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CONSUMERS' PERCEPTIONS OF BRAND IMITATORS

by

Roberta M. Hupman

B.Comm. (Hons.) Dalhousie University 1990

THESIS SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF  
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in the Faculty

of

Business Administration

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## **Abstract**

As competition increases in consumer product markets, some firms attempt to capitalize on the already established identities of leading national brands through an imitation strategy. This research examined consumers' perceptions of such a strategy.

A total of 80 consumers were surveyed using mall-intercept sampling in the first study. Pairs of products from four product categories were shown to respondents; two pairs consisted of a national brand and store brand and the other pairs consisted of two independent brands. Respondents were questioned on perceptions of similarity and origin, and were asked to make ethical judgments of brand imitation.

It was found that product pairs that were perceived as having a common manufacturer were perceived as being more similar and pairs that were perceived as being made by different companies were perceived as being less similar. In addition, ethical judgments differed among several demographic categories including income, education, occupation, and gender.

The second study consisted of 75 subjects drawn from the university campus. Pairs of products from three product categories were shown to respondents; two were national/store brand pairs and the other consisted of independent brands. Respondents completed a self-administered questionnaire which included questions on perceptions of manufacturer origin and product similarity, types of cues used to judge similarity, the influence of product involvement, purchase intention at various price levels, and ethical judgments of brand imitation strategy.

The same relationship between perceptions of origin and similarity was also found in the second study. The most important cue in judging similarity was reported as being the overall design. The level of product involvement also seemed to be important factor in perceptions of similarity. Those who were less involved with a product were more likely to perceive the product pairs as being similar than more involved consumers.

As the imitator brand's price drops in relation to the national brand, respondents were more likely to purchase it, with ethical judgment being a significant covariate for certain products. Ethical judgments were also found to differ between the sexes. Females tended to judge brand imitation to be more unethical than males.



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# **Consumers' Perceptions of Brand Imitators**

## **1. Introduction**

In the competitive world of consumer goods, how can a firm survive? Many firms rely on the brand names they have established in the marketplace to identify their products (Murphy, 1987). As stated by Park, Jaworski and MacInnis (1986):

A brand image has both a direct effect on sales and a moderating effect on the relationship between [product life cycle] strategies and sales. ...A brand image is not simply a perceptual phenomenon affected by the firm's communication activities alone. It is the understanding consumers derive from the total set of brand-related activities engaged in by the firm (p. 135).

Studies on a wide range of product categories indicate that there is a strong relationship between brand and perceived quality (e.g., Belizzi, Krueckeberg, Hamilton and Martin, 1981; Cunningham, Hardy and Imperia, 1982; and Davis, 1985).

However, competitors may attempt to capitalize on the "look" or "feel" of well-known brands in order to increase their own sales of similar products (Fenby, 1983; Carratu, 1987). There are a number of implications inherent in an imitative strategy. First, the firm that owns

the original brand has invested a great deal of time, effort and money in establishing its brand (e.g., R&D and promotion). A firm that imitates a competing brand's look is using the competitor's brand identity for its own benefit. For the "knock-off" brand, an imitation strategy reduces the costs involved in launching a brand and creating demand for it (Ward, Loken, Ross and Hasapopoulos, 1986).

Second, Ward et al. (1986) also point out that a firm does not have the economic incentive to innovate when it is cheaper simply to imitate another firm's product. There is much less risk involved in imitating a successful product, particularly since the failure rate for new products is extremely high (Tauber, 1988).

Third, knock-off brands are often of lower quality than the original brand (Fenby, 1983; Carratu, 1987). If a consumer unknowingly purchases the knock-off brand instead of the original, the resultant dissatisfaction will likely be attributed to the original brand, since the consumer is unaware of the confusion (Foxman, Muehling, and Berger, 1990). On the other hand, the consumer may become aware that the brand purchased is not the original brand. A positive experience with the imitator brand will result in consumers' preferring the imitator brand because it provides a better perceived value (Simpson, 1992).

Last, an imitation strategy may be beneficial to the consumer. Imitation may help the public in their buying processes by "reducing the time and effort required to learn the (unique) benefits a new brand offers" (Ward et al., 1986, p. 52).

Imitation may be advantageous to consumers as a type of visual shorthand to identify similar products. For example, most brands of baby shampoo look alike. A consumer can be reasonably sure that any translucent yellow shampoo in a tear-shaped bottle is baby shampoo. However, a consumer may believe that the original brand and the imitator have a common origin and thus an equivalent level of quality (Ward et al., 1986). This may not necessarily be the case.

### **1.1 Relevance to Marketers**

Consumers' perceptions of brand imitation should be of extreme importance to firms who are involved in marketing an imitator brand. A marketing oriented strategy focuses on the wants and needs of consumers. These wants and needs should be determined before proceeding with development of the marketing mix. How consumers view brand imitation would be a vital piece of information for a firm considering such a strategy.

Consumers may feel that it is acceptable for imitators to copy national brands due to the positive implications of this strategy. This may encourage more firms to follow this practice because it would imply that an imitation strategy has a positive effect on sales for the imitator and is a legitimate way to do business. Indications that consumers perceive brand imitation negatively, thereby having little positive effect on sales, may discourage firms from using this strategy.

Information from this study may be important for firms considering prosecution of imitators. Specifically, how do consumers feel and how do they react to the practice? Negative attitudes towards imitators might encourage the original brand firms to prosecute. On the other hand, positive attitudes might discourage prosecution of imitators. It can be seen that the results of this study may have important implications for both the original brand and imitators.

## **1.2 Relevance to Consumers**

Brand imitation may have either positive or negative implications for consumers. However, there is no baseline of how the "average" consumer feels about the practice of brand imitation. This research will attempt to determine a baseline of consumers' opinions on brand imitation.

Once consumers are aware of brand imitation, they may perceive it positively or negatively depending on their interpretation of the situation. Some may view brand imitation in a positive light due to the fact that many imitators are cheaper than the original brand. Consumers are thus provided with a product that represents a "quality" product at a cheaper price. The imitator would thereby provide increased perceived value relative to the original brand. Others may favor imitation because it may be a cue for product category identification. One example would be the previously mentioned baby shampoo.



Conversely, consumers may consider the practice of brand imitation in a negative light. Specifically, they may feel that it is unethical or deceitful for a firm to willfully engage in this practice. They might feel imitation is wrong for a number of reasons. For example, some may believe that imitator firms are trying to deceive them into buying their brand instead of the original brand. Others may consider that the imitators are stealing the image of the original brand, or trying to steal sales from the original brand in an underhanded manner.

Consumers might view the issue of package imitation from either perspective. It is likely that there is a wide variety of opinions among consumers. Bone and Corey (1992), using a sample of marketing practitioners, found a somewhat high standard deviation in the responses to a question regarding brand imitation. They termed this discrepancy an "ethics gap". Is there is a similar gap among consumers?

## **2. Literature Review**

### **2.1 Brand Equity**

One approach to entering new markets is by developing extensions to present product lines and brands. Extensions have become popular in recent years. Almost half of all packaged goods are brand extensions (Tauber, 1988). This is due to the great amount of risk, particularly financial risk, involved in entering new markets. Product launching costs have increased astronomically in the past twenty years; it can cost \$80 million or more to introduce a new brand (Tauber, 1988).

Companies are becoming more competitive and try to use every strength to their advantage. One way to do so is to expand the firm's product offering under a current brand in which promotion and other marketing costs have already been invested. In other words, a company may choose to use the leverage it currently holds with a positively viewed brand. This leverage may also be called brand equity, or the "incremental value of a business above the value of its physical assets due to the market position achieved by its brand and the extension potential of the brand" (Tauber, 1988).

Park, Milberg and Lawson (1991) developed a model of the process of brand-extension evaluations. They examined the perceived fit of the brand extension in terms of product-level similarity perception and concept consistency perception. Product-level similarity perceptions result from a comparison of product attributes between the core (original)

product and the extension. The attributes may be either concrete (e.g., gas mileage, for a truck) or abstract (e.g., a usage situation for the truck, such as off-road driving). In contrast, concept consistency perceptions result from a comparison of the brand concept to the extension. The brand concept is the image of the brand, or a global assessment of the brand's characteristics generally derived from a number of less abstract attributes. Both types of perceptions are factors in determining the consumer's perceived fit of the brand extension. This in turn is a determinant of the consumer's evaluation of the brand extension.

Aaker and Keller's (1990) research studies were among the first to examine consumer evaluations of brand extensions. They found that the reasons stated by respondents for unfavorably evaluating an extension were often related to concrete product class attributes (such as the flavor of a product). When an extension was favorably evaluated, respondents' reasons were often related to abstract attributes (such as style). In other words, the emphasis of abstract attributes is preferable when extending a brand.

In a study of sequential introduction of brand extensions, Keller and Aaker (1992) suggest that one benefit of building a strong brand is that the name can be extended to more diverse product categories. Therefore, a core brand that is perceived to be high quality (a higher level abstract attribute (Zeithaml, 1988)) has greater extendibility than one that is perceived to be of lower quality. This has important implications for brands that are imitated. A brand may originally be perceived to be a high quality brand. If a lower quality imitator appears on the market and

consumers believe that the two brands have a common manufacturer, the perceived quality of the original brand may decline. This would, in effect, reduce the extendibility of the original brand.

Thus, brand equity could indeed play a large part in the success of a new product introduction. If a strong brand can assist the brand owning firm in launching new products, would it not be helpful if another firm were to use it, or a very similar one in order to enter the same market? A comparable (legitimate) example would be the licensing of brands or trademarks to other firms. For example, Coca-Cola has licensed its logo and name to a sportswear manufacturer. This manufacturer used Coke's familiar name and its "goodwill" in order to sell sweatshirts, baseball caps, and other clothing (Heffer, 1987).

## **2.2 Private Labels and National Brands**

Private labels, or products that have been branded by a retailer rather than a manufacturer, are becoming more and more common (Strauss, 1990; Forsythe, 1991). A number of studies have examined consumers' perceptions of private label brands and the differences between private label shoppers and national brand shoppers.

One of the earliest studies (Myers, 1967) examined the determinants of brand attitude. Perceptions, rather than respondent characteristics (i.e., demographics) were used to categorize consumers. The study tested whether psychological and sociological characteristics affect attitude towards private brands. It was found that neither

psychological nor sociological characteristics predicted brand attitude very well.

Perceptual and socioeconomic variables were also poor predictors; however, they were an improvement over the previous variables examined. For example, housewives were found to be more favorable to private brand usage than working women. Myers (1967) suggests that this is due to the convenience of purchasing well-known brand names (i.e., the visual shorthand of the brand) rather than income level.

Livesay and Lennon (1978) examined factors affecting consumers' choice between national brands and private labels. It was found that differences in consumers' needs (e.g., low price or high quality) was an important explanatory variable; however, this tendency was found to vary over products. Depending on the consumer needs being fulfilled by a product, some consumers were found to be highly price sensitive and therefore likely to switch to a lower priced private label. Others were loyal to national brands regardless of price. An earlier study by Rao (1967) had suggested that the level of price consciousness was important in determining choice between national brands and private labels. However, this suggestion could not be supported since data on price differences were not collected.

The effect of private, designer, and national brand names on consumers' perceptions of quality and price of clothing was investigated by Forsythe (1991). The first hypothesis, that perceived quality would not vary as a function of brand name, was supported by the findings. The second hypothesis was partially supported. Consumers perceived a

significant price difference between designer brands and the other two types of brand, but price perceptions were not significantly different between private labels and national brands. The third hypothesis, that decision-making style mediates perceptions, was supported with respect to price but not quality. It can thus be concluded that consumers use actual clothing characteristics rather than brands as indicators of quality, therefore consumers who select designer brands do so for other reasons than assured quality. However, it must be noted that this study was conducted using clothing as the stimulus; one must be cautioned in generalizing these findings to other product categories. Shopping for clothing for many consumers is likely a different experience than shopping for groceries (e.g., the level of involvement may differ).

The national versus private label research was expanded to include generic brands by Belizzi et al. (1981). Respondents were presented with photographs to assist them in their responses to 33 five-point Likert scales. It was found that private labels tended to fall between national and generic brands on most attributes (e.g., prestige, quality, and reliability). As well, private labels were perceived as providing better value than national brands. It is therefore suggested that consumers perceive national, private, and generic brands as being distinctly different.

However, it is not clear how similar the products' packaging was in appearance, and this may have had an impact on the results of the study. If the private labels that were used in the study were packaged in a distinctive manner they may be more likely to be perceived by

respondents as different than national or generic brands than if they had a more similar package.

Cunningham, Hardy, and Imperia (1984) examined the differences among consumers of national, private, and generic brands of canned foods. They found that consumers of each brand category were indeed different in terms of education and age. In addition, the results supported previous research in that respondents in each group differed in their reasons for selecting the brand (i.e., in their consideration of price and quality).

De Chernatony (1989a, 1989b) found that consumers do not perceive the market to be structured in the same manner as marketers. The results indicated that consumers perceive generics and private labels as being part of the same category and national brands as a more distinct category, while marketers assume that consumers perceive these three brand types as being distinct groups.

These findings contradict earlier studies (Belizzi et al., 1981; Cunningham et al., 1984). However, it should be noted that the De Chernatony (1989a, 1989b) study was conducted in the United Kingdom while the other two studies were conducted in the United States. It is possible that there is less of a distinction in the U.K. between private labels and generic brands (e.g., in terms of packaging, pricing or promotion) which would result in these findings.

In contrast to the previous research discussed, Uncles and Ellis (1989) considered how consumers buy private label products in comparison to national brands rather than examining consumers'

perceptions. It was found that there was little difference in the way in which private labels were purchased. In general, consumers seem to treat private labels like any other brand on the shelf. There appears to be some brand loyalty, but most consumers are willing to switch among private labels and between private labels and national brands.

It may be concluded from the private label research reviewed that consumers' needs are a determinant of brand choice. Purchasers of private label brands tend to do so because of price. On the other hand, purchasers of national brands need the assurance of quality a national brand provides. Therefore, in order to predict brand choice within a product category, an understanding of consumers' needs with respect to the product category must first be developed.

### **2.3 Brand Confusion**

Foxman, Berger, and Cote (1992), in their attempts to create a conceptual framework of brand confusion, have proposed the following definition:

Consumer brand confusion consists of one or more errors in inferential processing that lead a consumer to unknowingly form inaccurate beliefs about the attributes or performance of a less-known brand based on a more familiar brand's attributes or performance (p. 125).

