



## The Effects of Design Piracy on Consumer Perception: When Large Fashion Corporates Pirate Small Independent Fashion Designers

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The fashion industry, unlike most creative good industries, has limited intellectual property protections and legal accommodations concerning piracy (Raustiala & Sprigman, 2006, 2009, 2016). *Fashion design piracy* occurs when part or all of a designer's original design is reproduced or redistributed under the name of an unauthorized entity. This phenomenon has the potential to highly impact small independent designers who may use digital media to reach their audience, allowing vast exposure to their designs. This exposure, in combination with limited legal rights, could impact small designers whose work can potentially be copied prior to rightful authorship. For example, independent designer Tuesday Bassen claimed that the brand Zara pirated her fashion designs (Addady, 2016). After a terse exchange with Zara representatives and an unfruitful attempt at filing copyright complaints, Bassen was quoted claiming the instance and failed attempts for legal protection had "an awful impact on the livelihood of an artist," and that Zara diluted her brand "by literally stealing" from her (Addady, 2016, para. 5). Despite these claims, prior to this study, virtually no research has examined consumers' perceptions regarding the phenomenon, particularly, how it impacts small designers involved. Bridging this gap, the purpose of this study was to examine the effects of a revelation of design piracy cases on consumers' perceptions about designers and their designs through an online experiment.

At the product level, the study addressed consumers' perceptions of small designers' designs. Previous research has shown that consumers are increasingly forming consumptive preferences that promote societal well-being (Stratton & Werner, 2013). As seen with the Bassen example, design piracy appears unbeneficial to a designer's well-being. Upon a piracy reveal, we postulated that this inference may imbue consumers' sentiments towards small designers' work. Further, small designers often create with original detail, offering craftsmanship unseen in pirated designs. Thus, we proposed that (H1) consumers exposed (vs. not exposed) to a revelation would perceive higher emotional, social, and quality value of designs. Related, the ability of some designs to not be available for mass consumption and hold handcrafted attributes appeals to many consumers (Lynn, 1989; Tian, Bearden, & Hunter, 2001). The work of small designers is inherently scarce in several ways, notably for a lack of large-scale distribution. Thus, we also proposed that (H2) consumers exposed (vs. not exposed) to a revelation would have higher perceived uniqueness of small designers' designs. At the brand level, we addressed brand attitude and perception of brand creativity towards the designer. Brand sentiments for original designers entangled in counterfeiting claims were shown to increase through the availability of knock-off goods, potentially revealing that consumers are aware of the valued quality and workmanship of original goods (Nia & Zaichkowsky, 2000). Related, consumers may perceive the designer to be more so creative by means of being a designs' original authenticator. Thus, we proposed that (H3) consumers exposed (vs. not exposed) to a revelation would have more

positive brand attitudes towards pirated designers, and (H4) perceive higher brand creativity.

An online experiment was conducted using a 2 (Revelation: Yes vs. No) x 2 (Piracy Case: Granted Clothing [small clothing designer] and Forever21 [large corporation] vs. Jamie Spinello [small jewelry designer] and Nasty Gal [larger corporation]) between-subjects design. The two fashion design piracy cases used in this study were chosen through a pretest of 10 real-world piracy cases with a convenience sample of 65 students ( $M_{age} = 19.58$ , 66.2% female). The pretest participants showed the lowest level of prior awareness of these two cases, yet perceived most clearly that piracy had occurred when we presented the corporate's and small designer's designs involved in the case together. The experiment participants were first shown one of the four experimental stimuli randomly assigned to them. The stimuli consisted of a verbal or visual presentation of either Granted Clothing's sweater design or Jamie Spinello's necklace design along with the designer's name. In the revelation condition, this small designer's design was presented along with the respective large corporation's pirated design and an introduction of the purported piracy case. After reviewing the stimulus, participants completed manipulation check measures and dependent measures. A convenience sample of 260 college students ( $M_{age} = 20.39$ , 55.8% female) participated in the experiment.

A two-way multivariate analysis of variance revealed no significant main effect of Revelation (Wilk's  $\lambda = .97$ ,  $F_{5,167} = 1.19$ ,  $p = .31$ , partial  $\eta^2 = .04$ ) or Piracy Case (Wilk's  $\lambda = .94$ ,  $F_{5,167} = 2.10$ ,  $p = .07$ , partial  $\eta^2 = .06$ ), but a significant Revelation  $\times$  Piracy Case interaction effect (Wilk's  $\lambda = .89$ ,  $F_{5,167} = 4.08$ ,  $p < .01$ , partial  $\eta^2 = .11$ ). Follow up univariate ANOVAs revealed the main effect of Revelation was significant for perceived brand creativity for the designers ( $M_{Revelation} = 4.60$ ,  $M_{No\ revelation} = 4.22$ ,  $p < .05$ ), supporting H4; but was non-significant for perceived emotional/social value, quality value, design uniqueness, and brand attitude, rejecting H1-H3. Unexpectedly, Piracy Case had significant main effects on the two perceived value variables ( $p < .05$ ); participants perceived greater emotional/social and quality value of Granted Clothing's sweater design (pirated by Forever21) than Jamie Spinello's necklace design (pirated by Nasty Gal). Further, the Revelation  $\times$  Piracy Case interaction significantly affected perception of design uniqueness ( $p < .001$ ); participants perceived Granted Clothing's design was more unique after learning of its piracy ( $M_{Revelation} = 4.64$ ,  $M_{No\ revelation} = 3.54$ ), while they perceived Jamie Spinello's design when they were not exposed to its piracy case ( $M_{Revelation} = 3.87$ ,  $M_{No\ revelation} = 4.47$ ).

Academic and methodological implications from this study are vast. For one, an analysis of a reversed piracy direction (as compared to counterfeiting large brands) that has not been previously evaluated is offered. Further, findings of this study suggest that although brand attitude and value perceptions of designers' pirated designs do not change after their piracy knowledge, designer's creativity and design uniqueness perceptions may. Particularly, perceived brand creativity of the small designer was increased for both piracy cases, and perceived design uniqueness increased for one of the cases upon knowledge of their piracy. This arguably suggests a beneficial quality for small designers facing a piracy dilemma. Further research is needed to investigate the differences between small designer qualities that may alter consumers' perceptions for some designers over others in terms of piracy knowledge.

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