

---

---

**Consumer Evaluations of Brand Imitations:  
An Investigation**

---

**A thesis submitted to Auckland University of Technology  
in partial fulfilment of the degree of Master of Business**

**Sasa Su  
June 2006**

## Table of Contents

<b>Table of Contents.....</b>	<b>ii</b>
<b>List of Tables.....</b>	<b>v</b>
<b>Attestation of Authorship .....</b>	<b>vi</b>
<b>Acknowledgements.....</b>	<b>vii</b>
<b>Abstract.....</b>	<b>viii</b>
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Problem orientation .....	1
1.2 Background of the research .....	2
1.3 Research problem and research questions .....	3
1.3.1 Research questions.....	3
1.4 Justification for the research.....	4
1.5 Research methodology .....	5
1.6 Outline of the thesis.....	6
1.7 Definitions .....	7
1.7.1 Brand imitation .....	7
1.7.2 Original brand owners .....	8
1.8 Delimitations of scope.....	8
1.9 Conclusion.....	9
<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>10</b>
2.1 Introduction .....	10
2.2 Original brand owner perspective .....	10
2.3 Factors influencing consumer evaluation of brand imitation .....	14
2.3.1 Goodness of imitation .....	16
2.3.2 Store image .....	18
2.3.3 Presence of original brand .....	19
2.3.4 Consumer personal characteristics.....	22
2.3.4.1 Product involvement .....	22
2.3.4.2 Product familiarity .....	23
2.3.4.3 Brand sensitivity.....	23
2.3.4.4 Brand loyalty .....	24
2.3.4.5 Price sensitivity .....	25
2.4 Research gap.....	25
2.5 Conclusions for literature review .....	27
<b>CHAPTER THREE: RESEARCH METHODOLOGY.....</b>	<b>28</b>
3.1 Introduction .....	28
3.2 Justification for the methodology .....	28
3.3 Hypothesis development .....	29
3.4 Experimental design .....	31
3.4.1 Justification for luxury brand focus .....	32
3.4.2 Selection of product stimuli .....	33
3.5 Pre-testing.....	34
3.5.1 Pre-test questionnaire design .....	35
3.5.2 Pre-testing results.....	36

3.6 Data collection.....	38
3.6.1 Measurement and scale development .....	38
3.6.2 Questionnaire design.....	40
3.6.3 Survey method .....	41
3.6.4 Sampling .....	43
3.6.5 Implementation .....	44
3.7 Summary of research design .....	44
3.8 Data analysis.....	45
3.9 Analytical techniques.....	47
3.10 Ethical considerations in the survey .....	48
3.11 Conclusions .....	49
<b>CHAPTER FOUR: RESULTS AND FINDINGS.....</b>	<b>50</b>
4.1 Introduction .....	50
4.2 Preliminary analyses.....	50
4.2.1 Response rate .....	50
4.2.2 Descriptive statistics .....	51
4.2.3 Normality .....	53
4.2.4 Missing data.....	53
4.2.5 Reliability.....	55
4.2.6 Manipulation check.....	58
4.3 Hypothesis testing .....	59
4.3.1 Hypothesis 1 .....	61
4.3.2 Hypothesis 2 .....	62
4.3.3 Hypothesis 3 .....	65
4.3.4 Hypothesis 4 .....	66
4.3.5 Hypothesis 5 .....	67
4.3.6 Summary of hypotheses.....	67
4.4 Conclusions .....	69
<b>CHAPTER FIVE: CONCLUSIONS AND IMPLICATIONS.....</b>	<b>70</b>
5.1 Introduction .....	70
5.2 Discussion of Findings .....	70
5.2.1 Hypothesis 1 .....	71
5.2.2 Hypothesis 2 .....	73
5.2.3 Hypothesis 3 .....	74
5.2.4 Hypothesis 4(b).....	75
5.2.5 Hypothesis 4(c).....	77
5.2.6 Hypothesis 5 .....	77
5.2.7 Summary of the findings.....	78
5.3 Theoretical implications .....	79
5.4 Managerial implications .....	80
5.5 Limitations.....	81
5.6 Suggestions for future research .....	82
5.7 Conclusions of the thesis .....	83
<b>REFERENCES: .....</b>	<b>85</b>
<b>APPENDICES:.....</b>	<b>93</b>
<b>Appendix A – Pre-test questionnaire .....</b>	<b>93</b>

<b>Appendix B – Questionnaire for the main survey .....</b>	<b>95</b>
---	-----------

## **List of Tables**

Table 3-1 Pre-test-Mean Scores of Brand Familiarity and Brand Image .....	36
Table 3-2 Pre-test-Mean Scores of Store Image.....	37
Table 3-3 Pre-test Results for Good and Poor Imitations.....	38
Table 3-4 Experimental Treatments .....	40
Table 3-5 A Comparison of Research Design between the Original and Current Studies.....	45
Table 3-6 Analytical Techniques for Preliminary Data Analysis.....	47
Table 3-7 Analytical Techniques for Hypothesis Testing .....	48
Table 4-1 Frequency Table for Demographic Variables .....	51
Table 4-2 Descriptive Statistics.....	52
Table 4-3 Cronbach's Coefficient Alpha Reliability Test Results .....	56
Table 4-4 Independent Sample T-Test Results for Manipulation Check .....	59
Table 4-5 ANOVA Results for Overall Effects of the Experimental Treatments .....	60
Table 4-6 Mean Scores of Experimental Treatment .....	61
Table 4-7 T-Test Results for Effect of Goodness of Imitations .....	62
Table 4-8 ANOVA Results for the Effect of the Presence of Original Brand.....	63
Table 4-9 T-test for the Effect of Original Brand's Presence between Good Imitations and Poor Imitations .....	63
Table 4-10 T-test Results for the Effect of Original Brand's Presence on Good Imitations.....	64
Table 4-11 T-test Results for Effect of Store Image .....	65
Table 4-12 Pearson Correlation Results for the Effect of Personal Characteristics .....	66
Table 4-13 Summary of the Hypotheses Testing.....	68

### **Attestation of Authorship**

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the qualification of any other degree or diploma of a university or other institution of higher learning, except where due acknowledgement is made in the acknowledgements.

---

Sasa Su

## **Acknowledgements**

I appreciate this opportunity to express my sincere gratitude to all those who offered their love, support and encouragement in helping me complete this thesis.

My heartfelt gratitude goes first to my supervisor, Dr Mark Glynn. Thank you very much for your guidance and support during this research. Thank you for always being there helping me struggle through the process. I also appreciate so much your constant patience and encouragement. These have been vital to my accomplishment of writing this thesis in a second language.

I would also like to thank my secondary supervisor, Dr. Roger Baxter, for overseeing this thesis and being willing to help me at any time. My thanks also go to Dr. David Parker, Marcus Henning, and Annette Sachtleben who provided useful advice with regard to my writing skills. I also thank for Charles Grinter, who offered me valuable help in completing the ethics application for this research.

I would acknowledge all my dear friends: Joyce, Annie, Carolyn, Shan, Shinee, Mayun, Karri, Alan and Stephanie. Thank you not only for sharing your thoughts and academic experiences, but also for giving me a hand when I was in need. You have encouraged me to persist with my study. Thanks also to Shirley, Kelly, Yiwen, Wyn and all my fellowship members for your prayers and spiritual support through the tough times.

Finally, my special thanks to my dear parents, for all the love, inspiration and motivation you gave me to cope with the great pressure in completing this thesis away from my home land.

## **Abstract**

Brand imitation is viewed as an infringement of the imitated original brand. (Zaichkowsky, 1995). Although brand managers and researchers have looked into ways to fight against imitations, these are still prevalent in today's market. Researchers have found that one of the major reasons for the growing volume of imitations has been consumer demand. Thus, rather than studying ways to reduce imitations, it is first important for brand managers and researchers to understand why consumers would knowingly buy imitations. The major issue is to understand how consumers evaluate brand imitations.

Several studies have explored factors that might have an influence on consumer evaluations of brand imitations. However these findings are limited. For example, similarity of the imitation to the original brand is an important factor in consumer evaluations. However, very little research has studied this aspect. Thus, this research is motivated to further investigate the influential factors of consumer evaluations of brand imitations. This study replicates d'Astous and Gargouri (2001), a study that examines a comprehensive set of factors that might influence consumer evaluations of brand imitations.

The purpose of this study is to re-examine their hypotheses in various product categories, with a focus on luxury brands. Moreover, this study has extended the d'Astous and Gargouri (2001) study by investigating product similarity which had not been previously explored. However, hypothesis testing did not completely support the hypothesized effects. The results indicate that consumers who purchase luxury brand imitations are heavily influenced by the price and store image. The results show also that the factor of product similarity is unimportant to a customer purchasing imitator brands.



# **CHAPTER ONE: INTRODUCTION**

## **1.1 Problem orientation**

This thesis studies the phenomenon of brand imitation which is prevalent today in many product categories (Zaichkowsky, 1995). A brand imitation is a product that copies a famous or leading brand, using similar attributes, such as name, shape, logo, and design (Wilke & Zaichkowsky, 1999). Thus, in the brand owner's perception, brand imitation is an infringement of the core value of the original brand (Keller & Sood, 2003). Many countries have enacted relevant legislation to protect brands from the infringements of imitations (Henderson, 1997). The key criterion for courts to decide if brand imitations have infringed on the original brands is to see if buyers mistakenly think they are purchasing the original brands (Kapferer, 1995). However, in many cases, consumers buy brand imitations deliberately (Balabanis & Craven, 1997). Therefore, researchers suggest that before taking any steps to fight against brand imitations, manufacturers should first understand why consumers would deliberately buy imitations (Wee, Tan, & Cheok, 1995).

Thus, understanding consumer evaluations of brand imitations is of great interest to both researchers and brand owners. Some researchers have explored factors that influence consumer evaluation of imitations (e.g., d'Astous & Gargouri, 2001). With the insights obtained from research, brand owners can develop effective marketing strategies for branding their products and to take proper measures to protect their brands from brand imitation.

The present study explores those factors that have an impact on consumer evaluations of brand imitations. This chapter consists of eight sections: the first section gives a general background for this study. The second section presents the purposes of this research and addresses the research problem and research questions of this research. The third section justifies several important issues that relate to this study. The fourth section provides an outline of this thesis. The fifth section introduces the main methods that have been adopted by the current study. The sixth section clarifies some definitions in this research. The seventh section explains delimitations of the present thesis. Finally, the last section presents a brief conclusion.

## 1.2 Background of the research

There is a long history of some manufacturers and retailers “free-riding” on successful brands using imitation strategy (Ward, Loken, Ross, & Hasapopoulos, 1986). An imitation strategy is a profitable marketing tactic that produces and sells products that are similar to famous brands at lower prices (d'Astous & Gargouri, 2001). Cases of imitations can be traced back to the early 1800s. Brand imitation is still widespread in marketplace (Zaichkowsky, 1995). For example, a market survey of 100 brand owners in UK reported that 51 percent of the brands are copied by retailers (Collins-Dodd & Zaichkowsky, 1999). Original brand owners see brand imitation as a threat (Simonson, 1994), and it causes losses in market share and profit values (Zaichkowsky, 1995). In a study of 45 companies with \$113.2 billion sales worldwide, Feinberg & Rousslang (1990) found that about \$2.1 billion was lost to foreign imitators. According to reports from the International Chamber of Commerce (Nill & Shultz, 1996), counterfeiting in North America up to 1994 accounted for \$US200 billion US. Besides the monetary loss, brand imitations can reduce the core values or the unique characteristics of the original brands by producing similar products (George & D'Amato, 1978).

Consumers are also perceived as being at a disadvantage when offered brand imitations (Loken, Ross, & Hinkle, 1986). Consumers are often unable to distinguish an original brand from imitations that share similar product attributes (Foxman, Berger, & Cote, 1992). Very often, consumers are confused by the similarity between original brands and imitations (Ward, Loken, Ross, & Hasapopoulos, 1986). In addition, this confusion causes consumers to buy imitations, mistakenly thinking that they are purchasing the original brand (Loken, Ross, & Hinkle, 1986).

However, some research reveals that, instead of being confused, many consumers buy imitations clearly knowing that they are doing so (Bloch, Bush, & Campbell, 1993). Zaichkowsky (1995) points out that consumers might be harmed by purchasing a brand imitation of low quality. However, when the product quality is perceived to be as good as the original brand or when consumers perceive an imitation that is a good value for the money, they buy brand imitations purposefully (Loken, Ross, & Hinkle, 1986). Hence, there might be a different set of “judicial standards for good imitators and poor imitators” from the perspective of consumers (Zaichkowsky, 1995, p. 164). Thus, Wee, Tan, & Cheok (1995) suggest that, rather than fighting against imitations, researchers

and original brand managers should first understand why consumers purchase imitations.

The primary issue relating to understanding why consumers deliberately purchase imitations is to identify the factors that influence consumer evaluations of brand imitations. However, little research has been conducted in this specific area and there is a need for more investigation (d'Astous & Gargouri, 2001).

### **1.3 Research problem and research questions**

This section introduces the purposes of the thesis. Then it addresses a research problem and several research questions investigated in this study.

The primary purpose of this thesis is to explore factors that influence consumer evaluations of brand imitations, specifically to re-examine factors identified by previous research. In particular, this research investigates how those identified factors influence consumer evaluation of brand imitations. The research problem investigated in this study is as follows:

*How do consumers evaluate brand imitations?*

#### **1.3.1 Research questions**

This research is a replication study based on the work of d'Astous and Gargouri (2001). Theirs is the only study that presents a comprehensive framework for factors that influence consumer evaluations of brand imitations. However, their study does not provide robust results of the effects of those factors. Thus, this thesis re-examines those factors of the d'Astous and Gargouri (2001) model in various product categories. Additionally, the current study suggests that similarity is an important factor that may influence consumers (Zaichkowsky, 1995), though it has not been previously tested. Thus, this study extends the d'Astous and Gargouri (2001) study by investigating the factor of similarity. It is expected that the results from this study can provide useful insights for both original brand owners and researchers. The research questions to be investigated and presented are as follows:

1. What factors influence consumer evaluations of brand imitations?
2. Does similarity have an impact on consumer evaluations of brand imitations?
3. Can the d'Astous and Gargouri (2001) model be generalized to other product categories?

## **1.4 Justification for the research**

This section discusses the motivations for and importance of conducting this research; it also explains the reasons for replicating the work of d'Astous and Gargouri (2001). This research is considered important for three reasons: Firstly, original brand owners need to have more understanding of brand imitations, especially in today's marketplace where brand imitating is prevalent and has become a threat to the original brands (Zaichkowsky, 1995). Statistics show that brand imitation has caused significant global economic loss (Feinberg & Rousslang, 1990). Although there are no specific statistics in New Zealand, cases of trademark violations are increasing, for example, the recent dispute between Kraft Food and Nu Vision Consultancy (Brandscape, 2006). Nu Vision Consultancy applied to register MILKÁ SHAKE as its trademark for nutritional and dietary supplements in New Zealand. The application was opposed by Kraft Foods which owns registrations for MILKA and I ♥ MILKA for chocolate and confectionery. The other case is the dispute between the New Zealand Rugby Football Union (NZRFU) and Canterbury International Ltd (Waters, 2001). The former attempted to prevent the latter from selling their INVINCIBLE jersey by claiming trademark infringement, although NZRFU finally failed in the court suit. Therefore, it is important to have more understanding of brand imitations in order to prevent possible infringement. However, little research has been done in this area and none in New Zealand.

Secondly, market demand for brand imitations has steadily increased (Prendergast, Chuen, & Phau, 2002). Hoch & Banerji (1993) point out that consumer expectations and needs create the demand for store products. Therefore, to understand why consumers seek brand imitations is necessary. However, most of the existing research on imitations has focused on studying how imitations infringed the original brand, or on how consumers are confused by imitations (Bloch, Bush, & Campbell, 1993), little is known about why many consumers buy imitations deliberately. Thus, there is a need for more research to address this issue. Furthermore, Wee, Tan, & Cheok (1995)

suggest that the study of consumer evaluations of brand imitations is significantly important to both original brand owners and researchers. Understanding consumer needs and wants helps brand owners to develop proper branding strategies and prevents their being imitated (Zaichkowsky, 1995). For researchers, understanding how consumers make product choices is essential for marketing theory (Baltas, 1997).

Thirdly, the existing research has limited findings of factors that influence consumer evaluations. For example, similarity is an important evaluative criterion of consumer assessment of brand imitations (Prendergast, Chuen, & Phau, 2002); however, little research has investigated this factor. Moreover, the d'Astous and Gargouri (2001) research is the only study among the existing research that has presented a comprehensive framework for the influential factors of consumer evaluations of brand imitations. However, the study results did not provide a robust result for the effect of all the factors. Therefore, there is a need for further investigation in this area.

This thesis will provide valuable insights for original brand owners and researchers who are concerned about imitations in the New Zealand market. This research replicates and extends the d'Astous & Gargouri (2001) study, which presents a set of factors that may influence consumer evaluations of brand imitations. We re-examine these factors by adding a new factor: *similarity*. The d'Astous & Gargouri (2001) study has been chosen because it is the first empirical study that specifically focused on studying consumers who buy imitations purposefully. Moreover, it is also the first study to develop a comprehensive framework for factors that influence consumer evaluations of imitations. Thus, the framework provides a valuable foundation for further studies on brand imitations from consumer's perspectives.

## **1.5 Research methodology**

This replication study aims at validating those variables discovered in the d'Astous & Gargouri (2001) study. Therefore, the research design used in the d'Astous & Gargouri (2001) work has guided the design of this study. Hypotheses are developed also based on the d'Astous & Gargouri (2001) work. Therefore, rather than generating a new theoretical variable, this study adopts extant research methods to verify those variables that have been identified previously. Hence, the methodology of this study is a

quantitative approach rather than a qualitative approach. Data were collected through a questionnaire survey at a shopping mall in Auckland City. Participants thus were shoppers in Auckland in New Zealand. ANOVA (Analysis of variance), Independent t-test and Pearson correlation are the main techniques employed to examine the data.

## **1.6 Outline of the thesis**

This thesis consists of five chapters: The first chapter provides an overview of this thesis. It presents an orientation of the research problem background; describes the purpose, reasons, and importance for conducting this research; reviews the methodology and methods adopted by this study; outlines the structure of this thesis; provides the definitions of key terms; and clarifies delimitations of this research.

The second chapter is a literature review. The main objective of chapter two is to review those factors that influence consumer evaluations of brand imitations. To gain a general understanding of brand imitation, the chapter first reviews the early studies of brand imitation mainly based on brand owner perspectives. The key findings are compared to those studies based on consumer perspectives. Then each key factor that influences consumer perceptions of imitations is reviewed.

Chapter three provides an overview of the research design for the current study. It justifies the methodology; develops hypotheses, describes the main research design (the experimental design) of this study, and presents a pre-test with a report of the pre-test results. Chapter three also introduces and discusses the adopted research methods, covering the measurement and scale development, questionnaire design, survey method, sampling, implementation, data analysis procedures and techniques. Finally it provides a clarification of the ethical considerations related to this study.

Chapter four looks into how the data were screened, cleaned, and analysed, and it reports the findings and results of the study. The chapter discusses several preliminary analyses to provide an overall feeling for the data, and then tests the hypotheses of the study. The results of the tests are reported and discussed. Finally, it presents a brief summary of the findings.

Chapter five discusses in depth the results of the hypotheses testing. The discussion provides answers for the research problem and the research questions. It then offers several implications for researchers, brand owners and brand imitators. It also identifies several limitations of the study and provides some suggestions for future research. Finally, it provides an overall conclusion of the thesis.

## **1.7 Definitions**

This section clarifies definitions of two important terms used in this study: “brand imitation” and “original brand owners.” The definitions are discussed with comparison with other concepts that are often confused with the two terms.

### **1.7.1 Brand imitation**

“Brand imitation” is often confused with counterfeiting and gray market goods (d'Astous & Gargouri, 2001). Thus, it is important to clarify those definitions at the beginning of this thesis.

#### *Definition of “brand imitation”*

A brand imitation is a product that borrows or copies some special attributes of a famous or leading brand, such as a name, shape or colour (Lai & Zaichkowsky, 1999). d'Astous & Gargouri (2001) define imitations as “re-creations of existing products with minor modifications” (p. 153).

Brand imitations are also known as “knock-offs” and “are not identical to the original but are similar in substance, name, form, meaning or intent to an acknowledged and widely known product or service” (Prendergast, Chuen, & Phau, 2002, p. 406). Brand imitation also relates to “passing-off” which describes “the situation in which people confuse one business or one product with another” (Zaichkowsky, 1995, p. 5).

#### *Definition of “counterfeit”*

“Counterfeit” is most often confused with “imitation” (d'Astous & Gargouri, 2001). However, a counterfeit is a 100 percent copy of a famous or leading brand (Wilke & Zaichkowsky, 1999), while imitations only partially copy the original (Zaichkowsky,

1995). This study focuses on brand imitations, not counterfeits.

#### *Definition of “gray market” goods*

Gray market products are also similar to brand imitations. However, *gray market* refers to genuine branded products sold in unauthorized market channels such as street markets (Prendergast, Chuen, & Phau, 2002, p. 406). Usually, the sellers of gray markets goods are those contracted manufacturers of original brand. They overproduce the genuine product and try to make profit by selling it at a lower price without authorization. Therefore the major differences between gray market goods and imitations are that the former consists of genuine products that are sold illegally, while the latter refers to products that imitate the original brand without authorization.

### **1.7.2 Original brand owners**

As discussed above, imitations are products that copy some leading or famous brands. This study refers to those which copy leading or famous brands as “original brands.” Subsequently, owners of the original brands are termed as “original brand owners.” Original brand owners can be the manufacturers of original brand (Collins-Dodd & Zaichkowsky, 1999) or brand managers of the imitated brands (Zaichkowsky, 1995). The other concept related to original brand owners is imitators of the original brands (Zaichkowsky, 1995). As used in this study, “imitators” refers to the manufacturers or sellers of brand imitations (Davies, 1998).

## **1.8 Delimitations of scope**

The research focus of this study is brand imitations. All product stimuli are selected strictly based on the definition of imitations. Therefore, the results of this research apply only to imitations, not counterfeiting products or gray market goods.

This study is conducted in a New Zealand marketplace. A different market could have different characteristics. Therefore, the study’s findings may not applicable to markets in other countries. For example, imitations are more prevalent in Asian countries than in New Zealand (Wong & Zaichkowsky, 1999). Also, consumer perceptions of imitations may differ because of cultural differences or legal environments (Lai &



Zaichkowsky, 1999).

Last, this study is conducted within luxury product categories. Therefore, the results of this research may not apply to imitations of convenience goods because of their different characteristics (d'Astous & Gargouri, 2001).