Errors can occur at any point in inferential processing, and confusion may not only occur among goods, but also ideas and services. In addition, the consumer must be unaware of his or her error, otherwise confusion would not occur. Levels of confusion fall along a continuum,



ranging from thinking one product or brand is the same as another, to confusion of (manufacturer) source, to confusion of sponsorship, to confusion regarding a particular product attribute.

Brand confusion is related to, but not synonymous with several other constructs, such as uncertainty, miscomprehension, infringement, and deception (Foxman, Berger, and Cote, 1992). Uncertainty occurs when a consumer is aware of the possibility of errors in inferential processing and is unsure of his or her inferences, while miscomprehension occurs when messages are improperly interpreted.

Infringement is a legal term; it may be found to occur by the courts if a firm's product is deemed too similar to another firm's product. An important factor that is considered in determining infringement is the likelihood of consumer brand confusion. Deception is ruled to have occurred if a firm, through its marketing actions, misleads consumers to their detriment.

Loken, Ross, and Hinkle (1986) examined brand confusion arising from source of origin, as opposed to mistaken identity. Specifically, they explored origin confusion regarding national brands and look-alike private label brands in four product categories: shampoo, mouthwash, deodorant, and cold remedies. They found that private label brands were frequently perceived to have the same origin (i.e., manufacturer) as the national brands which they appeared to resemble.

Poiesz and Verhallen (1989) examined brand confusion in advertising. They distinguished between negative and positive brand confusion, where negative brand confusion is

the extent to which the reference brand is confused with other brands; for example, an advertisement for brand A is incorrectly identified as being an advertisement for brand B, C or D (Poiesz and Verhallen, 1989, p. 233).

Conversely, positive brand confusion is

the degree to which other brand advertisements are confused with the brand at issue; for example, advertisements for brands B, C, and D are seen as advertisements for brand A, the reference brand (Poiesz and Verhallen, 1989, p. 233).

They concluded that brand confusion may occur and furthermore, may reduce advertising effectiveness. A number of reasons for the occurrence of brand confusion were discussed: (1) product factors, since differences are often perceived to be minor among brands in a given product category in terms of attributes or physical appearance; (2) campaign factors, because there may be some correlation between ad budget and/or campaign length and the level of brand confusion (However, the design of the Poiesz and Verhallen study was not appropriate to determine if this factor is indeed present. A longitudinal type study would be necessary to examine these relationships.); (3) individual message factors, or the similarity in message relative to other brands in the product category; and (4) individual consumer factors which includes the consumer's involvement with the product and message, the incidence of advertising miscomprehension and the familiarity of a particular advertising message.

Foxman, Muehling, and Berger (1990) have also identified certain factors that may contribute to brand confusion. It was found that the amount of experience a consumer has with a product category, the degree of product involvement and cognitive style all have a bearing on an individual's likelihood of confusion.

Product category experience includes vicarious experience (i.e., through various forms of communication such as advertising and word-of-mouth) and personal experience (i.e., through purchase or use). Experience with a product category increases the consumer's knowledge of the category so that the consumer is better able to distinguish among brands. In other words, a consumer who is an infrequent purchaser of a particular product category may be more likely to be confused than someone who is a frequent buyer of that product (Foxman et al., 1990).

Foxman et al. (1990) link the concept of product involvement to the idea of perceived risk. As perceived risk increases, so does the importance of the purchase. As product importance increases, the consumer's personal involvement increases as well. Those consumers who are highly involved with a product category generally are more knowledgeable about the brands available and are more concerned about the consequences of a purchase. High involved consumers are therefore more careful when purchasing that product and less likely to be confused. Conversely, low involved consumers are less knowledgeable about brands in a product category and may be less motivated to distinguish among similar brands when in a purchase situation. As a result, low involved consumers may be more likely to confuse similar brands and make purchase mistakes.

Factors contributing to consumer brand confusion may be classified as stimulus, individual (consumer), or situational (Foxman et al., 1992). Stimulus factors relate to how similar or dissimilar two stimuli are. Individual factors that may increase the possibility of

becoming confused include the cognitive style, information load and brand experience of a particular consumer. Situational characteristics include factors "particular to a time and place of observation which do not follow from a knowledge of personal and stimulus attributes..." (Belk, 1974). It is assumed that situational factors have an effect on brand perceptions which in turn may have an effect on the level of brand confusion (Foxman et al., 1992). The proposed conceptual framework organizes situational factors according to Belk's (1975) taxonomy of situational influences: physical environment, social environment, temporal environment, task definition and antecedent states.

In addition, Foxman et al. (1992) suggest that there are a number of possible interactions among factors. For example, inferential processing may be impacted by cognitive style, information load and the social environment. However, none of these relationships have yet been empirically tested.

## **2.4 Psychological Processes**

### **2.4.1 Stimulus Generalization**

According to Hilgard and Bower (1966), stimulus generalization "essentially means that the more alike two stimuli are, the more nearly one can be substituted for the other in arousing conditioned responses" (p. 140). This concept has been linked to marketing by Ward et al. (1986) who state that "this implies that a product whose physical appearance is very similar to a leading brand may enjoy reactions from consumers

...that are habitual reactions to the previously purchased [leading] brand" (p. 52).

Miaoulis and D'Amato (1978) conducted a study which supported the concept of stimulus generalization as a measure of consumer brand confusion. The study involved TicTac brand mints and two brands accused of trademark infringement, Mighty Mints and Dynamints. The latter two brands were placed in retail outlets in areas where TicTac was an established brand but the test products were not known. Consumers were questioned after purchasing the test product but before using the product. The study findings suggest that the consumers questioned purchased the test product mainly because of expectations raised by the physical appearance. These expectations would have been learned from previous experience with TicTac brand mints.

Additionally, a distinction may be made between physical stimulus generalization and semantic generalization. Physical stimulus generalization is related to physical similarity between two cues (brands). Semantic generalization is related to similarity in meaning, such as two products that have the same brand name (Ward et al., 1986).

The Ward et al. (1986) study examined physical similarity among brands and how this affects consumers' perceptions regarding functional and evaluative attributes. That is, do consumers generalize attributes between brands due to physical similarity? National and private label brand shampoos were used in the experiment. Packaging of the private label brands was physically similar to various national brands.

It was found that there was a relationship between visual similarity and generalization of attitudes and beliefs. The more similar two products are perceived to be, the more likely consumers are to generalize attributes between them. However, it was also found that imitators had a tendency to be perceived as being of lower quality than the imitated brand. This may be due to the fact that private label brands are generally cheaper than national brands. Respondents may be linking price and quality in their evaluations of the products (Rao and Monroe, 1989). As a result, potential imitators should be aware of the risk inherent in such a strategy (Ward et al., 1986).

Kerby (1967) investigated semantic generalization and its effects on consumer attitudes. Respondents were presented with photographs of various brands of household appliances -- vacuum cleaners, automatic washers, portable TV sets and refrigerators, and asked what each stimulus meant to them. A semantic differential scale was used to measure responses.

Responses were analyzed using factor analysis, with summation across scales in order for factors such as vacuum cleaner or Maytag to emerge. If a respondent's factor loadings on a factor were high for a brand group, it could be concluded that there was a tendency for that respondent to use semantic generalization (Kerby, 1967).

It was hypothesized that meaning would be transferred between products that are physically dissimilar, but have a common brand name. However, the results did not support this hypothesis. Instead, it was found that of the 99 respondents in the study, 93 had only a weak

tendency or no tendency towards semantic generalization. It was suggested that perhaps the physical appearance differed so much that generalization did not come into play, or that semantic generalization occurs only with low involvement products (Kerby, 1967).

Both physical and semantic generalization were examined by Narayana and Duncan (1981). Three product classes were used -- canned vegetables, electrical home appliances and automobiles. Within these product classes, three brands and three products were selected to be used in the study. The respondents were asked to rate pairs of products on a similarity scale. It was found that physical generalization tended to override semantic generalization in all three product classes, although to a greater extent in the more complex product classes. Products may be classified more efficiently by consumers in this manner because symbolic or connotative cues are subject to change, such as when advertising campaigns are updated (Narayana and Duncan, 1981). However, semantic generalization does occur to a certain extent, and products that are not as complex can potentially exploit this tendency. Narayana and Duncan (1981) also point out that firms that are: (1) less established, (2) have unfavorable images or (3) are unwilling to invest in promotion have less scope unless they attempt to "blur inter-brand differences" (p. 166) through similar brand names, packaging or advertising.

### **2.4.2 Cue Utilization**

It is possible for a firm to "blur inter-brand differences" (Narayana and Duncan, 1981, p. 166) through similar packaging, advertising or brand names because these are some of the cues consumers use to evaluate and/or identify a brand. Cues may be intrinsic (i.e., physical product characteristics) such as the package color, or extrinsic (i.e., nonphysical product characteristics) such as manufacturer reputation (Bearden and Shimp, 1982). Although there may be some influence on perceptions by similar brand names, brand imitation relies mainly on the similarity of physical product characteristics. As a result, this section will focus mainly on intrinsic cues.

Christ (1975) conducted a meta-analysis of the experimental literature on color and its effects on visual search. It was found that if the color of a "target" is unique and known in advance, then color indeed assists both the search task and the identification task. This has implications for consumer behavior, in that search and identification of products is aided by package color; those products with unique, well-known packages will be more easily identifiable on the retailer's shelf.

In fact, Christ (1975) states that colors can be identified more accurately than sizes, brightness and shapes, but with less accuracy than alphanumeric symbols. He suggests that this may be due to the amount of practice most subjects would have had prior to the experiment, since numbers and letters are commonly used in everyday life. Nevertheless, it was found that color improved accuracy by at least 176 percent compared to size, 32 percent compared to brightness, and



202 percent compared to shape. It may therefore be concluded that color is an extremely important identification cue for consumers.

Boynton and Dolensky (1979) conducted a study in order to examine Christ's (1975) findings in a real-life setting, where other cues besides color are also present. Subjects were presented with a randomly selected group of seventeen books spread out on a table, and allowed to inspect them for 45 seconds. Some subjects were made color blind with red filter glasses worn either in the first or second part of the experiment or during the entire experiment. After seventeen decoys were added to the original selection of books, subjects were asked to identify as many of the original books as possible within three minutes.

The results indicate that color cues did not appear to be used to a significant extent. It could not empirically be determined what was used, but subjects may have used the book titles as a cue (Boynton and Dolensky, 1979).

A second experiment was conducted in which the titles of the books were covered. In this experiment, the results showed that the performance of subjects was indeed enhanced by the use of color cues. Overall, this study suggests that color cues are often used in conjunction with alphanumeric cues and, as shown in the second experiment, color cues are used more extensively than size or shape.

### **2.4.3 Feature-Integration Theory**

The question arises as to how cues are used when distinguishing among brands. The feature-integration theory of attention may help to

explain this process. The model proposes that features are perceived before objects, and in parallel across the field of vision. Objects are differentiated afterwards and require focused attention in order to correctly complete the task. The individual may be faced with a number of different dimensions, such as color and orientation, which may or may not assist in distinguishing among objects. If a feature, "a particular value on a dimension" (Treisman and Gelade, 1980, p. 99), is the same across objects, that feature cannot be used to distinguish between them. Features that are different across objects will help to differentiate them. However, this requires focused attention and serial processing of the objects. In other words, focused attention is needed in order to correctly perceive objects (Treisman and Gelade, 1980).

To put this theory into the context of consumer behavior, similarly packaged products located together on a shelf in a retail establishment would be perceived to be the same. Focused attention is required to distinguish among brands with similar packaging, and each brand would have to be examined individually. If the consumer is pressed for time, or has other distractions, the likelihood of selecting a brand other than the one that was intended would be higher, the more similar the two brands are.

A product may be searched by individual features or by the combination of features (a conjunction). It is assumed that there is no need for attention in the search by individual feature (e.g., the color of the package). Therefore, interference would have no effect. On the other hand, if it is necessary to search by conjunction (e.g., packaging is so

similar among competing brands), focused attention is required. Otherwise, an unintended brand may be purchased.

In situations where the consumer's attention is not focused due to distractions or time pressure, illusory conjunctions may be perceived. That is, features may be combined incorrectly by the consumer. They may believe they are purchasing the intended brand, but in actuality have selected a brand that may be similar in features.

If a consumer's attention is not focused, features may not be linked to a particular brand. A consumer may identify a brand by certain features, but be unable to supply the brand name. In other words, objects would not be identified through conjunctions of features, but by individual features (Treisman and Gelade, 1980). Knock-off brands take advantage of this process by imitating features that consumers may use to identify the original brand.

In general, conjunctions (i.e., individual brands) need focused attention in order to distinguish among them, and each conjunction must be examined individually in turn in order to correctly identify them. However, selection from a group of brands that are dissimilar in their features can be completed relatively quickly (Treisman, 1991).

#### **2.4.4 Categorization**

Research in the area of categorization is extensive. Its relevance to brand imitation is evident in one definition of category:

a category exists whenever two or more distinguishable objects or events are treated equivalently ... [which] may take any number of forms, such as labeling distinct objects or events with the same name, or performing the same action on different objects (Mervis and Rosch, 1981).

Individuals may group similar items in this manner in order to organize and simplify their surroundings (Rosch, 1975). The categorization approach seems particularly applicable to consumers faced with a vast array of products in the retail environment.

It is suggested that the categorization process consists of four stages (Ozanne, Brucks and Grewal, 1992). In the first stage, primitive categorization, an individual judges whether a stimulus belongs in a previously constructed category or not. Second, an information, or cue, search will aid in confirming or denying the judgment. The third and fourth steps, confirmation check and confirmation completion, act as verification of the initial judgment, based on the results of the cue search.

In addition, it is possible that categories of products are formed by evaluation as well as simple descriptive factors, in order to prepare the individual for a response (Cohen and Basu, 1987). It would therefore be the goal of imitator brands to be categorized with the original brand so as to achieve a similar response from consumers.

As this section of the literature review indicates, there are a number of psychological theories which are applicable to the concept of brand imitation. Although the primary focus of the research is on consumer opinion relative to brand imitation, it is nonetheless valuable to have an understanding of consumers' psychological processes as a foundation to this work.

