Copycats As Uncertainty Reducing Devices

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Copycats are similar in package design to a leader brand. It is demonstrated that, because of this similarity, copycats can serve as uncertainty reducers: In uncertain situations consumers prefer copycats to visually differentiated products – even when aware of the imitation strategy being used – due to a reliance on familiar cues.

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EXTENDED ABSTRACT

Purchase decisions are often made under conditions of varying uncertainty regarding product quality. When the context induces such uncertainty, consumers tend to seek additional information to reduce these feelings. Copycat brands may benefit under these circumstances.

Copycats imitate the trade-dress of a leading brand in order to leverage the positive associations that the latter has in the mind of the consumer (Loken, Ross, and Hinkle 1986; Zichkowsky 2006). Research has demonstrated that consumers generally dislike blatant copycats, especially when these are blatant and awareness of the imitation strategy is high (Van Horen, Pieters and Stapel 2009; Warlop and Alba 2004, study 4). Surprisingly little is however known about the circumstances under which consumers actually like blatant copycats even when fully aware that the copycat is imitating. The extant research has focused on how package similarity influences copycat evaluation and purchase, but has not yet tested the potential influence of contextual factors on evaluation and choice of copycats. In the current research, we posit and show that copycat evaluation is critically dependent on contextually induced uncertainty.

Consumers are often faced with uncertainty about product quality when choosing between competing brands. Uncertainty refers to situations in which consumers do not know which choice to make (Lipshitz and Strauss 1997, Muthukrishnan and Kardes 2001). When feeling uncertain, consumers are likely to search for signals to assess quality in order to reduce these feelings of uncertainty. Information about the price, packaging, and brand image can then serve as such signals (Dawar & Parker, 1994; Kirmani & Rao, 2000). As copycats imitate the trade-dress of leading national brands and packaging is an important component of stored product knowledge, imitation can activate knowledge associated with the leader brand and serve as a signal. Thus, when consumers are uncertain about the quality of products and are looking for familiar cues to guide them in decision-making, copycats may be able to profit most. However, when consumers feel certain about the quality of products and do not need to rely on familiar cues, copycats may be interpreted negatively. When consumers are aware that a copycatting strategy is being used, similarity may be perceived as a intentional ploy to mislead consumers about product quality (Campbell and Kirmani 2000; Warlop and Alba 2004).

Three studies demonstrate that consumers systematically prefer copycats to visually differentiated products when the situation induces feelings of uncertainty about the quality of products, whereas the reverse is true when the situation induces feelings of certainty. In addition, we show that the positive evaluation of copycats in uncertainty inducing situations is due to consumers’ reliance on familiar cues that signal quality. Two situations are explored that are likely to induce different levels of uncertainty. The first, more explicit, situation is when people are abroad as compared to being at home. When consumers are visiting another country and are unacquainted with the available brands, they are likely to feel uncertain about product quality. A second, more subtle situation is store-type. As compared to high-end stores, the quality of products at discounters is more variable and perhaps lower, which should activate consumers’ feelings of uncertainty.

Study 1 tested the influence of being abroad or at home on copycat evaluation and choice. Participants were either instructed to imagine being in Being, China, or in their home country, looking for a coffee shop. Next, they evaluated a copycat logo, which was a clear imitation of the “Starbucks” logo and a visually differentiated logo that did not share any similarities with the Starbucks logo. Further, they were asked to indicate whether their evaluation of the coffee shops was guided by familiar cues. In support of the hypothesis, copycat evaluation was dependent on country-induced uncertainty: when people imagined to be in a foreign country, the copycat was evaluated more positively and chosen more often than the visually differentiated product, whereas the opposite pattern emerged when people imagined to be in their home country. These results were mediated by reliance on familiar cues and were not due to source confusion. Study 2 tested whether the same effects appeared when uncertainty was manipulated through store-type. Half of the participants were asked to imagine doing shopping in a typical discount store, whereas the other half in a typical high-end store. Then, they were asked to evaluate a copycat chocolate bar (“Milka” look-alike) as compared to a visually differentiated brand. The results reveal that—compared to a visually differentiated product—a copycat was evaluated more positively in a discounter, than in a high-end store. These effects were shown not to be due to source confusion. In study 3 uncertainty was directly manipulated, instead of indirectly through specific situations, to provide further support for the idea that uncertainty is the key factor. Two packages (a copycat and a visually differentiated product) were created within the product category “Energy drinks”. In the uncertainty (certainty) condition participants were asked to imagine doing shopping in an unknown (well known) supermarket, in which they were uncertain (certain) about the quality of the products. Again, participants were asked to evaluate both energy drinks and to make a choice. As predicted the copycat energy drink was evaluated more positively and chosen more often when uncertainty was induced than when certainty was induced. These results provide direct support for the underlying “uncertainty reduction” mechanism.

These results contribute to the literature on trademark infringement in several ways. First, the present research is, to our knowledge, the first to demonstrate that, besides package similarities, the specific shopping situation critically determines copycat evaluation and choice. This underlines the importance of moving beyond the similarities between copycat and leader brand in package design to understand copycat effects. Furthermore, it shows that even when fully aware and thus “not tricked”, consumers may still prefer choose copycats to reduce feelings of uncertainty. Hence, whereas consumers generally prefer differentiated brands to copycats, the reverse holds under conditions of uncertainty.

REFERENCES