## **1.9 Conclusion**

This chapter provided the groundwork for this thesis. First it introduced the key issues and concerns relating to the study. Then, it presented the research background to obtain an overall understanding of the phenomena of brand imitations. The objective of this research is to identify factors that influence consumer evaluations of brand imitations. The research problem investigated by this study is, “How do consumers evaluate brand imitations?” Based on this research problem, three research questions were subsequently addressed. This study replicates the d'Astous and Gargouri (2001) work which was the first study to present a comprehensive framework for the influential factors of consumer evaluations of brand imitations. Motivations and importance of this study were justified. Methodology underlying the purpose of the study was briefly introduced, followed by an outline of the whole thesis. Then, two important definitions—brand imitation and original brand owners—were clarified. Finally, several delimitations of this study were explained.

Based on this groundwork, the remaining parts of this thesis present the details of this research, starting with the Literature Review, in Chapter two.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

An imitation is a product that copies a famous or leading brand by using similar product attributes (Zaichkowsky, 1995). In the eyes of the imitated brand owners, brand imitation is an infringement of the original brand's equity (George & D'Amato, 1978). Consumers are also perceived as being disadvantaged in the purchase of brand imitations (Foxman, Muehling, & Berger, 1990). However, some researchers found that, in many cases, consumers were clearly aware that the products they were purchasing were imitations (Balabanis & Craven, 1997). Hence, Wee, Tan, & Cheok (1995) suggest that rather than fighting against imitations, it is important to first understand consumers who bought imitations deliberately. The primary issue concerning understanding consumers is to analyse the factors that may influence consumer evaluations of brand imitations (Zaichkowsky, 1995).

This chapter reviews factors that have been identified by existing research. In order to provide a general understanding of brand imitation, this chapter first reviews research that was conducted from the perspective of original brand owners. It then moves to an overview of the influential factors of consumer evaluations of imitations identified by the existing research. Factors identified by d'Astous & Gargouri (2001) are discussed in depth as theirs was the first study to provide a profound understanding of consumer evaluations of brand imitations. After that, several research gaps are identified and presented. Finally, a conclusion for literature review is drawn.

### **2.2 Original brand owner perspective**

“Original brand owner” refers to the owners of the imitated brands (Zaichkowsky, 1995). Most often, imitated brands are famous or leading brands (Nia & Zaichkowsky, 2000). Most of the existing research reviewed in this section was conducted from the perspectives of owners of famous or leading brands. The primary objective of this section is to provide a general understanding of the phenomena of brand imitations.

Key concerns of owners of original brands and main findings of those studies are discussed.

Levitt (1966) made the point that no one company can always afford to be a substantial innovator since innovation involves huge investment on both money and time. Instead, many so-called new products in the marketplace are often imitations rather than innovations (Levitt, 1966). Thus, some manufacturers or sellers of brand imitations proclaim the necessity of being similar to a successful brand (Rafiq & Collins, 1996). According to them, consumers value and see those imitated product attributes as identical. Gradually, consumers use these product attributes as important indicators to categorize an imitation to the corresponding product category (Lefkoff-Hagius & Mason, 1993).

However, original brand owners are concerned that when brand elements are imitated, the original brand's equity would be diluted (Zaichkowsky, 1995). Most often, those imitated product attributes are the main elements of an original brand, for instance, brand names, logo, design, or packaging (Keller, 2003). These elements are distinct and make up a brand's equity, which reflect the core values of a brand (Chernatony & McDonald, 1998). Original brand owners found that when those distinct product attributes are imitated, consumers are likely to be confused by the similarity between the imitations and original brands (Foxman, Berger, & Cote, 1992). Consequently, consumers would think that the same manufacturers has produced both imitations and original brands, or that the imitations have the same product qualities as the original brands have (Zaichkowsky, 1995).

That similarity generates consumer confusion has been empirically supported by several studies. For example, Loken, Ross, & Hinkel (1986) found that when similarity in physical appearances between a private label and a national brand was observed, most participants were misled to assume that the private label brand and the imitated national brand were produced by the same manufacturer. Loken, Ross, & Hinkel (1986) additionally found that the greater the perceived similarities, the greater the consumer confusion. Ward, Loke, Ross, & Hasapopoulos (1986) and Foxman, Muehling, & Berger (1990) found also that physical similarity produces confusion in consumer perceptions. Specifically, when having observed physical similarity, consumers are likely to assume good performance and quality like that of the original brands.

However, brand imitations are generally lower quality than original brand (Fenby, 1983). Thus, when consumers find that the quality of the imitation they purchased is not as good as they expected, they may devalue the original brand by generalizing the poor experience from the brand imitation to the imitated brand (Zaichkowsky, 1995). Consequently, original brand's equity may be diluted (Davies, 1998).

Therefore, in the brand owner's perception, brand imitation is an infringement of the original brand. The major negative effect is dilution of the original brand's equity. The key factor causing the dilution is consumer confusion resulting from similarity between the imitations and original brands (Zaichkowsky, 1995). Consumers, on the other hand, are also considered as being disadvantaged by brand imitations (Balabanis & Craven, 1997). Zaichkowsky (1995) found that when two products are found to be similar, consumers generally lack the ability to distinguish one product from the other. Therefore, manufacturers and sellers of imitations are inclined to take advantage of consumers. In other words, many consumers are deceived and buy imitations mistakenly (Zaichkowsky, 1995).

Hence, to protect consumers and the original brand's equity, Zaichkowsky (1995) calls for original brand owners to fight against the imitators through legislation. Many countries have enacted relevant laws to protect original brand trademarks, copyright, or registered design to discourage counterfeiting and imitating (Henderson, 1997). Brand owners are encouraged to resolve disputes with imitators through legal actions. One example related to brand imitation is the famous legal dispute between United Biscuits' "Penguin" versus Asda's "Puffin." Another example is Coca-Cola's suit against Sainsbury's "Classic Cola" whose label design is similar to "Classic Coke" of Coca-Cola. Because brand confusion is the key factor that leads to dilution of original brand's equity, court judgments on infringement of brand imitations have been concerned mainly about the likelihood of consumer confusion (Kapferer, 1995). Some countries, for example, The United States, measure the likelihood of confusion by the degree of similarity between imitations and original brands (Cohen, 1991). However, it is found that similarity is difficult to measure since it is more a matter of perception than of reality (Zaichkowsky, 1995). Some consider one product to be similar to an original brand, but others may not perceive the similarity (Zaichkowsky, 1995).

Kapferer (1995) suggests that, rather than examining similarity, testing behavioural confusion may be more appropriate in judging the likelihood of infringement. Behavioural confusion happens when consumers have actually bought an imitation, thinking that they were purchasing the original brand (Kapferer, 1995). Thus, shifting from the focus on understanding how brand confusion infringes original brand's equity, researchers started to put effort into proving the existence of brand confusion for court investigations (Kapferer, 1995).

However, some research has found that, instead of being confused by imitations, many consumers buy imitations deliberately (Bloch, Bush, & Campbell, 1993). For example, Balabanis & Craven (1997) investigated whether "look-alikes" can mislead consumers to buy imitations. The study interviewed fifty shoppers who had purchased imitations from four selected product categories: soft drinks, coffees, chocolate bars, and cereals. The researchers found that none of the participants had purchased the imitations because of confusion; rather, all participants clearly knew that they were purchasing imitations, not originals. This indicates that not every consumer of imitations will be deceived. This finding is contrary to the traditional view that consumers are disadvantaged by imitators.

In line with these findings, Nia & Zaichkowsky (2000) interviewed consumers of counterfeits of twenty-five selected luxury brands. The research found that the participants were generally positive, thinking that the counterfeits were "fun and worth the value" for money (Nia & Zaichkowsky, 2000, p. 494). More importantly, the research discovered that most of the respondents did not think these counterfeits had decreased the value of original brand; instead, they were clearly aware of the differences in the quality and characteristics between the original brands and the imitations.

In summary, the existing research has focused on investigating how consumers are confused by imitations and how this leads to the dilution of original brand's equity. However, some research shows that, in many cases, consumers bought imitations deliberately. This finding is contrary to the traditional view that consumers are disadvantaged by imitators. Researchers point out that, even though sellers and manufacturers of imitations should take the responsibility for the widespread availability of imitations, the demand by consumers themselves cannot be ignored (Prendergast, Chuen, & Phau, 2002). Therefore, understanding the consumers who buy

imitations deliberately is important to both original brand owners and researchers. Zaichkowsky (1995) points out that consumers might be harmed by purchasing low-quality brand imitations. However, when the product quality is perceived to be as good as the original brand, or when consumers perceive an imitation that has good value for the money, consumers may buy brand imitations purposefully (Loken, Ross, & Hinkle, 1986). Hence, there might be a different set of “judicial standards for good imitators and poor imitators” from the perspective of consumers (Zaichkowsky, 1995, p. 164). Researchers suggest that before taking any steps to fight against brand imitating, original brand owners need to first understand how the consumers evaluate brand imitations (Wee, Tan, & Cheok, 1995). Particularly, it is important to explore factors that influence their evaluations of brand imitations, which is the main focus of this study. The next section reviews factors identified by research as having influences on consumer evaluations of brand imitations.

### **2.3 Factors influencing consumer evaluation of brand imitation**

This section starts with an overview of studies that have explored and examined the influential factors of consumer evaluations of imitations. Then it reviews four key factors recommended by the d'Astous and Gargouri (2001) study, which was the first to develop a comprehensive framework for factors influencing consumer evaluations of brand imitations. Finally, it provides a summary of the key findings of the current studies.

“Price” is the first identified factor that has a significant impact on consumer’s perceptions of imitations. Grossman & Shapiro (1988) found that many consumers enjoyed the status of having products that look like famous brands without paying high prices. The study by Prendergast, Chuen, & Phau (2002) compared the differences in consumer evaluations of two pirated products: VCD machines and clothing. It observed that low price is the most important factor in both product categories, even though other evaluative criteria differ across the two product categories. Price is obviously important to consumers as imitation is usually associated with low price (Zaichkowsky, 1995). However, “shoppers are very heterogeneous in terms of their attention and reaction to price and price promotions” (Dickson & Sawyer, 1990, p. 51).

Later research started to look beyond the factor of price. Researchers observed that consumer evaluations of imitations are also determined by some psychographically-based and product-related factors (Wee, Tan, & Cheok, 1995). Psychographically-based factors relate to factors such as “brand image,” “store image,” and “product involvement,” while product-related factors refer to determinants like similarity in physical appearance and product performance (Wee, Tan, & Cheok, 1995). Several studies have empirically tested these factors. For psychographically-based factors, the Cordell, Wongtada, & Kieschnick (1996) study supports the effect of “original brand image” on consumers’ purchasing counterfeit products. The research found that a counterfeit product of a famous brand is more attractive than an original of a less famous brand. Similarly, Nia & Zaichkowsky (2000) discovered that consumer favouring of a luxury brand counterfeit relates to the original brand’s image. The more famous the original brand, the more likely consumers would buy the counterfeit. Moreover, Cordell, Wongtada, & Kieschnick (1996) also noticed that consumers were more likely to buy counterfeits from a retailer with a good reputation rather than from a flea market. Thus, they suggest that “store image” could also be a potential factor influencing consumers on their perceptions of imitations.

For product-related factors, Wee, Tan, & Cheok (1995) examined the effect of two factors, namely, physical similarity in appearance and product performance, on consumer evaluations of four selected counterfeiting products: leather wallets, watches, computer software, and pirated literature. The effects of all the variables were empirically supported. Moreover, they identified that the magnitude of the influence of each variable varies across different types of product. For example, with fashion-related products such as wallets and watches, similarity in physical appearance and brand image is more important to consumers. However, for functional products such as computer software, product quality may be the more essential factor in influencing consumer evaluations of the counterfeits.

In general, early research has identified several factors influencing consumer evaluations of imitations. The effects of these factors on consumer evaluations are empirically supported. These findings have increased our understanding of consumers who bought imitations deliberately. However, these understandings were limited to the effect of each independent variable. It lacked an understanding of the consumers in a whole picture by taking and examining those factors together.

Thus, in 2001, d'Astous & Gargouri conducted a study and developed a comprehensive framework for the influential factors that consumers use to evaluate imitations. Their framework consists of four factors: *goodness of imitations*, *store image*, *presence of original brand*, and *consumer characteristics*. The *consumer characteristics* included five factors: *involvement with product* (hereafter called “product involvement”), *product familiarity*, *brand sensitivity*, *brand loyalty*, and *price sensitivity*.

These factors were tested in both convenience and luxury product categories. The research indicates significant influence of store image on consumer evaluations of the imitations across various product categories. Four of the five consumer characteristics—*product involvement*, *brand sensitivity*, *brand loyalty*, and *price sensitivity*—are also important factors which influence consumer evaluation. The research results did not support the effect of other factors—*product familiarity*, *goodness of imitation*, and the *presence of original brand*. Specifically, presence of original brand can only influence consumers when they purchase imitations of convenience brands. The influence of goodness of imitation on consumer evaluations is found neither for convenience nor for luxury brand imitations. In short, some factors of the d'Astous and Gargouri (2001) model were supported, while some were not.

The present research, therefore, is motivated to further investigate factors influencing consumer evaluations of imitations by re-examining the factors proposed by the d'Astous and Gargouri (2001) study. The following subsections discuss these factors in depth.

### **2.3.1 Goodness of imitation**

“Goodness of imitation” refers to the similarity shared by imitations and original brands. “Brand imitation deals with similarity, not difference” (Zaichkowsky, 1995). Thus, similarity can be one important factor for consumer to evaluate imitations. It is assumed that “similar products will be similarly liked by consumers” (Wee, Tan, & Cheok, 1995, p. 24). This statement was made based on a theory called “similarity judgement” developed by Boush (1987). The theory suggests that similarity explains consumer cognitive process to transfer existing brand knowledges to a new brand (Boush, 1987). In the context of brand imitations, the theory implies that consumers would transfer their good experiences from an original brand to its imitations. In line



with this suggestion, Medin, Goldstone, & Gentner (1993) state that consumers might assume that two similar objects may behave in similar ways. Similarly, Martin & Stewart (2001) suggest that consumers are likely to assume that a lookalike imitation will perform as well as the original brand.

Based on these theoretical suggestions, Wee, Tan, & Cheok (1995) empirically investigated the role that similarity plays in consumer evaluations of counterfeits. Specifically, they examined the effect of similarity together with other factors such as brand status and product quality in four product categories: literature, computer software, leather wallets and watches. The results indicate that similarity of appearance had a dominant effect on consumers' decisions to purchase watches and leather wallets. The finding implies that "similarity," especially the "similarity in physical appearance," could be the most important factor for consumer evaluations of fashion-related counterfeiting products. Cordell, Wongtada, & Kieschnick (1996) also discovered that physical similarity increases the consumer's positive attitude towards imitations. Similarly, Prendergast, Chuen, & Phau (2002) explored consumers' purchasing criteria of imitations. They compared the differences of purchasing criteria between low and high spenders of imitations. The research found that both groups of consumers purchase fashion-related products because of the "physical appearance." These findings indicate that similarity, particularly similarity in physical appearances, may play an important part in consumer evaluations of imitations.

Based on the earlier studies, d'Astous & Gargouri (2001) proposed that "physical similarity," like similar packaging, design, and logo, should increase consumers' favourable attitudes towards brand imitations. Their study examined similarity in both convenience and luxury product categories. Stimuli were selected based on similar packaging (for convenience products) and similar logo and design (for luxury brands). Then the "similarity" was coded as "goodness of imitation" to be examined in the study. However, the study's results did not support the effect of this factor. The reason as explained by d'Astous and Gargouri (2001) was that the difference between the good imitation and the poor imitation was not great enough to influence the consumer evaluation. However, this research suggests that it could be the concept of "goodness of imitation" was not well defined for to the participants. In the original study, participants were simply asked if the imitation was good or poor. However, people would interpret "goodness of imitation" differently, thus causing the failed result in the

final testing. d'Astous and Gargouri (2001) discussed the “goodness of imitation” based on similarity theories derived from previous research. The product stimuli were also selected based on physical similarity of the original brands. Therefore, this study suggests that “goodness of imitation” can be re-defined as “similarities” shared by imitations and original brands.

The findings of the existing research indicate that similarity is a key factor that motivates consumers to buy an imitation. Moreover, consumers seem to assume that imitations will perform as well as the original brand performs (Medin, Goldstone, & Gentner, 1993). Thus, some researchers suggest that similarity between imitations and original brands increases consumers’ positive attitudes towards the imitations. However, little research has explored this important factor.

### **2.3.2 Store image**

Store image plays an important part in consumer evaluative process of brands (Collins-Dodd & Lindley, 2003). It is found that customers are more likely to complain to a retailer rather than a manufacture when they discover that they have mistakenly bought a counterfeit product or an imitation (Bamossy, 1985). Therefore, store image should have an influence on consumer evaluations of imitations. Furthermore, store image serves as an important factor to mitigate consumer’s perceived risk of a product (Dawson, 1988). Perceived risk refers to consumers’ perceived unfavourable consequences of a purchase decision, such as low product performance or money loss (Cox, 1962; Jacoby & Kaplan, 1972). Researchers found that when a product of high perceived risk was sold in a store with good reputation, consumers would be more favourable to the product than when that was offered by a store with poor reputation (Vahie & Paswan, 2006).

That store image mitigates the perceived risk is particularly related to the perceptions of buyers of imitations (Cordell, Wongtada, & Kieschnick, 1996). Brand imitation is usually perceived to be inferior to the original brand because of its lower product quality (Zaichkowsky, 1995). Thus, consumers may risk poor product performance when they purchase an imitation. In other words, consumers often associate imitations with the perceived risk of poor product performance (Zaichkowsky, 1995). In such

circumstances, store image has become important to consumers to reduce the perceived risk of imitations.

Cordell, Wonted, & Kieschnick (1996) empirically support the positive relationship between a prestigious store image and consumer perception of counterfeits. The study found that, when consumers thought that retailers had put effort in maintaining good reputation, consumers would perceive less performance risk associated with counterfeit products. Cordell, Wongtada, & Kieschnick (1996) further state that for products perceived as high-risk, a store's high reputation may provide an assumed warranty of the product's quality. Similar findings can be seen in studies of private label brands, a large proportion of which are copy-cats (Collins-Dodd & Zaichkowsky, 1999; Davies, 1998). Dunn, Murphy, & Skelly (1986) found that private label brands are generally perceived to have higher performance risk than major manufacturer brands. Buyers may be more fearful of performance, financial and social loss of private label brands than of national brands (Dick, Jain, & Richardson, 1995). However, when private label brands were sold in a store with good reputation, consumers may have more confidence in the performance of private label brands (Collins-Dodd & Lindley, 2003). d'Astous & Gargouri (2001) also has included "store image" as one of key factors of consumer evaluations of imitations. The research found that consumer evaluations of imitations were significantly improved when the imitations were sold in a store with good image. The results were robust across two convenience product categories and two luxury product categories.

In all, there is a consistent finding in the existing research showing that store image can mitigate consumer's perceived risk of a brand imitation (Vahie & Paswan, 2006). Therefore, it is suggested that prestige store image can improve consumer evaluations of imitations (d'Astous & Gargouri, 2001).

### **2.3.3 Presence of original brand**

Brand imitations are sometimes placed on the same shelves as the original brands in department stores (d'Astous & Gargouri, 2001). Therefore, the effect of the presence of the original brand refers to the impact of the presence of the original brand's image on consumer evaluations.

Consumers evaluate a product based on prior experiences with that product (Weiner, 2000). However, if the consumers have never before purchased or used a product, they have to rely on other factors to infer its quality (Burnkrant, 1978), for example, to associate and compare the other known products that are placed with the unknown product (Vahie & Paswan, 2006). If placed near the brand imitation that consumers have never used, an original brand can be a potential cue for consumers to make inference about the imitation (Vahie & Paswan, 2006). The presence of the original brand influences consumer evaluations mainly in two ways.

Firstly, the presence of original brand increases the likelihood for consumers to discover the similarities between the imitations and the original brands. d'Astous & Gargouri (2001) point out that, when an imitation and an original brand were presented together, consumers can easily make comparisons between the two brands. Through the comparison, consumers are more likely to find out the similarities shared by the imitation and the original brand. The more similar the imitation is to an original brand, the more likely consumers will observe their similarities. Consequently, the presence of the original brand increases the likelihood for consumers to transfer “goodwill” of an original brand to the imitation (Martin & Stewart, 2001) and increases the perceived value of imitations. Furthermore, imitations are usually priced lower than the original brands (Zaichkowsky, 1995). In such situations, consumers could be more favourably impressed with the imitations with assumed similar performance yet at a lower price (d'Astous & Gargouri, 2001).

In short, the presence of the original brand increases the possibility for consumers to make comparisons between the imitations and the original brands. The comparison helps consumers to find out the similarity between the brands, by which consumers may transfer their good experiences with the original brand to the imitation (Cordell, Wongtada, & Kieschnick, 1996). Consequently, consumer evaluations of the imitations are improved.

Secondly, the presence of the original brand reduces consumer's perceived risk of the brand imitations and increases the low image of brand imitations. Brand imitations are usually perceived with low image and risk of poor product performance (Zaichkowsky, 1995), particularly when the imitations are sold in a store which usually sells products of low images. In such situations, consumer evaluations of the brand imitations are

generally low.

However, researchers found that when prestigious brands were displayed along side low-image brands, the perceived risk of the low-image brands can be mitigated (Jacoby & Mazursky, 1984). Simultaneously, the images of both are improved (Porter & Claycomb, 1997). Vahie & Paswan (2006) presented a similar proposition regarding the effect of the presence of original brand. Studying the effect of the presence of manufacturer brands on consumer evaluations of retailer brands, their research found that the prestige of a manufacturer's brand does enhance the image of a retailer brand in consumer's perception. According to Vahie & Paswan (2006), the prestigious image of a manufacturer's brand first improved the store's image; then the good image of the store mitigated the perceived risk of poor performance of the retailer brand, consequently enhancing the consumer's perception of the retailer brand .

In the same way, when an imitation is displayed alongside the imitated original brand, it is likely that the prestige of the original brand can improve the image of the store. The improved image of the store may therefore mitigate the perceived risk of the imitation. Consequently, the image of the imitation may be improved.

In summary, the presence of the original brand increases the value of imitations by generating opportunities for consumers to compare the imitations and the original brands. The comparison increases the likelihood for consumers to transfer the "goodwill" of the original brands to the imitation. Also, the prestigious image of original brand mitigates the perceived risk of imitations and enhances consumer's confidence in making purchase decisions of the imitations.

