

Thou Shall Not Imitate: When Do Copycats Trigger Moral Concern?

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Abstract

The current research investigates whether copycats, which imitate the trade-dress of other successful brands, trigger moral concern in consumers. Three preregistered studies reveal that consumers respond more negatively to copycats when they imitate an original brand with high (versus low) product investment (Study 1), from a small (rather than a large) original brands' firm (Study 2) and when the consumer shares (vs. does not share) national identity with the original brand (Study 3). We show that these effects are due to increased feelings of moral concern related to the moral foundations of fairness, harm, and loyalty. We further demonstrate the downstream consequences of the effect, while using a variety of product categories, copycat stimuli, and participant samples. These results have implications for product imitation and morality theories and practice.

Keywords: *copycats, morality, brands*

Consumer Behavior Track

1. Introduction

Copycats imitate the name, logo, and/or product design of original brands to take advantage of the latter's brand equity. Copycatting is a widespread strategy: an estimated 50 percent of store brands in the United States utilize some form of imitation (Zaichkowsky, 2020). Consumers may respond positively to copycats as they activate feelings of familiarity and positive associations due to similarity (Warlop & Alba, 2004). However, research also finds that consumers respond negatively when they feel unduly persuaded into buying copycats through similarity tactics (Van Horen & Pieters, 2012).

Little is known, however, about whether moral concern for the original brand also affects consumers' copycat evaluation and choice. Unlike counterfeits, which are illegal and unequivocally immoral forms of imitation, copycats take unfair advantage of the reputation and work of original brands within legal boundaries. Copycats thus operate within a moral gray area, and we propose that conditional variables will affect whether consumers perceive buying a copycat as immoral towards the original brand.

What are the circumstances that give rise to consumers' moral concerns regarding copycats? Moral Foundations Theory (MFT) proposes that people hold psychological systems of beliefs that serve as the foundations of "intuitive ethics" and moral judgments (e.g., Graham et al., 2011; Haidt, 2007). Violations of one or more of these foundations activate moral concern. Of the five principles, research shows that within a market exchange, consumers are primarily attuned to the principles of fairness (e.g., relating to prices), harm (e.g., to consumers and society), and loyalty (e.g., towards stores or brands; Campbell & Winterich, 2018).

In the current research we investigate how and when moral concerns affect copycat evaluation and choice. We propose that copycat evaluation will sway when the situation activates moral principles of fairness, harm, and loyalty. More specifically, we propose that, based on the fairness principle, when consumers are aware of the high (vs. low) investments of the original brand in terms of time, money, or expertise, copycats will be perceived as less (vs. more) moral, which will – in turn – decrease copycat evaluation. Based on the harm principle, we posit that when an original brand firm is smaller (vs larger) and thus more (vs. less) vulnerable to harm, consumers will experience greater (less) moral concern and will be less (more) willing to purchase the copycat. Finally, with regard to loyalty, we suggest that situations in which consumers perceive that buying a copycat that imitates an ingroup (vs.

outgroup) original brand, violates the ingroup loyalty principle, which in turn will activate moral concern and lower copycat evaluation.

Our research makes at least three contributions: First, our research extends the existing copycat literature which has so far examined how copycat evaluation varies due to product characteristics and positioning (Van Horen & Pieters, 2012; Warlop & Alba, 2004). In contrast, we investigate when consumers consider the morality of copycats and when they feel it would be morally wrong to choose a copycat. Second, while past investigations have examined the moral judgments that consumers form about counterfeit products, which illegally imitate original brands (Amar et al., 2018), we investigate how evaluation of copycats, as morally ambiguous products, sway based on the activation of moral concern. Lastly, our work examines when consumers feel that their *own* actions towards brands are immoral, whereas former work has focused on when consumers perceive the behavior of brands or firms as immoral (e.g., Yoon, Gürhan-Canli, & Schwarz, 2006).

Three preregistered experiments test the situational drivers of consumers' moral concern, copycat evaluation and its downstream consequences. The preregistrations, all data, variable codes, and study materials are available at

https://researchbox.org/699&PEER_REVIEW_passcode=CDHCDD.

2. Experiment 1

Experiment 1 tests whether preference for copycats decreases when original brands have made a relatively high investment in an innovative product, making the moral foundation of fairness salient. We predicted that consumers exhibit lower (vs. higher) preference for copycats when the original brand investment was high rather than low. In addition, we test whether the effect of original brand investment on copycat evaluation is driven by moral concern.

