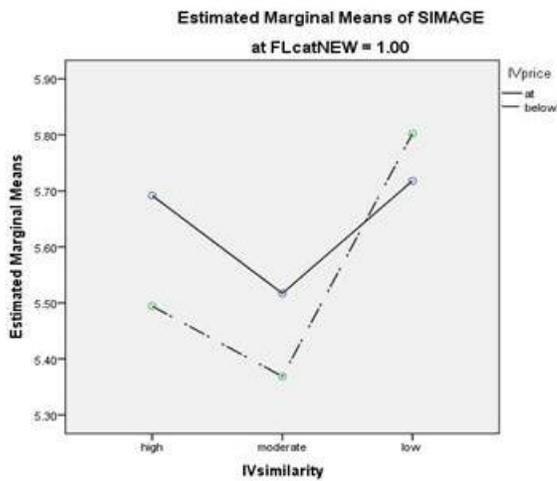
Figure 35. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Attitude and Brand Image at Low and High Fashion Leadership



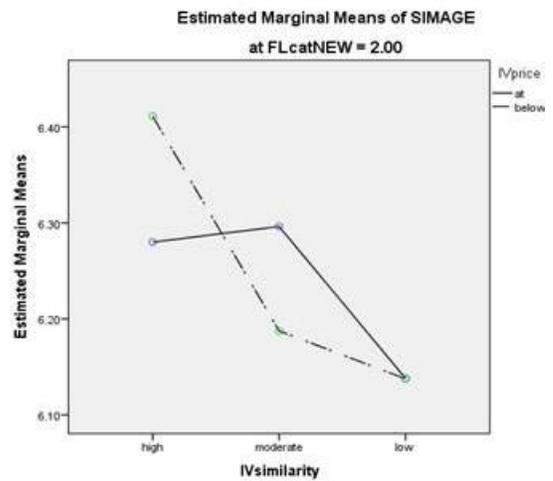
Brand Attitude at Low Leadership



Brand Attitude at High Leadership

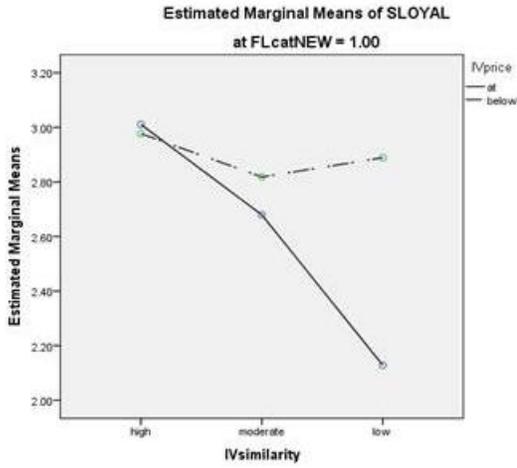


Brand Image at Low Leadership

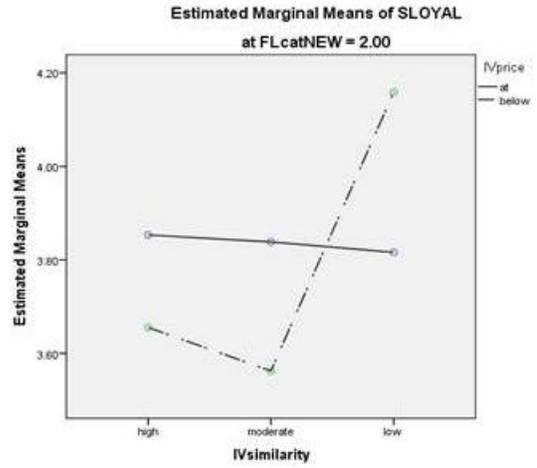


Brand Image at High Leadership

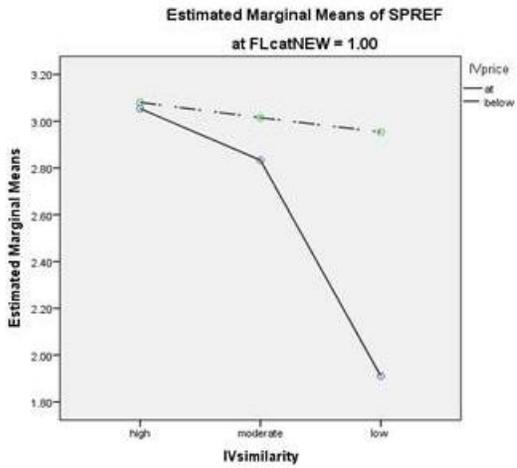
Figure 36. Plots of the Interaction of Appearance Similarity and Price Point on Senior Brand Loyalty and Brand Preference at Low and High Fashion Leadership



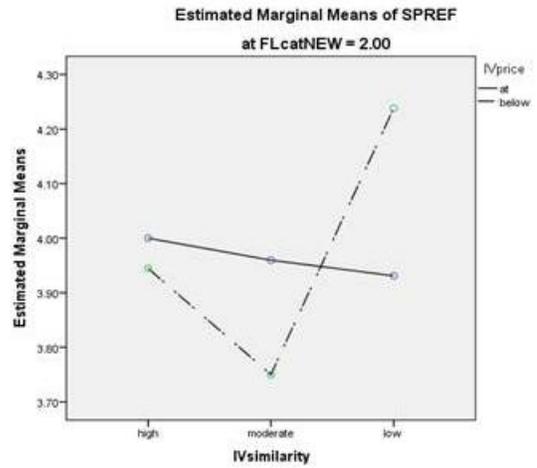
Brand Loyalty at Low Leadership



Brand Loyalty at High Leadership



Brand Preference at Low Leadership



Brand Preference at High Leadership

Table 23. Summary of the Results of Hypothesis Testing

Hypothesis Number and Description	Analysis Employed	Testing Results
<p>H1 For the junior imitation, its a) brand attitude, b) overall brand equity, and c) brand preference will be evaluated more favorably when the junior imitation is moderately similar to the senior brand as compared to an imitation that is highly similar or less similar to the senior brand.</p>	MANOVA	Not Supported
<p>H2 For the senior brand, while its a) brand attitude and b) brand equity will be evaluated more favorably, c) brand preference will be evaluated less favorably when the junior imitation is highly similar to the senior brand as compared to an imitation that is moderately similar or less similar to the senior brand.</p>	MANOVA	Not supported
<p>H3 For the junior imitation, its a) brand attitude, b) overall brand equity, and c) brand preference will be evaluated more favorably when the price point of the junior imitation is similar to the senior brand as compared to pricing below the senior brand.</p>	MANOVA	Not Supported
<p>H4 For the senior brand, its a) brand attitude, b) brand equity, and c) brand preference will be evaluated more favorably when the price point of the junior imitation is less than the senior brand as compared to pricing similar to the senior brand.</p>	MANOVA	Not supported

H5	There will be a 2-way interaction effect of appearance similarity and price point on brand management outcomes of the junior imitation. That is, when the junior imitation is priced similar to the senior brand, the junior imitation's a) brand attitude, b) overall brand equity, and c) brand preference will be evaluated more favorably when the junior imitation is moderately similar to the senior brand as compared to an imitation that is highly similar or less similar. However, when the junior imitation is priced lower than senior brand, the junior imitation's e) brand attitude, f) overall brand equity, and g) brand preference will be evaluated more favorably when the junior imitation is highly similar to the senior brand as compared to an imitation that is moderately similar or less similar.	MANOVA	Not supported
H6	There will be a 2-way interaction effect of appearance similarity and price point on brand management outcomes of the senior brand. That is, when the junior imitation is priced similar to the senior brand, the senior's a) brand attitude, b) brand equity, and c) brand preference will be evaluated more favorably when the junior imitation is highly similar as compared to an imitation that is moderately similar or less similar to the senior brand. However, when the junior imitation is priced lower than senior brand, the senior's e) brand attitude, f) brand equity, and g) brand preference will be evaluated more favorably when the junior imitation is less similar as compared to an imitation that is moderately similar or highly similar to the senior brand.	MANOVA	Not supported
H7	There will be a relationship between brand attitudes and brand equity for both a) the junior imitation and b) the senior brand.	Regression	Supported
H8	There will be a relationship between brand equity and brand preference for both a) the junior imitation and b) the senior brand.	Regression	Supported
H9	There will be a relationship between brand attitudes and brand preference for both a) the junior imitation and b) the senior brand.	Regression	Supported

H10	For the junior imitation, consumer ethics will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) overall brand equity, c) brand preference, respectively.	MANOVA	Partially supported
H11	For the senior brand, consumer ethics will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) brand equity, c) brand preference, respectively.	MANOVA	Partially supported
H12	For the junior imitation, prestige sensitivity will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) overall brand equity, c) brand preference, respectively.	MANOVA	Not supported
H13	For the senior brand, prestige sensitivity will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) brand equity, c) brand preference, respectively.	MANOVA	Not supported
H14	For the junior imitation, fashion leadership will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) overall brand equity, c) brand preference, respectively.	MANOVA	Not supported
H15	For the senior brand, fashion leadership will moderate the relationship between the 2-way interaction effect (appearance similarity x price) and a) brand attitude, b) brand equity, c) brand preference, respectively.	MANOVA	Partially supported

Chapter Summary

Chapter 4 provided statistical analysis (i.e., descriptive statistics and item reliability, MANOVA, and regression) and findings related to the hypotheses proposed in Chapter 2. The following chapter addresses conclusions that are related to these findings. Theoretical and managerial implications are also provided, and Chapter 5 concludes with limitations and future research directions.

CHAPTER V

DISCUSSION AND CONCLUSIONS

Chapter 5 includes the following sections: 1) Discussion; 2) Conclusions; 3) Implications; and, 4) Limitations and Future Research Directions.