The effect of the presence of original brand was empirically tested in the d'Astous & Gargouri (2001) study across two luxury product categories. The research found that the effect was different across the two product categories (sunglasses and polo T-shirts). The effect was in the predicted direction in one product category: sunglasses. As shown, the good imitations received higher evaluations when they were presented with the original brands. However, in the polo T-shirt category, the results were in opposite directions. Therefore, the effect of this factor needs further investigation.

### **2.3.4 Consumer personal characteristics**

Five factors of consumer personal characteristics seem to relate to consumer evaluations of brand imitations: product involvement; product familiarity; brand sensitivity, brand loyalty, and price sensitivity.

#### **2.3.4.1 Product involvement**

Product involvement is “a state of motivation, arousal or interest” (Brisoux & Cheron, 1990). It relates to consumers’ feelings and behavioural response to a particular product category (Miller & Mark, 1996). Richins & Bloch (1986) found that when consumers were interested in a product, they would be highly involved. Involvement in a product category includes a searching process (Rothschild & L, 1984), through which consumers can identify a product that meets their needs and wants. Consumers engage in the searching process to avoid making wrong decisions (Laurent & Kapferer, 1985). A wrong purchase decision may mean the consumer’s needs are not met (Roselius, 1971). Consequently, consumers could experience poor performance, financial loss, or social embarrassment (Dunn, Murphy, & Skelly, 1986).

Brand imitations are usually perceived as inferior to the original brand (Zaichkowsky, 1995). Thus, consumers who engage in searching for an original brand are the most likely to be fearful of mistakenly purchasing an imitation (Prendergast, Chuen, & Phau, 2002). Some researchers found that consumers with low product involvement are more likely to be confused by the brand imitation (Foxman, Muehling, & Berger, 1990). Consequently, consumers would have low evaluation of the imitations. By contrast, consumers who have high product involvement with the product category would be clearer that the product was not the original brand, but an imitation.

These studies found that consumer evaluations of imitations are negatively related to their involvement with the relevant product category. The negative relationship has been empirically examined by d'Astous & Gargouri (2001). The research found that, across one luxury brand (sunglasses) and two convenience brands (bread and shampoo), consumers who had more involvement with the product categories had more negative evaluation of imitations.

#### **2.3.4.2 Product familiarity**

Product familiarity refers to consumer's understanding or knowledge of a product category (Dick, Jain, & Richardson, 1995). Product knowledge can help them to reduce the risk of making mistakes in their purchasing decisions (Alba & Hutchinson, 1987). With this reduced perceived risk, consumers would be more confident in choosing a product or a brand that meets their needs and wants (Dick, Jain, & Richardson, 1997).

Related to brand imitation, Nia & Zaichkowsky (2000) point out that, consumers who own more original brands are more negative to brand imitations. Also they worry more about mistaking a brand imitation for the original brand (Zaichkowsky, 1995). Thus, with more knowledge of the product category, they would be better able to distinguish the differences of quality between the original brand and the imitation. In such situations, consumers would be more likely to have less favorable evaluations of the imitations. These findings point to a negative relationship between product knowledge and consumer evaluations of the imitation. Since the degree of consumer familiarity with a product determines the degree of consumer knowledge of a product (Alba & Hutchinson, 1987), it is assumed that there would be a negative relationship between product familiarity and consumer evaluations of the imitation.

In short, product familiarity helps consumers to distinguish an imitation from an original brand. It is assumed that the higher the product familiarity, the more brand knowledge the consumers would have. Consequently, consumers would have more experience in recognising the differences between the imitation and the original brand. As a result, they would have a poor evaluation of the imitation.

#### **2.3.4.3 Brand sensitivity**

Brand sensitivity relates to consumers' general attitudes towards a brand (Keller, 2003). Explicitly, brand sensitivity refers to consumers' intentions to use branded products rather than non-branded products. Consumers who are more inclined to use branded products are more likely to be sensitive to brands. By contrast, those who have less concern about branded products would be less sensitive to brands.

In addition, consumers who have more purchase experience with original brands would be more sensitive to the brands (d'Astous & Gargouri, 2001). Consumers who have more purchase experience with imitations would be less sensitive to original brands.

Thus, when evaluating a brand imitation, consumers who are more sensitive to the original brands would have less favorable evaluations of the imitations (d'Astous & Gargouri, 2001). By contrast, those who are less sensitive to original brands may be more positive to the imitations. Therefore, d'Astous & Gargouri (2001) proposed that consumer evaluations are negatively related to brand sensitivity. The relationship has been empirically investigated by the d'Astous & Gargouri (2001) study in four product categories (sunglasses, polo T-shirts, bread, and shampoo). The test results have supported the negative effect of brand sensitivity on consumer evaluations of imitations. It is not known if the effect can be generalized to other product categories and thus needs further investigation.

#### **2.3.4.4 Brand loyalty**

A consumer who is loyal to a brand tends to buy the same brands over time (Garretson, Fisher, & Burton, 2002). However, a non-loyal consumer might switch to an unfamiliar brand from time to time (Garretson, Fisher, & Burton, 2002).

Consumers who maintain brand loyalty are more concerned about product quality than about price (East, Gill, Hammond, & Hammond, 1995). They see the brand as a guarantee of product quality and purchase value. However, consumers who knowledgeably buy an imitation clearly know that the imitations may have lower quality than the original brands. Thus, they are not likely to be concerned about the product quality (Nia & Zaichkowsky, 2000). Instead, they would be more care about what they can be benefit from an offering of low price of the imitation (d'Astous & Gargouri, 2001). Normally, these consumers accept a trade off between the price and the product quality. In other words, the low price can compensate for the perceived low quality (Nia & Zaichkowsky, 2000).

Garretson & Burton (1998) pointed out that consumers who appear to be price-oriented may have less brand loyalty. Buyers of imitations are often price-oriented (Grossman & Shapiro, 1988). Thus, d'Astous & Gargouri (2001) proposed that consumers of brand imitation are more likely to have less brand loyalty. They further pointed out that there is a negative relationship between brand loyalty and consumer propensity to buy a brand imitation. Thus, brand loyalty is a variable that is worth inclusion in the framework of factors that influence consumer evaluation of brand imitations.



#### **2.3.4.5 Price sensitivity**

Price is an important factor in consumer evaluations of brand imitations since imitations are usually associated with low price (Zaichkowsky, 1985). Indeed, low price is always found to be one of the important motivations for purchasing an imitation (Grossman & Shapiro, 1988; Prendergast, Chuen, & Phau, 2002).

Price sensitivity is equivalent to price consciousness (Munnukka, 2005) and is related to the range of price acceptability (Lichtenstein, Blonch, & Black, 1988). Monroe (1990) defines price consciousness as consumers' unwillingness to pay a high price for a product. In other words, consumers who are sensitive to price are usually not willing to pay a perceived high price (Link, 1997).

Since low pricing is one of the selling points of brand imitations, it is assumed that consumers who buy imitations would be more price sensitive than those who buy original brands. Consumers who are sensitive to price would have a more positive attitude towards counterfeit products, gray market goods and imitations (Huang, Lee, & Ho, 2004). Indeed, research on counterfeit products, gray market goods and imitations (e.g. Bucklin, 1993; Prendergast, Chuen, & Phau, 2002; Zaichkowsky, 1995) have shown that price difference is the key criterion for purchase decisions. In many cases, consumers "enjoy the status of displaying a prestigious label" of an original brand without paying for high price (Grossman & Shapiro, 1988, p. 98).

The lower the price of an imitation, the more positive the consumer's attitude towards the imitation. Thus, d'Astous & Gargouri (2001) proposed that price sensitivity would increase the consumer's positive attitude towards brand imitation. d'Astous & Gargouri (2001) further investigated this proposition in both convenience and luxury product categories. Their study obtained a supportive result of the effect of price, showing that consumer evaluations are positively influenced by their price-sensitivity.

## **2.4 Research gap**

The existing research found that consumers do apply different criteria to evaluate brand imitations. Some psychographically based (such as brand image, store image and product involvement) and product-related factors (such as physical similarity and

product quality) have been identified and examined in early studies. Those findings have increased our understandings of consumers who bought imitations deliberately. However, the understanding was limited to the effect of each independent factor. It lacked an understanding of the consumers in a whole picture until d'Astous & Gargouri conducted a study in 2001. The d'Astous & Gargouri (2001) study was the first to present a comprehensive framework for factors influencing consumer evaluations of imitations. Based on the previous findings, its framework developed four factors: *goodness of imitation, store image, presence of original brand and consumers' personal characteristics*. However, the study's results did not support some factors—*goodness of imitation, presence of original brand and product familiarity*. Therefore, there is a need for further investigation on brand imitations. Furthermore, the existing research has overlooked *similarity*, even though it is proposed to play important part in consumer evaluations of brand imitations.

This literature review identifies several research gaps: First, similarity plays an important part in consumer evaluation of brand imitations. However, existing research has overlooked the possible effect of this factor. d'Astous and Gargouri (2001) discussed this as “goodness of imitation,” but failed to see its impact, probably because of the differing concept of “goodness of imitation.”

Secondly, several other factors such as *the presence of original brand and product familiarity*, also did not receive a supportive result from d'Astous and Gargouri (2001); therefore, it is not known if these factors really have impact on consumer evaluations of brand imitations.

Thirdly, the d'Astous and Gargouri (2001) model was tested in only four product categories: shoes, sunglasses, shampoo, and bread. It is not known if the model can be generalized to other product categories. Also, the model was examined in both convenience and luxury products. However, these products have different characteristics related to perceived risk, image and familiarity (Dubois, 1994). Thus, it is not known if these different product characteristics imply that consumers would use different evaluative criteria for brand imitations.

## 2.5 Conclusions for literature review

The early research of brand imitation focuses on the original brand owner's perspective (e.g., 1978; Loken, Ross, & Hinkle, 1986). In the eyes of brand owners, consumers are likely to be confused by the similarity between imitations and original brands (Zaichkowsky, 1995). As a result, consumers may mistakenly buy imitations, thinking that they are purchasing the original brands (Foxman, Berger, & Cote, 1992)

However, some later research found that consumers are not confused by brand imitations (Balabanis & Craven, 1997). Instead, most of them buy brand imitations deliberately (Bloch, Bush, & Campbell, 1993) and think the imitations “fun and worth the value” (Nia & Zaichkowsky, 2000, p. 494). Therefore researchers suggest that consumers might use different standards to evaluate brand imitations (Zaichkowsky, 1995).

The existing research has identified several key factors that influence consumer evaluations of brand imitations: *goodness of imitation*, *store image*, *presence of original brand* and *consumers' personal characteristics*. The d'Astous and Gargouri (2001) study presented these factors as a comprehensive framework. However, their final results did not support some factors—particularly *goodness of imitation*, *presence of original brand* and *product familiarity*. Therefore, the authors called for further replication research to improve the model. Furthermore, *similarity* which strongly affects consumer evaluation of brand imitations is found to be overlooked by the existing research. Hence, several research gaps were noted and have become the motivations for this research. The next chapter presents the main research designs of this study underlying hypotheses testing.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

The previous chapter presented a set of factors that might influence consumer evaluations of brand imitations. This chapter discusses and hypothesises the relationships between the factors and consumer evaluations based on the d'Astous & Gargouri (2001) study. Since these relationships are under investigation in the present study, this chapter also introduces the main design of research methodology underlying the examination of the hypotheses.

The remaining parts of this chapter consist of several sections. The next section justifies the research methodology of this study. The third section presents and discusses the research hypotheses. The fourth section introduces the experimental design, including a justification for the focus on luxury brands and a presentation of how the product stimuli were selected. The fifth section describes the pre-test. The sixth section details the data collection. The seventh section provides a short summary of the research design with a comparison of the research methods used in the d'Astous & Gargouri (2001) study and the current research. The eighth section discusses issues relating to data analysis, including cleaning and screening of data and the procedures of data analysis. The ninth section introduces the main analysis techniques used in the study. The tenth section addresses several issues related to ethical considerations for this study. Finally, a conclusion for this chapter is provided in section twelve.

### 3.2 Justification for the methodology

This study tests those variables discovered in the d'Astous & Gargouri (2001) study. Specifically, it re-examines those variables tested by d'Astous & Gargouri using different product categories. Also, it extends the d'Astous & Gargouri's study by examining a re-defined variable—*goodness of imitation*--based on extant research.

Hence, rather than theoretically generating new variables, this study verifies those variables that have been identified previously, using empirical research methods. Thus, rather than a qualitative study, this study is a quantitative research within a positivist

paradigm. With a quantitative methodology, the research process is objective, value free, deductive, and confirmatory (Sekaran, 2003).

Furthermore, the current research is a replication study of the d'Astous & Gargouri (2001) work. Replication is an important type of research that duplicates existing research and tries to obtain similar research results (Barwise, 1995; Leone & Schultz, 1980). Similar results will indicate that the tested model or variable is generalisable to different contexts (Hubbard & Armstrong, 1994). Therefore, replication studies are valuable to assess the validity, reliability, and generalisability of the original empirical findings, especially for a new model (Hubbard & Armstrong, 1994). Since this study assesses the validity of the model of d'Astous & Gargouri (2001) using different product categories, replication is therefore appropriate for this study.

In addition, this study is “a close replication” approach. Close replication is the most appropriate way of replicating research that has not been replicated in any context (Klein, Brown, & Lysyk, 2000). The d'Astous & Gargouri (2001) study has not been previously replicated; therefore, a close replication is appropriate for this research. A close replication duplicates the methods of the original study as much as possible (Grayson & Ambler, 1999). Therefore, the research design of this study follows the pattern of the d'Astous & Gargouri (2001) work. Furthermore, this research extends the original study by redefining one of the factors, *goodness of imitation*. Extensions of the original research, such as adding or modifying some variables, are allowed for a close replication study, based on the similar methodology and methods (Grayson & Ambler, 1999).

### **3.3 Hypothesis development**

This study re-examines those factors that are identified by d'Astous & Gargouri (2001). Since this is a close replication study, the hypotheses in the original study were adopted. Furthermore, this study focuses on luxury brands; hence it uses only the hypotheses related to luxury brand in the d'Astous & Gargouri (2001) work. In relation to the hypotheses, this study examines seven independent variables for their effects on consumer evaluations of brand imitations: *goodness of imitation*, *store image*, *involvement with product categories*, *product familiarity*, *brand sensitivity*, *brand loyalty* and *price sensitivity*. Five relevant hypotheses are presented and discussed as

follows.

The first hypothesis concerns “goodness of imitation.” As discussed in the literature review, *goodness of imitation* is defined as *similarity* in this study. Consumers tend to think that “similar things may behave in similar way” (Medin, Goldstone, & Gentner, 1993). Thus, it is proposed that when consumers perceive more similarity between imitations and original brands, they are more positive to the brand imitations because of their good experience with original brands. Therefore, the first hypothesis adopted from the d'Astous & Gargouri (2001) study is as follows:

***H<sub>1</sub> The better the brand imitation, the better is the consumer evaluation of brand imitation.***

The second hypothesis relates to “the presence of original brand.” Presence of an original brand increases the value of the imitation by producing opportunities for consumers to make comparisons between imitations and original brands. The comparisons increase the likelihood for consumers to transfer the “goodwill” of the original brands to the imitation. In addition, the prestige image of original brand mitigates the perceived risk of imitations and enhances consumer confidence in making purchase decisions of the imitations. Therefore, the second hypothesis is as follows:

***H<sub>2</sub> The better the brand imitation, the better is the consumer evaluation of brand imitation; this becomes pronounced when the original brand is present.***

The third hypothesis concerns the “image of the store.” To some consumers, purchasing brand imitations is often associated with taking the risk of buying a product with poor performance (Zaichkowsky, 1995). In such circumstances, a store’s good image serves to reduce such risk in consumer perception (Collins-Dodd & Lindley, 2003). For many consumers, a store with a good image increases the likelihood of good quality of the products (Cordell, Wongtada, & Kieschnick, 1996). Therefore, the hypothesis regarding to image of store is as follows:

***H<sub>3</sub> The better the image of the store, the better the consumer evaluation of brand imitations.***

The fourth hypothesis concerns the effects of four personal characteristics. Researchers observe that when consumers have high involvement with a product category, or are very familiar with the product, they are more able to distinguish the differences in product quality between imitations and original brands (Foxman, Muehling, & Berger, 1990), and therefore devalue the imitations. Similarly, consumers who have more brand sensitivity and brand loyalty would be less favorable to brand imitations. Therefore, it is hypothesized that

***H<sub>4</sub> Consumer evaluation of brand imitations are negatively related to the consumer's***

***H<sub>4</sub> (a) Product involvement,***

***H<sub>4</sub> (b) Product familiarity,***

***H<sub>4</sub> (c) Brand sensitivity,***

***H<sub>4</sub> (d) Brand loyalty.***

The last hypothesis relates to price sensitivity. Low price is one of the most important motivations for consumers to buy an imitation (Prendergast, Chuen, & Phau, 2002). Thus, consumers who are more price-conscious are more likely to be positive toward brand imitations. Hence, the last hypothesis is as follows:

***H<sub>5</sub> Consumer evaluation of brand imitations is positively related to consumer price sensitivity.***

### **3.4 Experimental design**

This section introduces the experimental design, which is the main research design of this study. Then it clarifies the reasons for this study to choose to focus on luxury brands. It also explains how the product stimuli of this research were selected

This research adopted a field experiment to test the hypotheses, guided by the d'Astous & Gargouri (2001) study. Field experiment is the primary method for investigating how independent variables affect a dependent variable (Burns & Bush, 2000). The purpose of this study is to understand how the dependent variable, consumer evaluations, is

influenced by seven independent variables: goodness of imitation, store image, involvement with product categories, product familiarity, brand sensitivity, brand loyalty, and price sensitivity. Therefore, a field experiment was appropriate for the current study.

A field experiment needs to manipulate some variables, mainly the independent variables, to eliminate any possible rival hypotheses with confounding variables (Graziano & Raulin, 2000). Thus, in this study, three independent variables—goodness of imitation, presence of original brand and store image—were manipulated, as guided by the d'Astous & Gargouri (2001) study.

Furthermore, this study adopted a factorial design, which is by far the most popular experimental design. Factorial design is appropriate for this study because it allows researchers to manipulate two or more variables at the same time in the experiments (Rutherford, 2001). Moreover, factorial design requires each manipulated variable should have two levels so that the dependent variable can be studied (Lukas, Hair, Bush, & Ortinau, 2004). Thus, in this study, *goodness of imitation* was manipulated as good imitation and poor imitation; image of stores was controlled as store of good image and store of poor image and the presence of original brand was operated as absent and present. Through a factorial design, this study can observe how consumer evaluations varied across different levels of these.

### **3.4.1 Justification for luxury brand focus**

This study focuses on only luxury brands rather than on both luxury and convenience brands as in the d'Astous & Gargouri (2001) study. This follows d'Astous & Gargouri (2001), who suggest that future studies should focus on a specific area, either within luxury brand, or within convenience brands because luxury and convenience products have different characteristics, such as perceived risk, image and familiarity (Dubois, 1994). Therefore, consumer evaluations of brand imitations of luxury and convenience brands may differ.

A luxury brand was chosen for this study for several reasons: First, the demand for an imitation of a luxury brand might be greater than that of a convenience brand (Nia & Zaichkowsky, 2000). This is may be because most buyers of imitations are price conscious (Huang, Lee, & Ho, 2004). Thus consumers would be more interested in



imitations of luxury brands when they found the greater price differences between the imitations and the original brands than that in the context of convenience brands (Grossman & Shapiro, 1988).

Second, consumers might use different evaluative criteria for imitations of luxury brands than for that of convenience brands (Zaichkowsky, 1995). It is found that consumers who buy convenience brand imitations are more likely to treat the imitations as an equal alternative to the original brand (Burt & Davis, 1999). Hence, consumers might adopt similar judgment standards to evaluate the imitation and original brand in convenience product categories.

However, the situation is different in the context of luxury brand imitations. Many people dream of purchasing a luxury product, yet only a few can afford the high price. Some consumers thus have to purposefully seek an imitation as a substitution of the original brand (Nia & Zaichkowsky, 2000). In this case, “low price” might be more important to buyers of luxury brand imitation than to those of convenience brand imitations. Moreover, consumers might also seek a product that looks like a luxury brand to impress observers (Bloch, Bush, & Campbell, 1993). In such circumstances, similarity of the product’s appearance might be important to a buyer of luxury brand imitations. However, this is not likely to happen with consumers of convenience products who usually look more for product quality (Wee, Tan, & Cheok, 1995).

Third, rarity or uniqueness is the core value of luxury brands. However, imitations can dilute the uniqueness or rarity of the luxury brands by producing similar products and selling them at much lower prices. Therefore, luxury brands are more likely to be infringed by imitations (Nia & Zaichkowsky, 2000).

### **3.4.2 Selection of product stimuli**

This subsection discusses how the product stimuli of this research were selected. At first, four luxury brand names were selected. Then two imitations of each luxury brand were sought, providing a total of eight imitations to be assessed. Moreover, two store names were chosen to represent a store with good image and a store with poor image.

Since different people might have different perceptions of what a “luxury brand” is (Beverland, 2004), luxury brand names were sought from reliable resources, rather than by simply asking the researcher’s friends. Nia & Zaichkowsky (2000) ranked twenty-five top luxury brands from seventy-four top luxury brands in the world, which were provided by International Research Institute on Social Changes (RISC) in 1997 and updated by Wong & Zaichkowsky (1999). These twenty-five brands were then used by the current study. From these, four brands were finally selected by this research according to several criteria. First, considering the research was conducted in New Zealand, the brands and products should be familiar to New Zealanders. Second, the brands and products should be familiar to both female and male participants. Third, relevant imitations of the brands are available in New Zealand. According these criteria, Louis Vuitton’s handbag (for female), Burberry’s wallet (for both male and female), Nike’s shoes (for male) and Lacoste’s polo T-Shirts (for male) were finally chosen for this research.

The eight imitations were sought from various sources. Imitations of the Louis Vuitton (LV) handbag and the Burberry wallet were found in some flea markets in Auckland, New Zealand. Nike and Lacoste imitations were found in China. Louis Vuitton and Burberry imitations were selected according to the degree to which the design of the products was similar to the original brand. The Nike and Lacoste ones were chosen depending on their logos being similar to those of the original brands.

Six stores were first selected: The Warehouse, K-mart, Farmers, Smith & Caugheys, Galleria, and Regency. The first four are department stores, while the latter two are duty-free outlets. All the stores were familiar to New Zealanders. The Warehouse and K-mart were expected to be stores of low image, while Smith & Caugheys, Galleria, and Regency were stores with a high image. Farmers, on the other hand, carried a medium level of store image. In the pre-test, two of them were chosen to represent one store with high image and one with low image.