## **2.5 Ethical Issues**

"Marketing managers are faced with a host of decisions having ethical ramifications regarding the products and services they offer for sale" (Murphy and Laczniak, 1981). In a review of the literature on marketing ethics, Murphy and Laczniak (1981) point out, for example, that ethical questions may arise in the imitation of a competitor's product.

The measurement of ethical judgments is a difficult task. What exactly is an "ethical" action? Reidenbach and Robin (1988, 1990, 1991) have developed a multidimensional ethics scale. It is argued that the concept "ethical/unethical" has several dimensions and that individuals may use more than one dimension in making ethical judgments.

These dimensions are based on concepts developed in moral philosophy. There are five basic ethical theories that are commonly used as the basis for ethical judgments by society: justice theory, relativism, deontology, teleological egoism and teleological utilitarianism (Reidenbach and Robin, 1988).

Justice theory, primarily procedural justice, is important to marketing in that its objective is to develop rules that result in fair outcomes. Managers should consider procedural justice in their relationship with customers. Trust can therefore be developed in this relationship (Reidenbach and Robin, 1990).

Relativism suggests that "normative beliefs are a function of a culture or individual, and therefore, no universal ethical rules exist that apply to everyone" (Reidenbach and Robin, 1990, p. 651). This theory may be used to explain why certain actions, such as bribery, are acceptable in some countries and not in others.

Deontology is related to the duties and responsibilities an individual has to fulfill. Marketers must recognize that customers have certain rights and that the firm has certain responsibilities towards customers. These responsibilities of the marketer include: (1) to protect, (2) to fully inform, (3) to provide and allow choice, and (4) to listen (Reidenbach and Robin, 1991).

Teleological theories are primarily concerned with the outcome of actions and whether the consequences are "good" (Bone and Corey, 1992). Egoism focuses on the outcomes relative to the individual. In contrast, utilitarianism considers the consequences for society in general (Reidenbach and Robin, 1990).

Using the procedures outlined by Churchill (1979), a 33-item scale based on the five theories was developed and subsequently distilled by Reidenbach and Robin (1990) into an eight-item scale. This eight-item scale may be divided into three dimensions.

Dimension one is a broad-based moral equity construct. Four items from the scale obtained high factor loadings on the first dimension: "fair/unfair", "just/unjust", "acceptable/unacceptable to my family", and "morally/not morally right". Dimension two is a relativist construct in which actions are judged according to cultural acceptability and

tradition. The items "traditionally acceptable/unacceptable" and "culturally acceptable/not acceptable" had high factor loadings on this dimension. The third dimension is the social contract construct which consists of the items "violates/does not violate an unspoken promise" and "violates/does not violate an unwritten contract".

There are two main advantages to using a multi-item and multidimensional scale in measuring ethical judgments. First, a single-item measure may be less reliable than multi-item measures (Churchill, 1979). In addition, the multidimensionality of the scale can provide information as to why an action is felt to be unethical or ethical. In other words, the scale helps the researcher understand what ethical perspective the respondent is using in making the evaluation. This cannot be done using a single global measure (Reidenbach and Robin, 1990).

Ethics must be considered in terms of the buyer-seller relationship. Often consumers and businesses perceive actions taken in market transactions differently (Dornoff and Tankersley, 1975). Little research has been conducted on this topic.

Vitell and Muncy (1992) conducted one of the few studies which consider the buyer-seller relationship. Consumers were surveyed on their ethical judgments of situations they might face and on their attitudes towards business, salespeople, government, and people in general.

The respondents were presented with a number of situations in which they might find themselves as consumers. These included:

"observing someone shoplifting and not saying anything about it"; "using a coupon for merchandise you did not buy"; and "returning merchandise after trying it and not liking it". They were also given ten statements pertaining to general opinions and attitudes (Vitell and Muncy, 1992).

It was found that a number of factors may contribute to how a consumer makes ethical judgments: (1) whether or not the buyer or the seller is at fault; (2) whether or not the activity is perceived as illegal; (3) whether or not there is direct harm to the seller; (4) whether or not the consumer has a negative attitude towards business; and (5) whether or not the consumer equates unethical with illegal (Vitell and Muncy, 1992, p. 596). These factors should be considered in any study which examines consumers' ethical judgments.

Chonko and Hunt (1985) surveyed marketing managers on topics related to marketing ethics. Managers were asked what major ethical problems they had to confront with regards to marketing. Product strategy was frequently cited by respondents as being a difficult ethical issue. For example, one product manager mentioned:

The question of brand infringement due to similar packaging, graphics, or product claims. This is particularly important in my industry because of the 'faddish' nature of the business. Products proliferate as all manufacturers attempt to snare their share of a hot market before it cools (p. 347).

Bone and Corey (1992) examined ethical problems that may occur in packaging. They developed an inventory which included label information (i.e., nutritional value and similar product information), graphics, safety, pricing, and the environment. Graphics is the only category from this inventory that is relevant to brand imitation. Graphics



are important because they are used as an information source by consumers during the purchase process.

Bone and Corey (1992) question the ethics of the practice of packaging house brands to resemble national brand competitors. However, they recognize that there are two perspectives to this issue. They point out that:

the use of similar graphics may violate deontological norms of fairness and equity if the store brand falsely appropriates the national brand's strong consumer reputation, which has required time, effort, and money to develop and maintain. On the other hand, if this benefits the majority of consumers by providing them with materially similar products for less money, the practice may be viewed as teleologically preferable (Bone and Corey, 1992, p. 47).

The authors surveyed professional packaging practitioners in order to determine what packaging issues were felt to be ethical dilemmas. The respondents were presented with a number of statements and were asked to rate each statement on a seven point scale (from 1 - Completely Unethical to 7 - Completely Ethical). Practitioners felt that a store brand packaged "to closely resemble a national brand" to be unethical. The large standard deviation in the responses to this question indicates what they termed an "ethics gap", or a wide range of opinion, among practitioners. This may be the result of situational and environmental influences. These influences would include: personal experience, organizational norms, industry norms, cultural norms, anticipated economic effects of a particular decision, organizational expectations, effect on stakeholders, individual ethical standards, organizational ethics, and professional ethics (Bone and Corey, 1992).

The examination of practitioners' ethical evaluations of packaging activities raises the question of how others, such as consumers, are affected by packaging, and how they feel about the same issues. As yet, no research has been done in this area. A comparison of evaluations would be interesting, in order to find out whether an "ethics gap" exists among consumers, as well as between consumers and practitioners.

## **2.6 Legal Aspects**

Legal issues with regards to brand confusion are primarily related to trademark law. According to the U.S. Trademark Act (1946), trademarks include any

word, name, symbol or device or any combinations thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured by others (as cited in Stern and Eovaldi, 1984, p. 43).

A similar definition is used in the Canadian Trade Marks Act (1970) (Globerman and Rothman, 1983).

Trademark law protects both consumers and trademark holders (Globerman and Rothman, 1983; Stern and Eovaldi, 1984). The law protects consumers from being misled regarding the source of a product (i.e., the producer's identity). In addition, it protects firms who hold a well established trademark from other firms who attempt to capitalize on the reputation of the trademark. Trademarks essentially bridge the gap between producer and consumer and provide identifying cues to the source (Levy and Rook, 1981).

The U.S. Trademark Act also provides protection with regards to trade dress,

the commercially significant 'face' that competitive marketers place before the consuming public, particularly in the fields of publishing and packaging (Schultz, 1977).

The court has three main criteria in examining whether trade dress infringement has occurred:

- (1) factually drawn inferences of intentional efforts by a second comer to deceive the purchasing public;
- (2) the demonstrable existence of secondary meaning adhering to plaintiff's trade dress; and
- (3) the likelihood of confusion between competitive packages (Schultz, 1977, p. 679).

In this manner, protection from imitation is extended from trade name or trademark infringement to the overall "look and feel" of the plaintiff's product.

Cases involving trademark infringement are tested on the likelihood of confusion between the defendant's and the plaintiff's products (Levy and Rook, 1981). Evidence such as witnesses who testify that they had confused the two products is acceptable in infringement cases. However, it is difficult to develop this type of evidence for several reasons:

- (1) Consumers who recognize they have been deceived may be reluctant to admit it.
- (2) Others who technically may have been confused might not come to the plaintiff's attention because they may not have realized that they had purchased the defendant's product rather than the plaintiff's (which had been their intention).

(3) Still others may have intended to buy the plaintiff's product, been confused by the trademark similarity, purchased the defendant's product, and while later recognizing the "mistake," been sufficiently satisfied with the defendant's product to disregard the confusion (Miaoulis and D'Amato, 1978, pp. 49-50).

Miaoulis and D'Amato (1978) demonstrate that survey research, if conducted carefully, can be used effectively as evidence in the court's test for confusion. If questions are worded so as not to suggest a direct comparison between the plaintiff's and defendant's products (i.e., leading questions), then survey research may be useful in developing evidence in trademark infringement cases (Miaoulis and D'Amato, 1978).

## **2.7 Summary**

Why do firms imitate the "look" and "feel" of leading national brands? In general, it is to capitalize on the brand equity that has been accumulated by the national brand through investments in product design and promotion. The objective of the imitator brands is to induce generalization in consumers through physical similarity. In other words, the imitators want their brands to be confused with the original brand so that consumers perceive them to have an equivalent level of quality. Since imitator brands are often cheaper than the original brand, consumers would perceive that imitator brands provide better value (i.e., equivalent quality at a lower price).

In the studies of private labels and national brands reviewed above, brand choice was generally found to be related to consumers' needs (Livesay and Lennon, 1978). National brand loyal users cited assurance

of quality as their reason for purchasing the national brands. Those who purchased private labels did so because of price considerations. This is relevant to the proposed research in part, because many imitator brands are private labels. Consumers who assume that private label brands are produced by the national brand they resemble may believe they are fulfilling both price and quality needs in their purchase of these imitator brands.

A number of factors contribute to consumer brand confusion. Some of these originate from within the consumer (e.g., cognitive style), some originate from the characteristics of the brand (e.g., physical similarity), and some are related to the situation (e.g., temporal situation) (Foxman et al., 1992).

Categorization of stimuli simplifies the world for consumers. Cues are utilized by the individual in the categorization process. The most commonly used cues are alphanumeric symbols and color (Christ, 1975; Boynton and Dolensky, 1979), both of which are included on a product's packaging. Therefore, in order to increase the likelihood of being categorized as the same or very similar to the original brand, imitator brands must copy these cues.

The feature-integration theory can help explain why consumers might categorize imitator brands as being the same as the original brands. The different characteristics, or features, of a product (such as color and shape) may be processed individually. They may also be processed together, in what is termed a conjunction. According to the model, focused attention is required to differentiate between

conjunctions, but not to perceive features (Treisman and Gelade, 1980). Knock-off brands imitate the features of the original brand, and if consumers' attention is not focused, they might select a brand other than the one that they intended to buy.

The ethics of brand imitation must also be considered, particularly in terms of the buyer-seller relationship. Business activities may be perceived differently by consumers and marketers. There are a number of factors that may affect a consumer's ethical judgments: (1) whether or not the buyer or the seller is at fault; (2) whether or not the activity is perceived as illegal; (3) whether or not there is direct harm to the seller; (4) whether or not the consumer has a negative attitude towards business; and (5) whether or not the consumer equates unethical with illegal (Vitell and Muncy, 1992).

One study examined the ethical judgments of packaging practitioners on package imitation and found that the practice was considered to be unethical (Bone and Corey, 1992). However, while marketers' ethical judgments have been examined, the consumer's point of view on the ethics of this practice have not yet been considered.

Bone and Corey (1992) measured ethical judgments using a unidimensional scale (ethical to unethical). However, it may be argued that the concept of ethics is actually multidimensional (Reidenbach and Robin, 1988). For this reason Reidenbach and Robin's (1991) multidimensional ethics scale will be used in addition to unidimensional measures of ethics.

The legality of an activity seems to be an important determinant of its ethicality. Brand imitation is considered to be acceptable to a certain extent by the courts. However, if a firm is found to be intentionally misleading consumers by the similarity of its product's packaging to a competitor's, infringement may be deemed to have occurred.

Infringement is tested based on the likelihood of confusion between the original brand and the imitator. Testimony from individuals who have confused the two products, as well as survey research, may be used as evidence.

It is evident that there are a great number of issues related to brand imitation. The research will focus on the consumer perspective, specifically, what defines similarity between brands, what ethical judgments will they make and what affects these ethical judgments. It is the intention of this research to explore these issues.

### 3. Hypotheses

The focus of the primary research will be on consumers and their perceptions regarding brand imitation. Are they conscious of the possibility of confusion? Is it important to them, or do they even care one way or the other about it? Do they think it is ethical for a firm to follow an imitation strategy of any type, or is there a limit to how similar two competing manufacturers' brand should be? Are there some situations in which an imitation strategy is or is not acceptable? It is the intention of this research to explore these and related issues.

The following hypotheses will be tested:

**H1: Respondents will be more likely to perceive the paired brands to have been manufactured by the same company when one of the brands is a private label. When neither brand is a private label, respondents will be more likely to perceive them to have been manufactured by different companies.**

Support of this hypothesis would indicate that consumers do hold the common misperception that most private label brands are produced by national brand manufacturers (Loken et al., 1986). The Loken et al. (1986) experimental study found that private label brands were frequently perceived to have the same origin as national brands with which they shared similarities. In many cases, however, private label brands are not manufactured by the national brand manufacturer. The sample in the Loken et al. (1986) study consisted of students. In a partial replication of this study, this hypothesis is tested using a broader range of respondents than the Loken et al. (1986) study. To further



extend the research, some brand pairs consisted of a national brand and a private label. Other brand pairs consisted of two brands, neither of which are private labels.

**H2: Product pairs that are perceived as having a common manufacturer will be perceived as being more similar in quality, benefits and product attributes than product pairs that are perceived as being manufactured by different companies.**

Support of this hypothesis would indicate that consumers generalize quality, benefits and product attributes from one brand to another if they perceive them to be manufactured by the same company. If two products are perceived to have been made by the same company, some consumers may generalize attributes from the one with which they are familiar to the other. In most cases, this would likely mean that the attributes of the original brand would be generalized to the imitator(s).