2.1. Participants and design

US Mturk workers participated ($n = 208$; 38% females; $M_{\text{age}} = 36.33$, $SD_{\text{age}} = 10.77$) for a small monetary compensation. Four participants failed the attention check and were excluded, leaving 204 participants for analysis. Participants were randomly assigned to a condition of a 2 (original brand investment: low vs. high) X 2 (order of measures: moral concern first vs. copycat evaluation first) mixed design, with original brand investment as a within-subjects factor and order as a between-subjects factor.

2.2. Stimuli development, procedure, and measures

We selected a picture of an original backpack (Got Bag) and its copycat (Duo Tag), both available on the market. The low-investment condition described the original and copycat backpack with regular attributes (e.g., sturdy), whereas in the high-investment condition innovative features (e.g., solar panels, USB connector) were added. To keep the perceived quality of the original and copycat product constant, we presented the same quality ratings below the original (5/5 stars) and copycat (4/5 stars) in both conditions (Fig. 1). Pretests confirmed that our innovative-features manipulation increased perceptions of original brand investment ($p < .001$), but did not affect perceived design attractiveness, visual similarity between the copycat and original product, or perceptions of overall product quality (all $ps > .627$). Furthermore, the fairness foundation was rated as significantly more relevant when reading the backpack scenario than any of the other moral foundations (all $ps < .001$).

Fig. 1. Original Products (left) and Copycat Versions (right)



To measure moral concern, we asked participants to what extent buying the copycat would make them feel somewhat guilty/ is somewhat unfair/ is somewhat unethical/ (1 = Strongly disagree to 7 = Strongly agree, randomized, averaged scale: $\alpha_s > .96$). To assess copycat evaluation, participants indicated the extent to which they thought the copycat was (1 = Negative/Bad; 7 = Positive/Good) and whether they would be willing to buy the copycat (1 = Certainly not; 7 = Certainly yes, averaged scale: $\alpha_s > .92$).

2.4. Results and discussion

A mixed ANOVA revealed a main effect of original brand investment ($F(1, 202) = 25.07, p < .001, \eta_p^2 = .110$). As expected, copycats were evaluated more negatively when the

original brand's investment was high ($M = 3.21$, $SD = 1.79$) as compared to low ($M = 3.60$, $SD = 1.66$). Main and interaction effects of order were not significant ($ps > .355$).

Mediation analysis (Model 1, MEMORE) revealed further that the copycat activated greater moral concern when the original brand's investment was high (vs. low; $a = .65$, $SE = .09$, 95% CI [.48, .83]), and moral concern was negatively associated with copycat evaluation ($b = -.50$, $SE = .05$, 95% CI [-.61, -.40]). Most important, the model revealed a significant indirect effect of original brand investment on evaluation through moral concern ($a*b = -.33$, $SE = .07$, 95% CI [-.47, -.21]).

These results show that consumers evaluate copycats more negatively when they imitate an original brand that has invested highly in its product and that moral concern fully explains this effect. Furthermore, it ruled out quality ratings as alternative explanation.

3. Experiment 2

The second experiment focuses on whether copycat preference shifts when the moral foundation of harm is situationally activated. We hypothesize that consumers respond more negatively to copycats when the firm producing the original brand is small (vs. large), as it is more harmful to imitate a smaller, vulnerable firm. Additionally, Study 3 investigates whether consumers, aside to reporting greater general moral concern, feel that their actions are immoral towards original brands specifically, and examines downstream behavior.

3.1 *Participants and design*

We recruited 405 US Prolific Academic participants (46.3% females, $M_{age} = 39.66$, $SD_{age} = 11.99$). Thirty-six participants failed the attention check, leaving 369 responses for final analysis. Participants were randomly assigned to a condition of a 2 (original brand firm size: small vs. large) X 2 (order: moral concern measured first vs. evaluation measured first) between-subjects design.

3.2 *Stimuli development, procedure and measures*

We selected the European soft drink brand "Fritz-Limo" as the original brand, as it is unknown to American consumers which allowed us to credibly manipulate firm size. Photoshop was used to create a high-similarity copycat of Fritz-Limo that imitated the original brand's name ("Frank's Lemonade"), bottle (e.g., shape and color scheme), and label (Fig. 2).