### **3.5 Pre-testing**

The pre-test had three primary objectives: first to examine whether the selected original brands were well known and perceived as prestigious, second to distinguish stores with

a good image from those with a poor image, and third to distinguish good imitations from poor imitations. This section introduces the design of pre-test questionnaire. Then it describes the procedure of pre-test data collection. Finally, it displays and discusses the results of the pre-test.

### **3.5.1 Pre-test questionnaire design**

The pre-test questionnaire (Appendix A) started with a brief introduction which included the researcher's name and university, and the objective of the pre-test. The following three sections concerned the three objectives of the pre-test. Fundamentally, all the questions and items were adapted from the d'Astous and Gargouri (2001) research for a close replication approach of this study. However, only questions (the question in the third section) about distinguishing good imitations from poor imitations can be found in their study. The questions and items related to the degree to which the famous and the prestige image of the selected brands were not found. Thus, all the questions and items related to these two factors (questions in the first and second sections) were taken from Glynn and Brodie (1998) study. Although it was in the context of brand extensions, Glynn and Brodie (1998) also investigated and measured consumer perception of brand name and brand image. Thus, it is appropriate for this study to adopt their questions and items. Furthermore, as guided by the d'Astous and Gargouri (2001) and the Glynn and Brodie (1998) studies, all the questions were measured on seven-point Likert scales, which tends to measure the items at maximum reliable level (Green, 1970).

In addition to the pre-test questionnaire, a set of photos of the four original brands and eight brand imitations were prepared and presented together with the questionnaire to the participants. Essentially, the photos were used only for section three. Thus, the photos would not be presented to participants until they started the section three.

A total of thirty-two pre-test questionnaires were prepared. Thus, a total of 32 participants were involved in the pre-test. For convenient sampling, all the participants were postgraduate students in business faculty of Auckland University of Technology. Random sampling was adopted to select the participants. Finally, the thirty-two questionnaires together with the photos were all returned with complete answers.

### 3.5.2 Pre-testing results

This section discusses the results of the pre-test, presented according to each of the three goals of the pre-test. The first goal of the pre-test was to determine if the selected brands were well known and had reputations for high quality. Table 3-1 presents the results obtained from the descriptive statistics. As the table shows, for both brand familiarity and brand image, the mean scores of all the four brands were above 4.00, indicating that all the selected brands were well known and had good reputation for high quality. In the case of brand familiarity, Nike was recognised as the most famous brand with the highest mean score= 6.75. Louis Vuitton, in the case of brand image, on the other hand, received the highest mean score = 6.44, indicating that Louis Vuitton had the highest reputation for good quality among the selected brands. The results indicate that all the selected brands were well known and convey an image of high prestige or status to respondents.

**Table 3-1 Pre-test-Mean Scores of Brand Familiarity and Brand Image**

Variable	Brand names	Mean	Std. Dev
Brand familiarity	Nike	6.75	0.92
	Louis Vuitton	5.72	2.10
	Lacoste	5.34	1.91
	Burberry	5.38	2.14
Brand image	Louis Vuitton	6.44	1.39
	Burberry	5.66	1.75
	Lacoste	5.25	1.58
	Nike	5.00	1.63

n=32

The next aim was to select a high image store and a poor image store from the six chosen stores. Mean scores of each store were compared and two stores with the most significant differences were selected. One-way ANOVA then was adopted since one-way ANOVA identifies mean score differences obtained in different experimental conditions and can test all pair wise differences in means (Rutherford, 2001; SPSS, 1999).

Table 3-2 shows the results. Mean scores of the six stores were classified into two groups in homogeneous subsets. One group (group a) consisted of Galleria, Regency, and Smith & Caugheys, of which mean scores were all above 4.00, indicating high store images. The other group (group b) including The Warehouse, K-Mart and Farmers,

however, had mean scores lower than 4.00 and showing low store image. Furthermore, the mean differences between these two groups was significant at  $p=0.000$  with  $F=28.881$ . This means that store images of the selected six stores were significantly different overall. Of the six stores, the highest mean score was Galleria's (mean=5.56), while, the lowest mean score was The Warehouse's (mean = 2.22). This implied that Galleria conveyed the highest store image to respondents, while The Warehouse conveyed the lowest image of store. Thus, Galleria and The Warehouse would be selected by this research

**Table 3-2 Pre-test-Mean Scores of Store Image**

Store name	Mean scores		F	Sig.
Galleria	<b>5.56</b>	a	28.881	0.000
Smith & Caugheys	5.53	a		
Regency	5.34	a		
Farmers	3.78	b		
K-mart	2.78	b		
The Warehouse	<b>2.22</b>	b		

n=32

The third pre-test distinguished good imitations from poor imitations. In the test, four pairs of imitations selected from four different product categories were examined. They were imitations of the Louis Vuitton (LV) handbag, imitations of the Burberry (BB) wallets, imitations of the Nike shoes, and imitations of the Lacoste T-shirts. Each pair of imitations was examined separately and expected to contain one good imitation and one poor imitation with significant difference. Independent t-tests were used as they compare mean of a single variable in one group with that in another group (SPSS, 1999). Thus, in the present test, mean scores of the two imitations in each pair were compared and analysed to distinguish good imitations from poor imitations.

Table 3-3 reports the results. Mean scores of good imitations in each pair were all higher than the poor imitations. This indicated that the results were in predicted direction, namely, all the expected good imitations were judged to be better than those expected poor imitations. However, in the case of Nike and Lacoste, mean difference between good imitations and poor imitations did not reach a statistically significant level at  $p<0.05$ . The mean difference between Nike's imitations was 0.56 with  $t=1.53$ ,  $p=0.132$ . For Lacoste, it was 0.66 with  $t=1.39$ ,  $p=0.168$ .

By contrast, in the case of LV and Burberry, mean differences were significant at  $p < 0.05$ . As the table (3-3) showed, mean difference between LV imitations was 1.19 with  $t = 2.76$  and  $p = 0.008$ . For Burberry imitations, it was 1.75 with  $t = 4.94$  and  $p = 0.000$ . Hence, the imitations of LV and Burberry were selected for testing the hypothesis, while the imitations of Nike and Lacoste were abandoned since the differences between good imitations and poor imitations were not significant.

**Table 3-3 Pre-test Results for Good and Poor Imitations**

<b>Original Brand name</b>	<b>Brand imitation</b>	<b>Mean</b>	<b>Mean dif</b>	<b>t</b>	<b>Sig.</b>
LV Handbag	Imitation 1 (good)	4.94	1.19	2.76	0.008
	Imitation 2 (poor)	3.75			
Nike shoes	Imitation 3 (good)	4.25	0.56	1.53	0.132
	Imitation 4 (poor)	3.69			
BB wallets	Imitation 5 (good)	4.81	1.75	4.49	0.000
	Imitation 6 (poor)	3.06			
Lacoste T-Shirt	Imitation 7 (good)	3.97	0.66	1.39	0.168
	Imitation 8 (poor)	3.31			

n=32

Thus, in the final research, only the four imitations of the LV handbag and the Burberry wallet would be examined. As for stores, Galleria and The Warehouse were finally chosen from the six stores. The former presented as a store carrying high store image, while the latter represented a low store image.

### **3.6 Data collection**

This section presents the data collection procedure of the main survey. It starts with an introduction of the development of measurement and scale, and then describes the questionnaire design. Next, it displays the survey method and sampling procedure. Finally, the implementation of the survey is described.

#### **3.6.1 Measurement and scale development**

This subsection discusses how the measurement and scale were developed for one

dependent variable (consumer evaluations of brand imitations) and eight independent variables (goodness of imitation, store image, the presence of original brand, involvement with product categories, product familiarity, brand sensitivity, brand loyalty and price sensitivity). Among these, store image and the presence of original brand were not measured specifically in the main study. This is because that each of the two variables had been manipulated as two levels in the pre-test.

The measurement items for other variables used in the d'Astous and Gargouri (2001) study were adopted in this study, apart from items for the re-defined factor goodness of imitation. In the d'Astous and Gargouri (2001) study, *goodness of imitation* was measured by only one item: "good/poor." As discussed in the literature review, by simply asking which imitations were good and which were poor, the item did not justify the concept of goodness of imitation. Participants might define "good imitation" and "poor imitation" differently. Smith & Albaum (2005) point out that a good definition of a construct should be operational by defining it "in a specific and measurable" way to avoid the possibility of bias in the final results (p. 349). Thus, this study re-defines goodness of imitation more explicitly as "similarity" based on theories of extant studies.

Two items—*similarity* and *typicality*—were chosen to measure the newly defined *goodness of imitation*. The two items were taken from Hem & Iversen (2002) and Loken & Ward (1990) work. The former study investigated the effect of product similarity on consumer evaluations of brand extension. The latter research studied determinants of typicality that consumers used to categorise a product into the correct product category. Although they were used in different contexts, the two items were both employed to measure the construct of similarity, by which consumers usually adopted to evaluate a brand that shared product similarity with other brands, for example, brand extension vs. original parent brand. Thus, the two items were appropriate for this research to measure the construct of *goodness of imitation*, which was defined as *similarity*.

This study used both nominal and interval scales. Nominal scale is the simplest scale serves and serves to identify objective properties, like gender and religion (Sekaran, 2003). The three demographic questions in questionnaire adopted nominal scale to identify respondents' gender, age and educational background. Then interval scales were used adopted for all other measurement items since interval scales allow

respondents to “make meaningful statements” on a higher-order level scales (Burns & Bush, 2000; Smith & Albaum, 2005, p. 354).

Furthermore, a Likert scale was adopted for those interval-scale items. Likert scales are widely used to measure attitudes, opinions, evaluations, beliefs and feelings (Bordens & Abbott, 1996). Therefore they were appropriate for this research since the study measured consumers’ evaluations of brand imitations. Likert scales in format of interval-scales allow researchers to generate sufficient variance among respondents, thus more powerful statistical techniques can be applied for more reliable results of the research (Clark & Watson, 1995). Churchill & Iacobucci (1984) found that when scale points increase in a normal range, the reliability of the measure increase accordingly. The normal range, as evidence provided by (Hinkin, 1995; Rasmussen, 1990), is ranged from 5-point to 7-point scale. The d’Astous and Gargouri (2001) study adopted 7-points scale. Followed their design, this study used the same number of points’ scale (i.e., 7-point) for all those interval-scale items, namely the items of all the constructs except the demographic constructs.

### 3.6.2 Questionnaire design

Questionnaires (Appendix B) were based on the d’Astous and Gargouri (2001) study and designed according to the eight experimental treatments of each the two selected products (LV’s handbag and Burberry’s wallet). Thus, sixteen, four-page questionnaires then were designed with different experimental conditions for the two selected product categories. Table 3-4 presents the eight experimental treatments.

**Table 3-4 Experimental Treatments**

No.	Treatments
1	Good imitation x Good store image x Original brand’s presence
2	Good imitation x Good store image x Original brand’s absence
3	Good imitation x Poor store image x Original brand’s presence
4	Good imitation x Poor store image x Original brand’s absence
5	Poor imitation x Good store image x Original brand’s presence
6	Poor imitation x Good store image x Original brand’s absence
7	Poor imitation x Poor store image x Original brand’s presence
8	Poor imitation x Poor store image x Original brand’s absence



The cover page of the questionnaire gave the title of the research and the name and university of the researcher. The second page showed different treatment conditions by presenting (1) product category; (2) the imitation number; (3) store name; (4) a photo of an imitation, or photos of both an original brand and an imitation, and the prices. The third and fourth pages presented all questions measured the constructs. This part of questionnaire started with a brief introduction of the purpose of the research. Confidentiality and anonymity were clarified. Three sections followed, each of which provided instructions to guide the participants to answer the questions.

The first section in the questionnaire provided measures of the dependent variables and two manipulation check questions of “goodness of imitation,” one of the independent variables. The second section contained measurements of all the other independent variables. The third section consisted of three questions relating to demographic information of the participants, including gender, age and educational background. Besides the second page which presented the different experimental treatment, the other three pages of the 16 questionnaire were the same.

This study prepared 480 questionnaires for the final survey. The number was determined based on Smith & Albaum (2005), which suggests that to obtain valid research results, each experimental treatment needs a minimum of thirty observations. As this study had sixteen experimental treatments, the total number of questionnaires was to be 480.

### **3.6.3 Survey method**

This subsection introduces the main methods of data collection employed in the current study. This study adopted “mall-intercept survey” method to collect the questionnaires. The method is different from the d’Astous and Gargouri (2001) study who used drop-off delivery method: researchers approach “a prospective respondent, introduce the general purpose of the survey to the prospect, and leave it with the respondent to fill out on his or her own” (Burns & Bush, 2000, p. 284). Then respondents return the completed questionnaires by mail or arrange for the researchers to pick up the questionnaire at a pointed place (Lukas, Hair, Bush, & Ortinau, 2004).

For this study, the drop-off delivery method was not appropriate since it involved expenses for mailing and traveling to approach respondents and to pick up the questionnaires (Lukas, Hair, Bush, & Ortinau, 2004). Also, if the questionnaires were returned by mail, the research could suffer a low response rate (Sekaran, 2003). This can be seen from the d'Astous and Gargouri (2001) study, in which 352 residences were approached, yet only 160 questionnaires were returned.

Thus, this research used “mall-intercept survey” method, which allows the researcher to interview the participants face to face in a shopping mall environment (Smith & Albaum, 2005). This allows the researchers to clarify any questions on the spot and spur interest in participating in the survey (Gate & Solomon, 1982). As seen, the mall intercept survey has most of the advantages of drop-off delivery, yet avoids the disadvantages of the drop-off delivery. For example, the cost of the mall intercept survey is minimal (Burns & Bush, 2000; Smith & Albaum, 2005; Sudman, 1980); and it requires neither mailing nor travel costs of the drop-off delivery. Moreover, participants complete and return the questionnaires on the spot, hence improving the respondent rates (Lukas, Hair, Bush, & Ortinau, 2004). In general, the mall intercept survey is a more appropriate method for this current study than the drop-off delivery. Thus, this study was conducted in a shopping mall where the selected stores were located.

However, no single method is perfect (Sekaran, 2003). Burns & Bush (2000) point out two major shortcomings of the mall-intercept survey: possible interviewer and sampling biases. Interviewer biases refer to an interviewer's misunderstanding the meanings of the question, thereby possibly misguiding participants so that they might give wrong answers (Sekaran, 2003). To avoid this, an employed interviewer was trained first by the researcher to ensure her understanding of the research's objective and all questions and items involved in the questionnaires. Sampling bias occurs when the chosen sample are not representative enough (Burns & Bush, 2000). Sampling bias can be minimized by giving the same probability of selection for each participants (Sudman, 1980) which can be controlled by sampling procedure. This will be discussed in the following section.

### 3.6.4 Sampling

This subsection describes how participants were selected. It then introduces the determination of the sample size of this survey. This study adopted random sampling as the sampling method. Sudman (1980) recommends that random sampling is the most appropriate sampling method for mall-intercept survey. Moreover, as discussed earlier, this research needed a sampling method that would reduce the sampling bias by giving each populations equal probability. Random sampling can be the best technique to meet this requirements (Lukas, Hair, Bush, & Ortinau, 2004). The process of random sampling is that members of the population are selected randomly until all the samples are drawn (Lukas, Hair, Bush, & Ortinau, 2004).

Thus, in this study, respondents were chosen randomly at a shopping mall, Downtown Shopping Center in Auckland. Sudman (1980) suggests that respondents entering from only one entrance not be selected in order to avoid the possibility of the same person being repeatedly approached. Thus respondents were approached at both the two entrances of the Downtown Shopping Centre.

As for the sample size, Smith & Albaum (2005) suggest that each experiment condition needs a minimum of thirty observations. This study involves sixteen experimental treatments for two product categories (Louis Vuitton's handbag and Burberry's wallet). Thus the sample size for this research was 480.

Compared to the study of d'Astous and Gargouri (2001), this replication has some improvements with the sample size. The first improvement is that d'Astous and Gargouri assigned only twenty observations to the each experiment treatment, while this study increased the observations to thirty, an improvement suggested by Smith & Albaum (2005). The second improvement is that the research results could be improved by allowing one subject to answer one questionnaire. d'Astous and Gargouri (2001) assigned twenty observations to each the thirty-two experimental conditions. However, the sample size of d'Astous and Gargouri (2001) was only 352. Thus, some of the respondents in their research had to complete at least two questionnaires. This study considered that it was not practical to ask a respondent in the streets to answer two questionnaires, which might take more than five minutes. Therefore, in this research, one respondent answered only one questionnaire.

### **3.6.5 Implementation**

Data collection was implemented through two stages. The first stage was to choose an appropriate shopping mall to implement the survey. Several criteria were applied for the selection of the shopping mall. The first criterion was that sufficient populations should be available to the large sample size of this study. Sudman (1980) recommends to use traffic flow of customers to decide if a shopping mall has sufficient large size of populations available to the sample size. Thus, Downtown Shopping Centre in the central business district of Auckland was chosen for its large traffic flow of shoppers (Statistic, 2005). The second consideration was the need to obtain permission from the shopping centre to implement this survey (Sudman, 1980). This survey was conducted in the public space in front of the entrances of the shopping centre. No prior authorities should be obtained to do the survey, as acknowledged by a telephone consultation with the management of the mall. The Downtown Shopping Centre was finally chosen also because it was the location of The Warehouse and across the street from Galleria, the stores selected for the study. Hence, the real purchasing environment may facilitate participants to give more accurate response.

Sudman (1980) suggested that shoppers who were entering into the shopping mall would be the best choices of respondents since they tend to allow more time for participating in the survey. Thus, two researchers stayed at each of the two entrances to the shopping mall. Shoppers entering the mall were approached randomly to be invited to complete the survey. First the researchers explained the purposes of the survey; then they clarified the time required to complete a questionnaire and assured the anonymity of their answers. Once completed, each questionnaire was returned and quickly screened by the researcher to see if all the questions were answered.

In general, the survey was implemented in the central business area in Auckland City between 3 October and 17 October, 2005. A two-week period is an appropriate time design for a mall-intercept survey (Sudman, 1980).

### **3.7 Summary of research design**

In summary, the research design of this replication study has followed the pattern of the

d'Astous & Gargouri (2001) work. Some methods have been changed to improve the research results. Advantages and disadvantages of the changes were discussed. Table 3-5 presents and compares the main methods used in both the two studies.

**Table 3-5 A Comparison of Research Design between the Original and Current Studies**

<b>Research Methods</b>	<b>The Current Study</b>	<b>The Original Study</b>
Methodology	Quantitative	Quantitative
Research design	Casual study Field experiment Factorial design	Casual study Field experiment Factorial design
Participants	Shoppers in New Zealand	Residents in Canada
Sample size	480	352
Type of brand	Luxury	Convenience and Luxury
No. of brands	2	4
No. of product categories	2	4
No. of brand imitations per product category	2	2
No. of treatments per product category	8	8
No. of questionnaire(s) per participant answered	One	One or two
No. of observations per treatment	30	Approx. 20
Instrumentation	Questionnaire	Questionnaire
No. of items (exclude demographic items)	25	24
Measure scales	Likert seven-point	Likert seven-point
Data collection method	Mall-intercept survey	Drop-off delivery
Survey Location	A shopping mall in Auckland in New Zealand	Streets in resident area in a medium sized city in Canada
Sampling technique	Simple random sampling	Cluster sampling

### **3.8 Data analysis**

This section discusses two major issues relating to data analysis. The first one is cleaning and screening the collected data. The second one concerns the procedures of data analyses. Cleaning and screening the collected data ensure the data are reasonable and of good quality. Subsequently, the reliability of the research results can be confirmed. This should be done through data editing, coding, and categorising

(Sekaran, 2003). Data editing checks to see if the participants have answered all of the questions on the questionnaire (Smith & Albaum, 2005). The interviewers took this step when the respondents returned the questionnaires.

Data coding categorises the products, questionnaires and question items so that they can be easily identified at the stage of data analysis (Smith & Albaum, 2005). This survey had two product categories: *Louis Vuitton Handbag* and *Burberry Wallet*. These were coded “LV” and “BB.” Each questionnaire was assigned a serial number designed according to different treatment conditions. For example a serial number “Im1ag01,” “Im1” refers to “imitation 1,” while “a” refers to “absent”; “g” means “Galleria,” and “01” was the sequence number of the questionnaire. The sequence numbers of the question items were adopted as codes to identify the relevant items. For example, the first question asked about product quality: “It is likely a poor/good quality”; then this item was simply coded as “Q1” in the data analysis.

Data categorising is a process of grouping those question items measuring one same construct (Sekaran, 2003). In this study, items of each construct were normally placed together in the questionnaire. Thus, it was easy for the researcher to group them when analysing the construct. For example, the first seven questions related to “consumer evaluation of brand imitations.” The subsequent two questions were about “goodness of imitation.” Then each three of the following items measured one construct with a sequence as *product involvement*, *product familiarity*, *brand sensitivity*, and *brand loyalty*. The last four items concerned *price sensitivity*. At the end of the questionnaire were the demographic variables.

The procedures of data analysis started with a preliminary data analysis which included a report of response rate, presentation of descriptive statistics, examination of missing data and normality distribution, a test of reliability of measurement scales. All of these tests are essential to ensure reliable results in the final hypothesis tests (Sekaran, 2003). In addition, the preliminary data analysis also included a manipulation check. As discussed earlier, three independent variables - goodness of imitation, presence of original brand and store image - were manipulated in this study. However, manipulations can be unsuccessful, which could affect the inference of an experiment and lead to bias in hypotheses testing (Graziano & Raulin, 2000). Therefore, it is necessary to conduct a manipulation check to determine if the manipulation was

successful in the final survey. Thus, the purpose of manipulation check in this study is to confirm if the manipulated variables measured in the final survey were performed correctly as expected.

After the manipulation check, hypothesis tests were implemented. The five hypotheses of this study were tested and analysed one by one with a comparison with the d'Astous and Gargouri (2001) study.

### 3.9 Analytical techniques

This section introduces the analytical techniques used in this research. Table 3-6 presents the main techniques adopted for preliminary analysis. It can be seen that the mean and deviation would provide a general feel of the data. Mean substitution is the key remedy for missing data. Skewness and kurtosis were used to examine the normality distribution. Three techniques—Cronbach's alpha, Inter-item correlations and Item-total correlations—were employed to test the reliability of items of constructs. Then an independent sample t-test was used for the manipulation check.