**H3: Respondents will consider alphanumeric (brand name) and color cues to be more important than other cues such as shape, overall design, and size when judging similarity.**

Respondents may utilize different cues when determining the degree of similarity among products. The work by Christ (1975) and Boynton and Dolensky (1979) suggest that alphanumeric and color cues are used most frequently and successfully. With respect to package design, alphanumeric cues would include the actual brand name as well as the style of lettering. Color cues would include the color of the packaging, as well as the color of the product when the package is transparent. Other cues that may be contained in a product's package include shape and size. Overall design is included because some

respondents may not mentally break the package down into its component parts but may compare products on their overall look.

**H4a: Respondents who are more involved with a product category will be less likely to rate the brand pairs as similar than those respondents who are less involved with a product category.**

**H4b: Respondents who are more involved with a product category will be less likely to rate the brand pairs as being manufactured by the same company than those respondents who are less involved with a product category.**

An individual's involvement with a particular product may be a factor affecting brand confusion (Poiesz and Verhallen, 1989; Foxman et al., 1990). It is more likely that high involved respondents would be able to discriminate between brands and know who manufactures which brands in that category. As a result, they would be less likely to be confused by imitators. H4a and H4b test these possibilities. Involvement was measured using the Personal Involvement Inventory (Zaichkowsky, 1985) which has been tested for both reliability and validity.

**H5a: Respondents will prefer the original brand over the imitator brand when they are the same price.**

**H5b: The greater the discount between the imitator brand and the original brand, the more likely respondents will be to prefer the imitator.**

It has been suggested by researchers that perceived value ("the cognitive tradeoff between perceptions of quality and sacrifice", Dodds, Monroe and Grewal, 1991, p. 308) can be depicted as an inverted U. That is, as price increases, perceived value increases up to a certain maximum point, because consumers may relate higher prices with higher perceived quality. After that point, perceived value declines, because

consumers feel that the increased price (and increased sacrifice) is not worth the increase in perceived value (Dodds, Monroe and Grewal, 1991). These hypotheses examine whether consumers will follow this pattern, for each pair of brands used in the study.

Purchase intention for these products is being examined in order to compare responses to those questions with the ethical judgments of the next section. That is, are consumers' actions compatible with their ethical judgments?

**H6: Respondents will consider the practice of brand imitation to be unethical.**

Test of this hypothesis will permit comparison of the research with the Bone and Corey (1992) study which examined the ethical beliefs of packaging professionals on the topic of brand imitation. Ethical judgments were measured using Reidenbach and Robin's (1991) multidimensional ethics scale and some global ethics measures.

## **4. Study 1**

### **4.1 Method**

The study was originally designed so that data would be collected using the mall intercept method in order to collect data from a wide range of consumers. It is generally acceptable to use this type of non-probability sampling design, particularly in cases which require something be shown to the respondent (Jacoby and Handlin, 1989).

There are several other advantages to using mall-intercept sampling: (1) respondents may provide more in-depth responses to questions; (2) there is greater control over the environment during survey completion; (3) the interviewer can clarify any questions the respondent may find unclear; (4) respondents may be provided with more complicated stimuli than with other methods; (5) parts of the survey may be self-administered for convenience or accuracy; and (6) if Likert scales are used, these may be typed on cue cards for respondents to use when answering verbal questions. On the other hand, there are certain disadvantages to this method of sampling: (1) it may be difficult to collect personal information; (2) respondents may be influenced by social desirability when answering questions; (3) interviewer bias may occur in the selection of the sample; and (4) respondents may respond carelessly due to lack of time (Gates and Solomon, 1982).

The sampling procedure followed the recommendations of Sudman (1980) in order to improve generalizability of the results. For example,

although it is possible to select consumers from within the shopping centre, Sudman (1980) recommends making selections at an entrance to the mall since the length of time spent in the mall, and therefore probability of being selected, then need not be considered by the researcher.

#### **4.1.1 Pretests**

Pretest questionnaires were used to examine the clarity of the questions to be asked and to assist in selection of product pairs to be used in the study. The questionnaire was shown to a number of expert judges who made several suggestions about the wording of instructions and questions. The revised questionnaire was then pretested on a sample of twenty respondents who were sampled in the same shopping centre as the subjects in the study.

The pretest indicated that the original questionnaire was too complex for the mall sample. Respondents often took longer than twenty minutes to complete the interview and it was apparent that questions near the end of the interview did not receive appropriate attention from respondents. Responses to the open-ended questions were vague and it was evident data to test the hypotheses could not be collected this way. The original plan was for the last two sections of the questionnaire to be self-administered. It was found that this was somewhat awkward since respondents often were unable to complete the questionnaire themselves due to various reasons (e.g., they didn't have their glasses with them, they were holding a child, perhaps they were unable to read the

questions, etc.) It was therefore decided to have the interviewer complete the entire questionnaire and to collect only partial information from the mall subjects using only the personal interview technique to avoid these problems. Since only partial information was collected from respondents, it was impossible to test all the hypotheses. As a result, a second study was conducted which will be discussed in a later section of this paper.

#### **4.1.2 Subjects**

A total of 80 consumers were surveyed by the researcher. One regional shopping center in the Greater Vancouver area was used for sampling. A regional shopping center draws from a relatively large surrounding area which may improve generalizability of the results.

In order to reduce bias, interview times were staggered throughout the day and week. Data were gathered during three time periods: morning (10:00 a.m. to noon), afternoon (2:00 to 4:00 p.m.), and evening (6:00 to 8:00). Interviews were also staggered over the days of the week. About one-third of respondents were interviewed on Monday, Tuesday or Wednesday; one-third were interviewed on Thursday or Friday; and one-third were interviewed on Saturday or Sunday. Data collection was conducted over a period of one week.

#### **4.1.3 Materials**

Actual product packages were available for viewing by respondents while they were completing the survey. Brand names were visible. Four pairs of products from four product categories were used to reduce the

possibility that findings are related to the selection of a given category (Wells, 1986; Loken et al., 1986). The products that were used are as follows: (1) Dipps and Wrapps granola bars (independent brands), (2) Mennen Speed Stick and PharmaSave Stick Ultra antiperspirants (national and store brands), (3) Finesse and Classique hair conditioners (independent brands), and (4) Scotch Magic and Shopper's Drug Mart cellophane tape (national and store brands). The pretests indicated that the national brands were familiar to consumers and the product categories were representative of packaged goods that were frequently purchased and widely available from retail outlets such as supermarkets and drugstores. Having respondents judge only four pairs reduced the amount of time required per survey which may have helped to increase the response rate (Gates and Solomon, 1982).

#### **4.1.4 Procedure**

Data were collected through personal interviews. The respondents were given a card with the range of responses available to them typed on it in order to reduce interview time and to simplify the respondent's task.

Respondents were approached as they entered the shopping center and asked if they would take a few minutes to participate in a university study on product perceptions. If they agreed, they were taken to a table with the stimuli placed upon it and the interviewer proceeded with the interview.

First, respondents were asked to provide purchase information for each product category. (See Appendix A for the questionnaire.) They

were then asked whether they thought that the two brands were manufactured by the same company or by different companies on a seven-point Likert type scale.

Perceived similarity was measured by rating the degree of similarity in quality, benefits and product attributes of the brands shown. Cues utilized by respondents to judge similarity were determined by open-ended questions. Open-ended questions were used in order to reduce bias that may result from prompting. Some pairs of products were more physically similar than other pairs, but none of the pairs have a common manufacturer.

The respondents were then informed that none of the brand pairs share a common manufacturer. Informing respondents at this point in the survey prevented them from using this piece of information when judging similarity in the previous section of the survey. Knowledge of this fact was felt to be key to the ethical judgment section of the survey, therefore, they were informed prior to making any ethical judgments.

The respondents were then asked to complete the **Multidimensional Ethics Scale (Reidenbach and Robin, 1990)**. They were also asked to judge on a seven point scale how ethical they felt brand imitation is (from 1 - Completely Unethical to 7 - Completely Ethical) (Bone and Corey, 1992) and whether or not legal action should be taken against the imitator firm, given three different conditions (i.e., any company, a big corporation, a small business). Last, respondents were asked to provide demographic information including age, occupation,



education level and income. Gender was recorded by the interviewer. Total time taken for the interview was approximately fifteen minutes.

## **4.2 Study 1 Results**

### **4.2.1 Sample**

A demographic profile of the sample is shown in Table 1. The sample was well distributed on age with 12.5 percent between the ages of 18 and 24, 36.3 percent between 25 and 34, 26.3 percent between 35 and 44, and 25 percent over 44 years of age. The majority of respondents were female (78.8 percent).

In terms of occupation, the largest group consisted of those working in clerical, sales and service industries (41.3 percent). Housewives made up 25 percent of the sample, and those in management or professional occupations made up 17.5 percent of the sample.

About 39 percent of the sample had a high school education. Respondents who had attended college consisted of 18.8 percent of the sample, another 18.8 percent had completed a two-year college program and 23.8 percent had at least some university education.

Of those who responded to the question on total annual household income, 18.8 percent had an income under \$30,000. Twenty-five percent made between \$30,000 and \$39,999, 20 percent made between \$40,000 and \$49,999, and 21.3 percent had an income over \$50,000.

**Table 1**  
**Demographic Profile of Study 1 Sample**

	n	%	Census (%)	Chi-square
<b>Respondent Gender</b>				
Male	17	21.3	49.1	24.21** df = 1
Female	63	78.8	50.9	
<b>Age Category</b>				
18-24	10	12.5	11.3	12.28* df = 3
25-34	29	36.3	18.6	
35-44	21	26.3	15.4	
Over 44	20	25.0	32.2	
<b>Occupation</b>				
Housewife	20	25.0	20.9	12.76* df = 3
Managerial/ professional	14	17.5	13.5	
Clerical/ sales/service	33	41.3	30.2	
Other	13	16.3	35.4	
<b>Educational Background</b>				
High school	31	38.8	48.7	15.19* df = 3
Some college	15	18.8	8.1	
Completed college	15	18.8	18.6	
University	19	23.8	24.6	
<b>Total Annual Household Income</b>				
Under \$30,000	15	18.8	49.1	26.02** df = 3
\$30,000-\$39,999	20	25.0	15.4	
\$40,000-\$49,999	16	20.0	15.4	
\$50,000 or more	17	21.3	29.4	

\*significant at p<.01

\*\*significant at p<.001

Included in Table 1 is a comparison of Census data for the Vancouver Census Metropolitan Area (Statistics Canada, 1988) with the sample's demographic profile. The sample is overrepresented by females (chi-square(1, n = 80) = 24.22, p<.001), which may be expected in mall-intercept samples (Sudman, 1980).

In terms of age, the sample is overrepresented by those older than 44, chi-square(3, n = 80) = 12.28, p<.01. The sample differs somewhat on education level attained, chi-square(3, n = 80) = 15.19, p<.01 and on type of occupation, chi-square(3, n = 80) = 12.76, p<.01. The sample also underrepresents those with lower incomes, chi-square(3, n = 68) = 26.02, p<.001. Perhaps those with lower incomes do not shop as frequently and therefore have a lower chance of being selected for the sample.

#### **4.2.2 Product Perceptions**

The respondents were asked whether or not they purchased the four products being used in the study. The number of nonpurchasers varied among product categories. Almost 59 percent of respondents never bought granola bars, 15 percent never bought antiperspirant, 19 percent never bought hair conditioner, and 11 percent never bought cellophane tape in the past year. Only those who have been purchasers of the product category were considered in the analysis.

It is the perceptions of purchasers, rather than nonpurchasers, that are of interest in this part of the study. Purchasers are more likely to be at least somewhat familiar with the product category in question and they are also likely to purchase the product again in the future. In

addition, they have likely formed perceptions of the product category prior to being exposed to the stimuli in this study and it is these perceptions that the research attempts to explore.

Paired-samples t-tests were used to determine whether respondents had similar perceptions of manufacturer origin for the national/store brand pairs and for the national/national brand pairs across the different product categories (see Table 2 for a summary of the results). It was expected that respondents would perceive that the national/store brand pairs were produced by the same manufacturer and that the national/national brand pairs were made by different manufacturers.

Comparisons were first made between the national/store brand pairs and between the national/national brand pairs to see if the means were similar. The antiperspirant pairs (national/store brand) were perceived as being more likely to have been made by the same manufacturer ( $M = 4.14$ ) than the cellophane tape pairs ( $M = 3.40$ ),  $t(72) = 6.41$ ,  $p < .001$ . The hair conditioner pairs (national/national brands) were also seen as being more likely to have been made by the same manufacturer ( $M = 3.03$ ) than the granola bar pairs ( $M = 2.44$ ),  $t(63) = -3.78$ ,  $p < .001$ .

A t-test was then done to compare the national/national brand pair and the national/store brand pair whose means were closest in value. The comparison between the hair conditioner pairs (national/national brands) and the cellophane tape pairs (national/store brands) indicated a significant difference,  $t(70) = -2.18$ ,  $p < .05$ .

It may thus be concluded that origin perceptions differ between all the product categories tested. The results indicate that means for each category do indeed fall in the expected direction and that there is a significant difference in perceptions which may be related to the type of brand (i.e., national brand versus store brand).

**Table 2**  
**Perceptions of Manufacturer Origin (Mall Data)**

	<b>n</b>	<b>Origin Mean (SD)</b>	<b>t-value</b>
Granola bars	64	2.44(1.17)	-3.78**
Hair conditioner	64	3.03(1.30)	df = 63
Hair conditioner	71	2.97(1.36)	-2.18*
Cellophane tape	71	3.37(1.31)	df = 70
Cellophane tape	73	3.40(1.33)	6.41**
Antiperspirant	73	4.14(1.16)	df = 72

\*significant at  $p < .05$

\*\*significant at  $p < .001$

A two-way ANOVA was then calculated to examine the relationship between similarity perceptions, origin perceptions, and product (see Table 3). Two groups were formed: those who responded "strongly agree" to "agree somewhat" on the six-point scale for origin perceptions were categorized as perceiving the product pair as being made by the same manufacturer; those who responded "strongly disagree" to "disagree somewhat" were categorized as perceiving the product pair as being made by different manufacturers.

In all four cases, the products were seen as more similar by respondents who perceived that the products pairs were produced by the

same manufacturer. Perceptions of origin was found to be significant at  $F(1,218) = 21.57, p < .001$ , and product category was found to be significant at  $F(3,218) = 12.98, p < .001$ . No significant interaction effects were found.