Discussion

The purpose of this study was to experimentally investigate how junior imitations of senior brands affect consumers' attitudes and behaviors toward junior imitations as well as senior brands. Specifically, the current study focused on empirically examining four core research objectives: 1) to investigate the main effects of appearance similarity of the imitation to the senior imitated product (low, moderate, and high) and price point (at versus below) on junior and senior brand management outcomes; 2) to explore the two-way interaction effects of appearance similarity and price point on junior and senior brand management outcomes; 3) to examine the relationships among brand attitude, brand equity, and brand preference for both junior imitations and senior brands; and, 4) to explore the moderating effects of the consumer characteristics of ethics, prestige sensitivity, and fashion leadership on the relationship between the 2-way interaction effect (appearance similarity x price) and junior and senior brand management outcomes.

Objective 1: The Main Effects of Appearance Similarity Level and Price Point on Brand Management Outcomes

The first research question that guides this study is to investigate the main effects of appearance similarity levels of the imitation (to the senior imitated product) and price point of the imitation on junior and senior brand management outcomes. H1 through H4 were employed to answer this first research question, with H1 and H2 pertaining to the main effect of appearance similarity and H3 and H4 covering the main effect of price point. The response to this first research question is set forth in the following two sections that correlate with the main effects.

Appearance similarity.

The first part of the first research question guiding this study related to the main effect of appearance similarity. In relation to the junior brand, and in correlation with the prior research (Horen & Pieters, 2011, 2012), the results of this study indicate that overall, appearance similarity between senior brand and a junior imitation has a significant effect on junior brand management outcomes and/or consumer evaluations of the latter (Wilks' Lamda = 0.904, $F_{(6, 664)} = 5.731, p < .001$). However, the significant effect of appearance similarity is primarily on junior brand attitude ($F_{(2, 334)} = 13.34, p < .001$) rather than on overall brand equity or brand preference. Thus, although the literature emphasizes the connection between brand attitude, brand equity, and brand preference (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001; Fishbein & Ajzen, 1975; Solomon, 2013; Yoo et al., 2000), it does not follow that a main effect on brand attitude will always result in main effects on the latter two variables. Thus, a positive

evaluation of an imitation by a consumer may not result in a positive choice to purchase the imitation.

In direct relation to the first research question, H1 stated that junior brand management outcomes (junior brand attitude being the significant outcome) would be evaluated more favorably when the junior imitation is moderately similar to the senior brand. Contrary to this prediction, this study indicated that junior brand attitude was the most favorable when the junior imitation was less similar to the senior ($M_{Low} = 4.37$ vs. $M_{Moderate} = 4.05$ vs. $M_{High} = 3.48$). More specifically, when the senior brand is present, consumer evaluations of junior brand trend imitations are highest when they are generally less similar to the senior. The findings further indicated that significant differences in trend imitation reside between practically identical design mimicking (i.e., highly similar trend imitation) and a more general category of design aspect mimicking (i.e., the moderate and less similar trend imitation) ($M_{Low} = 4.37$ vs. $M_{High} = 3.48$, $p < .001$; $M_{Moderate} = 4.05$ vs. $M_{High} = 3.48$, $p < .01$).

The findings are generally in line with a number of previous studies. Prior research indicates that the presence of the senior, as was the case here, results in less favorable evaluations of the junior (Horen & Pieters, 2011), and that consumers have more negative reactions when luxury brands (both traditional and masstige) engage in imitation practices (Vogel & Watchravesringkan, 2017). The literature also indicates that consumers have lower evaluations of imitations when they are aware of the imitation strategy (as they likely were in the instant study) and are more certain about product quality (i.e., home versus abroad) (Horen & Pieters, 2013). Further, previous research

reveals that trend imitation that occurs in high typicality conditions (i.e., when the senior is highly representative of the product category) results in consumer categorization of the imitation as either a counterfeit, a genuine item by the senior brand, a private label imitation, or a trend imitation by a competitor, as well as negative evaluation of the imitation (Le Roux et al., 2016). Here, the imitation was obviously not a counterfeit or an item produced by the senior brand because the initials on the imitation were those of junior brand name (also displayed underneath the product to clearly identify the junior brand as the manufacturer of the imitation), which varied the appearance of the imitation in comparison to the senior. Such variation by imitations results in negative evaluations thereof, according to the Le Roux et al. (2016) study.

However, previous studies also reveal that high similarity trend imitation (i.e., an imitation with a different name than the senior and a similar product appearance) is more positively evaluated than both dissimilar and potentially infringing imitation (i.e., an imitation with a similar name to the senior and a similar product appearance, which would likely trigger infringement issues due to the possibility of confusion) (Horen & Pieters, 2011; Warlop & Alba, 2004). This prior finding is in opposition to the current study's results. This may be because the prior studies utilized imitation stimuli in the form of everyday/low-priced consumer products (e.g., olive oil, laundry detergent) rather than high-priced luxury goods. In any case, when the instant results are combined with the study of Vogel and Watchravesringkan (2017), there is support for the proposition that luxury brand imitation is evaluated differently than imitation of lower-priced, everyday consumer products. The higher pricing that commonly accompanies luxury goods is

associated with escalated levels of product involvement (Kim, 2005; Solomon, 2013), along with high perceived product quality (Sharma & Garg, 2016), although the argument exists that the effect of price on product quality has experienced a decrease in more recent times (Völckner & Hofmann, 2007). Nevertheless, support exists for the distinction between imitation products that are more focused on the mass market and those more targeted at luxury consumers.

Further, the conflicting results can also be explained by the literature suggesting that consumers may have made at least two additional inferences from the stimulus that resulted in lower evaluations of the highly similar imitation. First, consumers likely inferred that the senior product was of high quality due to both the market leadership of the manufacturer, Louis Vuitton (Millward Brown, 2015), as well as the high price of the product (Sharma & Garg, 2016; Tellis, 1986). Second, consumers likely inferred that the junior imitated the senior if not from the obvious similarity of the products (at least in the high similarity scenarios), then from the potential imitation priming effect resulting from the items meant for manipulation checks (which inquired about similarity levels of the products and the acceptability of potential copycat practices) (Janakiraman & Niraj, 2011). The prior research indicates that both of these inferences lead to lower consumer evaluations of imitations (Horen & Pieters, 2013).

To continue with the first part of the first research question as it relates to the senior brand (addressed by H2), the results of this study reveal that appearance similarity had no effect on senior brand management outcomes (Pillai's Trace = 0.03, $F_{(16, 654)} = 0.51, p > .05$). Such findings are contrary to prior studies in that junior imitations with

identical or highly similar brand names to the senior (which would likely be infringing/illegal juniors rather than trend imitators) that are in the same product category reinforce senior brand equity (Choy & Kim, 2013; Pullig, et al., 2006). Essentially, after comparing the senior to the neighboring imitation, consumers evaluated the latter (Cohen, 1982; Cohen & Basu, 1987; Loken, 2006; Solomon, 2013), and said evaluation was expected to increase the equity of the senior brand. Rather, consumers' comparison of the imitation to the senior and evaluation of the junior did not affect the senior at all.

The potential reasoning for this result is twofold. First, the prior research uncovered effects on the senior brand that manifested themselves as increased brand awareness and/or associations that were specific to the senior brands used in the research (Pullig et al., 2006). In other words, the effects on senior brand equity were based on consumer speed and accuracy associated with brand recognition and recall, which concerns the strength of mental nodes and the links between them (Aaker, 1991; Keller, 1993; Pappu et al., 2005; Rossiter & Percy, 1987). To explain, the links between brands (nodes) and their aspects (other nodes) are brand associations, and the strength of those pairs of nodes or associations (i.e., how quickly they come to mind) is brand awareness (Anderson, 1983; Keller, 1993). Thus, the prior research revealed that imitation affects senior brands by increasing the speed with which consumers mentally associate senior brands and their specific aspects (e.g., Big Red brand chewing gum with cinnamon flavor). Such effects were captured primarily by response latency recordation (Morris & Jacoby, 2000; Pullig et al., 2006). Due to the need for evidence of effects on senior brands beyond simple mental processes (i.e., when changes in senior brand equity might

affect consumer purchasing choices related to the brand) (Tushnet, 2008), the current study measured effects on the senior brand via more cognitive, and arguably, preference-capturing means. The lack of significant effects on the senior brand in either direction in this study, coupled with the prior research, implies that effects on senior brands due to junior imitations may not reach levels sufficient enough to translate to differences in preference.

In addition, the prior research may have captured mental confusion related to identical secondary use of the senior brand name rather than dilution. To explain, the stimuli in the Morrin and Jacoby (2000) and Pullig et al. (2006) studies were not the actual products, but rather, text-only advertisements (including brand name and statements of product categories or claims) for junior brands that had names either identical (e.g., Heineken popcorn, Big Red snack bars) or highly similar (e.g., Dogiva dog biscuits) to the senior brand name. Such secondary use of the exact brand name would likely lead consumers to believe, or at least question whether, the senior manufactured the junior product, which is the very type of confusion trademark law works to prevent (Lanham Act, 2012, § 1114). In essence, these studies were focused on effects from secondary brand name use rather than product design/appearance similarity.

Second, as Morrin and Jacoby (2000) note, some senior brands are so famous or familiar that they are immune to dilution effects from imitations. For this reason, familiarity has been found to moderate effects of imitations on brand equity (Choy & Kim, 2013; Morrin & Jacoby, 2000). Louis Vuitton, the senior brand used in the current study, is one of the top luxury brands (Millward Brown, 2015) that is well-known to

consumers. Thus, Louis Vuitton may have reached a level of famousness that renders its immune from effects from imitations. These results also highlight the dilemma with senior brand selection for studies on the effects of trend imitation. The predicament stems from the need for the senior to be recognizable enough that junior brands would desire to free ride on its equity (*Ty Inc. v. Perryman*, 2002), yet not so famous so as to be immune from diluted associations and ultimately brand equity (Morrin & Jacoby, 2000). Interestingly, our findings do not reveal senior brand equity dilution or reinforcement. The lack of any dilutive effects, which decreases the value of the equity enjoyed by an established brand (Keller & Sood, 2003; Kort, Caulkins, Hartl, & Feichtinger, 2006; Loken & John, 1993) confirms Morrin and Jacoby's (2000) proposition that some brands are so famous they are not negatively affected by imitation. The findings also expand the proposition to include reinforcement effects, which essentially increase brand value (Pullig et al., 2006). That is, some senior brands are so famous that they are not affected by imitation in any way, either negatively or positively. In any event, the results of this study indicate that trend imitations may not affect famous senior brands, neither positively nor negatively, to the level of consumer preference.