**Table 3-6 Analytical Techniques for Preliminary Data Analysis**

<b>Preliminary Data Analysis</b>	<b>Statistical Techniques</b>
Descriptive statistics	Mean and Standard Deviation
Missing data	Mean substitution
Normality	Skewness and Kurtosis
Reliability	Cronbach's alpha, Inter-item correlations and Item-total correlations
Manipulation check	Independent sample t-test

The main techniques used in hypothesis testing were Independent t-tests, Two-way ANOVA and Pearson's correlations. The hypothesis tests started with an overview of the total effects of all the experimental treatments. Thus, two-way ANOVA were employed since the main effects of two or more experimental treatments can be examined simultaneously (Rutherford, 2001; Smith & Albaum, 2005). Table 3-7 presents the techniques adopted for each hypothesis.

**Table 3-7 Analytical Techniques for Hypothesis Testing**

Hypothesis Tests	Statistical Techniques
H <sub>1</sub> (consumer evaluations of imitations vs. goodness of imitations)	Independent sample t-test
H <sub>2</sub> (Consumer evaluations vs. goodness of imitation vs. presence of original brand)	Two-way ANOVA Independent sample t-test
H <sub>3</sub> (Consumer evaluations vs. store image)	Independent sample t-test
H <sub>4</sub> (Consumer evaluations vs. product involvement, familiarity, sensitivity and loyalty)	Pearson's correlations
H <sub>5</sub> (Consumer evaluations vs. price sensitivity)	Pearson's correlations

### **3.10 Ethical considerations in the survey**

This section discusses several ethical issues addressed in this research. Ethical issues protect the privacy, rights, and freedom of individuals. Thus, consideration of ethical issues is important to any research that involves in human participants. An ethical approval was obtained from Auckland University of Technology Ethics Committee (AUTEC) before the research was implemented.

This study addresses three major ethical issues. The first issue was the confidentiality of the information provided by the participants. To protect privacy, researchers should strictly keep the information provided by participants secret (Sekaran, 2003). Thus, all the questionnaires in this survey were kept confidential and stored in the postgraduate lab in Auckland University of Technology. Only the researcher of the current study and her supervisor could access to the data.

The second issue was respondent's consent to participate in the survey. Every participant in this survey received an explanation of the purpose and anonymity of the research. Moreover, all the participants gave their consent to participate in the study. The third issue was the accuracy of findings, which relates to the researcher responsibility that all data are presented accurately without any altering the findings (Sekaran, 2003).



### **3.11 Conclusions**

This chapter reviewed the research design of the current study. Based on a replication of the d'Astous and Gargouri (2001) work, five hypotheses were presented for examination in this study. The study would be conducted within luxury product categories. The reasons for choosing luxury brands were justified. Through implementing a pre-test, two famous brands (Louis Vuitton's handbag and Burberry's wallets), four brand imitations and two stores (Galleria and The Warehouse) were selected for hypotheses tests.

Furthermore, this research employed a factorial design. Thus, three independent variables (goodness of imitation, image of store, and the presence of the original brand) were manipulated in the main survey. The detailed data procedures of the main survey then were described, including measurement and scale development, questionnaire design and data collection. In addition, this study redefined "goodness of imitation" as "product similarity." Thus the old measurement items related to this construct were eliminated and new measurement items were used as suggested by related studies. Furthermore, the procedures for data analysis were introduced. Finally, the analytical techniques that would be used in data analysis were presented and reasons for their use were justified. Last, several key ethical issues and the corresponding actions taken were discussed. The next chapter presents and discusses the results of the data analysis.

## **CHAPTER FOUR: RESULTS AND FINDINGS**

### **4.1 Introduction**

The previous chapter introduced the methods used in this research. This chapter analyses the collected data and presents the statistical results. It starts with some preliminary analyses including response rate, descriptive statistics, normality distribution, missing data, reliability tests, and a manipulation check. Then, the five hypotheses developed in the previous chapter are tested. Statistical results obtained from the test are discussed. Finally, a brief conclusion about the results and findings of the study is drawn.

### **4.2 Preliminary analyses**

Before the hypothesis testing, several preliminary analyses are needed to ensure the reliability of the results. The response rate is firstly profiled. Then the descriptive statistics and the normal distribution of the variables are discussed. This is followed by a check for missing data and the treatment of the missing data. Next, the internal consistency of the measurement items is examined using Cronbach's alpha. Finally a manipulation check is conducted to re-confirm if the difference between good imitations and poor imitations is significant. This is an important condition for subsequent hypothesis testing.

#### **4.2.1 Response rate**

480 questionnaires were handed out to shoppers in the "Downtown shopping centre" in the central business district in Auckland. Respondents were selected randomly to do the questionnaires. At the end of the survey, 477 questionnaires were returned, while three were missed. Of these 477, 8 questionnaires were unusable for the study because of large amounts of missing data. Hence, a total of 469 questionnaires were qualified for the final data analyses. The response rate was 97.8%.

### 4.2.2 Descriptive statistics

The discussion of descriptive statistics is necessary because it provides a general view of the whole data set before the hypothesis testing (Lukas, Hair, Bush, & Ortinau, 2004). This section firstly presents a frequency table (Table 4-1) for the three demographic variables. Then it computes the twenty-five interval scales. The statistics are displayed in Table 4-2. The two tables are discussed as follows.

Table 4-1 illustrates the frequency distribution for each of the three demographic variables. As seen, most (69 percent) of the participants in this research were female. Furthermore, the majority of the participants were young people: 84 percent of the respondents were below age 39. In addition, most of the participants were well educated: 72 percent have a tertiary educational background.

**Table 4-1 Frequency Table for Demographic Variables**

Item		Percentage (%)
Gender	Female	69
	Male	31
Age	Less than39	84
	40-59	14
	60 or above	2
Education	Tertiary	72
	High school or less	18
	Vocational or trade Qualification or others	10

n=469

Table 4-2 presented below reports the means, standard deviation, skewness and kurtosis scores for the twenty-five interval scales. Mean scores express the “the central tendency of the scales” (Burns & Bush, 2000, p. 498). All the mean scores in this study were computed on seven-point interval scales with “1” = “strongly disagree” and “7” = “strongly agree”. As shown in the Table 4-2, the means of all the items were ranged from 3.1 to 5.2, indicated that the overall responses of this study had no significant outliers.

Moreover, mean scores of the dependent variable (consumer evaluations of imitations) were lower than 4.0 in overall, indicated that participants in this study generally had low evaluations of the imitations. Means of goodness of imitation have reached the average

score of 4.0. This implies that the imitations were generally perceived to be similar to the original brand. The table (4-2) also shows that means of product involvement, brand sensitivity, brand loyalty and price sensitivity were above 4.0 in general, while, for items of product familiarity, the mean scores were lower than 4.0 in average, indicating that a participant's familiarity with the product categories was relatively low.

**Table 4-2 Descriptive Statistics**

Construct	Measure Variables	Mean	Std. Deviation	Skewness	Kurtosis
Consumer evaluations of brand imitations	Very bad/good buy	4.2	1.7	-0.1	-0.8
	Would/ would not regret having purchased	3.8	1.8	0.6	-1.0
	Very poor/good quality	3.7	1.5	-0.0	-0.4
	It is a risky/reliable product	3.7	1.6	0.1	-0.5
	A product of dubious/sure performance	3.7	1.6	0.1	-0.6
	Don't like/ like it	3.5	1.8	0.2	-0.8
	A product would never/ would buy	3.1	1.8	0.4	-0.9
Goodness of imitation	Very typical/ not at all typical	4.0	1.5	-0.2	-0.5
	Not at all/ very similar	3.9	1.7	-0.1	-0.9
Product involvement	An important purchase to me	4.5	1.7	-0.4	-0.6
	Look information before purchasing	4.0	1.7	0.9	-0.9
	Buying the product is a very difficult thing.	3.6	1.8	0.2	-0.9
Product familiarity	Familiar with the product category	3.7	1.6	0.1	-0.6
	Well informed about the product category	3.6	1.6	0.2	-0.6
	A product category I know very well	3.6	1.7	0.3	-0.6
Brand Sensitivity	A brand tells a product's quality	5.1	1.5	-0.8	0.1
	A brand name is important	4.5	1.6	-0.4	-0.5
	Always give attention to the brand	4.4	1.7	-0.2	-0.8
Brand Loyalty	Shift to buy another brand on sale	4.3	1.6	-0.3	-0.5
	Buy another brand when preferred brand absent loyal to a single brand	4.2	1.6	-0.2	-0.7
		3.6	1.7	0.3	-0.8
Price Sensitivity	Save money by shopping around for bargains	5.2	1.6	-0.8	-0.2
	Price of a product is crucial	5.0	1.5	-0.7	0.2
	I shop a lot for specials	4.6	1.7	-0.4	-0.6
	Checking price for small items	4.4	1.9	-0.3	-1.1

n=469

The Table 4-2 also reports scores of skewness and kurtosis which examined the normality distribution of the variables (Hair, Anderson, Tatham, & Black, 1998). The next section then will discuss this issue of normality tests.

### **4.2.3 Normality**

Mean scores, as presented and discussed above, indicated the central tendency of responses to a variable. Nevertheless, mean scores cannot detect variation of responses to a particular question (Burns & Bush, 2000). Small variation of a variable can cause the invalidity of statistical tests results (Hair, Anderson, Tatham, & Black, 1998). Thus, measuring the variation is essential and should be done before any further testing. Variation of the responses can be reflected through checking normal distribution of responses of a variable (Burns & Bush, 2000). The larger the variation, the more likely the variable is normally distributed (Hair, Anderson, Tatham, & Black, 1998).

The normality of variables in this study was assessed by its skewness and kurtosis values. Skewness and kurtosis values are two normality tests. Skewness measures the asymmetry of a distribution, while kurtosis indicates the peak point of a distribution (Burns & Bush, 2000; SPSS, 1999). A normal distribution of a variable can be identified when kurtosis value is between  $\pm 1.00$  (Hair, Anderson, Tatham, & Black, 1998), and skewness value is less than the twice the standard error (Burns & Bush, 2000). Otherwise, the data is too far from normal for analysis without transformation.

Table 4-2 (above) presents the skewness scores and kurtosis values for this study. As shown, all the skewness scores were less than  $\pm 1.00$ , while, all kurtosis values were less than twice the standard error. Thus it is concluded that all the responses of the variables of this study were normally distributed.

### **4.2.4 Missing data**

No research can avoid missing data (Hair, Anderson, Tatham, & Black, 1998), which can result in possible bias of the results. Therefore, there is a need to carry out a missing data analysis before the hypothesis tests to determine the reasons and select an appropriate remedy for the missing data. Hair, et al. (1998) point out that missing data may occur either within or beyond the researcher's control. When data were missed within researcher's control, there is no need to look for a specific remedy since it is inherent in the technique used (Hair, Anderson, Tatham, & Black, 1998). However, when data were missed beyond researcher's control, a remedy should be adopted (Hair, Anderson, Tatham, & Black, 1998).

In this study, the missing data were beyond the researcher's control. Therefore, it is necessary to look into any possible remedy to minimize any bias that might be caused by the missing data. In this research, thirty-four questionnaires were missing data. Of these, eight questionnaires were only half completed. Since too much data were missing, these eight questionnaires were not be used for further tests. The remaining twenty-six had very little missing data: twenty-three missed only one piece each, while the other three questionnaires lacked no more than three on each. To count from the other side, each questionnaire has twenty-eight Likert-scale questions. Of these, twenty-one had missing data, while none of them had missed over one percent of all the values. Hence, the twenty-six questionnaires were remedied for use in the further testing, as discussed below.

Hair, Anderson, Tatham, & Black (1998) point out that choosing an appropriate remedy depends on how randomly the missing data are presented. The pattern of randomness of missing data can be understood through implementing Missing Completely at Random (MCAR) test (Little, 1988). Results (LV Chi-square = 358.73,  $p = 0.16$ ; BB Chi-square = 420.14,  $p = 0.24$ ) obtained from the MCAR test indicated missing data in this study were missing completely at random.

For data missing completely at random, Hair, Anderson, Tatham, & Black (1998) recommend three key remedies: use only complete cases, delete cases or variables, and mean substitution approach. The first two remedies, namely, "use only complete cases" and "delete cases or variables," are usually adopted when a large proportion of values are missing. However, as discussed, missing data in the present study were a reasonable percentage. Hence, it was not necessary to delete any cases or variables or to use only complete cases. Thus, the first two remedies were not appropriate for current study.

This study adopted the third remedy, namely, a mean substitution approach for the missing data. "Substitution approach" was the most appropriate remedy for the missing data in this study as it allows a missing data of a variable to be replaced by the mean value of that variable. The further tests were then implemented based on the new database with missing data replaced.

#### 4.2.5 Reliability

To obtain truly scientific results for a research, reliability of items that measured constructs must be ensured (Churchill 1979; Peter, 1979). Reliability refers to the degree to which multi-items of a construct are internally consistent in measuring the same variable (Hair, Anderson, Tatham, & Black, 1998). The internal consistency indicates the homogeneity of the set of items of a construct (Deng & Dart, 1994).

In this analysis, Cronbach's coefficient alpha, item-to-total correlation and inter-item correlation were used to test the reliability. Cronbach's (1951) coefficient alpha is the most recommended reliability test to assess inter-item consistency when multi-point items involved (Churchill 1979; Peter, 1979). In Cronbach's coefficient alpha test, reliability is measured through computing Cronbach's alpha. The scope of alpha value is between 0 and 1. "0" represents the lowest reliability of the measured items, whilst, "1" represents the highest reliability of the items. The closer the alpha value is to 1, the better the reliability of the items. The measured items are reliable when the alpha value is not less than 0.7, the minimum acceptable level (Hair, Anderson, Tatham, & Black, 1998). Item-to-total correlations and inter-item correlations are alternative assessments of internal consistency (Churchill 1979). These sometimes provide even better reliability than Cronbach's alpha test (Churchill 1979; Clark & Watson, 1995). Item-to-total checks whether the measured items are highly correlated in one instrument. Inter-item correlation examines the correlations of each pair of items. Subsequently, it distinguishes the highest and lowest correlations among all the items. Hair, Anderson, Tatham, & Black (1998) suggest that acceptable reliability is considered only when item-to-total correlations  $\geq 0.50$  and inter-item correlations  $\geq 0.30$ .

Table 4-3 presents the results of the three tests for this study. Items of all the variables, the dependent variable or the independent variables, were examined. The results of the two product categories (LV's handbag and Burberry's wallet) were reported separately.

As shown in the table, the dependent variable "consumer evaluations of brand imitations" were measured by seven items: perceived quality, perceived performance, purchase value, overall liking, buying intention, perceived risk, and expected post-purchase regrets. For both products, Cronbach's alpha values were 0.9 and far exceeded the minimum acceptable level, 0.70. For correlation tests, all item-to-total correlations

of the seven items exceeded 0.5, and inter-item correlations were over 0.3. The high alpha values and correlation scores indicated that the seven items had a high level of internal consistency as measures of the dependent variable.

**Table 4-3 Cronbach's Coefficient Alpha Reliability Test Results**

Construct	Measure Variables	Cronbach alpha		Item-To-Total Correlations		Inter-Item Correlations			
		LV	BB	LV	BB	LV		BB	
						high	Low	high	low
Consumer evaluations	Very poor/good quality	0.9	0.9	0.7	0.6	0.4	0.7	0.4	0.7
	Very bad/good buy			0.7	0.7				
	Don't like/ like it			0.7	0.7				
	A product would never/ would buy			0.6	0.6				
	It is a risky/reliable product			0.6	0.6				
	Would/ would not regret having purchased			0.7	0.7				
	A product of dubious/sure performance			0.7	0.7				
Goodness of imitation	Not at all/ very similar	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.5
	Very typical/ not at all typical			0.5	0.5				
Product involvement	An important purchase to me	0.6	0.6	0.4	0.4	0.4	0.2	0.4	0.3
	Look information before purchasing			0.4	0.5				
	Buying the product is a very difficult thing			0.3	0.4				
Product familiarity	Familiar with the product category	0.9	0.9	0.8	0.8	0.8	0.7	0.8	0.7
	Well informed about the product category			0.8	0.8				
	A product category I know very well			0.8	0.8				
Brand sensitivity	Always give attention to the brand	0.9	0.8	0.7	0.6	0.7	0.6	0.7	0.6
	A brand tells a product's quality			0.7	0.7				
	A brand name is important			0.7	0.7				
Brand loyalty	Loyal to a single brand	0.3	0.2	0.4	-0.1	0.1	-0.1	0.4	-0.1
	Buy another brand when preferred brand absent			0.3	0.3				
	Shift to buy another brand on sale			0.1	0.2				
Price sensitivity	I shop a lot for specials	0.7	0.8	0.5	0.6	0.5	0.4	0.6	0.4
	Checking price for small items			0.6	0.7				
	Save money by shopping around for bargains			0.5	0.6				
	Price of a product is crucial			0.5	0.6				

n=469

There were two independent variables: goodness of imitations and personal characteristics. "Goodness of imitation" was measured by two items (typicality and similarity). As shown in the table, items of goodness of imitation in both cases of LV and Burberry obtained acceptable reliabilities since Cronbach's alpha values all reached 0.7. Results obtained from correlation tests also showed the reliability of the items. All scores of item-to-total correlations and inter-item correlations reached 0.5, which were over the minimal acceptable level 0.5 and 0.3.



The other independent variable—consumer personal characteristics—consists of five factors: product involvement, product familiarity, brand sensitivity, brand loyalty, and price sensitivity. Three obtained satisfactory reliabilities (product familiarity, brand sensitivity, and price sensitivity). Product familiarity and brand sensitivity had three items each to measure the constructs, while price sensitivity was measured by four items. The results showed that Cronbach's alpha values of the three variables were all over 0.7. Most of them exceeded 0.8, and were therefore far higher than the minimal acceptable level of reliability. Correlation tests also provided evidences of reliability of the items. As the Table 4-3 shows, item-to-total correlations all were over 0.5 and all inter-item correlations exceeded 0.3, indicated that all the measured items were highly correlated to measure the corresponding constructs.

However, items measuring the other two personal variables—"involvement with the product categories" and "brand loyalty"—had poor reliability results from the tests. Alpha values for both the variables were under 0.7, the minimal acceptable reliability. Specifically, in the case of product involvement, alpha values of the two products were 0.6. For brand loyalty, alpha values were only 0.2 and 0.3. The low coefficient alpha indicated that these items had a poor ability to measure the constructs (Churchill 1979). When coefficient alpha is low, item-to-total correlations then becomes important as it can possibly improve the reliability of a pool of items (Churchill 1979). The rationale of item-to-total correlation is that correlation of each item in an item pool is calculated. When the item pool is large enough, those items that could not share equally in the common core are identified and deleted to improve the reliability of the corresponding pool of items (Churchill 1979).

Table 4-3 showed that the item-to-total correlations were poor for both "product involvement" and "brand loyalty." Only one item of product involvement had been improved to 0.5 when the other two items were dropped in the case of Burberry; all other item-to-total correlations were under 0.5. This indicates that the reliability of these two item pools could not be improved to an acceptable level (0.5) even when some poorly fitting items were deleted. Moreover, inter-item correlations also revealed the poor reliability of those items. Both variables were ranging around 0.3. In the case of brand loyalty, even the correlations ranged only around 0.1. Churchill (1979) suggests that when item correlations are near zero, the corresponding items should be deleted. Thus, all the six items that measured "product involvement" and "brand

loyalty” were excluded in the later analyses. In other words, these two constructs were deleted and would not be included in hypothesis testing because of the poor reliability of their measurements.

In summary, in this reliability tests, twenty-five items measured one dependent variable and six independent variables were examined by Cronbach’s coefficient alpha test, item-to-total correlations and inter-item correlations. Reliability of the items was examined through checking if they were internally consistent and correlated to measure the corresponding constructs. The results reported that nineteen items measured the dependent variable, and four of the six independent variables were reliable. However, six items that measured the other two independent variables, namely, product involvement and brand loyalty, did not give satisfactory results and were considered unreliable. As a result, the two constructs were eliminated.

#### **4.2.6 Manipulation check**

In this study, three variables—goodness of imitation, store image, and the presence of original brand—were manipulated. The manipulations of “goodness of imitation” and “image of store” had performed through a pre-test, which was discussed previously. The presence of original brands was manipulated by directly presenting it as experimental conditions in the final survey. Through the manipulations, each the variable was split into two groups: good vs. poor imitations, good vs. store of poor image, and presence vs. absence of original brand.

The purpose of this manipulation check was to test whether or not these manipulations were successful in the final survey. Of the three manipulated variable, store image and the presence of original brand were presented directly as experimental conditions in the final survey. Only “goodness of imitation” was measured again in the final questionnaire. Thus, only “goodness of imitation” was included in the present manipulation check. Hence, this manipulation check was to re-confirm if the good imitations were still judged as good and poor imitations were judged as poor in the final survey.

An independent sample t-test was employed. Table 4-4 presents the results. As with the results of the pre-test, in both Louis Vuitton (LV) and Burberry (BB), the good

imitations were evaluated significantly better than poor imitations (LV  $t=2.5$ ,  $p=0.01$ ; BB  $t=2.3$ ,  $p=0.02$ ). This result implied that goodness of imitation of each brand was perceived consistently by participants in the pre-test and the final survey. Furthermore, the variable was performed well as it was manipulated in the final survey. Therefore, the manipulation of goodness of imitation was successful.

**Table 4-4 Independent Sample T-Test Results for Manipulation Check**

Original Brand name	Brand imitation	n	Mean	t	Sig.
Louis Vuitton	Imitation 1 (good imitation)	118	4.2	2.5	0.01
	Imitation 2 (poor imitation)	119	3.8		
Burberry	Imitation 3 (good imitation)	115	4.2	2.3	0.02
	Imitation 4 (poor imitation)	117	3.7		

### 4.3 Hypothesis testing

The previous section provided a general view of the whole data set. Missing values were remedied. Reliability for the measurement items was tested. The manipulation check ensured the conditions of the experiments were met. This section presents the statistical test's results for the five hypotheses proposed in Chapter three. It firstly discusses the overall effect of all the experimental treatments. Then results for each of the five hypotheses were reported and analysed.

Originally, the five hypotheses were suggested for the relationships between one independent variable (consumer evaluations of brand imitations) and eight independent variables (*goodness of imitation, the presence of original brand, store image, product involvement, product familiarity, brand loyalty, brand sensitivity and price sensitivity*). However, two factors—*product involvement* and *brand loyalty*—were eliminated at the stage of reliability tests. Thus, the hypotheses related to these two variables—H<sub>4(a)</sub> and H<sub>4(d)</sub>, were not examined. The other six independent variables would be retained in the five hypotheses.