**Table 3**

**The Relationship Between Perceptions of Origin and Similarity (Mall Data)**

	<b>n</b>	<b>Mean(SD) Similarity</b>
<b>Granola Bars (national/national)</b>		
Different origin	29	3.83 (1.47)
Same origin	3	5.33 (0.58)
<b>Antiperspirant (national/store)</b>		
Different origin	17	5.06 (1.30)
Same origin	49	5.55 (1.00)
<b>Hair Conditioner (national/national)</b>		
Different origin	40	5.08 (0.97)
Same origin	20	5.65 (0.81)
<b>Cellophane Tape (national/store)</b>		
Different origin	38	3.71 (1.45)
Same origin	30	4.90 (1.40)

**4.2.3 Ethical Judgments**

In order to measure respondents' ethical judgments of brand imitation, two approaches were taken. Reidenbach and Robin's (1990) Multidimensional Ethics Scale was used. As well, several more direct questions were asked which were treated as a separate four-item scale.

Reliability of the two scales was tested using coefficient alpha. Coefficient alpha for the eight item Multidimensional Ethics Scale was 0.90, which is comparable to Reidenbach and Robin's findings (1990). For the four item general scale coefficient alpha was 0.91. It may therefore be concluded that both scales are highly reliable.

Nonpurchasers were included in this part of the analysis. These questions were more general and did not refer to any specific product category. Thus, familiarity with a particular product was not required.

The respondents were asked directly whether or not they felt that brand imitation was ethical. This was tested by comparing the sample mean with a hypothesized mean of 4, which was the midpoint of the seven-point Likert scale. The test was significant,  $t(79) = -1.17$ ,  $p < .01$ , which indicated that respondents felt that brand imitation was at least somewhat unethical.

The sample mean was 2.81 (SD = 1.45) which is somewhat lower than the mean of 3.38 (SD = 1.80) found by Bone and Corey (1992). In addition, the standard deviation indicates that an ethics gap does not exist within the sample, based on the standards set by Bone and Corey.

Analysis of ethical judgments based on demographic differences was also conducted. MANOVA was used for the analysis, with the ethical judgments on both scales used as dependent variables and the demographic variables selected individually as the independent variable in each analysis.

Judgments on both scales did not significantly differ between age categories. However, significant results were obtained for other demographic variables. These results are summarized in Table 4.

For the occupation variable, Pillai's trace indicated that the group means are different,  $F(6,148) = 3.29$ ,  $p < .01$ , and the univariate F-test for each ethical judgment indicated that both group means differ for both dependent variables ( $F(3,74) = 4.43$ ,  $p < .01$  for the Multidimensional Ethics Scale and  $F(3,74) = 6.39$ ,  $p < .001$  for the global scale). Scheffe's test at the .10 level was conducted for each scale. It was found that only housewives ( $M = 5.96$ ) and those in clerical/sales/service occupations ( $M = 4.50$ ) differed significantly in their ethical judgments for the Multidimensional Ethics Scale, where a higher score indicates that the respondent believes the activity is more unethical. For the global scale, clerical/sales/service occupations ( $M = 4.13$ ) felt that imitation strategies were more ethical than housewives ( $M = 5.48$ ), as well as those respondents who were not included in the three other categories ( $M = 5.65$ ).

For education, Pillai's trace indicated that group means were not equal,  $F(6,148) = 2.41$ ,  $p < .05$ . The univariate F-tests indicated, however, that group means differed significantly only for the global ethics scale,  $F(3,74) = 2.18$ ,  $p < .10$ . Scheffe's comparison among group means indicated that for both scales, no two groups were significantly different at the .10 level.

The results for income categories also rejected the hypothesis that group means were equal,  $F(6,124) = 3.10$ ,  $p < .01$ . In addition, univariate



F-tests indicated that group means differed for both the Multidimensional Ethics Scale,  $F(3,62) = 2.22, p < .10$  and for the global ethics questions,  $F(3,62) = 3.26, p < .05$ . A significant difference at the .10 level was found between those with incomes under \$30,000 and those with incomes over \$50,000 for the global ethics scale. Respondents with incomes under \$30,000 ( $M = 5.65$ ) tended to perceive imitation strategies as being less ethical than those with incomes over \$50,000 ( $M = 4.50$ ).

Pillai's trace for gender indicated a significant difference between group means,  $F(2,75) = 6.37, p < .01$ . However, examination of the univariate F-tests indicated that only the means for the Multidimensional Ethics Scale were significantly different,  $F(1,76) = 3.57, p < .10$ .

In summary, results of this analysis were mixed. It should be noted, however, that those demographic variables that intuitively should be related (i.e., income, education, and occupation) did indeed have similar results.

**Table 4**  
**Ethical Judgments and Demographic Categories**

	n	MD Ethics <sup>1</sup> Mean (SD)	Global Ethics <sup>2</sup> Mean (SD)
<b>Occupation</b>			
Housewives	20	5.96 (1.32)	5.48 (1.23)
Managerial/professional	14	5.01 (1.50)	4.85 (1.13)
Clerical/sales/service	32	4.50 (1.74)	4.13 (1.42)
Other	12	5.62 (0.95)	5.65 (1.20)
<b>Education</b>			
High school	29	5.59 (1.74)	5.20 (1.61)
Some college	15	5.06 (1.39)	5.08 (1.22)
Completed college	15	5.06 (1.43)	4.18 (1.15)
University	19	4.57 (1.58)	4.60 (1.32)
<b>Income</b>			
Under \$30,000	14	5.43 (1.50)	5.65 (1.14)
\$30,000 to \$39,999	20	5.11 (1.54)	4.98 (1.33)
\$40,000 to \$49,999	16	5.74 (1.14)	4.83 (1.21)
\$50,000 or more	16	4.41 (1.85)	4.15 (1.55)
<b>Gender</b>			
Male	16	4.48 (1.63)	4.95 (1.65)
Female	62	5.31 (1.56)	4.80 (1.37)

<sup>1</sup>Multidimensional Ethics Scale (Reidenbach and Robin, 1990)

<sup>2</sup>Scale comprised of general questions regarding ethical judgments

## **5. Study 2**

The main purpose of Study 2 was to test the hypotheses. More data was collected from the respondents in the second study, which permitted testing of the hypotheses outlined in Chapter 3.

### **5.1 Methodology**

#### **5.1.1 Subjects**

The sample consisted of subjects drawn from the university campus. A total of 75 respondents were surveyed.

Data were collected during two hour time periods, in the morning (between 9:00 a.m. and noon) and in the afternoon (between 1:00 p.m. and 4:00 p.m.). Data collection took place over the course of one week.

#### **5.1.2 Materials**

Product packages with brand names visible were on display for viewing by respondents while they completed the questionnaire. Three pairs of products from three product categories were used in this study: (1) Mennen Speed Stick and PharmaSave Stick Ultra antiperspirants (national and store brands), (2) Finesse and Classique hair conditioners (independent brands), and (3) Scotch Magic and Shopper's Drug Mart cellophane tape (national and store brands). The granola bar products were dropped from this study due to low purchase frequency in the

previous study. This change in design limits the generalizability from Study One to Study Two but it was felt that the advantages of shortening the questionnaire outweighed that of including data from the granola bar product category.

### **5.1.3 Procedure**

Data were collected using self-administered questionnaires (see Appendix B for a copy of the questionnaire). Subjects were approached as they passed the research station located in a high-traffic area of the university and asked for their cooperation in a study examining brand perceptions. If they agreed, they were shown the display of product packages and presented with a questionnaire to complete.

The questionnaire used was similar to the one used in the previous study, with several exceptions. First, the Personal Involvement Inventory (Zaichkowsky, 1985) was included for each product category. Second, the open-ended similarity cues question was eliminated. In its place, a number of possible cues were listed with a five-point importance rating scale for each. Third, respondents' purchase intentions towards the imitator products were examined. They were asked whether they would purchase the imitator product given three price conditions relative to the original brand (i.e., same price, 10 percent lower, 40 percent lower). Manipulation of the price condition may indicate whether respondents are loyal to national brands, or are price sensitive. Fourth, respondents in this study were not informed about the manufacturer origin of the stimuli prior to completing the ethics section of the questionnaire. It was

decided not to inform respondents in Study Two in order to compare their responses to the respondents in the first study who were informed. It is possible that knowing that the products were not produced by the same manufacturer may influence respondents to rate the practice as unethical, particularly if they had rated the products as being manufactured by the same company in a previous section of the questionnaire.

Order effects on the involvement questions were controlled for by counterbalancing. One-third of the questionnaires measured involvement for antiperspirants first, one-third measured involvement for hair conditioners first and one-third measured involvement for cellophane tape first. Total time for a respondent to complete the questionnaire was approximately ten minutes. This self-administered technique with a sample that may be more receptive to taking part in a research study allowed for testing of the hypotheses.

## **5.2 Study 2 Results**

### **5.2.1 Sample**

A demographic profile of the sample used in Study 2 is shown in Table 5. The sample was almost evenly split with 46.7 percent of respondents being male and 53.3 percent being female.

As might be expected, about half (50.7 percent) of the sample was under the age of twenty-five. In addition, the majority of the sample

consisted of students (62.7 percent). Sixty percent of the sample were born in Canada.

In terms of income, the distribution reflected the sample that was used. Twenty-eight percent of respondents had an income over \$30,000, which is slightly lower than the percentage of nonstudents in the sample. Almost half of the respondents had an income under \$10,000 which again corresponds to the occupation results.

**Table 5**  
**Demographic Profile of Study 2 Sample**

	n	%
<b>Respondent Gender</b>		
Male	35	46.7
Female	40	53.3
<b>Age Category</b>		
Under 25	38	50.7
25-28	15	20.0
29 or over	22	29.3
<b>Occupation</b>		
Student	47	62.7
Nonstudent	28	37.3
<b>Total Annual Income</b>		
Under \$5,000	14	18.7
\$5,000 to \$9,999	19	25.3
\$10,000 to \$29,999	19	25.3
\$30,000 or more	21	28.0
<b>Country of Birth</b>		
Canada	45	60.0
Other	30	40.0

### 5.2.2 Verification of Hypotheses

For each product category used in this study, respondents were questioned as to their frequency of purchase of the product. The results of this question did not vary greatly among products. For antiperspirant, 10.7 percent of respondents reported making no purchases during the past year, while 9.3 percent did not purchase hair conditioner during the past year. Only 5.3 percent of respondents never purchased cellophane tape in the past year. Following the same reasoning as in Study 1, these respondents were removed from the analysis of product perceptions.

**H1: Respondents will be more likely to perceive the paired brands to have been manufactured by the same company when one of the brands is a private label. When neither brand is a private label, respondents will be more likely to perceive them to have been manufactured by different companies.**

In order to test this hypothesis, paired samples t-tests were conducted between origin perceptions for each product pair. It is hypothesized that origin perceptions would be similar for the two national/store brand pairs and would differ between the national/store brand pairs and the national/national brand pair used. It was found that the national/store brand pair means actually were significantly different (see Table 6). The antiperspirant (national/store) pairs were perceived as being more likely to have been made by the same manufacturer ( $M = 3.39$ ) than the cellophane tape (national/store) pairs ( $M = 3.06$ ),  $t(70) = 2.85$ ,  $p < .01$ . A comparison of the means for origin perceptions of the antiperspirant pair and the hair conditioner (national/national) pair ( $M = 2.90$ ), indicated a significant difference as hypothesized,  $t(67) = 4.19$ ,  $p < .001$ . In contrast, the t-test between the

hair conditioner and the cellophane tape indicated no significant difference. It may thus be concluded that although the results fall in the hypothesized direction, this hypothesis is only partially supported, since only one of the two national/store brand pairs was significantly different from the national/national brand pair.

**Table 6**  
**Perceptions of Manufacturer Origin (University Data)**

	<b>n</b>	<b>Origin Mean (SD)</b>	<b>t-value</b>
Hair conditioner	71	2.97(1.10)	n.s.
Cellophane tape	71	3.06(1.15)	
Cellophane tape	71	3.06(1.15)	2.85* df = 70
Antiperspirant	71	3.39(1.12)	
Antiperspirant	68	3.38(1.17)	4.19** df = 67
Hair conditioner	68	2.90(1.12)	

\*significant at  $p < .01$

\*\*significant at  $p < .001$

**H2: Product pairs that are perceived as having a common manufacturer will be perceived as being more similar in quality, benefits and product attributes than product pairs that are perceived as being manufactured by different companies.**

For this hypothesis, two-way ANOVA was used, with origin perceptions and product category as the independent variables and similarity perceptions as the dependent variable. Two groups were formed: those who responded "strongly agree" to "agree somewhat" on the six-point scale for origin perceptions were categorized as perceiving the product pair as being made by the same manufacturer; those who responded "strongly disagree" to "disagree somewhat" were categorized as



perceiving the product pair as being made by different manufacturers. The results are summarized in Table 7.

In all four cases, the products were seen as more similar by respondents who perceived that the products pairs were produced by the same manufacturer. Perceptions of origin was found to be significant at  $F(1,200) = 24.62, p < .001$ , and product category was found to be significant at  $F(3,200) = 9.19, p < .001$ . No significant interaction effects were found. Based on the results from both studies, it may be concluded that Hypothesis Two is supported.

**Table 7**  
**The Relationship Between Perceptions of Origin and Similarity**  
**(University Data)**

	<b>n</b>	<b>Mean(SD)</b> <b>Similarity</b>
<b>Antiperspirant (national/store)</b>		
Different origin	36	5.14(1.10)
Same origin	31	6.23(1.12)
<b>Hair Conditioner (national/national)</b>		
Different origin	47	4.72(1.19)
Same origin	21	5.90(0.63)
<b>Cellophane tape (national/store)</b>		
Different origin	42	4.45(1.58)
Same origin	29	4.96(1.59)

**H3: Respondents will consider alphanumeric (brand name) and color cues to be more important than other cues such as shape and overall design when judging similarity.**

The data relevant to this hypothesis were examined in two ways: first, repeated-measures ANOVA was used to compare the four cues. Second, the results for brand name and color were combined and compared with the combination of shape and overall design with a paired-samples t-test. This was done to examine brand name in conjunction with color would have a cumulatively stronger effect on similarity judgments relative to the combination of shape and overall design. The results are summarized in Table 8.