Price point.

The second part of the first research question guiding this study related to the main effect of price point. With respect to the junior brand and this main effect, results showed that price point has a significant effect on junior brand management outcomes (Wilks' Lamda = 0.970, $F_{(3, 332)} = 3.368$, $p < .05$). More specifically, junior brand equity is significantly affected ($F_{(1, 334)} = 3.927$, $p < .05$), and junior brand preference is

marginally affected as well ($F_{(1, 334)} = 3.788, p = 0.52$). Price point did not have an effect on brand attitude, and again, despite the literary link between brand attitude and brand equity and brand preference (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001; Fishbein & Ajzen, 1975; Solomon, 2013; Yoo et al., 2000), this study indicates that one of these variables can be affected while the others may not be. Although H3 predicted that junior brand management outcomes would be evaluated more favorably when the price point of the junior imitation is similar to the senior brand, overall brand equity ($M_{\text{Same}} = 2.52, SD = 1.26$ vs. $M_{\text{Below}} = 2.79, SD = 1.33, p < .05$) and brand preference ($M_{\text{Same}} = 2.19, SD = 1.22$ vs. $M_{\text{Below}} = 2.45, SD = 1.30, p > .05$) were greater when the junior was priced below the senior. Although this finding is contrary to the expectation, which was based on prior research revealing that imitation by luxury brands is negatively evaluated by consumers (Vogel & Watchravesringkan, 2017), the result finds support in the prior research indicating that trend imitation is more positively evaluated and preferred when the copy is priced below the senior (Warlop & Abela, 2004).

Regarding the effect of price point on the senior brand management outcomes (covered by H4), the results of this study reveal that price point of the junior had no effect on senior brand management outcomes (Pillai's Trace = 0.01, $F_{(8, 327)} = 0.450, p > .05$). No studies were found assessing the effects of imitation pricing on senior brands; however, it was expected that lower pricing of the junior would create the inference that similar, lower-priced alternatives to the senior exist, which would result in a decrease in senior brand attitude, brand equity, and brand preference. Further, the imitation priced lower than the senior was meant to simulate imitation by an arguable masstige brand, for

which consumer evaluations are usually lower (when compared to more traditional luxury brands) (Vogel & Watchravesringkan, in press). The results suggest that just as some brands are immune from effects from junior imitation similarity (discussed above), such brands may also be immune from effects due to junior pricing. That is, even if consumers infer that similar, lower-priced junior imitations are less luxurious than the senior products (Dawar & Parker, 1994; Janakiraman & Niraj, 2011; Yoo et al., 2000), such inference has no effect on how consumers evaluate the senior brand. In other words, variation in the price of similar alternatives to the senior (between similar and lower pricing) has no effect on it, regardless of how the price cue affects the quality assessments of the junior. Price has traditionally been considered a cue for product quality (Tellis, 1986; Zeithaml, 1988); however, Völckner and Hofmann (2007) argue that the effect of price on product quality has more recently deteriorated. Moreover, the price that was manipulated in the instant study was that of the junior, and as such, it is not a guarantee that same, whether an imitation or not, will have any effect on the senior.

Having discussed the results of this study in relation to the first research objective, the following section addresses the response to the second objective guiding this research.

Objective 2: The Two-Way Interaction Effects of Appearance Similarity Level and Price Point on Brand Management Outcomes

The second research question guiding this study is to explore the two-way interaction effects of similarity level of the imitation to the senior brand in terms of appearance and price point on junior and senior brand management outcomes. H5 and H6

were examined to answer the second research question, the former relating to the junior brand and the latter pertaining to the senior brand. With respect to the junior brand, the interaction of appearance similarity and price point did not have an effect on brand management outcomes overall. That is, differences in junior brand management outcomes based on appearance similarity do not depend on the price point of the junior. Appearance similarity and price point were expected to interact based on Warlop and Alba's (2004) study revealing that when the senior is present, high similarity trend imitation is preferred only when same is priced below the senior (i.e., not when pricing is similar). Nonetheless, the lack of differences in consumer evaluations of trend imitations when same were priced the same as the senior is supported by the literature indicating that similar pricing results in inferences of similar quality (Janakiraman & Niraj, 2011; Vogel & Watchravesringkan, 2017; Yoo et al., 2000). That is, regardless of the level of appearance similarity of the imitation, consumers comparably evaluate imitations priced identical to the senior. Stated differently, similar pricing can, at least to an extent, nullify the effects appearance similarity level might have on junior brand management outcomes. Lower pricing may have led consumers to generally infer lower quality and luxuriousness (Dawar & Parker, 1994; Janakiraman & Niraj, 2011; Netemeyer et al., 2004); however, again, this occurred for juniors of all similarity levels. This finding is contrary to the previous studies indicating that preference is higher for highly similar imitations when junior pricing is below senior pricing. However, in the previous research, the highly similar imitation was compared only with a dissimilar option (Warlop & Alba, 2004).

Regarding the senior brand, the interaction of appearance similarity and price point did not have an effect on senior brand management outcomes (Pillai's Trace = 0.07, $F_{(6, 664)} = 0.356, p > .05$). As there were no differences in senior brand management outcomes based on appearance similarity, it is logical that such differences do not depend on the price point of the junior. Although similar pricing was anticipated to have influenced consumer perceptions of the imitations to be at the same level of quality and luxuriousness as the senior (Janakiraman & Niraj, 2011; Vogel & Watchravesringkan, 2017; Yoo et al., 2000), similarity levels in this context, or in the context of lower pricing (and the inference of lower luxuriousness), do not seem to have an effect on the senior. This indicates extremely famous brands (Morrin & Jacoby, 2000), which are already strongly associated with their pricing schema, are not affected by similarity levels of junior trend imitations regardless of their comparative price point.

Objective 3: The Relationships among Brand Attitude, Brand Equity, and Brand Preference

The third research question of the current's study is to examine the relationships among brand attitude, brand equity, and brand preference for both junior imitations and senior brands. H7 through H9 were employed to investigate the third research question. Regarding the junior brand, this study reveals that a relationship existed between brand attitudes and brand equity (addressed by H7(a)) in that brand attitude positively influenced overall brand equity. This finding is supported by the prior research indicating brand attitude is an antecedent to brand equity (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001).

Further, with respect to the relationship between overall junior brand equity and junior brand preference (the basis of H8(a)), the former positively influenced the latter, which is also supported by the literature (Helgeson & Supphellen, 2004; Pullig et al., 2006). H9(a) pertained to the relationship between junior brand attitude and junior preference. In line with previous studies in this arena (Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000), our results revealed that that junior brand attitude positively influenced junior brand preference. These variables also logically relate to each other, as consumers' evaluations of brands would determine the value of those brands (i.e., collective assets and liabilities) in consumer minds, which, in turn, ultimately influences consumer choice (Aaker, 1991; Chang & Liu, 2009; Keller, 1993; Solomon, 2013; Yoo et al., 2000). Thus, results of this study supports the literature linking brand attitude, brand equity, and brand preference, which formed the basis for this study's conceptual framework. Noteworthy, in association with the first objective of this study as it relates to the junior brand, this study unearthed a lack of connection between these evaluative dependent variables. That is, there may be some circumstances where the links between brand attitude, overall brand equity, and brand preference are not as strong (e.g., when an effect on brand attitude may not result in effects on brand equity or brand preference). It seems natural that imitation practices might be one of such circumstances.

The relationships among brand attitude, brand equity, and brand preference were also investigated for the senior brand. First, a significant relationship between senior brand attitude and senior brand equity (addressed by H7(b)) was found. Specifically,

senior brand attitude positively influenced the senior brand equity dimensions of brand awareness, brand associations, brand image, brand leadership, perceived brand quality, and brand loyalty. Again, this comports with the extant literature (Chang & Liu, 2007; Faircloth, Capella, & Alford, 2001). Regarding the relationship between senior brand equity and brand preference (covered by H8(b)), which is supported by previous studies (Helgeson & Supphellen, 2004; Pullig et al., 2006), our results show that that some of the dimensions of senior brand equity help predict senior brand preference. Brand associations and brand loyalty positively influence senior brand preference, while brand awareness negatively influences brand preference. This research further indicates that certain dimensions of brand equity carry more weight than others (i.e., brand image, brand leadership, and perceived brand quality), in the prediction of brand preference. A relationship between senior brand attitude and brand preference, addressed by H9(b), was also found to exist, with the former positively influencing the latter, again, in conjunction with the preexisting literature (Fishbein & Ajzen, 1975; Kim & Karpova, 2010; Solomon, 2013; Warlop & Alba, 2004; Yoo et al., 2000). The next section discusses the final objective of this study.

Objective 4: The Moderating Effects of Consumer Characteristics on Brand Management Outcomes

The fourth and final question directing this study is to explore the moderating effects of the consumer characteristics of ethics, prestige sensitivity, and fashion leadership on the relationship between the 2-way interaction effect (appearance similarity

x price) and junior and senior brand management outcomes. H10 through H15 were utilized to answer the fourth research question.

