



Fashion Design Piracy and Consumers' Brand Perceptions:  
The Case of Corporate Copying of Independent Fashion Designers

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Fashion design piracy transpires when a brand's original design is reproduced by an unauthorized brand. Unlike most creative good industries, the fashion industry contains limited intellectual property protections (Raustiala & Sprigman, 2006, 2009, 2016), which has likely contributed to the incursion of design piracy allegations against large fashion corporate (LFC) brands on small independent fashion designer (SIFD) brands. Although new means of technology like social media have offered SIFDs accessible platforms for launching brands, online exposure has also left SIFDs at a piracy risk, where designs can potentially be viewed and copied by other brands with ease (Marshall, 2006). Not only have SIFD brands generated social media posts, petitions, and even legal action attempting to rectify LFCs' piracy, other anti-piracy advocate platforms such as The Fashion Law (thefashionlaw.com, 2019) and Diet Prada Instagram (Diet Prada, 2019) have emerged exposing piracy allegations of this kind. Despite public outcries reaching consumers, to our knowledge, no empirical studies have been conducted investigating consumers' reactions to these piracy occurrences. To address this gap and provide critical brand insights, we exposed a fashion design piracy revelation (i.e., knowledge that a LFC has pirated a SIFD) to consumers through an experiment to capture consumers' brand perceptions (perceived brand ethicality, creativity, and attitude).

Perceived brand ethicality is consumers' impression of a brand's moral disposition (Brunk, 2012; Brunk & Bluemelhuber, 2011). Brunk (2012) found that consumers find brands 'ethical' when they exude qualities such as respect and social responsibility. Copying work of other entities and disguising it as one's own has been reflected as an ethical concern (Bian & Veloutsou, 2007); thus, we proposed that (H1) consumers exposed (vs. not exposed) to a revelation would perceive lower LFC brand ethicality. Further, Newman and Bloom (2011) observed that consumers were willing to purchase original art works for substantially more than duplicates, suggesting duplicates are perceived with weak creative value. Since consumers' beliefs about branded products often extend to beliefs about brands themselves (Zeithaml, 1988), consumers' perception of brands' designs given piracy information could extend to the creative disposition of brands; thus, we proposed that (H2) consumers exposed (vs. not exposed) to a revelation would perceive lower LFC brand creativity. Conversely, a piracy reveal highlights a design's authenticator. Brand equity has been shown to increase with the availability of its counterfeits on the market (Nia & Zaichkowsky, 2000), suggesting consumers may detect that if a design is worthy enough to copy by a large brand with an abundance of resources, there may be something unique about the original brand; thus, we conjectured that (H3) consumers exposed (vs. not exposed) to a revelation would perceive higher SIFD brand creativity.

We also conceptualized that brand ethicality and creativity would act as mediators of attitude as contingent on a piracy revelation. Companies who exhibit misconduct may be at risk for long-term consequences to consumers' unfavorable brand attitude (Brunk, 2012); thus, we proposed that (H4) consumers' LFC ethicality would mediate the negative effect that a revelation has on LFC brand attitude. Further, advertisement literature has revealed strong support for a positive link between consumers' perceived creativity and brand attitude (Modig, Dahlén, & Colliander, 2014), thus we conjectured that (H5) consumers' perceived LFC brand creativity would mediate the negative effect that a revelation has on LFC brand attitude. Conversely, Modig and Rosengren (2014) found that when consumers perceived a brand's ad to be creative, their attitude towards the brand increased; thus, we proposed that (H6) consumers' SIFD brand creativity would mediate the positive effect that a revelation has on SIFD brand attitude.

A 3 (Revelation: LFC only vs. SIFD only vs. revelation with both the LFC and SIFD)  $\times$  2 (Piracy Case: Case 1 vs. Case 2) between-subjects design was employed in an online experiment. Two piracy cases were used for stimulus sampling determined through a pretest of 65 students ( $M_{age} = 19.58$ , 66.2% female) using 10 real-world cases. The two cases selected represented the lowest level of prior case awareness and the highest level of perceived design piracy (i.e., Granted Clothing [SIFD]'s sweater design vs. Forever21 [LFC] and Jamie Spinello [SIFD]'s necklace design vs. Nasty Gal [LFC]). A convenience sample 260 students participated in the experiment ( $M_{age} = 20.39$ , 55.8% female), which consisted of showing participants stimuli assigned to one of three revelation conditions.