**Table 8**  
**Comparison of Importance of Visual Cues**

	<b>Importance Mean (SD)</b>	<b>Combined Mean (SD)</b>	<b>t-value</b>	<b>F-ratio</b>
<b>Antiperspirant (n = 67)</b>				
Color	3.84 (1.10)	3.48 (.73)	-4.52*	11.31*
Brand name	3.12 (1.07)		df = 66	df = 3,64
Shape	3.61 (.97)	3.88 (.81)		
Overall design	4.15 (.96)			
<b>Hair conditioner (n = 68)</b>				
Color	3.52 (1.03)	3.45 (.71)	-4.19*	6.22*
Brand name	3.38 (.98)		df = 67	df = 3,65
Shape	3.79 (.99)	3.90 (.81)		
Overall design	4.01 (.91)			
<b>Cellophane tape (n = 71)</b>				
Color	2.99 (.93)	3.09 (.84)	-3.55*	9.95*
Brand name	3.20 (1.17)		df = 70	df = 3,68
Shape	3.42 (1.14)	3.54 (.97)		
Overall design	3.66 (1.07)			

\*significant at p<.001

For antiperspirant, overall design (M = 4.15) was rated most important, followed by color (M = 3.84), shape (M = 3.61), and brand name (M = 3.12). Pillai's trace indicated that a multivariate relationship exists among these cues,  $F(3,64) = 11.31, p < .001$ .

A comparison between cues indicated that there was indeed a significant difference between each of the cues examined. Between overall design and color,  $t(66) = 5.71, p < .001$ ; between color and shape,  $t(66) = 3.41, p < .001$ ; and between shape and brand name,  $t(66) = 3.00, p < .01$ .

The paired samples t-test also indicated that a significant difference existed between the combination of color and brand name (M = 3.48) and the combination of shape and overall design (M = 3.88),  $t(66) = -4.52, p < .001$ ; however, the hypothesis stated that color and brand name would be more important and the means indicate that the combination is actually less important than shape and overall design.

For hair conditioner, overall design was also rated most important (M = 4.02), followed by shape (M = 3.79), color (M = 3.52), and brand name (M = 3.38). Pillai's trace indicated that a multivariate relationship exists,  $F(3,65) = 6.22, p < .001$ .

Comparisons between cues indicated that there was no significant difference in the mean importance levels attributed to color and brand name. There was a significant difference between shape and overall design,  $t(67) = 3.68, p < .001$ . The means for color and shape also differed,  $t(67) = 3.20, p < .01$ . This pattern of mean differences was further examined by combining the means for color and brand name and

comparing it to the combination of the means for shape and overall design. These two combinations differed significantly,  $t(67) = -4.19$ ,  $p < .001$ , but not in the direction hypothesized. Shape and overall design ( $M = 3.90$ ) were actually rated as being more important than color and brand name ( $M = 3.45$ ).

Regarding cellophane tape, overall design was again rated most important ( $M = 3.66$ ), followed by shape ( $M = 3.42$ ), brand name ( $M = 3.20$ ), and color ( $M = 2.99$ ). Pillai's trace indicated that a multivariate relationship exists,  $F(3,68) = 9.95$ ,  $p < .001$ .

No significant difference was found between the means for color and brand name. However, significant differences were found between brand name and shape,  $t(70) = 3.98$ ,  $p < .001$ , and between shape and overall design,  $t(70) = 2.30$ ,  $p < .05$ . Examination of the combinations of color and brand name, and shape and overall design indicated that there was a significant difference between the combined means,  $t(70) = -3.55$ ,  $p < .001$ . However, the mean for shape and overall design was higher ( $M = 3.54$ ) than that for color and brand name ( $M = 3.09$ ). Based on these results, this hypothesis is not supported and it may be concluded that overall design and shape were reported as being more important by respondents in judging similarity.

**H4a: Respondents who are more involved with a product category will be less likely to rate the brand pairs as similar than those respondents who are less involved with a product category.**

**H4b: Respondents who are more involved with a product category will be less likely to rate the brand pairs as being manufactured by the same company than those respondents who are less involved with a product category.**

The Personal Involvement Inventory was used to measure involvement. Internal reliability of the scale for each product was tested using coefficient alpha. Coefficient alpha was found to be .83 for antiperspirant, .94 for hair conditioner and .91 for cellophane tape, which is consistent with previous findings (Zaichkowsky, 1985).

In order to test these hypotheses, respondents' involvement scores were split at the theoretical mean of the scale, which was 40. Those who fell below the mean were considered to have low involvement with the product category, while those respondents whose score was above the mean were considered to have high involvement with the product category. Independent-samples t-tests were run to compare the two groups' perceptions of similarity and origin. The results are summarized in Table 9.

Similarity perceptions were examined first. A significant difference was found between low-involved ( $M = 6.00$ ) and high-involved respondents ( $M = 5.08$ ) on similarity perceptions for antiperspirant,  $t(39) = 2.94, p < .01$ . No significant difference was found for hair conditioner, but the similarity perceptions differed significantly between low-involved ( $M = 5.13$ ) and high-involved ( $M = 3.37$ ) respondents for cellophane tape,  $t(69) = 4.72, p < .001$ . In both cases where there were significant differences, the means indicate that lower-involved respondents tend to rate the products as more similar than higher-involved respondents. It may thus be concluded that the hypothesis is partially supported.

**Table 9**  
**The Relationship Between Involvement and Perceptions of Similarity and Origin**

<b>Similarity Perceptions</b>			
	<b>n</b>	<b>Similarity Mean (SD)</b>	<b>t-value</b>
<b>Antiperspirant</b>			
Low involvement	41	6.00 (.95)	3.20*** df = 65
High involvement	26	5.08 (1.41)	
<b>Hair conditioner</b>			
Low involvement	36	5.19 (1.14)	n.s.
High involvement	32	4.97 (1.23)	
<b>Cellophane tape</b>			
Low involvement	52	5.13 (1.30)	4.72**** df = 69
High involvement	19	3.37 (1.64)	
<b>Origin Perceptions</b>			
	<b>n</b>	<b>Origin Mean (SD)</b>	<b>t-value</b>
<b>Antiperspirant</b>			
Low involvement	41	3.76 (1.50)	2.62** df = 65
High involvement	26	2.81 (1.36)	
<b>Hair conditioner</b>			
Low involvement	36	3.08 (1.46)	n.s.
High involvement	32	2.75 (1.32)	
<b>Cellophane tape</b>			
Low involvement	52	3.32 (1.50)	n.s.
High involvement	19	2.94 (1.43)	

\*significant at p<.10  
\*\*significant at p<.05  
\*\*\*significant at p<.01  
\*\*\*\*significant at p<.001

Origin perceptions were examined next. Origin ratings differed significantly between low-involved respondents ( $M = 3.76$ ) and high-involved respondents ( $M = 2.80$ ) only for antiperspirant,  $t(65) = 2.62$ ,  $p < .05$ . Although the means are in the hypothesized direction, the t-tests for the other two product pairs indicated no significant differences between low-involved and high-involved respondents. As a result, this hypothesis is not supported.

**H5a: Respondents will prefer the original brand over the imitator brand when they are the same price.**

**H5b: The greater the discount between the imitator brand and the original brand, the more likely respondents will be to prefer the imitator.**

These hypotheses were tested using one-way ANOVA to compare purchase intention at adjacent price levels. Two covariates were also included in the analysis: the respondents' scores on the Multidimensional Ethics Scale and their scores on the more general ethics questions (used as a four-item scale).

Prior to including these scales as covariates, they were both tested for internal reliability using coefficient alpha. For the Multidimensional Ethics Scale, coefficient alpha was .91 and for the direct ethical judgment questions, alpha was calculated as .91. These results are also consistent with previous findings (Reidenbach and Robin, 1990).

A seven-point scale was used to measure purchase intention. The original scale was coded from 1 to 7, but this was recoded to range between -3 and 3 in order to facilitate analysis. A response that was less than zero would indicate the respondent was unlikely to purchase the imitator brand, a response of zero would indicate that the respondent

was neutral, and a response greater than zero would indicate that the respondent was likely to purchase the imitator brand. The results are summarized in Table 10.

For antiperspirant, the mean for purchase intention at the first price level (no difference) was  $-.76$ , which differed significantly from the mean at the second price level (imitator 10 percent cheaper) which was  $.36$ ,  $F(5,60) = 42.16$ ,  $p < .001$ . The mean at the second price level also differed significantly from the mean at the third price level (imitator 40 percent cheaper) which was  $1.69$ ,  $F(6,59) = 15.69$ ,  $p < .001$ . However, neither covariate was significant at any price level.

When the prices were the same for the original brand and the imitator, respondents were less likely to purchase the imitator. As the price difference increased, respondents were increasingly more likely to purchase the imitator. Ethical judgments appeared to have little effect on purchase intention.

For hair conditioner, all main effects were also significant. The mean for the first price level was  $-.72$ , for the second price level  $.44$ , and for the third price level  $1.72$ . For the main effects,  $F(5, 61) = 24.19$ ,  $p < .001$  and  $F(6,60) = 15.10$ ,  $p < .001$ , respectively. The general ethics variable,  $F(1,61) = 9.30$ ,  $p < .01$ , and the multidimensional ethics variable,  $F(1,61) = 11.71$ ,  $p < .001$  were both significant covariates for the difference between the first and second price levels. The multidimensional ethics variable was also a significant covariate for the difference between the second and third price levels,  $F(1,60) = 5.21$ ,  $p < .05$ .



**Table 10**  
**Purchase Intention at Different Price Levels**

	<b>n</b>	<b>Mean (SD) No Discount</b>	<b>Mean (SD) 10% Cheaper</b>	<b>Mean (SD) 40% Cheaper</b>
<b>Antiperspirant</b>	67	-.76(1.33)	.36(1.35)	1.69(1.38)
<b>Hair conditioner</b>	68	-.72(1.36)	.44(1.43)	1.72(1.20)
<b>Cellophane tape</b>	71	-.31(1.62)	1.00(1.45)	2.32(0.88)

The pattern for cellophane tape was similar. The mean for the first price level was -.31, for the second price level 1.00, and for the third price level 2.32. The F-ratios were  $F(6,63) = 14.64, p < .001$  and  $F(4,65) = 20.67, p < .001$ , respectively. The only significant covariate was the general ethics variable for the difference between the first and second price levels,  $F(1,63) = 6.83, p < .05$ .

Based on these results, it may thus be concluded that the hypotheses are supported. The mixed results for the covariates make it difficult to determine what effect, if any, that ethical judgments have on purchase intention.

**H6: Respondents will consider the practice of brand imitation to be unethical.**

Examination of this hypothesis began with a comparison of results for the question that asked respondents directly whether they felt brand imitation was ethical or unethical with a similar question posed by Bone and Corey (1992). The mean for this study was 3.60 with a standard deviation of 1.35. The mean for the Bone and Corey study was 3.38 with a standard deviation of 1.80, using the same seven-point scale.

According to Bone and Corey (1992), a standard deviation of 1.35 is

considered to be a small variance, while 1.80 is considered to be a large variance. An ethics gap exists if the standard deviation is at least 1.70. Therefore, it may be concluded that an ethics gap does not exist among respondents in this study, and that respondents did tend to rate brand imitation as being less than ethical.

However, although the mean was less than four, a test of the sample mean against the hypothesized mean indicated that this mean was not low enough to conclude that respondents felt that brand imitation was unethical. As a result, this hypothesis is not supported by the findings in the second study.

Both the Multidimensional Ethics Scale and the direct ethics questions were examined as in Study One in terms of demographics. MANOVA was used to test the relationships among demographic groups. Except for gender, no relationship were found among demographic groups of the sample and their responses to the ethics scales.

For the Multidimensional Ethics Scale, females tended to rate brand imitation strategies as being less ethical ( $M = 27.14$ ,  $SD = 9.74$ ) than did males ( $M = 32.73$ ,  $SD = 8.40$ ),  $F(1,73) = 7.11$ ,  $p < .01$ . Females also tended to consider the practice as being less ethical ( $M = 18.65$ ,  $SD = 4.71$ ) than did males ( $M = 15.66$ ,  $SD = 4.57$ ) on the more general ethics questions,  $F(1,73) = 7.78$ ,  $p < .01$ .

## **6. Discussion**

### **6.1 Summary of Findings**

The results of this research study indicate that a relationship between type of brand (i.e., national brand or store brand) and perceptions of manufacturer origin does exist. Only partial support was received from Study Two, but given the findings from Study One, it may be concluded that hypothesis one is supported. These findings are consistent with those of Loken et al. (1986) who found that private label brands were often perceived to have the same origin as the national brands that they appeared to resemble.

Hypothesis two, that there is a relationship between perceptions of similarity, perceptions of manufacturer origin, and product category, was also supported by the results from both studies. In other words, respondents who perceived product pairs as having the same manufacturer tended to perceive the pairs as being more similar than those respondents who perceived the pairs as being made by different manufacturers. It may thus be concluded that consumers do generalize quality, benefits, and product attributes from one brand to another if they perceive them to be manufactured by the same company, but that this effect differs among product category.

The third hypothesis predicted that brand name and color cues would be more important than shape and overall design when judging similarity. This hypothesis was not supported. A significant difference

was found between the two pairs of cues but in the opposite direction to that which was hypothesized. In fact, it was found that overall design was consistently rated as being more important than the other cues.

Three reasons may be suggested for this discrepancy. First, respondents may have considered that overall design incorporated the other three cues that were named and therefore rated it as more important than the individual cues. Second, in cases where the product pairs differed greatly in terms of a given cue, such as brand name, respondents may have rated the cue as being less important in judging similarity because it aided them in differentiating the two products. Last, people may not be cognitively aware of the specific cues that they are using (e.g., color) to identify products. It is possible that this can only be tested through experiments measuring non-verbal reactions to product packages.

This differs from feature-integration theory which proposes that features are perceived before objects. According to the model, the individual uses different cues such as color and shape to distinguish among objects (Treisman and Gelade, 1980). In contrast, the respondents reported that the overall design of the packaging (a combination of cues) was the most important cue in judging similarity of product pairs.

The fourth hypothesis dealt with product involvement and its relationship with perceptions of similarity and origin. The first part of the hypothesis predicted that high-involved respondents would be less likely to rate the brand pairs as similar than low-involved respondents.

This hypothesis received partial support from the study. Significant results were found for antiperspirants and for the cellophane tape, both of which were national/store brand pairs, but not for the hair conditioner pair, which consisted of two national brands. It may be that national brand pairs that are similar in appearance are considered by both high-involved and low-involved consumers to be more similar in quality and product attributes than national/store brand pairs. It may also be that perceived risk is lower for choosing between brands that are both recognized as being national brands.