The first consumer characteristic addressed by the fourth objective of this study relates to consumer ethics. With respect to the junior brand (covered by H10), consumer ethics marginally moderated the relationship between the 2-way interaction effect (appearance similarity x price) on junior brand management outcomes overall (Pillai's Trace = 0.04, $F_{(6, 652)} = 2.075$, $p = .054$). More specifically, overall brand equity is marginally affected ($F_{(2, 328)} = 2.517$, $p = .082$) by the 3-way interaction. This means that there is a marginally significant interaction of appearance similarity and price point on overall junior brand equity that varies across the two levels of consumer ethics. Put another way, the effect of appearance similarity and price point on junior brand management outcomes varies between consumers with higher ethical positions and those with lower ethical positions. Specifically, consumers with lower ethical positions generally had significantly lower ratings for overall junior brand equity ($M_{\text{SameHAS}} = 2.05$ vs. $M_{\text{SameMAS}} = 2.60$ vs. $M_{\text{SameLAS}} = 2.54$ vs. $M_{\text{BelowHAS}} = 3.06$ vs. $M_{\text{BelowMAS}} = 3.11$ vs. $M_{\text{BelowLAS}} = 2.58$) than consumers with higher ethical positions ($M_{\text{SameHAS}} = 2.47$ vs. $M_{\text{SameMAS}} = 2.76$ vs. $M_{\text{SameLAS}} = 2.63$ vs. $M_{\text{BelowHAS}} = 2.40$ vs. $M_{\text{BelowMAS}} = 2.60$ vs. $M_{\text{BelowLAS}} = 3.09$).

These findings are in opposition to previous studies. Approaching consumer ethics as a measurement of integrity, prior research reveals that lower consumer integrity translates to more favorable attitudes toward counterfeits (Ang et al., 2001; de Matos et al., 2007) as well as purchase intention toward them (Phau & Teah, 2009). Integrity has

also been shown to have no relationship with attitude toward fashion counterfeits (Kim & Karpova, 2010). Measuring consumer ethics by measuring ethical judgments pertaining to certain actions, as done in the instant study, Ha and Lennon (2006) found that ethical judgments negatively influenced purchase intent toward counterfeits, but ethical ideologies did not. Specific to trend imitation, Kim, Cho, and Johnson's (2009) research revealed that moral judgment (also measured as ethical judgments pertaining to certain actions) negatively affected purchase intention for imitations, yet moral intensity (a measurement focused more on the consequences of certain actions) did not. Moral intensity did, however, positively influence moral judgments related to imitations (Kim et al., 2009). In essence, the literature reveals a connection between higher ethics (measured by integrity and ethical judgment) and lower attitude and purchase intention toward imitation of any kind (i.e., counterfeits and imitations). The results here may be contrary to the previous research because participants may have preferred an imitation that is more akin to a counterfeit than a trend imitator. Research indicates that socially conscious consumers prefer luxury counterfeits to trend imitators (Jiang & Shan, 2016), and the participants in the instant study may very well be more socially conscious, especially due to their younger age (i.e., college-aged younger adults). Such an age group also generally has less disposable income, and may prefer cheap counterfeits to comparably-priced trend imitators. This age group also tends to be more tolerant of unethical behaviors than older consumers (Fullerton, Kerch, & Dodge, 1996; Rawwas, & Singhapakdi, 1998; Vitell, Lumpkin, & Rawwas, 1991).

H11 pertains to the moderating effects of consumer ethics with regard to the senior brand. In the study, consumer ethics did not moderate the overall relationship between the 2-way interaction effect (appearance similarity x price) on senior brand management outcomes (Pillai's Trace = 0.06, $F_{(16, 642)} = 1.317, p > .05$); however, ethics did moderate the effect on senior brand attitude ($F_{(2, 328)} = 4.786, p = .009$). That is, the effect of appearance similarity and price point on senior brand attitude varies between consumers with lower consumer ethics ($M_{\text{SameHAS}} = 5.78$ vs. $M_{\text{SameMAS}} = 5.88$ vs. $M_{\text{SameLAS}} = 6.04$ vs. $M_{\text{BelowHAS}} = 5.97$ vs. $M_{\text{BelowMAS}} = 5.83$ vs. $M_{\text{BelowLAS}} = 5.82$) and those with higher consumer ethics ($M_{\text{SameHAS}} = 6.34$ vs. $M_{\text{SameMAS}} = 5.61$ vs. $M_{\text{SameLAS}} = 5.76$ vs. $M_{\text{BelowHAS}} = 5.44$ vs. $M_{\text{BelowMAS}} = 6.10$ vs. $M_{\text{BelowLAS}} = 6.25$). These results are more in line with the above-referenced literature on consumer ethics and counterfeits (Ang et al., 2001; de Matos et al., 2007; Ha & Lennon, 2006; Kim et al., 2009; Phau & Teah, 2009).

The second consumer characteristic covered by the fourth objective of this study relates to consumer prestige sensitivity. For the junior brand (addressed by H12), prestige sensitivity did not at all moderate the 2-way interaction effect of appearance similarity and price point on junior brand management outcomes (Pillai's Trace = 0.02, $F_{(6, 654)} = 0.799, p > .05$). Likewise, with respect to the senior brand (addressed by H13), consumer prestige sensitivity did not moderate the relationship between the 2-way interaction effect on any of the senior brand management outcomes (Pillai's Trace = 0.052, $F_{(16, 644)} = 1.081, p > .05$). This means that the effect of appearance similarity and price point on junior and senior brand management outcomes does not vary between consumers with

higher or lower sensitivity to prestige. In other words, there are no differences between consumers who tend to believe that luxury brand patronage signals status to others and those who do not (Casidy, 2012; Lichtenstein, Ridgway, & Netemeyer, 1993; Vigneron & Johnson, 2004). Prestige sensitivity is a characteristic commonly associated with luxury brand consumers who are cued by the higher prices, which are believed to signal status and prominence to others (Casidy, 2012; Lichtenstein, Ridgway, & Netemeyer, 1993). Prestige sensitivity is one of several traits the luxury consumer segment possesses, however (Casidy, 2012; Lim, Kim, & Runyan, 2013; Vigneron & Johnson, 1999). Thus, all luxury brand patrons are not necessarily sensitive to prestige. Further, this characteristic was included in the study in an effort to capture the consumer response to the mass availability of similar products in the market due to imitation practices, as luxury consumers consider such widespread availability to be less prestigious (Vigneron & Johnson, 1999). In hindsight, prestige sensitivity may not have been the best variable to capture this consumer outlook. In any case, it is understandable that the prestige sensitivity does not moderate the effects of appearance similarity and price point on junior and senior brand management outcomes.

The third and final consumer characteristic addressed by the fourth objective of this study pertained to fashion leadership. With respect to the junior brand (covered H14), this study found that fashion leadership did not moderate the 2-way interaction effect of appearance similarity and price point on any junior brand management outcomes, meaning that the effect of imitation similarity and price point on the junior brand is not significantly different as between fashion leaders and those who are not. This may be due

to the fictitious nature of the junior brand (i.e., fashion leaders had no prior junior brand awareness, brand associations, etc.). Regarding the senior brand (addressed by H15), overall, fashion leadership did not moderate the effect of appearance similarity and price point on junior brand management outcomes (Pillai's Trace = 0.068, $F_{(16, 644)} = 1.412$, $p > .05$). However, fashion leadership did moderate the 2-way interaction effect of appearance similarity and price point on senior brand associations ($F_{(2, 328)} = 3.632$, $p = .028$), brand leadership ($F_{(2, 328)} = 3.038$, $p = .049$), and perceived brand quality ($F_{(2, 328)} = 3.777$, $p = .024$), and marginally moderate the 2-way interaction effect of appearance similarity and price point on senior brand awareness ($F_{(2, 328)} = 2.700$, $p = .069$).

That is, the effect of appearance similarity and price point on these brand management outcomes varied between consumers based on their level of fashion leadership, which resulted in lower ratings for these variables by consumers that were less inclined to be fashion leaders. Specifically, senior brand associations for consumers who do not consider themselves to be fashion leaders ($M_{\text{SameHAS}} = 5.32$ vs. $M_{\text{SameMAS}} = 4.89$ vs. $M_{\text{SameLAS}} = 4.80$ vs. $M_{\text{BelowHAS}} = 4.75$ vs. $M_{\text{BelowMAS}} = 5.08$ vs. $M_{\text{BelowLAS}} = 5.52$) were lower than brand associations for consumers who do ($M_{\text{SameHAS}} = 5.85$ vs. $M_{\text{SameMAS}} = 6.01$ vs. $M_{\text{SameLAS}} = 5.89$ vs. $M_{\text{BelowHAS}} = 6.12$ vs. $M_{\text{BelowMAS}} = 5.81$ vs. $M_{\text{BelowLAS}} = 6.02$). Likewise, senior brand leadership ($M_{\text{SameHAS}} = 5.29$ vs. $M_{\text{SameMAS}} = 4.90$ vs. $M_{\text{SameLAS}} = 4.81$ vs. $M_{\text{BelowHAS}} = 4.67$ vs. $M_{\text{BelowMAS}} = 5.00$ vs. $M_{\text{BelowLAS}} = 5.58$) was lower for non-fashion leaders than for those more inclined ($M_{\text{SameHAS}} = 5.82$ vs. $M_{\text{SameMAS}} = 5.80$ vs. $M_{\text{SameLAS}} = 5.81$ vs. $M_{\text{BelowHAS}} = 5.95$ vs. $M_{\text{BelowMAS}} = 5.91$ vs. $M_{\text{BelowLAS}} = 5.79$). Perceived brand quality ($M_{\text{SameHAS}} = 4.84$ vs. $M_{\text{SameMAS}} = 4.46$ vs. $M_{\text{SameLAS}} = 4.32$

vs. $M_{\text{BelowHAS}} = 4.41$ vs. $M_{\text{BelowMAS}} = 4.63$ vs. $M_{\text{BelowLAS}} = 4.86$) was also lower for non-fashion leaders than those who are ($M_{\text{SameHAS}} = 5.38$ vs. $M_{\text{SameMAS}} = 5.32$ vs. $M_{\text{SameLAS}} = 5.39$ vs. $M_{\text{BelowHAS}} = 5.49$ vs. $M_{\text{BelowMAS}} = 5.21$ vs. $M_{\text{BelowLAS}} = 5.09$). Finally, senior brand awareness ($M_{\text{SameHAS}} = 5.76$ vs. $M_{\text{SameMAS}} = 5.62$ vs. $M_{\text{SameLAS}} = 5.51$ vs. $M_{\text{BelowHAS}} = 5.30$ vs. $M_{\text{BelowMAS}} = 5.87$ vs. $M_{\text{BelowLAS}} = 5.85$) was marginally lower for non-fashion leaders than for fashion leaders ($M_{\text{SameHAS}} = 6.33$ vs. $M_{\text{SameMAS}} = 5.79$ vs. $M_{\text{SameLAS}} = 6.19$ vs. $M_{\text{BelowHAS}} = 6.02$ vs. $M_{\text{BelowMAS}} = 6.03$ vs. $M_{\text{BelowLAS}} = 6.22$).