For LFC results, a two-way multivariate analysis of covariance (MANCOVA) revealed a significant main effect of the revelation (Wilk's  $\lambda = .909$ ,  $F_{3,164} = 5.482$ ,  $p = .001$ , partial  $\eta^2 = .09$ ), non-significant main effect of the piracy case (Wilk's  $\lambda = .993$ ,  $F_{3,164} = 0.385$ ,  $p = .764$ , partial  $\eta^2 = .01$ ), and non-significant interaction effect (Wilk's  $\lambda = .978$ ,  $F_{3,164} = 1.232$ ,  $p = .300$ , partial  $\eta^2 = .02$ ). Follow-up ANCOVAs showed significant main effects of Revelation on LFC brand ethicality ( $Marginal M_{LFC \text{ only}} = 4.18$ ,  $Marginal M_{Revelation} = 3.60$ ;  $p < .001$ ), supporting H1, and LFC brand creativity ( $Marginal M_{LFC \text{ only}} = 4.15$ ,  $Marginal M_{Revelation} = 3.62$ ;  $p = .002$ ), supporting H2. Due to non-significant main effects of the revelation on brand attitude ( $p = .118$ ;  $Marginal M_{LFC \text{ only}} = 4.62$ ,  $Marginal M_{Revelation} = 4.39$ ), despite significant positive relationships between perceived LFC brand ethicality ( $std. \beta = .422$ ,  $p < .001$ ) and brand creativity ( $std. \beta = .174$ ,  $p = .043$ ), both H4 and H5 were rejected. For SIFD results, another two-way MANCOVA was employed, revealing non-significant main effect for the revelation (Wilk's  $\lambda = .970$ ,  $F_{2,169} = 2.599$ ,  $p = .077$ , partial  $\eta^2 = .03$ ), significant main effect of piracy case (Wilk's  $\lambda = .923$ ,  $F_{2,169} = 7.028$ ,  $p = .001$ , partial  $\eta^2 = .08$ ), significant interaction effect (Wilk's  $\lambda = .983$ ,  $F_{2,169} = 1.420$ ,  $p = .245$ , partial  $\eta^2 = .17$ ), and significant effect for the covariate which was LFC brand awareness (Wilk's  $\lambda = .950$ ,  $F_{2,169} = 4.469$ ,  $p = .013$ , partial  $\eta^2 = .05$ ). ANCOVAs revealed a significant revelation main effect for perceived SIFD brand creativity ( $p = .034$ ;  $Marginal M_{SIFD \text{ only}} = 4.22$ ,  $Marginal M_{Revelation} = 4.60$ ), supporting H3, and significant effects in that brand attitude was significantly higher for Granted Clothing than Jamie Spinello ( $p = .001$ ;  $M_{SIFD \text{ only}} = 4.65$ ,  $M_{Revelation} = 4.90$ ). Further, non-significant revelation main effects for SIFD brand attitude ( $p =$

.083) failed to meet mediation conditions; thus, H6, was rejected, although a significant positive relationship between SIFD brand creativity and attitude (std.  $\beta = .484$ ,  $p < .001$ ) was found.

A multitude of theoretical and practical implications can be taken from this study. Where previous studies have focused on the consumers' perceptions of the counterfeiting of luxury goods (Bian & Moutinho, 2011; Kim & Karpova, 2010), this study empirically evaluated the piracy practices of well-known corporate brands on small brands, spearheading discussion and answering a call for an empirical evaluation by literature (Ha & Tam, 2015). Further, evidence from this study is fundamental for brands distributing fashion related retail that may be entangled in previously exposed or unforeseen design piracy cases involved, revealing negative impacts on corporate brand ethicality and creativity, and suggesting these brands should closely monitoring the behaviors, practices, and admissions of designs created by their workers. For small brands, consumers in this study revealed a boosted perception brand creativity once learning of their alleged piracy, alluding to a benefit in the wake of a downfall.

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