The second part of the hypothesis predicted that high-involved respondents would be less likely to perceive the brand pairs as being made by the same manufacturer. This hypothesis was not supported. Although the means for all three products fell in the hypothesized direction, only one product pair, antiperspirant, differed significantly. Again, this may be due to different perceptions between Canadians and Americans regarding house brands, or may be attributed to different product categories.

Hypothesis 5a and 5b suggested that purchase intention for the imitator brand would differ based on the price differential relative to the original brand. Both parts of this hypothesis were supported. That is, when there is no difference in price, respondents will prefer the original brand. As the discount increases, respondents' preferences towards the imitator brand increases.

It appears that there is little brand loyalty for the original-brand products used in the sample. Ethical judgments were found to be

significant covariates only for the hair conditioner and for purchase intention between the first and second price levels of cellophane tape.

The sixth and final hypothesis stated that respondents would consider the practice of brand imitation to be unethical. This hypothesis was supported by the findings of the first study. However, the findings of the second study did not support the hypothesis.

The mean for the direct ethical judgment in the second study was consistent with a similar question posed by Bone and Corey (1992), but a comparison between the hypothesized mean and the sample mean was not significant. In addition, an ethics gap among respondents was not apparent in contrast to Bone and Corey's findings. It is possible that the sample used in this study was more homogeneous than the Bone and Corey sample.

The Bone and Corey sample was drawn from a professional association of packaging practitioners. These practitioners had diverse backgrounds in terms of education and experience. They also worked in different industries (Bone and Corey, 1992). In contrast, the sample for the second study was drawn from one university campus. The level of education of respondents is assumed to be fairly high, and as found in Study One, the more educated the respondent, the less likely he/she was to find a problem with brand imitation strategies. This may explain the findings of Study Two.

An analysis of the ethical judgments with respect to demographic variables found several significant results in the first study. In terms of occupation, housewives tended to perceive brand imitation as being less

ethical than those employed in clerical, sales and service occupations. It is possible that housewives are more aware of the existence of brand imitation and therefore see it as a greater problem than those who are employed outside of the home in these particular occupations.

It was also found that those with incomes under \$30,000 perceived brand imitation as less ethical than those with incomes over \$50,000. Perhaps consumers with tighter budgets are more critical of what they feel are attempts to deceive them when they are shopping. Another possibility is that consumers with higher incomes may be loyal to nationally advertised brands and do not even consider store brands when shopping. As a result, they might feel the issue has little relevance for them personally and therefore are less critical.

Significant differences between genders were found for both studies. In both cases, females tended to be more critical of brand imitation than did males. Perhaps females are more aware of the issue than are males, and thus more critical. Other studies have shown females to be more concerned about ethical issues than males (Beltramini, Peterson, and Kozmetsky, 1984; Jones and Gautschi, 1988; Chonko and Hunt, 1985; and Fritzsche, 1988). Therefore, these findings are consistent with previous research.

## **6.2 Implications**

It is apparent from the results that perceptions differ between product categories. Livesay and Lennon (1978) found that differences in

consumers' needs (low price versus high quality) was an important explanatory variable in predicting choice between national brands and private labels. This tendency was also found to vary over product categories.

In order to predict brand choice in a category, consumers' needs with respect to that category must first be understood. This may be extended to other product perceptions. For example, for similarity perceptions, a consumer's conclusion that two brands are similar may require different degrees of similarity depending on the product category. If low price is a consumer's criterion for selecting among brands, a product that is reasonably similar to a leading brand may be purchased. If high quality is important, then the imitator must be judged to be extremely similar to the original brand in order to be selected over the original.

It is difficult to determine whether the difference in similarity perceptions can be attributed to the product category or to other factors such as the actual similarity between product pairs. However, similarity is difficult to measure objectively.

Involvement may also play a key role since the level of involvement appears to be linked to similarity perceptions, if not perceptions of origin. Since consumers who are less involved with a product category are more likely to consider an imitator brand as similar to the original brand, marketers who are interested in pursuing an imitation strategy should ensure that their product is one with which consumers tend to be low involved.



The results for both studies supported the first two hypotheses. Perceptions of origin appear to be linked with the type of brand. Store brands have to be manufactured by someone, and it is evident that the respondents believed that they were made by the same manufacturer as the brand that they physically resemble. Since neither store brand that was used in the studies was made by the brand with which they were paired, these respondents were making an incorrect assumption.

Hypothesis Two examined perceptions of origin in more depth. That is, are these perceptions related to perceptions of similarity as well as product category? The results indicate that they are indeed related. It may therefore be concluded that consumers who believe two products are made by the same manufacturer also believe that they are more similar than those who believe that the products are made by different manufacturers, and this effect differs across product categories.

Based on the analysis, it is not possible to determine which perception causes the other, but there are still important implications. These findings indicate that consumers generalize quality, benefits, and product attributes from one brand to another if they perceive them to be made by the same manufacturer. These findings are consistent with previous stimulus generalization research (Miaoulis and D'Amato, 1978, Ward et al., 1986). Attributes would be generalized from the brand that is more familiar, which is likely to be the original brand, rather than the imitator.

The results for the questions regarding similarity cues in retrospect are not surprising. Overall design was found to be most important. As

discussed earlier, respondents may have considered this cue to incorporate other cues that were named. From this it may be inferred that consumers do not depend on a single cue to form judgments of similarity; rather, they consider the total look of the package (e.g., Gestalt).

Marketers pursuing an imitation strategy, therefore, should not simply rely on packaging that is similar in shape, color or with a similar brand name. Several aspects of the original brand's packaging should be utilized in order to encourage consumers to generalize from the original brand to the imitator.

On the other hand, imitators must ensure that the similarity of design does not result in infringement and subsequent legal action by the original brand. Alienation of the portion of the population that feels brand imitation is unethical should also be avoided.

The results pertaining to purchase intention have important implications for marketers of brands that are imitated. These findings suggest that consumers are price sensitive. If coupled with the findings on ethical judgments, this suggests that consumers will sacrifice their ethical beliefs for significantly lower prices. These findings lead to the recommendation that marketers battling brand imitators should either reduce the price differential, or attempt to communicate to consumers that their brand provides better value than the imitators. The first option is difficult to achieve, since many imitators are store brands which generally have lower costs (e.g., little or no advertising costs). In addition, the marketer has little control over the price retailers charge

consumers for their brand. As a result, the second option is the more feasible one of the two.

The results were mixed for the ethical judgment portion of the research. It is possible that underlying factors may have contributed to the different results (Vitell and Muncy, 1992). If consumers feel that the buyer is at fault for purchasing an imitator brand when intending to purchase the original brand (i.e., caveat emptor), they would likely see imitation strategies as being less unethical than those who feel the seller is at fault. Consumers who have a negative attitude towards business or those who perceive the practice of brand imitation as illegal may see the strategy as being unethical.

### **6.3 Limitations**

There are a number of limitations that are inherent in the two studies that were conducted. For the first study, there is some question as to the quality of the sample. Only one shopping mall was used for sampling. Generalizability would have been improved by increasing the sample and sampling from more than one shopping centre. In addition, there may be a bias resulting from the type of consumer who is receptive to being surveyed in a shopping mall situation. The differences between the sample characteristics and the Census data for the area reflect these limitations.

The problems associated with mall-intercept sampling are also relevant. There is the possibility of interviewer bias in the selection of the

sample, carelessness of respondents due to time constraints, and the influence of social desirability in answering certain questions (i.e., the ethical judgments).

Sampling for the second study was conducted in a similar manner. Therefore, the problems associated with mall-intercept sampling should also be considered for Study Two. In addition, this sample was taken from the university campus and thus is likely to contain a larger proportion of educated individuals than is found in the general population. Therefore, readers must be cautioned in generalizing these findings to the entire population.

Another limitation that should be considered is that opinions regarding ethical judgments may change over time (Bone and Corey, 1992). During recessionary times consumers may be so concerned with saving money that they may compromise their ethical beliefs.

#### **6.4 Suggestions for Future Research**

Future research on the topic of brand imitation should continue to examine a wide range of products. As Wells (1986) points out, "it is as important to sample products as it is to sample people" (p. 11). The influence of product involvement should also be considered in further depth. For example, product categories that are higher-involvement products for many consumers could be compared to lower-involvement product categories.

Other factors, and their interactions, that were suggested by Foxman et al. (1992) to be related to brand confusion should be tested empirically. These include cognitive style, information load and brand experience. Examination of these influences will increase our understanding of how and why brand confusion occurs which in turn will aid development of policy for the protection of consumers.

In terms of ethical judgments, research should continue exploring consumers' perceptions and opinions on brand imitation strategies. Explanatory variables should be examined in order to determine what influences consumers to make the judgments that they do.

## **6.5 Conclusion**

This study covered a number of issues relevant to brand imitation, with a focus on consumers' perceptions. Products perceived to have a common origin were seen as being more similar than products perceived to be made by different manufacturers. Involvement also seemed to be related to similarity perceptions. It is suggested that further research focus on variables that contribute to perceptions of similarity.

In terms of ethical judgments, a baseline was developed through personal interviews with consumers. Comparisons of demographic groups were also made, with gender having significant results for both samples. It is hoped that research will continue to explore consumers' opinions on this topic and reasons why consumers hold those opinions.

In fact, any business that considers itself to be marketing oriented should monitor consumers' perceptions of imitation strategies. This particularly applies to companies that are either considering such a strategy, or are being threatened by competitors who are using brand imitation.

## **Appendix A: Survey Instrument for Study 1**

Display of the questionnaire has been altered in order to be printed for inclusion in this document. Ordering of the questions has not been altered from the original format.

Dear Participant:

Every year, hundreds of new brands are introduced to the marketplace. Currently there is a great diversity of brands available to consumers in most product categories.

This study is being conducted to examine consumers' perceptions of competing brands in the marketplace. This research is purely academic. It is not associated with any commercial company.

The questionnaire is brief, and will only take approximately 15 minutes to complete. You may be assured of complete confidentiality -- your name will never be recorded on any part of the questionnaire. If you feel uncomfortable answering some of the questions, you may choose not to answer those questions, and you may withdraw from the survey at any time.

We are happy to answer any questions you may have. Please don't hesitate to mention any concerns you may have.

Thank you for your assistance.

Sincerely,

Roberta Hupman  
Study Coordinator  
MBA Student  
Simon Fraser University

Dr. Judy Zaichkowsky  
Associate Professor of Marketing  
Simon Fraser University



Part I

First, we would like to find out whether or not you buy certain products. If you do buy them, we'd like to know about how often you have purchased them over the past year.

1. Over the past year I purchased granola bars: (circle number)

NEVER	1-2 TIMES A YEAR	3-4 TIMES A YEAR	6-8 TIMES A YEAR	MONTHLY
1	2	3	4	5

2. Over the past year I purchased antiperspirant:

NEVER	1-2 TIMES A YEAR	3-4 TIMES A YEAR	6-8 TIMES A YEAR	MONTHLY
1	2	3	4	5

3. Over the past year I purchased hair conditioner: (circle number)

NEVER	1-2 TIMES A YEAR	3-4 TIMES A YEAR	6-8 TIMES A YEAR	MONTHLY
1	2	3	4	5

4. Over the past year I purchased cellophane tape:

NEVER	1-2 TIMES A YEAR	3-4 TIMES A YEAR	6-8 TIMES A YEAR	MONTHLY
1	2	3	4	5

Part II  
(Personal Interview)

Next, we would like you to tell us whether you think each pair of products were manufactured by the same company or by different companies. For example, if you were shown two brands of soap, and you were certain they were made by the same company, you would answer "STRONGLY AGREE". If you were certain that they were made by different companies, you would answer "STRONGLY DISAGREE".

*(Hand subject response card)*

5. Dipp's bars and Wrapps bars are manufactured by the same company.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

6. Mennen Speed Stick antiperspirant and PharmaSave Stick Ultra antiperspirant are manufactured by the same company.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

7. Finesse conditioner and Classique conditioner are manufactured by the same company.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

8. Scotch Magic tape and Shopper's Drug Mart tape are manufactured by the same company.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

Part III  
(Personal Interview)

In this section we would like you to judge how similar pairs of products appear to be. For example, if you were shown two brands of soap, we want you to tell us whether you think they are similar in terms of quality, benefits and product attributes. (*Hand subject response card.*) If you think they are really similar in quality, benefits and product attributes, you would answer "EXTREMELY SIMILAR". If you think they are really different in quality, benefits and product attributes, you would answer "EXTREMELY DISSIMILAR". (*Rotate questions*)

9. I think Dipps bars and Wrapps bars are:

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

(*If respondent judges them similar, ask:* )

10. What makes these granola bars seem similar to you?

---

11. I think Mennen Speed Stick and PharmaSave Stick Ultra antiperspirants are:

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

12. What makes these antiperspirants seem similar to you?

---

13. I think Finesse conditioner and Classique conditioner are:

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

14. What makes these conditioners seem similar to you?

---

15. I think Scotch Magic tape and Shopper's Drug Mart tape are:

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

16. What makes these cellophane tapes seem similar to you?

---

#### Part IV

Actually, **none** of these brands are manufactured by the same company. All of the brands that were shown to you were manufactured by different companies. In this section of the questionnaire, we would like to find out how you feel about companies that use packaging that looks like another company's packaging.

Please give your beliefs by placing a checkmark between each of the opposites that follow. Use this scale as you did in the first part of the questionnaire.

17. A company that copies another company's packaging is:

UNFAIR	__:__:__:__:__:__	FAIR
JUST	__:__:__:__:__:__	UNJUST
CULTURALLY UNACCEPTABLE	__:__:__:__:__:__	CULTURALLY ACCEPTABLE
DOES NOT VIOLATE AN UNWRITTEN CONTRACT	__:__:__:__:__:__	VIOLATES AN UNWRITTEN CONTRACT
TRADITIONALLY UNACCEPTABLE	__:__:__:__:__:__	TRADITIONALLY ACCEPTABLE
MORALLY RIGHT	__:__:__:__:__:__	NOT MORALLY RIGHT
VIOLATES AN UNSPOKEN PROMISE	__:__:__:__:__:__	DOES NOT VIOLATE AN UNSPOKEN PROMISE
NOT ACCEPTABLE TO MY FAMILY	__:__:__:__:__:__	ACCEPTABLE TO MY FAMILY

18. How ethical do you think it is for a company to copy another company's packaging? (circle number)

COMPLETELY UNETHICAL	UNETHICAL	SOMEWHAT UNETHICAL	NEITHER ETHICAL NOR UNETHICAL	SOMEWHAT ETHICAL	ETHICAL	COMPLETELY ETHICAL
1	2	3	4	5	6	7

19. Legal action should be taken against **any** company that copies another company's packaging.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

20. Legal action should be taken against **large** corporations that copy another company's packaging. (circle number)

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

21. Legal action should be taken against **small** businesses that copy another company's packaging.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

Part V

Now we would like to know a little bit about you. Please remember that your answers are confidential and are used to help analyze your responses to the previous questions.