These findings are quite logical because fashion leaders can be expected to have more knowledge about and involvement with brands operating in that domain (Goldsmith, Freiden, & Kilsheimer, 1993; Lim, Kim, & Runyan, 2013). This is especially true with regard to trend-setting luxury brands (such as the senior brand here, LV), which fashion leaders often patronize (Burns, et al., 2011; Goldsmith et al., 1991; Keller, 1993; Lim, Kim, & Runyan, 2013; Vigneron & Johnson, 1999). As such, senior brand awareness, associations, leadership, and perceived brand quality for fashion leaders would be less affected by junior brand imitation (in terms of appearance similarity and price point), and therefore generally higher than for non-fashion leaders. Junior brand imitation will have less of an effect on the ability of fashion leaders to recall a senior market leader, such as LV, and associate the brand with its particular aspects (e.g., "LV" initials) than non-fashion leaders, as brand awareness and associations would be stronger for fashion leaders than for consumers who are not (Aaker, 1991, 1992; Goldsmith, Freiden, & Kilsheimer, 1993; Keller, 1993; Lim, Kim, & Runyan, 2013; Pappu et al., 2005). Trend imitation would also be less likely to affect fashion leaders' perception of

LV as a leading or quality brand, as these consumers are less likely to question senior brand quality despite the variations in similarity level and price of imitations than non-fashion leaders (Aaker, 1996; Lim, Kim, & Runyan, 2013; Netemeyer et al., 2004; Yoo et al., 2000).

The foregoing discussed the results of each of the four objectives guiding the current study. Below are the conclusions from these objectives, which are followed by the implications of the research.

Conclusions

This study was designed to empirically examine the effects of legal retail imitation practices (i.e., trend imitation) within an accessories context. This study utilized a conceptual framework pieced together from the extant literature related to trend imitation and brand management. Specifically, the study investigated the effect of appearance similarity (high vs. moderate vs. low) and price point (similar to senior vs. below senior) on junior brand management outcomes (brand attitude, overall brand equity, and brand preference) as well as senior brand management outcomes (brand attitude, brand awareness, brand associations, brand image, brand leadership, perceived brand quality, brand loyalty, and brand preference). It was anticipated that this study's findings might offer insight to brand managers of junior imitation brands looking to enhance product design, distribution, and pricing strategies. The results from the study were also expected to provide guidance for senior brand managers as to circumstances that place senior brands at risk, and ultimately warrant the instigation of trademark dilution lawsuits.

According to the results, when the senior brand is present, highly similar junior brand luxury trend imitation is less positively evaluated than less similar imitation. Thus, when junior luxury brand trend imitations are offered near the senior brand inspiration, consumers may more negatively evaluate the imitation. Although this may seem counterintuitive for goods that benefit from juxtaposition to the senior brand (e.g., me-too consumer brand goods), the research also indicates that trend imitation in the luxury industry may be evaluated differently than the same practice in less luxurious retail settings. Results also showed that the brand equity and, for the most part, brand preference, of brands engaging in general trend imitation is more positive when such brands are priced below the senior. In other words, junior imitation brands risk lower consumer evaluations and preference when they attempt to directly compete with their senior inspirations, as the junior imitation brand did in the case of *Christian Louboutin vs. Yves Saint Laurent* (2011).

The results of the main effects of appearance similarity and price point on senior brand management outcomes were not significant; nevertheless, the findings provide insight as to the effects of imitations. The lack of significant effects of appearance similarity, either positive or negative, on the senior brand insinuates both that similarity levels of junior imitations may not cause any changes related to senior brands, at least for those that are so famous enough they are immune from dilution (Morris & Jacoby, 2000). Further, such brands with levels of familiarity high enough to thwart dilution from imitations may also be immune from reinforcement effects. The connection of these results with the prior research revealing reinforcement and dilution effects from imitation

(Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006) underscores the need for two categories of senior brands: one for brands that are so famous they are not affected at all by imitation (either positively or negatively), and one for brands that are unfamiliar enough that they could be.

The study also looked to investigate the moderating effects of consumer characteristics (namely, consumer ethics, prestige sensitivity, and fashion leadership) on the interaction between appearance similarity and price point for both the junior and senior brand. As per the results, consumers' ethical ideology marginally moderated the effect of appearance similarity and price point on junior brand management outcomes. Said ethical ideology also moderated the effect of appearance similarity and price point on senior brand attitude and marginally on senior brand leadership. These results collectively indicate that the effects of appearance similarity and price point on both junior and senior brands differ between consumers with higher and lower ethical ideologies. This supports the existence of a nexus between ethics and imitation that was expected to exist due to the controversial, litigious, and sometimes illegal aspects associated with imitation practices. Beyond consumer ethics, the consumer characteristic of fashion leadership also marginally moderated the effect of appearance similarity and price point on senior brand awareness such that fashion leaders were less affected by the effect of appearance similarity and price point than non-fashion leaders. The results pertaining to the consumer ethics and fashion leadership consumer characteristics collectively reveal that the effects of imitation varies amongst consumer types, at least in the domains of ethics and fashion leadership.

Finally, the study generally confirms the prior research highlighting the predictive ability of brand attitude for brand equity, brand equity for brand preference, and brand attitude and brand preference. The relationships among these brand management outcomes were completely supported by the junior brand, as well as the senior brand, save for the relationship between brand equity and brand preference (where the brand equity dimensions of brand associations and brand loyalty positively influenced senior brand preference, while brand awareness negatively influenced brand preference). In sum, the research confirms the literature providing that consumer evaluations of brands generally determine consumers' preferences toward those brands, as well as choices related to them (Aaker, 1991; Chang & Liu, 2009; Keller, 1993; Solomon, 2013; Yoo, Donthu, & Lee, 2000), all of which are collectively considered to be the outcomes of brand management. The study also reveals that despite this strong relationship between consumer evaluations of brands and their preferences/choices related to them, there are stimulating circumstances, such as those resulting from trend imitation, in which a change in consumer evaluations will not result in a change in consumer choice (e.g., the 3-way interaction of appearance similarity, price point, and consumer ethics only on senior brand attitude, and not senior brand equity or preference).

Overall, the findings broaden and clarify the understanding of the effects of retail imitation practices with respect to the junior imitation and senior inspiration brands. Findings indicate that similarity of juniors to seniors in terms of appearance and price affect junior brand management outcomes, yet not those of well-known seniors. The results also reveal that the effects of imitation vary amongst certain consumer

characteristics. Consumer ethical ideology moderates the effect of appearance similarity and price point on junior brand management outcomes and senior brand attitude and brand leadership, and fashion leadership marginally moderates that effect on senior brand awareness. These findings loosely indicate that, taken alone, appearance similarity and price point affect only the junior brand. However, when certain consumer characteristics, namely ethical ideologies and fashion leadership, are taken into account, the effects of appearance similarity and price point on the senior brand vary. Finally, with regard to the brand management outcomes used in this study, the findings further support the existence of relationships between the outcomes of brand attitude, brand equity, and brand preference for both junior and senior brands.

Implications

This study contributed valuable and significant implications for both academics and practitioners. Theoretical, managerial, public policy, legal, and legislative implications are discussed below.

Theoretical Implications

This current study empirically examines the effects of retail imitation practices on junior and senior brand management outcomes. The results of the study theoretically contribute to the literature in several genres: retail trend imitation, branding and brand equity, and consumer ethics.

The findings deepen the understanding from the prior research on retail trend imitation by demonstrating the need for segmentation of imitation types based on their legal status and level of consumer involvement. That is, prior to this study, the literature

primarily enveloped consumer evaluations related to more low-involvement (primarily edible) consumer goods (Horen & Pieters, 2011, 2012, 2013; Kim, 2005; Laurent & Kapferer, 1985; Warlop & Alba, 2004). Moreover, the primary study pertaining to higher-involvement luxury brand products focused on consumer preference for trend imitations as opposed to counterfeits (Jiang, 2013). Thus, by fusing the extant empirical research with the legal literature to specify imitation type and by focusing on high-involvement luxury products (rather than everyday consumer goods), the current study assessed consumer evaluations of a specific category of imitations, namely legal luxury trend imitations, that consumers evaluate differently from those implemented in previous studies. This refinement also served to create a scenario that was less likely to trigger legal action and as a result, was more representative of imitation consumers might encounter in the marketplace.

Within that context, the current study specifically demonstrated that appearance similarity affects consumer evaluations of luxury trend imitation such that when the senior brand is present, highly similar luxury junior brand trend imitation is less positively evaluated than less similar imitation. Again, the comparison of these results with contrary findings for low-involvement consumer goods (Horen & Pieters, 2011, 2012) supports the creation of segmentation of imitation types based on their appearance and associated legal status and consumer involvement. Similarly, the lack of effects on a market-leading senior brand (Millward Brown, 2015) in the aforementioned context, in conjunction with the prior research revealing changes in senior brand evaluations due to junior imitations (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006),

underscore the need for two categories of senior brands: one for brands that are so famous they are not affected by imitation, and one for brands that are unfamiliar enough that they are affected. Further, results reveal that effects of imitation on senior brands may manifest themselves as differences between consumers (in terms of ethics or fashion leadership), which, when coupled with the results revealing ethics moderate consumer evaluations of juniors, reveal a need to incorporate related consumer characteristics into research on the topic.