**H<sub>1</sub>** The better the brand imitation, the better is the consumer evaluation of brand imitation.

- H<sub>2</sub>** The better the brand imitation, the better is the consumer evaluation of brand imitation; this becomes pronounced when original brand is present.
- H<sub>3</sub>** The better the image of the store, the better consumer evaluations of brand imitations.
- H<sub>4</sub>** Consumer evaluations of brand imitations are negatively related to the consumer's
- H<sub>4(b)</sub>: Product familiarity
- H<sub>4(c)</sub>: Brand sensitivity.
- H<sub>5</sub>** Consumer evaluations of brand imitations are positively related to the consumer's price sensitivity.

Table 4-5 presents the ANOVA results for the overall effect of the eight treatments with regard to the three manipulated independent variables (*goodness of imitation*, *store image* and the *presence of original brand*). The effects shown in different product categories are compared. The impact of each the eight experimental treatments are also discussed by presenting the mean scores of each treatment. All the treatments were expected to have positive impact on consumer evaluations. As shown in the table, *store image* received statistically significant support for its overall effect on consumer evaluations of brand imitations ( $p=0.01$ ). However, for other treatments, the  $p$  values were all greater than the statistical significance level 0.05. This indicated that these experimental treatments were not likely to influence consumer evaluations of brand imitations.

**Table 4-5 ANOVA Results for Overall Effects of the Experimental Treatments**

Source of variation	LV's Handbag			Burberry's Wallet			Overall		
	Mean Square	F	p value	Mean Square	F	P value	Mean Square	F	p value
Goodness of imitation (A)	1.69	0.91	0.34	0.06	0.04	0.85	1.93	1.15	0.33
Store image (B)	1.28	0.69	0.41	13.42	8.82	*0.00	11.56	6.9	*0.01
Presence of original brand (C)	0.01	0.00	0.95	3.49	2.30	0.13	1.94	1.15	0.28
AxB	1.66	0.90	0.35	0.36	0.24	0.63	1.76	1.05	0.37
AxC	1.48	0.80	0.37	0.19	0.13	0.72	1.08	0.64	0.59
BxC	1.42	0.77	0.38	0.21	0.14	0.71	1.35	0.80	0.37
AXBxC	3.19	1.72	0.19	1.82	1.19	0.28	1.76	1.04	0.37

Dependent variable: consumer evaluations of brand imitation

\* Significance at  $p<0.05$

n=469

Table 4-6 presents and compares the mean scores of consumer evaluations under different experimental conditions. The overall mean scores were found to be low, ranging between 3.0 and 4.0 based on a scale of 1-7. This indicated that the participants generally had low evaluations of the imitations across different experimental conditions. In the next section, each experimental treatment effect with regard to the hypotheses testing will be discussed.

**Table 4-6 Mean Scores of Experimental Treatment**

Brand	Good imitation				Poor imitation			
	Good store image		Poor store image		Good store image		Poor store image	
	Original brand present	Original brand absent	Original brand present	Original brand absent	Original brand present	Original brand absent	Original brand present	Original brand absent
LV	3.6	4.1	3.6	3.4	4.0	3.7	4.0	3.8
Burberry	4.0	3.8	3.6	3.0	4.0	3.1	3.4	3.4

Dependent variable: consumer evaluations of brand imitation  
n=469

### 4.3.1 Hypothesis 1

Hypothesis 1 stated that the better the imitation, the better the consumer evaluations. In other words, it was expected that consumers should have better evaluations for good imitations than with poor imitations. The independent variable in this hypothesis was “goodness of imitation,” while “consumer evaluations of brand imitations” was the dependent variable.

An independent sample t-test was implemented. The results are presented in Table 4-7. In contrast to what was expected, the mean differences between the good imitations and the poor imitations were not significant (LV  $t=-0.93$ ,  $p=0.35$ ; BB  $t=-0.27$ ,  $p=0.79$ ) across the two product categories (Vuitton’s handbag and Burberry’s wallet). The results indicated that there was no significant difference in consumer evaluations between the good imitations and the poor imitations. The insignificant difference implied that “goodness of imitation” had no significant impact on consumer evaluations of brand imitations.

In fact, opposite to the expected positive relationship, the results pointed to a negative relationship between “goodness of imitation” and “consumer evaluations”. As the table displayed that, the mean scores of good imitations were generally lower than the poor imitations across the product categories. In the case of Vuitton, the mean score of good imitation was 3.68, which was less than the poor imitation at 3.84. For Burberry, mean scores for good imitation was 3.55, which was also lower than the poor imitation at 3.59.

In general, the test results did not support Hypothesis 1. The better imitations were not better evaluated by consumers than the poor imitations. Instead, the consumers could be more positive to a poor imitation than to a good imitation.

**Table 4-7 T-Test Results for Effect of Goodness of Imitations**

Original Brand name	Brand imitation	Means of Consumer evaluations	t	Sig.
LV's handbag	good	3.68	-0.93	0.35
	poor	3.84		
BB's wallet	good	3.55	-0.27	0.79
	poor	3.59		

n=469

#### 4.3.2 Hypothesis 2

Hypothesis 2 proposed that consumers would be more favourable to good imitations when the original brand was present. The hypothesis predicted that consumer evaluations of imitations should be influenced by the presence of original brand. Furthermore, good imitations should receive more favourable evaluations than poor imitations when the original brands are present. Also, the good imitations should be more favourably evaluated by consumers when the original brands are present.

Two-way ANOVA was implemented for the overall effect of the presence of original brand and goodness of imitation. Table 4-8 presents the results. Contrary to expectations, no significant impact on consumer evaluation was found for the presence of the original. In both product categories cases, the effect of the presence of original brand did not reach the statistical level as LV's  $p=0.973$  and Burberry's  $p=0.141$ . The joint effect of goodness of imitation and the presence of original brand did not reach the

statistical significant level either (LV's  $p=0.353$ ,  $F=0.865$ ; Burberry's  $p=0.711$ ,  $F=0.137$ ). The results implied that neither the presence of original brand nor good imitations presented with the original brand would increase consumer's positive perceptions of imitations.

**Table 4-8 ANOVA Results for the Effect of the Presence of Original Brand**

Source of variation	LV Handbag			BB Wallet		
	Mean Square	F	Sig.	Mean Square	F	Sig.
Present	0.002	0.001	0.973	3.297	2.181	0.141
Imitation	1.562	0.845	0.359	0.058	0.039	0.844
Present*imitation	1.599	0.865	0.353	0.208	0.137	0.711

Dependent variable: consumer evaluations of brand imitations  
n=469

Table 4-8 presents the overall effect of the presence of original brands. However it did not show whether or not the presence of original brands made any difference on consumer evaluations between good imitations and poor imitations. An independent sample t-test then was conducted. Table 4-9 reports the results and compares the mean differences on the effect of original brand's presence between good imitations and poor imitations.

**Table 4-9 T-test for the Effect of Original Brand's Presence between Good Imitations and Poor Imitations**

When the original brand is present	LV Handbag					BB Wallet				
	mean	Std dev.	Mean dif.	t	Sig	mean	Std dev.	Mean dif.	t	Sig
Good imitation	3.57	1.21	-0.35	-1.47	0.14	3.70	1.15	0.02	0.11	0.92
Poor imitation	3.92	1.41				3.68	1.32			

Dependent variable: Consumer evaluations  
n=469

As Table 4-9 shows, in the case of Burberry, the mean score of good imitation was higher than that of the poor imitation when the original brand was present (mean difference=0.02,  $t=0.11$ ). However, the difference was not significant at  $p=0.92$ . The result indicated that, in the case of Burberry, presence of original brand might increase the participant's favourable perceptions of the good imitation. The finding was consistent with the direction of the hypothesis, but the effect was not significant.

In the case of LV, the effect of presence of original brand was not significant either at  $p=0.14$ . In addition, different from the hypothesis, it was found that the good imitations of LV even received lower evaluations from consumers than poor imitations (mean difference= -0.35)

The results indicated that the effect of the presence of original brand was not significant. Compared to the poor imitations, the good imitations are not likely to be better evaluated by consumers when the original brand is present. Furthermore, in some product categories, good imitations might even be more negatively evaluated by consumers than poor imitation. Thus, instead of the expected positive effect, the presence of original brand might even negatively influence consumers to evaluate good imitations.

The other issue relating to Hypothesis 2 is that the good imitations should be more favourably evaluated by consumers when the original brands are present. Table 4-10 displays the results of an independent t-test. Only in the case of Burberry, the good imitation presented with the original brand was evaluated better (mean difference=0.32). However, in the case of LV, the mean score of the good imitation was less than that of poor imitation (mean difference = -0.18). Furthermore, the mean differences for both the cases did not reach a statistically significant level (LV  $t=-0.76$ ,  $p=0.44$ ; BB  $t=1.41$ ,  $p=0.16$ ). The results indicated that only in the case of Burberry, consumer evaluations of good imitations might be increased by presenting the original brand. However, the effect was not statistically significant.

**Table 4-10 T-test Results for the Effect of Original Brand's Presence on Good Imitations**

Present/Absent	Good imitation of LV's handbag					Good imitation of Burberry's wallet				
	mean	Std dev.	Mean dif.	t	Sig	mean	Std dev.	Mean dif.	t	Sig
Present	3.57	1.20	-0.18	-0.76	0.44	3.70	1.15	0.32	1.41	0.16
Absent	3.76	1.36				3.39	1.25			

Dependent variable: consumer evaluations  
n=469

Therefore, it is concluded that the presence of original brand is not likely to influence consumer evaluations of brand imitations. The results did not support the hypothesis, which expected that the presence of original brand could increase consumer's favorable



evaluations of good imitations.

### 4.3.3 Hypothesis 3

Hypothesis 3 proposed that the better the overall image of the store, the more positive consumer evaluations of the brand imitator. The hypothesis expected a result showing that for both the LV and Burberry products, the independent variable, image of store, should have a significant effect on the dependent variable, consumer evaluations of brand imitations. Furthermore, “image of store” and “consumer evaluations of brand imitations” should be positively related. In other words, the imitations should be better evaluated when they were sold in a store with good image than in a store with a low image.

An independent sample t-test was conducted to test the hypothesis. Table 4-11 reports the results. Supporting to the hypothesis, the results showed that overall effect of store image on consumer evaluations was significant with  $p=0.01$ . The effect was significant in the case of Burberry, which mean difference was 0.49,  $t=3.01$  and  $p=0.00$ . Although LV did not reach the statistical significant level at  $p=0.42$ , the effect of store image was in predicted direction as the mean scores of consumer evaluations in the high-image store was higher than that of the low-image one (mean difference=0.14,  $t=0.81$ ). The results point out that store image does have a significant positive impact on consumer evaluations. This implied that consumers would be more positive to brand imitations sold in a store with a good image. Thus, it is concluded that the test’s results have generally supported Hypothesis 3.

**Table 4-11 T-test Results for Effect of Store Image**

Store Image	Overall effect				LV Handbag				BB Wallet			
	mean	Mean dif.	T	Sig.	Mean	Mean dif.	t	Sig.	mean	Mean dif.	t	Sig.
Galleria high image	3.8	0.31	2.6	0.01	3.82	0.14	0.81	0.42	3.81	0.49	3.01	0.00
The Warehouse Low image	3.5				3.69				3.32			

Dependent variable: consumer evaluations of brand imitations  
n=469

#### 4.3.4 Hypothesis 4

As introduced earlier, two factors—product involvement and brand loyalty—were eliminated at the stage of reliability test. The hypotheses H<sub>4(a)</sub> and H<sub>4(d)</sub> related to these two variables, were not examined. Thus, the discussion below is about the remaining two hypotheses H<sub>4(b)</sub> and H<sub>4(c)</sub>.

Hypothesis 4 suggests that consumer evaluations of brand imitations are negatively related to consumer product familiarity and brand sensitivity. Hypothesis 4 expected that when consumer were more familiar with the product category and were more sensitive to branded products, they would be less favorable to the imitations.

Table 4-12 presents the results obtained from the Pearson's correlations. Over all, the effect of product familiarity ( $p=0.26$ ) and brand sensitivity ( $p=0.27$ ) did not receive statistically support from the test. The effect of each variable will be discussed in detail as follows.

**Table 4-12 Pearson Correlation Results for the Effect of Personal Characteristics**

Factors	Direction of the Relationship		Overall		LV Handbag		BB Wallet	
	Original study	<b>This study</b>	Person Correlation	Sig.	Person Correlation	Sig.	Person Correlation	Sig.
Product familiarity	(-)	(+)	0.05	0.26	0.08	0.22	0.02	0.81
Brand Sensitivity	(-)	(-)	-0.05	0.27	-0.00	0.97	-0.12	*0.08
Price sensitivity	(+)	(+)	0.17	*0.00	0.18	*0.01	0.15	*0.03

Dependent variable: Consumers' evaluations of brand imitations

\* Significant at  $p<0.05$

n=469

H<sub>4(b)</sub>: Product familiarity received totally different results from the hypothesis. Firstly, the results showed that the factor had no significant effect on consumer evaluations of brand imitations of both the two brands (LV  $p=0.22$ , BB  $p=0.81$ ). Secondly, correlation for Vuitton and Burberry (LV  $r=0.08$ ; BB  $r=0.02$ ) demonstrated a positive relationship between product familiarity and consumer evaluation. This was contrary to the hypothesis which suggested that product familiarity lowered consumer evaluations of imitations. The results of this hypothesis testing indicated that, when consumers were more familiar with the product, they would be more positive towards the brand

imitations.

H<sub>4(c)</sub>: The overall effect of brand sensitivity was in predicted direction, although it was not statistically significant at  $p=0.27$  (LV  $r=-0.00$ ; BB  $r=-0.12$ ). Moreover, the effect was shown differently in the two product categories. In the case of Burberry, brand sensitivity showed significant impact on consumer evaluations with  $p=0.08$ . However, in the case of Vuitton, the effect was not significant for the  $p=0.97$ . The results indicated that consumer evaluations might be decreased when they had more brand sensitivity, but the significance of the influence differed in different product categories.

#### **4.3.5 Hypothesis 5**

Hypothesis 5 proposed that the evaluations of brand imitations are positively related to consumer's price sensitivity. Hypothesis 5 predicted that when consumers were more sensitive to price, they would be more positive to the imitations. The test's result was presented in Table 4-12 in the previous subsection of Hypothesis 4.

The test results strongly supported the effect of price sensitivity with an overall  $p=0.00$ , which had reached the significant level, 0.05. The results appeared to be robust across the two product categories (LV handbag and BB wallet). Statistically, Vuitton  $r=0.18$  and Burberry's  $r=0.15$  revealed the positive association between brand sensitivity and consumer evaluations. Furthermore,  $p$  values of both the two brands (LV  $p=0.01$ ; BB  $p=0.03$ ) were less than 0.05, showing that price sensitivity was strongly related to consumer evaluations. The results strongly supported the hypothesis and suggested that when consumers were more sensitive to a product's price, they would be more likely to evaluate the imitations positively.

#### **4.3.6 Summary of hypotheses**

This section summarise the results of hypothesis testing. These results are compared to the d'Astous and Gargouri (2001) study. In this current study, five hypotheses were tested for the relationships between one dependent variable and six independent variables. The dependent variable was consumer evaluations of brand imitations. The six independent variables were: goodness of imitation, image of store, the presence of original brand, product familiarity, brand sensitivity and price sensitivity. Table 4-13

provides a summary of the hypothesis testing with a comparison with the original study.

**Table 4-13 Summary of the Hypotheses Testing**

Hypotheses		Support to hypotheses	
		This study	The original study
H <sub>1</sub>	The better the brand imitation, the better is the consumer evaluations of brand imitations	No (not in predicted direction)	No (not in predicted direction)
H <sub>2</sub>	This becomes pronounced when original brand is present	No (not in predicted direction)	No (only Burberry was in predicted direction)
H <sub>3</sub>	The better the image of the store, the better consumer evaluations of brand imitations	Yes	Yes
H <sub>4</sub> (a)	Consumer evaluations of brand imitations are <b>negatively</b> related to product involvement	Not tested since it was eliminated in the reliability test	Yes (but one product category was failed)
H <sub>4</sub> (b)	Consumer evaluations of brand imitations are <b>negatively</b> related to product familiarity	No (positively)	No
H <sub>4</sub> (c)	Consumer evaluations of brand imitations are <b>negatively</b> related to consumers' brand sensitivity	<b>No</b> (but in predicted direction)	<b>Yes</b>
H <sub>4</sub> (d)	Consumer evaluations of brand imitations are <b>negatively</b> related to consumers' brand loyalty	Not tested since it was eliminated in the reliability test	Yes
H <sub>5</sub>	Consumer evaluations of brand imitations are <b>positively</b> related to consumers' price Sensitivity	<b>Yes</b> (positively & strongly support)	<b>Half support</b>

In general, the results indicated that store image and price sensitivity had significant positive impact on consumer evaluations of brand imitations. The hypotheses related to these two variables (H<sub>3</sub> and H<sub>5</sub>) were strongly supported. However, the hypothesis (H<sub>1</sub>, H<sub>2</sub> and H<sub>4</sub> (b)) relating to goodness of imitation, the presence of original brand and product familiarity were not supported statistically. The effects of these three variables were even in the opposite direction from original expectations. Specifically, it is found that good imitations received less favourable evaluations from consumers than the poor imitation. The evaluations became even poorer when the good imitation was presented with the original brand in one product category (LV). Product familiarity, which was hypothesized with a negative relationship with consumer evaluations, was found to have increased consumer's positive perceptions of the imitations. The other factor, brand sensitivity (H<sub>4</sub>(c)), was not supported by the hypothesis testing either. But

the effect was in predicted direction showing that it may have negative influence on consumer evaluations. The results obtained from this study were generally consistent with those of d'Astous and Gargouri (2001). As shown, most the relationships between variables were similar in the two studies, with the exception of that for product familiarity.

## **4.4 Conclusions**

This chapter consisted of two main parts: the preliminary data analysis and the hypotheses testing. For the preliminary data analysis, the chapter discussed the response rate, and then presented the descriptive statistics for an overview of the whole data set. It also discussed the implementation of normality tests, missing data check and reliability test to ensure the accuracy in subsequent hypotheses testing. During the reliability test, two constructs—product involvement and brand loyalty—were excluded from the analysis. After that, a manipulation check was implemented. The results showed that the manipulation of goodness of imitations was successful.

The results of hypothesis testing showed that store image and price sensitivity are the most important factors positively influencing consumer evaluations of imitations. Product familiarity can also positively influence consumer perceptions of imitations, although the influence might not be significant. Moreover, brand sensitivity can be a factor influencing consumers as well although the effect is not significant either. Consumers who are more sensitive to branded products were found to be less likely to be positive to the imitations. The hypothesis testing's results also indicated that goodness of imitation and the presence of original brand did not have significant impact on consumer evaluations of imitations. Good imitations are not likely to receive better evaluations than the poor imitations. The next chapter presents a discussion of these findings.

## **CHAPTER FIVE: CONCLUSIONS AND IMPLICATIONS**

### **5.1 Introduction**

The purpose of this study is to examine a set of factors that influence consumer evaluations of brand imitations. The previous chapter analysed the collected data. The results are partly consistent with the expectations, but some unexpected patterns also emerge. This chapter then provides an in-depth discussion of the results to obtain an overall understanding of consumer perceptions of brand imitations. It also offers useful insights for both researchers and brand owners to enhance their understanding of those consumers who bought imitations deliberately.

The chapter starts with a discussion of the findings. It then provides a summary of the findings, followed by a discussion of the implications for researchers and marketing practitioners. This chapter also identifies some limitations of the study, and proposes several suggestions for future research. Finally, it provides an overall conclusion of the thesis.

### **5.2 Discussion of Findings**

This section discusses the findings of hypothesis testing focusing on: goodness of imitations, presence of original brand, store image, product familiarity, brand sensitivity, and price sensitivity.

The following discussion is organised according to each hypothesis. As introduced earlier, two hypotheses, namely, H<sub>4(a)</sub> and H<sub>4(d)</sub>, were not examined in this study. Thus, for hypotheses 4, only H<sub>4(b)</sub> and H<sub>4(c)</sub> related to the factors of product familiarity and brand sensitivity were tested and will be included in the following discussion.

### 5.2.1 Hypothesis 1

Hypothesis 1 predicted that, in context of luxury brand, good imitations would be better evaluated by consumers than the poor imitations. In this study, goodness of imitation was defined as product similarity shared by imitations and original brands. Thus, the hypothesis expected that a more similar imitation would be more favourably evaluated than would a less similar imitation.

However, this study found that similarity had no significant impact on consumer evaluations of brand imitations. In addition, contrary to expectations, the imitation that was less similar to the original brand was even more favourably evaluated than was the more similar imitation, although the differences were not significant. Thus, this study has two main findings regarding the goodness of imitation.

The first finding is that, whether an imitation is similar to an original brand is not important to consumers. d'Astous and Gargouri (2001) also found that good imitation did not help to improve consumer evaluations of the imitations. As explained by d'Astous and Gargouri (2001), although good imitations used in the study were judged better than the poor imitations, the differences might not be large enough to impact consumers. According to their suggestion, this study had carefully selected the good imitations and the poor imitations by the significant differences. However, the results again show that there is no significant difference of consumer evaluations between good imitations and poor imitations.

Therefore, this study suggests that when an imitation is similar to an original brand, this does not necessarily mean that consumer's preferences for the imitation will be increased. The effect of similarity was proposed based on the assumption that similar products will be similarly liked. However, this research showed that similar products may not be similarly liked. Whipple (1976) has similar findings and investigated consumer preference for three pairs of physically similar toys. It was found that two perceived similar toys were not always liked at the same time. Thus, the researcher regards that "it is risky to assume that product preference is consistent with overall product similarity" (Whipple, 1976, p. 102). This implies that dimensions of consumer preference for imitations might not be related to similarity (Wish, 1971). In other words, consumers might not use similarity as a criterion to evaluate an imitation.

The second finding of this study is that, rather than having an imitation that looks like the original brand, consumers might even prefer an imitation that does not look like the original brand. The finding indicates that similarity cannot improve consumer evaluations of a brand imitation. Instead, it may even decrease the value of the imitation. This is different from the original proposition that, consumers use product similarity to transfer their good experiences with an original brand to an imitation and expects that an imitation will perform as well as an original brand performs.

It seems that consumers might have different expectations for imitations compared to the original brands. Lefkoff-Hagius and Mason (1993) found that consumer's preference for a product varied by their purchasing motivations. Normally, consumer motivations are driven by their needs for three types of product attributes: characteristic, beneficial and image. "Characteristic" refers to tangible product's attributes, such as physical appearance and product's quality (Hirschman, 1980). Beneficial attributes relate to the benefits that consumers can get from the products (Ratchford, 1975). Image attributes are concerned with the symbolic aspects in consumers' perception (Sirgy, 1982).