22. Age in years: (circle number)

- |         |           |
|---------|-----------|
| 1 18-19 | 6 55-59   |
| 2 20-24 | 7 60-64   |
| 3 25-34 | 8 65-74   |
| 4 35-44 | 9 OVER 75 |
| 5 45-54 |           |

23. Occupation: (please specify) \_\_\_\_\_

24. Highest level of education completed: (circle number)

- 1 SOME HIGH SCHOOL
- 2 COMPLETED GRADE 12
- 3 SOME COLLEGE
- 4 COMPLETED TWO YEAR COLLEGE PROGRAM
- 5 SOME UNIVERSITY
- 6 UNIVERSITY DEGREE
- 7 POST-GRADUATE DEGREE

25. Total annual household income: (circle number)

- 1 UNDER \$9,999
- 2 \$10,000 - \$19,999
- 3 \$20,000 - \$29,999
- 4 \$30,000 - \$39,999
- 5 \$40,000 - \$49,999
- 6 \$50,000 - \$59,999
- 7 \$60,000 - \$69,999
- 8 \$70,000 OR MORE

**Thank you for taking the time to complete this survey.**

## **Appendix B: Survey Instrument for Study 2**

Display of the questionnaire has been altered in order to be printed for inclusion in this document. Ordering of the questions has not been altered from the original format.

# Evaluating Brands

Dear Participant:

Every year, hundreds of new brands are introduced to the marketplace. Currently there is a great diversity of brands available to consumers in most product categories.

This study is being conducted to examine consumers' perceptions of competing brands in the marketplace. This research is purely academic and is being carried out as part of my Master's thesis in business at Simon Fraser University. It is not associated with any commercial company.

The questionnaire is brief, and will only take approximately 10 minutes to complete. You may be assured of complete confidentiality -- your name will never be recorded on any part of the questionnaire.

We are happy to answer any questions you may have. Please don't hesitate to mention any concerns you may have.

Thank you for your assistance.

Sincerely,

Roberta Hupman  
Study Coordinator  
MBA Student  
Simon Fraser University

Dr. Judy Zaichkowsky  
Associate Professor of Marketing  
Simon Fraser University



## Part I

In the first section of the survey we would like you to judge a series of descriptive scales against these products. Extreme points in the scales represent very strong feelings and the midpoints in the scales represent neutral feelings. Here is how to use these scales:

For example, if you feel that granola bars are very closely related to one end of the scale, you would place your checkmark as follows:

IMPORTANT X:\_\_:\_\_:\_\_:\_\_:\_\_ UNIMPORTANT

or

IMPORTANT \_\_:\_\_:\_\_:\_\_:\_\_:X UNIMPORTANT

If you feel that granola bars are quite closely related to one or the other end of the scale (but not extremely), you should place your checkmark as follows:

UNAPPEALING \_\_: X:\_\_:\_\_:\_\_:\_\_ APPEALING

or

UNAPPEALING \_\_:\_\_:\_\_:\_\_:\_\_:X:\_\_ APPEALING

If you feel that granola bars seem only slightly related (but not really neutral) to one end of the scale, you should place your checkmark as follows:

UNINTERESTED \_\_:\_\_: X:\_\_:\_\_:\_\_ INTERESTED

or

UNINTERESTED \_\_:\_\_:\_\_:\_\_:\_\_:X:\_\_ INTERESTED

IMPORTANT:

1. Be sure to check every scale. Do not omit any.
2. Never put more than one checkmark on a single scale.

**Make sure each item is a separate and independent judgment.** Work at a fairly high speed through this questionnaire. Do not worry or puzzle over individual items. It is your first impressions, the immediate feelings about the items, that we want. On the other hand, please do not be careless, because we want your true impressions.

Please proceed to the next page.

1. To me, antiperspirant is:

IMPORTANT	_:_:_:_:_:_:_	UNIMPORTANT
BORING	_:_:_:_:_:_:_	INTERESTING
RELEVANT	_:_:_:_:_:_:_	IRRELEVANT
EXCITING	_:_:_:_:_:_:_	UNEXCITING
MEANS NOTHING	_:_:_:_:_:_:_	MEANS A LOT TO ME
APPEALING	_:_:_:_:_:_:_	UNAPPEALING
FASCINATING	_:_:_:_:_:_:_	MUNDANE
WORTHLESS	_:_:_:_:_:_:_	VALUABLE
INVOLVING	_:_:_:_:_:_:_	UNINVOLVING
NOT NEEDED	_:_:_:_:_:_:_	NEEDED

2. Over the past year I purchased antiperspirant: (circle number)

NEVER	1-2 TIMES	3-4 TIMES	5-6 TIMES	7 OR MORE TIMES
0	1	2	3	4

3. To me, hair conditioner is:

IMPORTANT	_:_:_:_:_:_:_	UNIMPORTANT
BORING	_:_:_:_:_:_:_	INTERESTING
RELEVANT	_:_:_:_:_:_:_	IRRELEVANT
EXCITING	_:_:_:_:_:_:_	UNEXCITING
MEANS NOTHING	_:_:_:_:_:_:_	MEANS A LOT TO ME
APPEALING	_:_:_:_:_:_:_	UNAPPEALING
FASCINATING	_:_:_:_:_:_:_	MUNDANE
WORTHLESS	_:_:_:_:_:_:_	VALUABLE
INVOLVING	_:_:_:_:_:_:_	UNINVOLVING
NOT NEEDED	_:_:_:_:_:_:_	NEEDED

4. Over the past year I purchased hair conditioner: (circle number)

NEVER	1-2 TIMES	3-4 TIMES	5-6 TIMES	7 OR MORE TIMES
0	1	2	3	4

5. To me, cellophane tape is:

IMPORTANT	_:_:_:_:_:_:_:_	UNIMPORTANT
BORING	_:_:_:_:_:_:_:_	INTERESTING
RELEVANT	_:_:_:_:_:_:_:_	IRRELEVANT
EXCITING	_:_:_:_:_:_:_:_	UNEXCITING
MEANS NOTHING	_:_:_:_:_:_:_:_	MEANS A LOT TO ME
APPEALING	_:_:_:_:_:_:_:_	UNAPPEALING
FASCINATING	_:_:_:_:_:_:_:_	MUNDANE
WORTHLESS	_:_:_:_:_:_:_:_	VALUABLE
INVOLVING	_:_:_:_:_:_:_:_	UNINVOLVING
NOT NEEDED	_:_:_:_:_:_:_:_	NEEDED

6. Over the past year I purchased cellophane tape: (circle number)

NEVER	ONCE	TWICE	3-4 TIMES	5 OR MORE TIMES
0	1	2	3	4

Part II

Next, we would like you to tell us whether you think each pair of products were produced by the same manufacturer or by different manufacturers. For example, if you were shown two brands of soap, and you were certain they were made by the same manufacturer, you would answer "STRONGLY AGREE". If you were certain that they were made by different manufacturers, you would answer "STRONGLY DISAGREE".

7. Mennen Speed Stick antiperspirant and PharmaSave Stick Ultra antiperspirant are manufactured by the same company. (circle number)

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

8. Finesse conditioner and Classique conditioner are manufactured by the same company.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

9. Scotch Magic tape and Shopper's Drug Mart tape are manufactured by the same company.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6

Part III

In this section we would like you to judge how similar pairs of products appear to be. For example, if you were shown two brands of soap, we want you to tell us whether you think they are similar in terms of quality, benefits and product attributes. If you think they are really similar in quality, benefits and product attributes, you would answer "EXTREMELY SIMILAR". If you think they are really different in quality, benefits and product attributes, you would answer "EXTREMELY DISSIMILAR".

10. I think Mennen Speed Stick and PharmaSave Stick Ultra antiperspirants are: (circle number)

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

11. To what extent did you use the following cues to judge similarity: (circle number)

	VERY UNIMPORTANT	UNIMPORTANT	NEITHER IMPORTANT NOR UNIMPORTANT	IMPORTANT	VERY IMPORTANT
Specific color combinations	1	2	3	4	5
Shape of package	1	2	3	4	5
Brand name	1	2	3	4	5
Overall design	1	2	3	4	5
Other (please specify)	1	2	3	4	5

12. I think Finesse conditioner and Classique conditioner are: (circle number)

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

13. To what extent did you use the following cues to judge similarity:  
(circle number)

	VERY UNIMPORTANT	UNIMPORTANT	NEITHER IMPORTANT NOR UNIMPORTANT	IMPORTANT	VERY IMPORTANT
Specific color combinations	1	2	3	4	5
Shape of package	1	2	3	4	5
Brand name	1	2	3	4	5
Overall design	1	2	3	4	5
Other (please specify)	1	2	3	4	5

---

14. I think Scotch Magic tape and Shopper's Drug Mart tape are:

EXTREMELY DISSIMILAR	DISSIMILAR	SOMEWHAT DISSIMILAR	NEITHER SIMILAR NOR DISSIMILAR	SOMEWHAT SIMILAR	SIMILAR	EXTREMELY SIMILAR
1	2	3	4	5	6	7

15. To what extent did you use the following cues to judge similarity:

	VERY UNIMPORTANT	UNIMPORTANT	NEITHER IMPORTANT NOR UNIMPORTANT	IMPORTANT	VERY IMPORTANT
Specific color combinations	1	2	3	4	5
Shape of package	1	2	3	4	5
Brand name	1	2	3	4	5
Overall design	1	2	3	4	5
Other (please specify)	1	2	3	4	5

---

## Part IV

Next, imagine you are shopping for the following products: antiperspirant, hair conditioner and cellophane tape. You only have the two brands named from which to choose. We want you to tell us how likely you would be to purchase one brand over the other brand it is paired with.

### **ANTIPERSPIRANT**

16. Would you purchase Stick Ultra antiperspirant if it were the same price as Speed Stick antiperspirant? (circle number)

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

17. Would you purchase Stick Ultra antiperspirant if it were 10 percent cheaper than Speed Stick antiperspirant?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

18. Would you purchase Stick Ultra antiperspirant if it were 40 percent cheaper than Speed Stick antiperspirant?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

### **HAIR CONDITIONER**

19. Would you purchase Classique conditioner if it were the same price as Finesse conditioner?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

20. Would you purchase Classique conditioner if it were 10 percent cheaper than Finesse conditioner?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

21. Would you purchase Classique conditioner if it were 40 percent cheaper than Finesse conditioner? (circle number)

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

**CELLOPHANE TAPE**

22. Would you purchase Shopper's Drug Mart tape if it were the same price as Scotch Magic tape?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

23. Would you purchase Shopper's Drug Mart tape if it were 10 percent cheaper than Scotch Magic tape?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

24. Would you purchase Shopper's Drug Mart tape if it were 40 percent cheaper than Scotch Magic tape?

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7



Part V

Please give your beliefs by placing a checkmark between each of the opposites that follow. Use this scale as you did in the first part of the questionnaire.

25. A company that copies another company's packaging is:

UNFAIR	__:__:__:__:__:__:__	FAIR
JUST	__:__:__:__:__:__:__	UNJUST
CULTURALLY UNACCEPTABLE	__:__:__:__:__:__:__	CULTURALLY ACCEPTABLE
DOES NOT VIOLATE AN UNWRITTEN CONTRACT	__:__:__:__:__:__:__	VIOLATES AN UNWRITTEN CONTRACT
TRADITIONALLY UNACCEPTABLE	__:__:__:__:__:__:__	TRADITIONALLY ACCEPTABLE
MORALLY RIGHT	__:__:__:__:__:__:__	NOT MORALLY RIGHT
VIOLATES AN UNSPOKEN PROMISE	__:__:__:__:__:__:__	DOES NOT VIOLATE AN UNSPOKEN PROMISE
NOT ACCEPTABLE TO MY FAMILY	__:__:__:__:__:__:__	ACCEPTABLE TO MY FAMILY

26. How ethical do you think it is for a company to copy another company's packaging? (circle number)

COMPLETELY UNETHICAL	UNETHICAL	SOMEWHAT UNETHICAL	NEITHER ETHICAL NOR UNETHICAL	SOMEWHAT ETHICAL	ETHICAL	COMPLETELY ETHICAL
1	2	3	4	5	6	7

27. Legal action should be taken against any company that copies another company's packaging.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

28. Legal action should be taken against **large** corporations that copy another company's packaging.

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

29. Legal action should be taken against **small** businesses that copy another company's packaging. (circle number)

STRONGLY DISAGREE	DISAGREE	DISAGREE SOMEWHAT	NEITHER AGREE NOR DISAGREE	AGREE SOMEWHAT	AGREE	STRONGLY AGREE
1	2	3	4	5	6	7

#### Part VI

Now we would like to know a little bit about you. Please remember that your answers are confidential and are used to help analyze your responses to the previous questions.

30. Gender: (circle number)

1 MALE  
2 FEMALE

31. Age in years:

1 UNDER 20      4 29-33  
2 21-24          5 34-38  
3 25-28          6 39 OR OVER

32. Country of birth:

1 CANADA  
2 OTHER (Please specify) \_\_\_\_\_

33. Occupation:

- 1 STUDENT
- 2 CLERICAL
- 3 MANAGEMENT
- 4 UNEMPLOYED
- 5 ADMINISTRATION
- 6 PROFESSOR
- 7 OTHER (Please specify) \_\_\_\_\_

34. My annual income is:

- 1 UNDER \$5,000
- 2 BETWEEN \$5,000 AND \$9,999
- 3 BETWEEN \$10,000 AND \$14,999
- 4 BETWEEN \$15,000 AND \$19,999
- 5 BETWEEN \$20,000 AND \$29,999
- 6 BETWEEN \$30,000 AND \$39,999
- 7 \$40,000 OR MORE

**Thank you for taking the time to complete this survey.**

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