In sum, the collective research including the results from this study and the previous research reveal factors important to research on retail imitation, which roughly fit into a framework that can be used to develop a theory to explain consumer response to retail imitation. Research reveals that the construct should contain the components of imitation appearance at the point-of-sale (i.e., whether the imitation is of brand name, logo, packaging, product design, etc.), resulting imitation legal status (i.e., whether the imitation would be legal and actually available in the marketplace/legal channels), imitation price point, senior type (i.e., famousness) and relevant consumer characteristics (ethics and fashion leadership) in determining consumer evaluations of both the junior and senior. If the importance of, and variance amongst, these components are not enough to confirm that retail imitation deserves its own framework, the finding that imitation practices essentially can obstruct the traditional relationships between brand attitude, brand equity, and brand preference further supports the need for the development of a theory specifically concerning retail imitation.

This study also contributed to the literature on branding and brand equity. The value associated with a brand is an intangible concept, invoking intellectual property law as a form of protection. Instruments to measure brand value arguably did not emerge until the late 1980s and early 1990s (Aaker, 1992). Since that time, the branding literature has rich with varied perspectives and definitions of brand equity (Aaker, 1992; Erdem & Swait, 1998; Keller, 1993; Lassar, Mittal, & Sharma, 1995; Simon & Sullivan, 1993) and strategies as to how to build and maintain brand value (Aaker, 1991; Keller, 1993). Prior studies have also covered effects on brand equity from brand extensions and imitation practices (Colucci, Montaguti, & Lago, 2008; Keller & Sood, 2003; Milberg, Park, & McCarthy, 1997; Sood & Keller, 2012; Vogel & Watchravesringkan, 2017), in addition to other events outside of the control of firms (Buchanan et al., 1999; Loken & Amaral, 2010; Nia & Zaichkowsky, 2000; Y. Wang & Song, 2013). The current study extends the literature pertaining to the effects on brand equity resulting from circumstances both in and out of the control of the firm. The results related to the junior brand provide knowledge as to how imitation merchandising and pricing strategies affect the imitating brand (i.e., the brand for which the event is within firm control). Further, the results for the senior brand deepen the understanding of how certain consumer characteristics can moderate the effects of imitation appearance similarity and price point on the senior brand (i.e., the brand for which the event is outside of firm control). The results also extend the literature on the nullifying effect of brand famousness.

Finally, the current research contributes to the discipline of business ethics. Ethics as a branch of philosophy is undoubtedly archaic. Yet, ethics in business has a much

shorter history, receiving literary prominence starting in the early 1980s (Vitell & Ho, 1997), and even this inauguration was focused more on businesses than consumers or the principles guiding their purchasing behavior (Cui, Mitchell, Schlegelmilch, & Cornwell, 2005; Muncy & Vitell, 1992; Vitell & Ho, 1997). Ethics are rooted in notions of right and wrong (Ethics, n.d.), and at least high similarity imitation activating intellectual property infringement questions characterizes the practice as an ethical issue. The results indicating that consumer ethics moderate the effects of trend imitation on the senior brand not only extend the literature on consumer ethics, but also somewhat frame trend imitation as an unethical practice for some consumers.

Managerial Implications

The managerial implications stemming from the findings of this study are valuable to both junior and senior brands. Guidance for junior brand managers will be provided first, followed by the importance of the results for senior brand managers. As the results reveal that the effect of appearance similarity and price point on junior brand equity depends on how ethical the consumer is, junior imitation brand managers may wish to either target certain consumers based on ethical ideologies, or focus on the promotion of ethical practices related to the brand's merchandising strategies. Further, the effect of price point on junior brand management outcomes indicates that luxury trend imitation brand managers should price their products below that of the senior, rather than pricing the junior similar to the senior and attempting to directly compete with it.

The remaining findings provide guidance as to the important factors related to junior imitation product appearance at the point-of-sale. High similarity luxury trend

imitations that appear identical or highly similar to the senior, yet feature different brand names (e.g., the Dooney and Bourke imitation of the Louis Vuitton) (*Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007), do not benefit from close juxtaposition to the senior as low-involvement consumer products do. Accordingly, appearance similarity at the point-of-sale is important to managers charged with imitation product and packaging design. Along these lines, proximity of the senior brand at the point-of-sale is a key component to the retail channel strategy of luxury imitation brands. Retail channels can be exclusive to one brand (e.g., specialty store, brand website) such that competition is not present at the point of sale, or house a number of different brands (e.g., department store) where the competition present and often a close neighbor (Burns et al., 2011). Under circumstances where close proximity to the competition is helpful, a brand may choose the latter and vice versa. Accordingly, channel choice is important to managers of junior luxury brands, as evaluations thereof can be negatively affected by senior brand presence. Imitation junior brands should not offer their high similarity trend imitations at points-of-sale that are near the mimicked seniors, and may even consider focusing on retail channels where the potential to be adjacent to the senior is less (e.g., mono-brand/specialty stores) and avoiding multi-channel options where the potential is greater (e.g., department stores). Noteworthy, the results also indicate that a positive evaluation of the junior brand imitation may not translate to a choice for the imitation. Thus, a positive response to the imitation is only part of the ultimate battle for sales.

Turning to the managerial implications for senior brands mimicked by junior imitation brands, the general effects seem to depend on whether a senior brand is a

famous market leader or not. For senior brand market leaders, such as Louis Vuitton, the effect of junior imitation appearance similarity and price point on senior brand management outcomes manifests itself as a difference between consumer types. More specifically, the effects of these variables on senior brand attitude depend on consumer ethical judgments, while the effects on senior brand awareness, associations, leadership, and perceived brand quality depend on consumer fashion leadership. Consumers with more ethical judgment seem to exhibit more favorable senior brand attitude. Further, those that fancy themselves fashion leaders have stronger senior brand awareness and associations, and are less inclined to allow junior trend imitation to affect perceptions of the senior as a market leader or high quality brand. As a result, famous senior brands may wish to target fashion leaders or more ethical consumers in conjunction with the emergence of imitations. For example, such brands might consider launching advertising campaigns when imitations emerge that focus on promoting ethical behavior and/or products, such as the 2010 LV campaign that featured U2's Bono and his wife, Ali Hewson, and promoted both a climate Change project as well as other brands that focus on ethical production of apparel (Abraham, 2010). In addition to this tactic, and due to the more negative evaluations of junior imitations when the seniors are present, famous seniors may implement a strategy to stay in close proximity to imitations at the point-of-sale by using similar retail channels as the imitations (e.g., department stores).

Managers of brands that are not so famous are more directly affected by imitations (Choy & Kim, 2013; Morrin & Jacoby, 2000; Pullig et al., 2006), although it is not exactly clear how familiar a brand must be so as to not experience effects from

imitations. Thus, unless a luxury brand is a market leader, such as Louis Vuitton (Millward Brown, 2015), there is no guarantee the brand will not be affected by imitations. New or emerging brands can certainly experience effects, as well as those luxury brands that are smaller and more "niche," and as a result, less familiar overall. Thus, the jury is still out as to the circumstances that may cause senior brand dilution and potentially, lost sales/profits for more unfamiliar senior brands. Nevertheless, the study also sought to explore the relationships between senior brand management outcomes in the context of imitations. Although the findings reveal that imitation appearance or price does may not directly affects familiar brands, in a setting containing imitations, some dimensions of senior brand equity (brand associations and brand loyalty) positively influence senior brand preference, while others (brand awareness) negatively influence it. Such findings do not necessarily provide concrete evidence that changes in brand equity cause similar changes in brand preference. Yet, these results indicate that to a point, imitation disturbs the traditional relationships between these outcomes. In essence, the question of when senior brand managers should pursue trademark dilution lawsuits can be modified to focus less on whether such lawsuits are warranted and more on when they are warranted (i.e., which brands so unfamiliar that they are affected by imitation).

Public Policy, Legal, and Legislative Implications

The public policy, legal, and legislative implications of this study are related to the effects of imitation on the senior brand. In particular, information as to when trend imitations affect (e.g., tarnish) senior brands is important to each of the public policy, legal, and legislative arenas. From a public policy perspective, it is important to

understand when trend imitations both cause consumers to exert more time and energy associating the imitation and the senior (*Ty Inc. v. Perryman*, 2002), and negatively affect seniors such that legal action is warranted (which increases the number of lawsuits filed and causes social losses) (Tushnet, 2008). Information on when such litigation is warranted is also useful to the legal sector, as is empirical evidence of effects beyond changes in senior brand associations and brand awareness, so that courts have enough evidence of negative effects on the senior brand (Bird, 2007; Bunker & Bissell, 2013; Tushnet, 2008). In the legislative arena, information on effects from imitation on senior brands can assist with determining the worthiness of an extension intellectual property protection to fashion apparel and accessories.

As discussed above, the general effect of imitations on senior brands depends on their level of famousness and/or market leadership. The effect of junior imitation appearance similarity and price point on famous senior brands depends on consumer type, rather than the imitation type. Thus, with respect to public policy, mental exertion in associating famous seniors and imitations thereof will depend on consumer ethical ideologies and tendency toward fashion leadership. Similarly, justification for the instigation of trademark-related lawsuits by famous senior brands may have to focus on effects from imitation on certain consumer groups, as opposed to the entire market. This should result in fewer trademark-dilution lawsuits, as senior brands that have filed some of the more controversial lawsuits in the past have arguably been market leaders (e.g., Louis Vuitton, Gucci). A decrease in the number of lawsuits is beneficial from both the public policy and legal perspectives (Tushnet, 2008; *Ty Inc. v. Perryman*, 2002), and

allows court space and time to be reserved for brands that are not so famous, and therefore more likely to be affected by trend imitation, to seek legal justice.