Fig. 2. Original brand Fritz Limo (left) and copycat Frank's lemonade (right)



Participants were randomly assigned to a description of the firm making “Fritz-Limo” lemonade that framed the firm as either small or large (including a picture of either a small or large production site). A pretest confirmed that the firm scenario activated aside to fairness (consistent with the idea that copycats are – by definition – unfair; Zaichkowsky, 2020), the moral principle of harm more so than all other foundations ($ps < .001$). Participants then saw a picture of the original product and the copycat side-by-side and were asked to evaluate the copycat on the same measure as used in Experiment 1 and how morally concerned they felt towards the original brand (counterbalanced). Then, to examine downstream behavior, participants read that Fritz-Limo launched a petition against the copycat for infringing on intellectual property rights and were asked to choose whether or not to sign the petition (yes/no).

3.3 Results and discussion

A 2-way ANOVA revealed a main effect of firm size on copycat evaluation ($F(1, 365) = 22.06, p < .001, \eta_p^2 = .057$). As expected, the copycat was evaluated more negatively when the original brand's firm was smaller ($M = 3.14, SD = 1.51$) than larger ($M = 3.88, SD = 1.58$). There was no main effect of order, no interaction effects ($ps > .05$).

The mediation analyses (Process, model 4) showed, as predicted, that copycats imitating small (vs. large) brands triggered stronger moral concern towards the original brand ($a = -.73, SE = .18, 95\% CI [-1.08, -.38]$), which was in turn negatively associated with copycat evaluation, when controlling for brand firm size ($b = -.59, SE = .03, 95\% CI [-.66, -.52]$). Most important, the model revealed an indirect effect of brand firm size on copycat evaluation through moral concern ($a*b = .43, SE = .11, 95\% CI [.23, .64]$).

A binary logistic regression regressed petition choice (0 = did not sign vs. 1 = signed) on brand firm size (0 = small vs. 1 = large) and showed a significant negative effect of brand firm size ($b = -.983$, $\chi^2 = 19.41$, $p < .001$). While 74% of participants signed the petition when the original brand was small, only 52% signed when the original brand was large.

Study 3 shows that consumers experienced stronger moral concern towards the original brand when copycats imitated small (vs. large) brands, which in turn, decreased their evaluation of copycats and higher willingness to sign a petition against the copycat. Consistent with the moral principle of care/harm, this study demonstrates that relative vulnerability of an original brand influences the extent to which consumers feel that it is “wrong” to buy copycats.

4. Experiment 3

The primary purpose of Experiment 3 was to examine whether the extent to which consumers identify as a member of the same group as the original brand (ingroup) influences copycat evaluations, zooming in on the moral foundation of loyalty/betrayal. We expected consumers to evaluate copycats more (less) negative that imitate home- (vs. foreign-) country original brand and hypothesized that moral concern explains this effect.

4.1 Participants and design

We recruited 305 participants from the US and Scotland (44% female, $M_{\text{age}} = 40.52$, $SD_{\text{age}} = 12.89$) in exchange for a small monetary compensation. The experiment employed a 2 (consumer nationality: Scots vs. Americans; between-subjects) X 2 (original brand country of origin: Scotland vs. US; within-subjects) X 2 (order: moral concern first vs copycat evaluation first; between-subjects) mixed design.

4.2. Stimuli development, procedure and measures

Whiskey was selected as the product of national pride with Jack Daniel’s (American) and Glenfiddich (Scottish) as original brands. Copycats were created imitating the original products’ names (“Jackson’s” and “Glenborrow”) and their trade-dress (Fig. 3). Pretests confirmed that Americans identified more with Jack Daniel’s whereas Scots more with Glenfiddich ($ps < .05$). In addition, visual similarity and packaging attractiveness did not differ between the Jackson’s and Glenborrow copycats (all $p > .390$). A second pretest showed that the copycats of home country (vs. foreign) brands activated more moral concerns about fairness ($ps < .001$) and loyalty ($ps < .021$), as expected.