It is found that consumers who buy luxury brand are driven by the image attributes of the product (Phau, 2000). However, their purchase of an imitated luxury brand may be driven by the beneficial attributes such as "value for money" (Nia & Zaichkowsky, 2000, p. 494). In such circumstances, whether the imitation conveys a similar image to the original brand may not be important to consumers. Instead, they might even think that a less similar imitation is better than a more similar imitation, when the less similar product is more likely to meet their needs.

To conclude, this research found that similarity did not help to improve consumer evaluations of imitations. "Being similar to the brand leader does not necessarily imply that a product will be preferred as much as the leader" (Lefkoff-Hagius & Mason, 1993, p. 108). Consumers might have different judgement standards for what is a good imitation and what is a poor imitation, according to their purchasing motivations. Therefore, this study suggests that further research can study how the effect of similarity on consumer evaluations of brand imitations varies with consumer's purchase motivations.



### 5.2.2 Hypothesis 2

Hypothesis 2 proposed that consumer evaluations of good imitations could be improved when the original brand was present. It was expected that the presence of the original brand should have an influence on consumer evaluations of imitations. Specifically, it was predicted that when the original brand was present, the good imitation, which was more similar to the original brand, should be more favourably evaluated by consumers.

However, this study found that the presence of original brand did not have a significant impact on consumer evaluations of brand imitations. Furthermore, when presenting with the original brand, only the good imitation of the Burberry wallet received better evaluations, while, the good imitation of the Vuitton handbag received less favourable evaluations. The results are consistent with the findings of d'Astous and Gargouri (2001). Their study also investigated the effect of the presence of original brand in two product categories: sunglasses and polo T-shirts. Their results showed that only the sunglasses imitations received better evaluations when presented with the original brands, while the results were in the opposite direction for the polo T-shirt.

Hence, two major findings may be concluded. Firstly, the presence of original brand does not increase consumer evaluations of the imitation. The effect of the presence of the original brand is based on an assumption that this can increase the likelihood for consumers to compare it with an imitation. The comparison is assumed to further increase consumer awareness of the similarities between the brands; thus the similarity helps consumers to transfer the “goodwill” of the original brand to the imitation, consequently improving consumer evaluation of the imitation. However, as mentioned previously, consumer’s preference for an imitation does not relate to the similarity of the imitation to the original brand. Thus, even though the comparison process has helped consumers to appraise the similarities between the two brands, it does not help to increase consumer’s positive evaluations of the imitations. This may be the reason that no significant influence of the presence of the original brands was found in both this and the d'Astous and Gargouri (2001) study.

Secondly, the presence of the original brand may even decrease the value of a good imitation. It was originally proposed that the more similar a brand imitation was to an original brand, the more likely that the comparison process can help consumers to

discover the similarity between the two brands. Consequently, consumers would evaluate the imitation more favourably. However, the results of both the present study and that of d'Astous and Gargouri (2001) indicate that in some product categories, an imitation that is very similar to the original brand may not be more favourably evaluated by consumers. This implies that without the comparison with the original brand, consumers might be more positive to the imitations. By contrast, when compared to the original brand, consumers were more negative to the imitations. This may be that, the comparison between the brands makes consumers more aware of the shortcomings of the imitation. As a result, the imitations are devalued.

Similarly, Vahie & Paswan (2006) found that presence of a prestige national brand in a store with good image can decrease the image of a private label brand. Vahie & Paswan (2006) point out that unless the private label brand has own brand equity at “a level where consumers see it as a strong brand in its own right” (p. 79), the presence of prestige national brand can only make the image of private label brand even lower. In the same way, imitations are usually perceived as inferior to original brands (Zaichkowsky, 1995). Thus, the presence of prestige original brand is more likely to reduce the image of the imitation, especially when consumers discover any shortcomings of the imitation through the comparison with the original brand.

In general, the presence of an original brand does not help consumers to make a more favourable evaluation of a good imitation. As the finding indicated, the presence of original brand produces a comparison process in consumer's perception between the imitation and the original brand. Through the comparison process, consumers are more likely to find out the shortcomings of the imitation and therefore devalue the imitation.

### **5.2.3 Hypothesis 3**

Hypothesis 3 predicted that store image should have an influence on consumer evaluations. Furthermore, it was expected that when imitations were sold in stores with good images, consumer would more positively evaluate the imitations.

The results and findings of this study have confirmed that good store image does enhance consumer positive evaluations of brand imitations. In this study, imitations of both the Vuitton handbag and the Burberry wallet were better evaluated when these

were sold in the stores with good images. The finding is consistent with the d'Astous and Gargouri (2001) study which also strongly supported the effect of store image across two luxury product categories: polo T-shirts and sunglasses.

Thus, it can be concluded that store image is a factor that consumers heavily rely on to evaluate a luxury brand imitation. As discussed in the literature review, good image of a store is proposed to be able to mitigate the perceived risk of imitations (Collins-Dodd & Lindley, 2003). Thus the finding of this research also implies that, consumers may think that imitations sold in stores of good images are good and reliable products. However, imitations that are offered by stores with low image may be inferred to be less reliable products.

#### **5.2.4 Hypothesis 4(b)**

Hypothesis 4(b) suggested that consumer evaluations of brand imitations were negatively influenced by their familiarity with the product category. The rationale behind the proposition is that, product familiarity increases consumer's brand knowledge (Alba & Hutchinson, 1987). Brand knowledge helps consumers to identify the differences of product performances between imitations and original brand (Zaichkowsky, 1995). Consequently, consumers may perceive that the brand imitations are inferior to the original brands (George & D'Amato, 1978). Therefore, consumer evaluations of the imitations are lower.

However, this research found that product familiarity was positively associated with favorable consumer evaluations, although the effect was not statistically significant. In other words, participants who had more knowledge of the relevant product category were more likely to have positive evaluations of the brand imitations.

The finding is obviously different from the hypothesis. This implies that even if consumers are aware that the product performance of an imitation may not be as good as an original brand, they may still be interested in the imitation. This may indicate that consumers do not care if the imitation is of similar quality to the original brand. Instead, they may have different expectations for brand imitations, for example, value for money. Hence, product familiarity enhances consumer confidence in choosing products to meet their needs (Dick, Jain, & Richardson, 1995). Nia and Zaichkowsky (2000) have the

similar finding in a study that investigated the difference of consumer evaluations between counterfeits and original brand. The research found that most the participants who had purchase experience with counterfeits perceived the counterfeits to be fun and worth the money, and that they were fully aware of the difference in key qualities between original brand and counterfeits.

The other observation is that it again showed that consumers who bought imitations were not likely to be confused with the original brands. Participants in this study were fully aware that the products they were evaluating were imitations, and they still showed their interests in the imitation even when they had generally high product familiarity.

Moreover, the results of this study are not consistent with that of d'Astous and Gargouri (2001) study. d'Astous and Gargouri (2001)'s findings were consistent with the hypothesis. Participants in their study who had high product familiarity were less favourably disposed to the imitations. However, participants in the current research with high product familiarity showed more interest in the imitations. The reason for this discrepancy might be the different characteristics of respondents in the two studies. Nia and Zaichkowsky (2000) investigated two groups of consumers: those who owned no counterfeit brands and those who did. They found that consumers who owned counterfeits showed more familiarity with counterfeits and were more positive toward the counterfeits than those who owned no counterfeits. In the same way, consumers who have more purchase experience with imitations may be more positively inclined towards the imitations, while those who have more purchase experience with original brands are more likely to be less favourable to the imitations. Thus, the differences in consumers' purchase experience with imitations may be a factor that is worth investigation in future research.

In summation, the results of this study demonstrated that product familiarity increased consumer's positive evaluations of the imitations. This is because consumers who have more purchase experience with imitations would be more familiar with imitations. The familiarity then might further increase consumer's confidence in choosing a right imitation, and thus consumers are likely to have a positive evaluation of the imitations. However, consumers who have more purchase experience with the original brand, would be less familiar with imitations, and therefore may be less positive to the

imitations.

### **5.2.5 Hypothesis 4(c)**

Hypothesis 4(c) suggested that consumer evaluations of brand imitations were negatively related to brand sensitivity. Thus, it was expected that when consumers were more sensitive to branded products, they would have less favourable evaluations of imitations.

The results of this study demonstrated a consistent finding with the hypothesis. It found that participants were significantly influenced by brand sensitivity when evaluating the Burberry imitations. For the evaluation of Vuitton imitation, although the effect was not significant, the results also showed that a consumer who was more sensitive to the Vuitton brand tended to be less favourable to the imitations.

The results of this study illustrate that, when making a purchase decision, a consumer who is more concerned with branded products is more likely to devalue an imitation. A consumer, who is less concerned with branded products, may be more positive to an imitation. Nia and Zaichkowsky (2000) had the similar finding showing that, consumers with a strong positive impression of original brands “tended to perceive to counterfeits as inferior” whereas those with a more positive impression of counterfeits “did not see them as inferior products” (p. 494).

Furthermore, this finding is consistent with the finding of product familiarity, which suggests that, consumers who are more familiar with brand imitations are more likely to be positive to the imitations. It is assumed that consumers who are less concerned with branded product are more likely to buy imitations. Consequently, they would be more familiar with imitations and thus would be more positive to the imitations.

### **5.2.6 Hypothesis 5**

Hypothesis 5 predicted that consumers who were more sensitive to price were more likely to have good evaluations of imitations. The hypothesis was strongly supported by the study’s data. As the results show, across both cases of the Vuitton handbag and the Burberry wallet, consumers showed significant interests in the imitations when they

found the imitations were priced much lower than the original brands.

Thus, price can be an important factor that plays part in consumer preferences for brand imitations. It also showed that most the buyers of brand imitations are sensitive to the price differences between original brand and imitations. The larger the price differences, the more likely that the brand imitations would be more favourably evaluated.

This finding is consistent with the d'Astous and Gargouri (2001) study, which also showed that price was important in consumer evaluations of luxury brand imitations. A number of other studies support the positive effect of price on consumer propensity to buy imitations. For example, Bloch, Bush, & Campbell (1993) found that consumers bought a counterfeit over a genuine brand when they found price advantages. Ang, Cheng, Lim, & Tambyah (2001) point out that a certain group of consumers infer that a better price can compensate the shortfall in counterfeit's product performance. In line with the finding, Wee, Tan, & Cheok (1995) point out that low cost of purchasing counterfeits satisfies consumers who are materialistic.

### **5.2.7 Summary of the findings**

This section discussed the findings of the current research and compared these findings with those of other studies. In particular, it compared the findings of the replication with those of the original study by d'Astous and Gargouri (2001). Overall, the findings of this study are consistent with the original research with only one exception factor, *product familiarity*.

In summary, the hypothesis tests of this research examined six factors that may influence consumer evaluations of brand imitations: *goodness of imitation* (defined as *product similarity*), *presence of original brand*, *store image*, *price sensitivity*, *product familiarity*, and *brand sensitivity*. This study identifies that price and store image are the most important factors that positively influence consumer evaluations of luxury brand imitations. Brand sensitivity is also an important factor. The effect is negatively related to consumer evaluations. In other words, consumers who are more concerned with a branded product are less likely to have good evaluations of the imitations.

Moreover, this study also finds that consumer preference for a luxury brand imitation does not necessarily relate to how similar the imitation is to an original brand. In other words, similarity does not increase consumer evaluations of imitations. Nor does the presence of original brand improve consumer impressions of imitations. Consumers may even devalue a good imitation when it is presented with the original brand. The effects of these factors are consistent with the findings of d'Astous and Gargouri (2001). However, the finding of product familiarity is different from the d'Astous and Gargouri (2001) finding. This study found that product familiarity may help to increase consumer evaluations of an imitation; however, the previous findings indicated that consumers with more familiarity were more likely to devalue the imitations. The following section will discuss the implication of these findings.

### **5.3 Theoretical implications**

This study proposes three theoretical implications. Firstly, consumers do have different sets of standards for brand imitations compared to original brands. For example, this study found that, low price is one the most important factors for consumers when buying an imitation. However, buyers of a genuine luxury brand are less concerned with the price; instead, they are more concerned about the prestige of the brand and how it might impress others (Vigneron & Johnson, 2004). The other example is the factor of store image. This study found that good store image strongly and positively influences consumer evaluations of brand imitations. However, for buyers of a genuine luxury brand, store image may not have such significant impact on their perceptions of the brand image. Previous research has found that a prestige brand image was not decreased even when it was sold in a store with a poor image (Jacoby & Mazursky, 1984). Therefore, it is worthwhile for researchers to further probe those factors that influence consumer perception of brand imitations.

Secondly, the effects of some factors on consumer evaluations remained uncertain. Those factors do not receive consistent support from this research and the previous research. For example, d'Astous and Gargouri (2001) examined *goodness of imitation* as one of the influential factors of consumer evaluations of imitations. However, their results did not support the effect of this factor. This might be that the concept was not well defined by d'Astous and Gargouri (2001). This study thus re-defined it as

“similarity”. However, the results show that similarity also has no impact on consumer evaluations. Thus, more research should further investigate this construct.

Moreover, this is the first study to examine *product similarity* as a factor influencing consumer evaluations of imitations. *Similarity* is important to the study of imitations because brand imitation is a marketing strategy “based on the utilisation of similarity in order to facilitate the acceptance of a brand by consumers” (d'Astous & Gargouri, 2001, p. 153). Zaichkowsky (1995) also points out that brand imitation is all about “similarity” not “difference.” Thus, although this research does not support the effect of similarity, it is still a factor worth further investigation.

Thirdly, this research implies that consumer evaluations of imitations may vary among consumers possessing varying characteristics. For example, consumers who have more purchase experiences with imitations were more positive to imitations, while for consumers who have more purchase experiences with original brands were less positive toward imitations. Thus, these two types of consumers may have different set of standards for the imitations. Therefore, future research can consider these factors.

## **5.4 Managerial implications**

The findings of this research have some implications for both original brand owners and imitators of the original brand. There are two important implications for brand owners. The first implication is that, brand owners traditionally think that imitations dilute the original brand's equity by generating consumer confusions with the similar product attributes (Zaichkowsky, 1995). However, this research found that similarity was not actually an important issue to consumer preferences for brand imitations. Additionally, it is found that many imitation purchasers have high product familiarity, indicating that consumers are capable of distinguishing the exclusive characteristics of luxury brands from those of imitations. These findings imply that luxury brand owners should not necessarily worry about their product being imitated.

The second implication for brand owners is that, consumers of luxury brand imitations are motivated by the low price. Since most luxury brand purchasers are less sensitive to price (Garfein, 1989), the finding of this study indicates that buyers of luxury brand



imitations might not be those who buy original brands anyway. Therefore, brand owners may not have to worry that brand imitators would take their market share.

There is also one important implication for imitator brands; that is, similarity is not an important issue to consumers. Most makers of imitator brands think that producing similar product attributes can attach the “goodwill” of the original brand to imitations and thus attract consumers (Loken, Ross, & Hinkle, 1986). However, this research indicates that being similar to an original brand does not relate to consumer preference for the luxury brand imitations. Instead, consumers might give less favourable evaluations to the more similar imitations. Therefore, for manufacturers of luxury brand imitations, it might not be worth the trouble to produce a very similar product. They should, on the other hand, try to develop unique product attributes to attract consumers rather than imitating other brands.

## **5.5 Limitations**

This study has a number of limitations. Firstly, it focused on luxury brand imitations and was limited to fashion products (handbag and wallet). Nill & Shultz (1996) point out that consumers place “product category specific criteria” in their evaluations of different products. Hence, it is suggested that consumer’s evaluative standards for imitations may vary for different product categories with different characteristics. For example, Prendergast, Chuen, & Phau (2002) investigating consumer evaluations of two types of pirated brands—VCD machines and fashion products—found that consumers apply different criteria in evaluating products. For example, product quality is an important criterion for buyers of pirated VCD machine, while “physical appearance” is more important than “product quality” to a buyer of pirated fashion product.

Secondly, handbags and wallets tend to be female products (especially the handbag). During the survey, some male participants were hesitant in answering the questions about the handbag, saying that they were not familiar with the product. This study included male participants to evaluate the female products, assuming that they might be interested in these as gifts for their female friends. Moreover, this research originally included two male products: NIKE shoes and Lacoste polo T-shirts. However, both of them failed in the pre-test and were not examined in this study.

Thirdly, some variables received different results from the d'Astous and Gargouri (2001) study. For example, this research found that product familiarity generates positive consumer perceptions of imitations. On the contrary, d'Astous and Gargouri (2001) found that familiarity decreased the perceived value of brand imitations. The discrepancy might be because different types of consumers were involved in the two studies. The different consumer reactions to the two similar investigations may be because that the effects vary among different types of consumers. For example, Nia and Zaichkowsky (2000) found that consumers who owned more counterfeits showed more familiarity with counterfeits and were more positive to the counterfeits than those who did not own counterfeits.

## **5.6 Suggestions for future research**

The previous section has discussed the limitations of this study. This section suggests several research directions for future studies. The first suggestion is to re-examine some factors that have obtained inconsistent findings among existing research. The first factor is “goodness of imitation,” which has been examined by both the d'Astous and Gargouri (2001) study and the present study. However, none of the studies has found that goodness of imitation has an influence on consumer evaluations. In particular, this study suggested that “goodness of imitation” was not well defined by d'Astous and Gargouri (2001); that might explain why their study did not support the effect of goodness of imitation. Thus, this research redefined it as “similarity”. However, the results of this research again failed to support the hypothesised effect of similarity. Thus, it is suggested that future research should further investigate the nature of “goodness of imitation”. Probably using a qualitative method, such as an in-depth interview, would obtain better understanding of this factor. Moreover, this is the first study that has explicitly investigated the effect of similarity. Although this study does not support the effect of similarity, it is still a factor worth further investigation.

The second suggestion for future research is to investigate imitations in different product categories. The previous research and the current study have a focus on fashion products. For example, d'Astous and Gargouri (2001) examined sunglasses and polo-T shirts, and this study examined handbag and wallets. However, consumer evaluations of imitations may differ across different types of products with different products' characteristics. For example, imitations of electronic products such as digital cameras

are perceived to have more performance-risk than do fashion products (Cordell, Wongtada, & Kieschnick, 1996), thus consumers might be more concerned with product performance of the imitation than with an imitation of fashion products (Prendergast, Chuen, & Phau, 2002).

Another suggestion for future study is to examine consumer's purchasing experiences in relation to consumer evaluations of imitations. As discussed in the previous sections, consumers who have more purchase experience with imitations may be more positive about imitations, while those who have more purchase experience with original brands are more likely to be less favourable than the imitations. Thus, future research might investigate whether consumer perceptions of imitations vary by their purchase experience with the imitations.

Furthermore, in this study, there were about 31% male participants. Thus, when selecting product stimuli, the future research can consider using male products for male participants, while using female products for female participants.

## **5.7 Conclusions of the thesis**

This empirical study investigated consumer evaluations of brand imitations with a focus on luxury brands. In particular, this study examined a set of factors that might have influences on the consumer evaluations based on d'Astous and Gargouri (2001) study. The results and findings of this study provide answers to three research questions: (1) What factors influence consumer evaluations of brand imitations? (2) Does similarity have impact on consumer evaluations of brand imitations? (3) Can the d'Astous and Gargouri (2001) model be generalised to other product categories?

The study finds that the most important factors affecting consumer evaluations of luxury brand imitations are price and store image. Similarity, which is usually perceived as the most important factors in evaluating luxury brand imitations, is found to be not important to purchasers of imitations. This implies that imitations in consumers' preferences are the low priced products when these are perceived to be risk-free as related to such cues as store image. The results of this study are partially consistent with the findings of d'Astous and Gargouri (2001), while, some unexpected patterns also

emerge. This study suggests that the different results occurred might be that the participants in the two studies had different characteristics. Thus, future research should look into the differences among consumers.

This study provides a contribution to both brand owners and manufacturers of brand imitations. Both parties should be aware that being similar to original brand does not place imitations in a very favourable position in consumers' perceptions. Thus, brand owners should not worry that the original brand's equity would be infringed by imitations. Furthermore, buyers of luxury brand imitations might not be those who buy original brands. Therefore, brand owners do not need to worry that brand imitators would reduce their market share. Manufacturers of brand imitations should be aware that it might not be worth the trouble to produce very similar product. Rather, they should build up their own brand image with distinctive product characteristics to attract consumers rather than imitating other brands.

## REFERENCES:

- Alba, J. W., & Hutchinson, J. W. (1987). Dimensions of consumer expertise. *Journal of Consumer Research*, 13(4), 411-453.
- Ang, S. H., Cheng, P. S., Lim, E. A. C., & Tambyah, S. K. (2001). Spot the difference: consumer responses towards counterfeits. *Journal of Consumer Marketing*, 18(3), 219-235.
- Balabanis, G., & Craven, S. (1997). Consumer Confusion from Own Brand Look-alikes: An Exploratory Investigation. *Journal of Marketing Management*, 13, 299-313.
- Baltas, G. (1997). Determinants of store brand choice: a behavioural analysis. *Journal of product & brand management*, 6(5), 315-324.
- Bamossy, G. (1985). Product counterfeiting: consumers and manufacturers beware. *Advances in Consumer Research*, 12, 334-339.
- Barwise, P. (1995). Good empirical generalisations. *Marketing Science*, 14, G29-G35.
- Beverland, M. (2004). Uncovering "theories-in-use": building luxury wine brands. *European Journal of Marketing*, 38(3/4), 446-466.
- Bloch, P. H., Bush, R. F., & Campbell, L. (1993). Consumer "Accomplices" in Product Counterfeiting. *The Journal of Consumer Marketing*, 10(4), 27-36.
- Bordens, K. S., & Abbott, B. B. (1996). *Research Design and Methods: a process approach* (3rd ed.). California USA: Mayfield Publishing Company.
- Boush, D. M. (1987). Affect generalisation to similar and dissimilar brand extension. *Psychology and Marketing*, 4(3), 225-237.
- Brandscape. (2006). Kraft vs. Nu Vision. Retrieved 28th, April, 2006, from [http://www.ajpark.com/newsletters/brandscape/BRANDSCAPE\\_APR\\_06.htm#article2](http://www.ajpark.com/newsletters/brandscape/BRANDSCAPE_APR_06.htm#article2)
- Brisoux, J. E., & Cheron, E. J. (1990). Brand categorization and product involvement. *Advances in consumer research* 17, 101-109.
- Bucklin, L. P. (1993). Modelling the international gray market for public policy decision. *International Journal of Research in Marketing*, 10(4), 387-405.
- Burnkrant, R. E. (1978). Cue utilization in product perception. *Advances in Consumer Research*, 5(1), 724-730.