Regarding the need for empirical evidence of effects on the senior beyond mental changes in the legal sector, the current's findings indicate that the effects on famous senior brands not only depend on consumer characteristics, but also may not extend beyond changes in senior brand attitude and brand equity. While such findings do not necessarily provide the evidence the legal sector may be looking for, the results indicate that, to a point, imitation disturbs the traditional relationships between brand attitude, brand equity, and brand preference. However, again, these findings are limited to famous senior brands. At least one study has linked changes in senior brand mental associations due to imitations to changes in choice for the brand (Pullig et al., 2006). As such, further research is needed to explore dilution and choice. With respect to the worth of a legislative update to include fashion apparel and accessories under intellectual property law protection, the current study underscores the importance of including a provision in such legislation that distinguishes between brands that are famous enough to not need protection, and those that are not.

The following section discusses limitations of the research and future research directions.

Limitations and Future Research Directions

This study contains several limitations. First, the participants were from student populations at universities in the southeastern U.S. Thus, only one demographic group was represented, which is essentially the target market for junior trend imitation brands

(Doss and Robinson, 2013; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007), yet not for senior brands. As such, the findings cannot be generalized to the entire market of consumers. The results of the instant research may vary if data were collected from different areas or among different participant groups. For future studies, a random selection of consumers across multiple geographic locations would allow for more generalizable results. In addition, as participants in the current investigation were primarily college-aged (89.7% fell into an age range of 18-22 years), future investigations should include older consumers (e.g., Generation X or Baby Boomers) to provide additional insight into the effects of retail imitation. Although junior imitation masstige luxury brands target such younger consumers (Doss and Robinson, 2013; *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006, 2007), many senior imitated brands target older consumers with more discretionary income to afford the traditional luxury prices (Burns et al., 2011; Lichtenstein, Ridgway, & Netemeyer, 1993). The sample here likely contained a number of participants that have lower incomes and cannot afford offerings of traditional luxury brands. Moreover, a younger sample like the one in the instant study may have a greater propensity to provide socially desirable answers rather than more honest ones. Thus, to provide information more relevant to senior mimicked brands, a sample more akin to their target markets would be ideal.

Second and along these lines, this study collected data from participants located only in the U.S. However, participants from other nations may have different reactions to imitation practices, and ultimately, evaluations of junior imitation and senior brands. This may be especially true when, for instance, the senior mimicked brands are from the same

countries as the consumers that participate (e.g., French participants may feel differently about trend imitation of a French brand). There also may be differences in imitation evaluation across culture types, such as between collectivist and individualistic cultures, which are quite different from one another from a myriad of perspectives (e.g., group membership) (Hofstede, 2001). Accordingly, future studies might collect data from different countries to compare results from a broader range of contexts.

Third, senior and junior brand selection serves as a limitation of this study. As expressed above, senior brand selection was difficult in terms of finding one that is brand famous enough that the junior could free ride on the equity but not so famous as to be immune from dilution. Obviously, that was not exactly achieved in this case, at least with respect to the main effects (H2, H4, and H6). Future research could use a senior that is not a market leader. In the apparel and accessories industry there are emerging brands (e.g., Jason Wu) that are more at risk for dilution decreased brand preference that could be the focus of future research. Future research could also explore various brands to determine which are famous enough to not be affected by imitation and which are not. The identity of the junior brand is also a limitation, as consumers had no prior knowledge of the brand due to its fictitious nature. As such, the brand equity measurement for the fictitious junior brand may be less reliable than such a measurement for an existing junior brand because brand equity, at least to an extent, captures consumer brand value based prior brand knowledge.

Fourth, this study focused on imitation in the luxury sphere. Although luxury brands are often the victims of trend imitation (Pouillard, 2011; Vigneron & Johnson,

1999), brands operating in all price zones experience trend imitation in one form or another (i.e., as juniors or seniors). The main point in investigating the effects of imitation on senior brands rests on the threat that highly similar potential substitutes pose (i.e., those that could steal sales) (Beltrametti, 2010). Thus, regardless of whether the focus is on luxury or more mass-market brands, junior stimuli products should be those that could be offered in the same price zone as the seniors they mimic. For example, a study on the effects of imitation of mid-range priced products, such as those involved in the case of *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, (2011) that are linked to higher involvement levels than everyday consumer products (e.g., olive oil) but not as high as those levels linked with luxury goods (Kim, 2005; Solomon, 2013). Such knowledge could assist in determining where the lines can begin to be drawn between the effects of imitation and ranges of product types.

Along this vein, consumer brand and product involvement could have been investigated as an additional consumer characteristic in this study, particularly because this study investigated high-priced luxury products, with which involvement tends to be higher (Kim, 2005; Solomon, 2013). As it stands, the research only investigated fashion leadership, prestige sensitivity, and consumer ethics as moderating variables on the interaction of appearance similarity and price on junior and senior brand management outcomes. These characteristics were selected based on either their association with luxury products (i.e., prestige sensitivity and fashion leadership) or the act of retail imitation (i.e., consumer ethics). In reality, many additional characteristics could moderate the effects of trend imitation (e.g., value consciousness). Finally, the study

could have controlled for familiarity with the senior brands as well as the website (i.e., Net-a-Porter) included in the stimuli to feature the junior and senior products.

Incorporating a control for these variables in conjunction with the hypotheses would have made clearer the relationships between imitation and junior and senior brand management outcomes.

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APPENDIX A
QUESTIONNAIRE

Dear Consumers:

We are conducting research to better understand consumers' attitudes and behaviors with respect to retail brands, and your input is very important. You are invited to voluntarily participate in this study. You must be 18 years old or older to participate. Choosing not to participate or withdrawing from the study will have no effect on your grades.

Please take about 15 to 20 minutes to complete this survey. There are no right or wrong answers to the questions. Your answers will be kept confidential and anonymous. You are allowed to work at your own pace. You may stop filling out this survey at any time if you feel uncomfortable. There is no risk and no benefit to you by participating in this study. By completing this survey you are agreeing that you have read this document (or that it has been read to you) and that you fully understand its contents. By completing this survey, you are also agreeing that you are 18 years of age or older, and that you agree to participate.

Thank you in advance for your participation. If you have any questions, please feel free to ask the researchers. We would be glad to assist you. In addition, if you have any questions concerning your rights as a research subject, you may contact the University of North Carolina at Greensboro Institutional Review Board at (855) 251-2351.

Sincerely,
Areti T. Vogel, Ph.D. Student
Dept. Consumer, Apparel, & Retail Studies
University of North Carolina at Greensboro
Tel: (321) 313-1405
Email: agtsitsa@uncg.edu

Kittichai "Tu" Watchravesringkan, Ph.D.
Dept. Consumer, Apparel, & Retail Studies
University of North Carolina, Greensboro
Tel: (336) 256-2474
Email: k_watchr@uncg.edu

I have read and understood the above consent form, am over 18 years old, and desire of my own free will to participate in this study.

- Yes
- No

I am currently a student at a university.

- Yes
- No

Section 1

Please imagine that you are shopping online for a wallet at Net-A-Porter, a website that sells apparel and accessories products by high-end/designer brands. When you search the website for wallets, the following assortment appears:

Scenario 1:

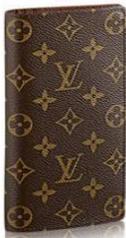
NET-A-PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by

ACCESSORIES
2 Results

JEWELRY
BELTS
GLOVES
HATS
WALLETS



LOUIS VUITTON
Canvas wallet
\$750



JEAN CLAUDE
Canvas wallet
\$750

Scenario 2:

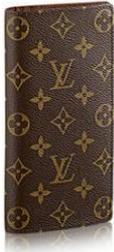
NET-A-PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by

ACCESSORIES
2 Results

JEWELRY
BELTS
GLOVES
HATS
WALLETS



LOUIS VUITTON
Canvas wallet
\$750



JEAN CLAUDE
Canvas wallet
\$750

Scenario 3:

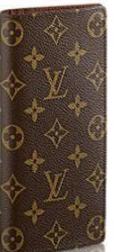
NET-A-PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by

ACCESSORIES
2 Results

JEWELRY
BELTS
GLOVES
HATS
WALLETS



LOUIS VUITTON
Canvas wallet
\$750



JEAN CLAUDE
Canvas wallet
\$750

Scenario 4:

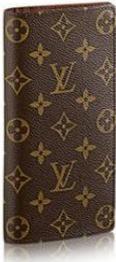
NET-A-PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by

ACCESSORIES
2 Results

JEWELRY
BELTS
GLOVES
HATS
WALLETS



LOUIS VUITTON
Canvas wallet
\$750



JEAN CLAUDE
Canvas wallet
\$350

Scenario 5:

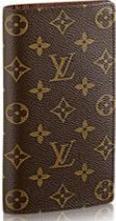
NET-A-PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by

ACCESSORIES
2 Results

JEWELRY
BELTS
GLOVES
HATS
WALLETS



LOUIS VUITTON
Canvas wallet
\$750



JEAN CLAUDE
Canvas wallet
\$350

Scenario 6:

NET - A - PORTER
The world's premier online luxury fashion destination

WHAT'S NEW DESIGNERS CLOTHING SHOES BAGS ACCESSORIES JEWELRY LINGERIE SPORT BEAUTY

Outfit View Sort by v

ACCESSORIES
2 Results

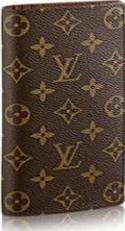
JEWELRY

BELTS

GLOVES

HATS

WALLETS



LOUIS VUITTON
Canvas wallet
\$750



JEAN CLAUDE
Canvas wallet
\$350

Please answer the following questions about the product assortment.

How similar do you believe each of the following aspects of the Jean Claude brand wallet is to the Louis Vuitton brand wallet?