Fig. 3. American original brand and copycat (left) and Scottish original brand and copycat (right)

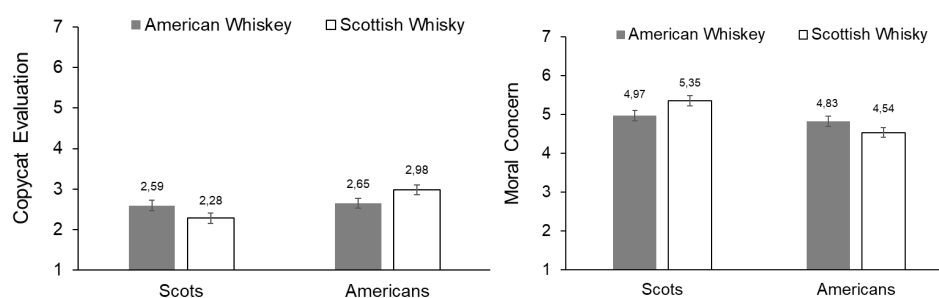


Scottish (American) participants first read a description of Glenfiddich (Jack Daniel's) whiskey as products of national pride, to activate national identity. Participants were then asked to indicate their moral concern and evaluation of the copycat (counterbalanced) first for one and then the other copycat, using the scales from Experiment 1.

4.3. Results and discussion

Order did not interact with our core predictors, so we collapsed across order for subsequent analyses ($ps > .308$). A 2X2 mixed ANOVA revealed, as predicted, a significant interaction between consumer nationality and brand country of origin ($F(1, 297) = 38.33, p < .001, \eta^2 = .114$). Simple effect tests showed that Scots evaluated the copycat more negatively when it imitated a Scottish ($M = 2.28, SD = 1.29$) than an American brand ($M = 2.59, SD = 1.36; F(1, 297) = 17.68, p < .001; \eta^2 = .056$), whereas this effect reversed for Americans ($M_{US} = 2.65, SD = 1.70; M_{Scotland} = 2.98, SD = 1.67; F(1, 297) = 20.78, p < .001; \eta^2 = .065$, Fig. 4).

Fig. 4 Interaction of Consumer Nationality and Original Brand Country of Origin



We recoded the consumer nationality and brand country-of-origin variables into one variable (foreign vs. home country) and examined whether the effect of country (dummy coded, 0 = foreign vs. 1 = home) on copycat evaluation was explained by moral concern (Model 1, MEMORE). Results showed that consumers expressed stronger moral concern about buying a copycat of the home (vs. foreign) country brand ($a = .32$, $SE = .05$, 95% CI [.22, .43]) and moral concern was associated with evaluating the copycat more negatively ($b = -.44$, $SE = .05$, 95% CI [-.54, -.34]). Most important, a significant indirect effect of country on copycat evaluation via moral concern emerged ($a*b = -.14$, $SE = .04$, 95% CI [-.23, -.08]).

5. General Discussion

The results of three preregistered studies – using a variety of product categories, copycat stimuli, and participant samples, demonstrate that consumers respond more negatively to copycats when the situation triggers principles of fairness, harm or loyalty. We find that when the original brand's investment in a product is high versus low (Study 1), the firm size of the original brand is small rather than large (Study 2), or the original brand is based in the consumers' home rather than a foreign country (Study 3), copycat responses are more negative. These effects are mediated by moral concern. We additionally show downstream consequences of the effect (Study 2).

These findings contribute to our incipient but growing understanding of when and why consumers dis(like) product imitations. Former research has examined how consumer responses to copycats vary depending on the characteristics of the copycat, such as degree of similarity (Van Horen & Pieters, 2012) and price (Warlop & Alba, 2004), or on marketing characteristics, such as positioning (Van Horen & Pieters, 2017). Advancing this earlier work, the current research shows that particular marketing contexts affect consumers' awareness that buying copycats violates core moral principles which causes copycat evaluation to shift. The results also contribute to the literature on marketplace morality (Campbell & Winterich, 2019). Research in this field has predominantly focused on how consumers respond to firms that have acted immorally, whereas much less is known about the circumstances under which consumers recognize that *their own* purchase behavior could be immoral towards brands.

The results also have practical implications: Our identification of some situations that elicit consumers' moral concern may help managers ward off competitors trying to free-ride on their marketing efforts. For example, advertising the specific firm characteristics that

activate moral concern – such as size, national identity, or level of investment – may decrease consumers' purchases of copycat competitors. Additionally, public policy could invest in educational campaigns to raise moral awareness among consumers for a broader range of imitation types, aside to counterfeits.

In sum, this research identifies several situational drivers under which copycats trigger a moral process, and provides insights as to how original brands can combat competition by a copycat by tuning into the moral concerns of consumers.

6. References

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