- Burns, A. C., & Bush, R. F. (2000). *Marketing Research* (3rd ed.). New Jersey: Prentice-Hall.
- Burt, S., & Davis, S. (1999). Follow my leader? Look-alike retailer brands in non-manufacturer-dominated product markets in the UK. *The International Review of Retail, Distribution and Consumer Research*, 9(2), 163-185.
- Chernatony, L. d., & McDonald, M. (1998). *Creating Powerful Brands in Consumer, Service and Industrial Markets*. Oxford: Butterworth-Heinemann.
- Churchill, G. A. (1979). A paradigm for developing better measures of marketing research. *Journal of Marketing Research*, XVI (February), 64-73.
- Churchill, J. G. A., & Iacobucci, D. (1984). *Marketing Research Methodological Foundation* (8th ed.). Orlando US: Harcourt College Publisher.
- Clark, L. A., & Watson, D. (1995). Constructing validity: Basic issues in objective scale development. *Psychological Assessment*, 7(3), 309-319.
- Cohen, D. (1991). Trademark strategy revisited. *Journal of Marketing*, 55(July), 46-59.
- Collins-Dodd, C., & Lindley, T. (2003). Store brands and retail differentiation: the influence of store image and store brand attitude on store own brand perceptions. *Journal of Retailing and Consumer Services*, 10, 345-352.
- Collins-Dodd, C., & Zaichkowsky, J. L. (1999). National brand responses to brand imitation: retailers versus other manufacturers. *Journal of Product & Brand Management*, 2, 96-105.
- Cordell, V. V., Wongtada, N., & Kieschnick, R. L. (1996). Counterfeit purchase intentions: role of lawfulness attitudes and product traits as determinants. *Journal of Business Research*, 35, 41-53.
- Cox, D. F. (1962). The measurement of informational value: a study in consumer decision-making. In W. S. Decker (Ed.), *Emerging concepts in marketing* (pp. 413-421). Chicago: American Marketing Association.
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(September), 297-334.
- d'Astous, A., & Gargouri, E. (2001). Consumer evaluations of brand imitations. *European Journal of Marketing*, 35(1/2), 153-167.
- Davies, G. (1998). Retail brands and the theft of identity. *International journal of retail & distribution management*, 26(4), 140-146.
- Dawson, S. (1988). An exploration of the store prestige hierarchy: reification, power and perceptions. *Journal of retailing*, 64(Summer), 133-152.

- Deng, S., & Dart, J. (1994). Measuring market orientation: A multifactor, multi-item approach. *Journal of Marketing Management*, 10, 725-742.
- Dick, A., Jain, A., & Richardson, P. (1995). Correlates of store brand proneness: some empirical observations. *Journal of Product & Brand Management*, 4(4), 15-22.
- Dick, A., Jain, A., & Richardson, P. (1997). How consumers evaluate store brands. *Pricing strategy & practice*, 5(1), 18-24.
- Dickson, P. R., & Sawyer, A. G. (1990). The price knowledge and search of supermarket shoppers. *Journal of Marketing* 54(July), 42-53.
- Dubois, B. (1994). *Comprendre le consommateur* (2nd ed. ed.). Paris: Dalloz.
- Dunn, M. G., Murphy, P. E., & Skelly, G. U. (1986). Research Note: The Influence of Perceived Risk on Brand Preference for Supermarket Products. *Journal of Retailing*, 62(2), 204-216.
- East, R., Gill, P. H., Hammond, W., & Hammond, K. (1995). Correlates of First-brand Loyalty. *Journal of Marketing Management*, 11(5), 487-497.
- Feinberg, R. M., & Rousslang, D. J. (1990). The economic effects of intellectual property right infringements. *Journal of Business*, 63(1), 79-90.
- Fenby, J. (1983). *Privacy and the Public: Forgery, theft, and exploitation*. London: Frederick Muller Ltd.
- Foxman, E. R., Berger, P. W., & Cote, J. A. (1992). Consumer Brand Confusion: A conceptual Framework. *Psychology & Marketing*, 9(2 (Mar/Apr)), 123.
- Foxman, E. R., Muehling, D. D., & Berger, P. W. (1990). An investigation of factors contributing to consumer brand confusion. *Journal of Consumer Affairs*, Summer 24(1), 170-189.
- Garfein, R. T. (1989). Cross-cultural perspectives on the dynamics of prestige. *Journal of services marketing*, 3(3), 17-24.
- Garretson, J. A., & Burton, S. (1998). *An examination of the economic, shopping-related, and psychological profiles of highly coupon and sale prone consumers*. Paper presented at the American Marketing Association.
- Garretson, J. A., Fisher, D., & Burton, S. (2002). Antecedents of private label attitude and national brand promotion attitude: Similarities and differences. *Journal of Retailing*, 78(2), 91-99.
- Gate, R., & Solomon, P. J. (1982). Research Using the Mall Intercept: State of the Art. *Journal of Advertising Research*, 22(4), 43-49.

- George, M., & D'Amato, N. (1978). Consumer Confusion and Trademark Infringement. *Journal of Marketing Management*, 42(April), 48-55.
- Glynn, M. S., & Brodie, R. J. (1998). The importance of brand-specific associations in brand extension: further empirical results. *Journal of Product & Brand Management*, 7(6), 509-518.
- Grayson, K., & Ambler, T. (1999). The dark side of long-term relationships in marketing services. *Journal of Marketing Research*, 36(1), 132-141.
- Graziano, A. M., & Raulin, M. L. (2000). *Research Methods: A Process of Inquiry* (4th ed.). Needham Heights, MA: Allyn & Bacon.
- Green, P. E. (1970). Rating Scales and Information Recovery--How Many Scales and Response Categories to Use? *Journal of Marketing* 34(3), 33-39.
- Grossman, G. M., & Shapiro, C. (1988). Foreign counterfeiting of status goods. *The Quarterly Journal of Economics*, February, 79-100.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate Data Analysis* (5th ed.). New Jersey: Prentice-Hall.
- Hem, L. E., & Iversen, N. M. (2002). Decomposed similarity measures in brand extensions. *Advances in Consumer Research*, 29, 199-206.
- Henderson, S. (1997). Unfair competition: some approaches to change, British brands. *British brands group newsletter*, Summer, 7-8.
- Hinkin, T. R. (1995). A review of scale development practices in the study of organisations. *Journal of Management*, 21(5), 967-988.
- Hirschman, E. C. (1980). Attributes of attributes and layers of meaning. *Advances in Consumer Research*, 7, 7-12.
- Hoch, S. J., & Banerji, S. (1993). When do private labels succeed? *Sloan Management Review*, 37(2), 89-102.
- Huang, J.-H., Lee, B. C. Y., & Ho, S. H. (2004). Consumer attitude toward gray market goods. *International Marketing Review*, 21(6).
- Hubbard, R., & Armstrong, J. S. (1994). Replications and extensions in marketing: Rarely published but quite contrary. *International Journal of Research in Marketing*, 11(3), 233-248.
- Jacoby, J., & Kaplan, L. B. (1972). The components of perceived risk. In M. Venkatesan (Ed.), *3rd Annual Conference* (pp. 382-393). Chicago: Association for consumer research.



- Jacoby, J., & Mazursky, D. (1984). Linking brand and retailer images: do the potential risks outweigh the potential benefits? *Journal of Retailing*, 60(2), 105-122.
- Kapferer, J.-N. (1995). Stealing brand equity: measuring perceptual confusion between national brands and "copycat" own-label products. *Marketing and Research Today, May*, 96-103.
- Keller, K. L. (2003). *Strategic brand management: building, measuring and managing brand equity* (2nd ed.): Prentice Hall.
- Keller, K. L., & Sood, S. (2003). Brand Equity Dilution. *MIT Sloan Management Review, Fall*(12-15).
- Klein, J. G., Brown, G. T., & Lysyk, M. (2000). Replication research: A purposeful occupation worth repeating. *The Canadian Journal of Occupational Therapy*, 67(3), 155-161.
- Lai, K. K.-Y., & Zaichkowsky, J. L. (1999). Brand imitation: Do the Chinese have different view? *Asia Pacific Journal of Management*, 16, 179-192.
- Laurent, G., & Kapferer, J. N. (1985). Measuring Consumer Involvement Profiles. *Journal of Marketing Research*, 22(1), 41-53.
- Lefkoff-Hagius, R., & Mason, C. H. (1993). Characteristic, Beneficial, and image attributes in consumer judgments of similarity and preference. *Journal of Consumer Research*, 20, 100-110.
- Leone, R. P., & Schultz, R. L. (1980). A study of marketing generalisations. *Journal of Marketing*, 44, 10-18.
- Levitt, T. (1966). Innovative imitation. *Harvard Business Review*, September-October, 63-70.
- Lichtenstein, D., Blonch, D., & Black, W. (1988). Correlates of price acceptability. *Journal of Consumer research*, 15(2), 243-252.
- Link, F. (1997). *Diffusion dynamics and the pricing of innovations*. Unpublished PhD Thesis, Lund University, Lund.
- Little, R. J. A. (1988). A test of missing completely at random for multivariate data with missing values. *Journal of the American Statistical Association*, 83(404), 1198.
- Loken, B., Ross, I., & Hinkle, R. L. (1986). Consumer "Confusion" of Origin and Brand Similarity Perceptions. *Journal of Public Policy and Marketing*, 5, 195-211.
- Loken, B., & Ward, J. (1990). Alternative approaches to understanding the determinants of typicality. *Journal of Consumer Research*, 17(September), 111-126.

- Lukas, B. A., Hair, J. F., Bush, R. P., & Ortinau, D. J. (2004). *Marketing Research*. North Ryde: McGraw-Hill Australia.
- Martin, I. M., & Stewart, D. W. (2001). The differential impact of goal congruency on attitudes, intentions, and the transfer of brand equity. *Journal of Marketing Research*, 38 November(4), 471-484.
- Medin, D. L., Goldstone, R. L., & Gentner, D. (1993). Respects for similarity. *Psychological Review*, 100(2), 254-278.
- Miller, D. W., & Mark, L. J. (1996). The moderating effects of enduring involvement on imagery-evoking advertisements. *American marketing association, Winter*, 121-128.
- Monroe, K. B. (1990). *Pricing: making profitable decisions* (3rd ed.). New York: McGraw-Hill.
- Munnukka, F. (2005). Dynamics of price sensitivity among mobile service customers. *Journal of product & brand management*, 14(1), 65-73.
- Nia, A., & Zaichkowsky, J. L. (2000). Do counterfeits devalue the ownership of luxury brands? *Journal of Product & Brand Management*, 9(7), 485-497.
- Nill, A., & Shultz, C. J. (1996). The scourge of global counterfeiting. *Business Horizons*, November-December, 37-42.
- Peter, J. P. (1979). Reliability: A review of psychometric basics and recent marketing practice. *Journal of Marketing Research*, 16(February), 6-17.
- Phau, I. (2000). Consuming luxury brands: the relevance of the 'rarity principle'. *Brand Management*, 8(2), 122-138 November.
- Porter, S. S., & Claycomb, C. (1997). The influence of brand recognition on retail store image. *Journal of product & brand management*, 6(6), 373-387.
- Prendergast, G., Chuen, L. H., & Phau, I. (2002). Understanding consumer demand for non-deceptive pirated brands. *Marketing intelligence & planning*, 20(7), 405-416.
- Rafiq, M., & Collins, R. (1996). Look-alikes and customer confusion in the grocery sector: an exploratory survey. *The International Review of Retail, Distribution and Consumer Research*, 6(4 October), 329-350.
- Rasmussen, J. L. (1990). Analysis of Likert-scale data: a reinterpretation of gregoire and Driver. *Psychological Bulletin*, 105(1), 167-170.
- Ratchford, B. T. (1975). The new economic theory of consumer behaviour. *Journal of Marketing Research*, 28(August), 281-295.

- Richins, M. L., & Bloch, P. H. (1986). After the new wears off: the temporal context of product involvement. *Journal of Consumer research*, 10(4), 333-345.
- Roselius, T. (1971). Consumer rankings of risk reduction methods. *Journal of marketing*, 35(January), 56-61.
- Rothschild, & L, M. (1984). Perspectives on Involvement: Current Problems and Future Directions. *Advances in Consumer Research*, 11.
- Rutherford, A. (2001). *Introducing ANOVA and ANCOVA - a GLM approach* (1st ed.). London: SAGE Publications.
- Sekaran, U. (2003). *Research Methodology for Business* (4th ed.). New York: John Wiley & Sons, Inc.
- Simonson, I. (1994). Trademark infringement from the buyer perspective: Conceptual analysis and measurement implications. *Journal of Public Policy and Marketing*, 13(2), 181,119pgs.
- Sirgy, M. J. (1982). Self-concept in consumer behaviour: a critical review. *Journal of Consumer Research*, 9(December), 287-300.
- Smith, S. M., & Albaum, G. S. (2005). *Fundamentals of Marketing Research*. Thousand Oaks, California: Sage Publications Inc.
- SPSS. (1999). *SPSS Base 10.0 Applications Guide*. Chicago, U.S.A: SPSS Inc.
- Statistic, N. Z. (2005). Actual retail sales by Geographic region. Retrieved Feb 14, 2006, from [www.stats.govt.nz](http://www.stats.govt.nz)
- Sudman, S. (1980). Improving the quality of shopping centre sampling. *Journal of Marketing Research*, 17(4), 423-431
- Vahie, A., & Paswan, A. (2006). Private label brand image: its relationship with store image and national brand. *International journal of retail & distribution management*, 34(1), 67-84.
- Vignerron, F., & Johnson, L. W. (2004). Measuring perceptions of brand luxury. *Journal of Brand Management*, 11(6), 484-506.
- Ward, J., Loken, B., Ross, I., & Hasapopoulos, T. (1986). *The Influence of Physical Similarity on Generalization of Affect and Attribute Perceptions From National Brands to Private Label Brands*. Paper presented at the AMA Educators' Proceedings, Chicago, IL.

- Waters, B. S. (2001). Sports organisations be warned. Retrieved 28th April, 2006, from [http://www.ajpark.com/newsletters/brandscape/BRANDSCAPE\\_APR\\_06.htm](http://www.ajpark.com/newsletters/brandscape/BRANDSCAPE_APR_06.htm)
- Wee, C. H., Tan, S. J., & Cheok, K. H. (1995). Non-price determinants of intention to purchase counterfeit. *International Marketing Review*, 12(6), 19-28.
- Weiner, B. (2000). Attributional thoughts about consumer behaviour. *Journal of Consumer Research*, 27(3), 382-387.
- Whipple, T. W. (1976). Variation among multidimensional scaling solutions: an examination of the effect of data collection differences. *Journal of Marketing research* 13(February), 98-103.
- Wilke, R., & Zaichkowsky, J. L. (1999). Brand imitation and its effects on innovation, competition, and brand equity. *Business Horizons*, November-December(9-18).
- Wish, M. (1971). *Individual differences in perceptions and preferences among nations*. Paper presented at the Attitude Research Reaches New Heights, Chicago.
- Wong, A. C. Y., & Zaichkowsky, J. L. (1999). Understanding luxury brands in Hong Kong. *European Advances in Consumer Research*, 4, 310-316.
- Zaichkowsky, J. L. (1985). Measuring the Involvement Construct. *Journal of Consumer Research*, 12(December), 341-353.
- Zaichkowsky, J. L. (1995). *Defending our brand against imitation* (First ed.). London: Quorum Books.

# APPENDICES:



## Appendix A – Pre-test questionnaire

### Pre-test Questionnaire

My name is Susan. I am undertaking a consumer survey regarding factors that influence consumers' evaluations of brand imitations as part of my thesis for a Master of Business degree at AUT. I would be grateful if you could spend around 3 minutes to complete a simple questionnaire as follows. All information you provide is confidential and anonymous. Thank you very much.

**SECTION ONE** is about your opinions regarding several brands. Instructions: Please read each statement and **CIRCLE** the number that most accurately reflects your opinion. Please circle only one number for each statement.

Please rate your familiarity with the following brand names on the following scale. Familiarity is your awareness of the brands.	
Louis Vuitton	Never heard of 1 2 3 4 5 6 7 Very aware of
Burberry	Never heard of 1 2 3 4 5 6 7 Very aware of
Nike	Never heard of 1 2 3 4 5 6 7 Very aware of
Lacoste	Never heard of 1 2 3 4 5 6 7 Very aware of

Using the following scale, please rate the degree to which you think that people purchase the listed brands to convey an image of prestige or status to others.	
Louis Vuitton	not at all 1 2 3 4 5 6 7 very much
Burberry	not at all 1 2 3 4 5 6 7 very much
Nike	not at all 1 2 3 4 5 6 7 very much
Lacoste	not at all 1 2 3 4 5 6 7 very much

**SECTION TWO** is about your opinions regarding several stores. Instructions: Please read each statement and **CIRCLE** the number that most accurately reflects your opinion. Please circle only one number for each statement.

Please rate the degree to which the following stores convey an image of prestige or status.	
Smith & Caughey	not at all 1 2 3 4 5 6 7 very much
Farmers	not at all 1 2 3 4 5 6 7 very much
K-mart	not at all 1 2 3 4 5 6 7 very much
The Warehouse	not at all 1 2 3 4 5 6 7 very much
Galleria (duty-free shop)	not at all 1 2 3 4 5 6 7 very much
Regency (duty-free shop)	not at all 1 2 3 4 5 6 7 very much

**SECTION THREE** is about your opinions regarding several **brand imitations**.

Instructions: Please read each statement and **CIRCLE** the number that most accurately reflects your opinion. Please circle only one number for each statement.

Before you answer the following questions, please look at the attached photos first.

Each set of photos consists of one original brand and one of its imitations.

To what extent that you think the following imitations are good imitations?										
imitation 1	very poor	1	2	3	4	5	6	7	very good	
imitation 2	very poor	1	2	3	4	5	6	7	very good	
imitation 3	very poor	1	2	3	4	5	6	7	very good	
imitation 4	very poor	1	2	3	4	5	6	7	very good	
imitation 5	very poor	1	2	3	4	5	6	7	very good	
imitation 6	very poor	1	2	3	4	5	6	7	very good	
imitation 7	very poor	1	2	3	4	5	6	7	very good	
imitation 8	very poor	1	2	3	4	5	6	7	very good	

*Please feel free to contact me if you have any questions regarding this survey. My email address is: [saxsux88@aut.ac.nz](mailto:saxsux88@aut.ac.nz)*

☺ **Thank you very much for your support!** ☺

## **Appendix B – Questionnaire for the main survey**

(A Sample Questionnaire)



# **A consumer survey on consumer evaluations of brand imitations**

**Presented by Sasa Su from Auckland University of Technology**

**Product category: Handbag**

**Imitation No. 1**

**Store name (the place where you can find below brands): The Warehouse**

	
<p>Original brand Brand name: Louis Vuitton Market price: NZ\$ 1400</p>	<p><b><u>Imitation No. 1</u></b> Market price: NZ\$ 85</p>



# Questionnaire

My name is Susan. I am undertaking a consumer survey regarding factors that influence consumers' evaluations of brand imitations as a part of my thesis for a Master of Business degree at AUT. I would be grateful if you could complete a simple questionnaire as follows. All the information you provide is confidential and anonymous. Thank you very much.

<b>SECTION ONE</b> Instructions: The following statements are concerned with your feelings about <b>brand imitations</b> . Please read each statement and <b>CIRCLE</b> the number that most accurately reflects your opinion. Please circle only one number for each statement.									
<b>My feelings about this brand imitation are:</b>									
1.	It is very poor quality	1	2	3	4	5	6	7	It is very good quality
2.	It is very bad buy	1	2	3	4	5	6	7	It is very good buy
3.	I don't like it at all	1	2	3	4	5	6	7	I like it very much
4.	It is a product that I would never buy	1	2	3	4	5	6	7	It is a product that I would certainly buy
5.	It is a risky product	1	2	3	4	5	6	7	It is a reliable product
6.	I would regret having purchased it	1	2	3	4	5	6	7	I would not regret having purchased it
7.	It is a product of dubious performance	1	2	3	4	5	6	7	It is a product of sure performance
8.	It is not at all similar to the original brand	1	2	3	4	5	6	7	It is very similar to the original brand
9.	It is very typical compared to the original brand	1	2	3	4	5	6	7	It is not at all typical compared to the original brand

<b>SECTION TWO:</b> <u>Instructions:</u> Please read each statement and <b>CIRCLE</b> the number that most accurately reflects your opinion. Circling '1' means that you strongly disagree with the statement and circling '7' means you strongly agree with the statement. Please circle only one number for each statement.											
Statements		Strongly Disagree		Disagree		Neither Agree Nor Disagree		Agree		Strongly Agree	
10.	When I shop for a handbag, I believe that it is a very important purchase	1	2	3	4	5	6	7			
11.	Before purchasing a handbag, I always find out as much information as I can about the products in which I am interested.	1	2	3	4	5	6	7			
12.	For me, buying a handbag is a very difficult thing	1	2	3	4	5	6	7			
13.	In general, I consider myself very familiar with handbags.	1	2	3	4	5	6	7			
14.	Overall, I think I am very well informed about handbags.	1	2	3	4	5	6	7			
15.	For me, handbags represent a product category that I know very well.	1	2	3	4	5	6	7			

16.	When making a purchase, I always give attention to the brand.	1	2	3	4	5	6	7
17.	In general, a brand tells a lot about a product's quality	1	2	3	4	5	6	7
18.	For me, a brand name is very important information	1	2	3	4	5	6	7
19.	In general, I am loyal to a single brand in any given product category.	1	2	3	4	5	6	7
20.	If my preferred brand is not available at the store, it will make little difference to me to buy a different one	1	2	3	4	5	6	7
21.	When another brand is on sale, I generally purchase it instead of my usual brand.	1	2	3	4	5	6	7
22.	I shop a lot for specials.	1	2	3	4	5	6	7
23.	I find myself checking the prices in the grocery store even for small items.	1	2	3	4	5	6	7
24.	A person can save a lot of money by shopping around for bargains.	1	2	3	4	5	6	7
25.	For me, the price of a product is crucial information	1	2	3	4	5	6	7

<b>SECTION THREE: Instructions:</b> The following questions are about your demographic status. Please <b>CIRCLE</b> the number for the most appropriate response.			
26.	Are you male or female?	1	Male
		2	Female
27.	Which age group do you fall into?	1	20-29
		2	30-39
		3	40-49
		4	50-59
		5	60 or above
28.	Which is your highest education?	1	High school or less
		2	Vocational or trade qualification
		3	Tertiary qualification (Undergraduate)
		4	Tertiary qualification (Postgraduate)
		5	Others

☺ Thank you very much for your support! ☺