	1	2	3	4	5	6	7
Wallet shape	<input type="radio"/>						
Color scheme	<input type="radio"/>						
Overall number of visible graphics and letters/brand initials	<input type="radio"/>						
Letters/brand initials used	<input type="radio"/>						
Non-letter graphics used	<input type="radio"/>						
Placement of letters/brand initials	<input type="radio"/>						
Placement of non-letter graphics	<input type="radio"/>						

To what extent do you agree that the Jean Claude wallet is very similar to the Louis Vuitton wallet?

	1	2	3	4	5	6	7
Strongly disagree to Strongly agree	<input type="radio"/>						

What level of similarity do you believe the Jean Claude brand wallet has to the Louis Vuitton brand wallet?

	1	2	3	4	5	6	7
Low similarity to High similarity	<input type="radio"/>						

To what extent do you believe it is acceptable that Jean Claude would have copied the Louis Vuitton product?

	1	2	3	4	5	6	7
Unacceptable to Acceptable	<input type="radio"/>						

To what extent do you agree that the price of the Jean Claude wallet is exactly the same price as the Louis Vuitton wallet?

	1	2	3	4	5	6	7
Strongly disagree to Strongly agree	<input type="radio"/>						

Section 2

Next, are going to collect some information on your evaluations of the JEAN CLAUDE (JC) brand that manufactured the product on the right.

Please rate the scales below by selecting the circle that is closest to how you feel about the Jean Claude brand.

	1	2	3	4	5	6	7
Negative:Positive	<input type="radio"/>						
Bad:Good	<input type="radio"/>						
Unattractive:Attractive	<input type="radio"/>						
Unfavorable:Favorable	<input type="radio"/>						
Uninteresting:Interesting	<input type="radio"/>						

Please provide information about your preferences by marking your agreement or disagreement with the following statements about the Jean Claude brand.

	Strongly Disagree						Strongly Agree
If I need a product of this nature, it makes sense to buy JC instead of any other brand, even if they are the same.	<input type="radio"/>						
Even if another brand has the same features as JC, I would prefer to buy JC.	<input type="radio"/>						
If there is another brand as good as JC, I prefer to buy JC if I need a product of this nature.	<input type="radio"/>						
I prefer JC to other brands of its type.	<input type="radio"/>						
I consider JC to be my primary source of this type of merchandise.	<input type="radio"/>						
When it comes to making a purchase, JC is my first preference.	<input type="radio"/>						

Section 3

At this point, we would like to turn your attention to the LOUIS VUITTON (LV) brand that manufactured the product on the left.

How familiar are you with the Louis Vuitton brand?

	1	2	3	4	5	6	7
Not at all familiar to Very familiar	<input type="radio"/>						

We would now like to collect information on your evaluations of and experience with the LOUIS VUITTON (LV) brand.

Please select the circle that is closest to how you generally feel about the Louis Vuitton brand.

	1	2	3	4	5	6	7
Negative:Positive	<input type="radio"/>						
Bad:Good	<input type="radio"/>						
Unattractive:Attractive	<input type="radio"/>						
Unfavorable:Favorable	<input type="radio"/>						
Uninteresting:Interesting	<input type="radio"/>						

Have you ever purchased apparel or accessories made by the Louis Vuitton brand?

- Yes
- No

The following questions relate to your perceptions of the LOUIS VUITTON (LV) brand.

Please mark your level of agreement or disagreement with the following general statements.

	Strongly Disagree						Strongly Agree
I can recognize LV among other competing brands.	<input type="radio"/>						
I know what LV looks like.	<input type="radio"/>						
I am aware of LV.	<input type="radio"/>						
I have difficulty in imagining LV in my mind.	<input type="radio"/>						
Some characteristics of LV come to my mind quickly.	<input type="radio"/>						
I can quickly recall the symbol or logo of LV.	<input type="radio"/>						
LV has a personality.	<input type="radio"/>						
LV is interesting.	<input type="radio"/>						
I have a clear image of the type of person who would use LV.	<input type="radio"/>						
LV is different from competing brands.	<input type="radio"/>						
There are reasons to buy LV over competitors.	<input type="radio"/>						
LV is known for innovative product designs.	<input type="radio"/>						
LV is a leading brand in apparel and accessories.	<input type="radio"/>						

Please mark your level of agreement or disagreement with each of the following statements as a completion of this sentence: When compared with other competing brands, Louis Vuitton _____.

	Strongly Disagree						Strongly Agree
is higher in quality standards.	<input type="radio"/>						
is reasonably priced.	<input type="radio"/>						
has better features for the price.	<input type="radio"/>						
offers more benefits for the price.	<input type="radio"/>						
is more creative.	<input type="radio"/>						
is more of a trendsetter.	<input type="radio"/>						
is more preferred.	<input type="radio"/>						
is more recognized.	<input type="radio"/>						

For the following specific statements about the Louis Vuitton brand, please indicate your level of agreement or disagreement.

	Strongly Disagree						Strongly Agree
LV is expensive.	<input type="radio"/>						
LV is stylish.	<input type="radio"/>						
LV is fashionable.	<input type="radio"/>						
LV is trendy.	<input type="radio"/>						
LV is luxurious.	<input type="radio"/>						
LV is prestigious.	<input type="radio"/>						
LV signals high status.	<input type="radio"/>						
LV is unique.	<input type="radio"/>						
LV has a variety of products.	<input type="radio"/>						

Please provide information about your preferences by marking your agreement or disagreement with the following statements.

	Strongly Disagree						Strongly Agree
I consider myself to be loyal to LV.	<input type="radio"/>						
LV would be my first choice.	<input type="radio"/>						
I will not buy other brands if LV is available at the store.	<input type="radio"/>						
If I need a product of this nature, it makes sense to buy LV instead of any other brand, even if they are the same.	<input type="radio"/>						
Even if another brand has the same features as LV, I would prefer to buy LV.	<input type="radio"/>						
If there is another brand as good as LV, I prefer to buy LV if I need a product of this nature.	<input type="radio"/>						
I prefer LV to other brands of its type.	<input type="radio"/>						
I consider LV to be my primary source of this type of merchandise.	<input type="radio"/>						
When it comes to making a purchase, LV is my first preference.	<input type="radio"/>						

Section 4

Next, we would like to gather some general information about you.

Please indicate your level of agreement or disagreement with the following statements.

	Strongly Disagree						Strongly Agree
I am the first to try new fashion.	<input type="radio"/>						
Many people regard me as a fashion leader.	<input type="radio"/>						
It is important for me to be a fashion leader.	<input type="radio"/>						
People notice when I buy the most expensive brand of a product.	<input type="radio"/>						
Buying a high priced brand makes me feel good about myself.	<input type="radio"/>						
Buying the most expensive brand of a product makes me feel classy.	<input type="radio"/>						
I enjoy the prestige of buying a high-priced brand.	<input type="radio"/>						
It says something to people when I buy the high-priced version of a product.	<input type="radio"/>						
I have purchased the most expensive brand of a product just because I knew other people would notice.	<input type="radio"/>						
I think others make judgments about me by the kinds of products and brands I buy.	<input type="radio"/>						
Even for a relatively inexpensive product, I think that buying a costly brand is impressive.	<input type="radio"/>						

Please tell us some additional information by indicating the extent to which you believe each of the following actions is wrong:

	1	2	3	4	5	6	7
Buying an apparel item from a retail store, wearing it, and then returning it.	<input type="radio"/>						
Changing price-tags on merchandise in a retail store.	<input type="radio"/>						
Giving misleading price information to a clerk for an unpriced item.	<input type="radio"/>						
Reporting a lost item as "stolen" to an insurance company in order to collect the money.	<input type="radio"/>						
Returning damaged merchandise when the damage is your own fault.	<input type="radio"/>						
Not saying anything when the waitress miscalculates the bill in your favor.	<input type="radio"/>						
Not reporting getting too much change.	<input type="radio"/>						
Lying about one's age to get a lower price.	<input type="radio"/>						
Moving into a new residence, finding that the cable TV is still hooked up, and using it rather than signing up and paying for it.	<input type="radio"/>						
Using an expired coupon for merchandise.	<input type="radio"/>						
Returning merchandise to a store by claiming that it was a gift when it was not.	<input type="radio"/>						
Not telling the truth when negotiating the price of a new automobile.	<input type="radio"/>						
Stretching the truth on an income tax return.	<input type="radio"/>						
Using a coupon for merchandise you did not buy.	<input type="radio"/>						

Section 5

Finally, please provide us with some demographic information by responding to the following questions.

Which gender do you identify yourself with?

- Male
- Female

What is your age?

What is your average monthly gross income (including scholarships, earnings, allowances, etc.)?

- Below \$500
- \$500 - \$749
- \$750 - \$999
- \$1,000 - \$1,499
- \$1,500 - \$1,999
- Above \$2,000

What is your year in school?

- Freshman
- Sophomore
- Junior
- Senior
- Graduate

What is your ethnicity?

- African American
- Asian American
- Caucasian
- Hispanic American
- Other (please specify): _____

END OF SURVEY DEBRIEFING NOTE:

Dear Consumers,

Thank you again for your participation. In the study, we told you that a new French apparel and accessories brand, Jean Claude, has entered the market, and that it will be available in high end department stores. We also showed you a photograph of a Jean Claude brand wallet next to a Louis Vuitton brand wallet, and both products had pricing information beneath them.

In actuality, the Jean Claude brand (and the wallet) does not exist. We created both the brand and the wallet for the purpose of this study only. We did not tell you the full nature of the experiment because we wanted to gauge your honest reaction to the launch of such a product in the marketplace. Previous research has used fictitious brands or products to study consumer evaluations of imitation practices (Horen & Pieters, 2012a, 2012b; Morrin & Jacoby, 2000; Pullig, Simmons, & Netemeyer, 2006). Additionally, the price that was indicated for the Louis Vuitton brand wallet was not accurate.

Again, we thank you for your participation. If you have any concerns, please contact the researcher, Areti Vogel (321-313-1405), to discuss any questions about the research. If you have concerns about the way you were treated as a participant in this study, please contact the University of North Carolina at Greensboro Institutional Review Board at (855) 251-2351.