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Transformation packaging: mimicking the market leader

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Purpose

Copycat packaging is where a lower-cost brand copies the appearance of the market leader's packaging in order to exploit the positive associations related to the leader brand. To achieve a similar visual style, copycats use various design components, such as the name, logo, colour, graphics, and shape, to mimic the packaging of the market leader (Warlop and Alba, 2004; Van Horen and Pieters, 2012; Johnson, Gibson and Freeman, 2013). When copycat brands follow the leader brand packaging too closely, they risk infringing the intellectual property rights of leader brands. Very little is known about the packaging strategies of copycat brands, and how they navigate their exploitation of visually similar design. The purpose of this study was to examine how copycat brands imitate packaging design features and identify which features have the greatest impact on consumers.

Previous research has explored copycat brands from a consumer perspective by focusing on how consumers evaluate similarities between the packaging of competing products (Zaichkowsky, 2006; Miceli and Pieters, 2010). Such studies argued that copycat brands benefit from moderate similarity to the market leader because they mildly reference the positive associations of the leader brand while not appearing too similar and risk infringing intellectual property (Van Horen and Pieters, 2012). It remains unclear, however, what constitutes moderate similarity in relation to packaging design and the finer distinctions between what is perceived as too similar. Related studies have sought to examine the effect of copycat packaging leading to brand confusion for consumers (Miceli and Pieters, 2010; Warlop and

Alba, 2004; Satomura, Wedel and Pieters, 2014). The thrust of these literatures centres on mistaken purchases, as a result of copycat packaging: when packaging is visually similar, it becomes easier for consumers to mistakenly purchase the copycat product, while under the impression that (s)he is acquiring the leader brand product (Miaoulis and Damato, 1978). One study reported that 38 per cent of consumers are confused or feel misled by similar packaging, and 33 per cent claim to have mistakenly purchased a copycat brand, thinking they were acquiring the product of the leader brand (European Brands Association Trade Mark Committee, 2010).

Even when consumers are aware that a copycat product is from a lower-cost company, studies have shown that customers assume the product has a similar origin, has a similar quality, and has similar characteristics as the leader brand (Johnson, Gibson and Freeman, 2013). Packaging, therefore, plays a role in reassuring consumers to give copycats a try, and enjoy the favourable price advantage, and possibly be satisfied with their choice (Foxman, Muehling and Berger, 1990). While it could be debated that the leader brand's product should not rely on packaging alone as the significant point-of-difference, the issue of the debate is the seemingly unfair copying of brand assets.

As a natural extension of this theme, other streams of enquiry have focused on the business harm of copycats upon leader brands (Lee and Zhou, 2012; Johnson, Gibson and Freeman, 2013). Numerous studies have reported the impact of copycats as leading to a higher frequency of packaging changes, loss of sales, loss of followers, dilution of brand equity and reputation, and loss of fair competition (Kapferer, 1995; Lee and Zhou, 2012; Johnson, Gibson, Freeman, 2013). In response to copycat behaviour, leader brands have adopted reactive measures, involving tactics such as selling out, licensing and joint venture, negotiated settlements, legal action, and packaging changes (Collins-Dodd and Zaichkowsky, 1999; Schnaars, 2002). These defensive strategies can be considered inadequate mitigation tools because the responsive actions take time to implement, and there is no assurance of success in negating the significant impact of the copycat behaviour upon leader brands.

We argue that we need a more advanced understanding of the role of copycat packaging design in order to develop a more optimum strategy for mitigating copycat packaging. If we understand which packaging design features have the greatest impact on consumers, in terms of knowing the most impactful design characteristics, we would be better able to propose packaging design strategies for leader brands to sustain their leadership in the market.

Methodology

This study adopted a qualitative approach by employing semi-structured interviews alongside photo-elicitation as a trigger for initiating responses. An exploratory study of 37 semi-structured interviews was conducted to understand how consumers evaluate a copycat brand's visually similar appearance to that of the leader brand's packaging. The interviewees consisted of international postgraduate students and academic professionals who had lived in the UK for at least one year, to ensure familiarity with FMCG products in the UK market. Each participant was asked to respond to six pairs of packaged examples, each pair consisting of one leader brand and one visually similar copycat brand. The packaging examples, selected from products currently available in the UK market at the time of the interviews, consisted of low-cost and high-cost products to ensure the sample contained a sufficiently different selection of items in terms of cost and utility. The packaging images were presented in a side-by-side orientation, as would be expected within the context of a supermarket shelf, with a front view that included the price and quantity. Due to the COVID-19 restriction, the interviews were conducted online through Microsoft Teams, each interview lasting between 30 and 60 minutes. All interviews were audio-recorded for data accuracy and subsequently transcribed. The data were qualitatively coded using NVivo software and thematically analysed to identify key themes, focusing on the consumer's response to visually similar packaging, and in particular, the design features of the copycat brand.

Findings

From our analysis, we found that the copycat brands focus their packaging design features on driving consumers into mistaken purchases by exploiting the favourable associations of the leader brand. Firstly, copycat brands simulated the colour scheme of the leader brand by closely following the combinations and the proportionality of colour, with 43 per cent of participants claiming to have mistakenly purchased a packaged product due to the colour similarity. The

second most significant design feature in the occurrence of a mistaken purchase was the close likeness of the product name with the leader brand, leading to 39 per cent of participants claiming a mistaken purchase was because of a similarity in product name. The similarities in product names are related to the use of generic names (e.g., Rich Tea, Digestives, and Coconut Milk). Thirdly, copycat brands attempted to minimise their manufacturer's logotype by reducing its size, demoting the prominence of its position, diluting its colour combination, and place greater emphasis on the generic product name. We found that 26 per cent of participants reported a mistaken purchase, thinking that the generic product name was an established brand name: "I actually thought that was the brand "Rich Tea" so I would not know a difference honestly." Lastly, copycat brands closely followed the structural design of the leader brand's packaging, which was cited as the reason for a mistaken purchase by 26 per cent of participants. This finding was especially apparent in the skin care/face moisturiser and shampoo category: "You could mistake between them; the bottles are a particular shape, are they not?"

In relation to mistaken purchases, we found that in instances where the consumers were unfamiliar with the copycat item, the similarities between packaged items encouraged consumers to consider the points-of-parity and points-of-difference of both items on display. The visual similarity of the copycat product presented a recognisable and credible set of favourable associations based on the cues of the market leader, while simultaneously drawing attention to the price disparity between the two items, highlighting the value of the copycat item. In one example, Dairyfine chocolate offered 11 chocolate bars for almost the same price as the established Kinder, which offered only five chocolate bars. This finding occurred regularly in low-cost categories such as confectionery and snacks.

Several features of copycat packaging appeared to have no notable role in mistaken purchases. During the discussion with consumers, there were no references made to either the label shape or product-related imagery and no recollective references to materials and textures of the packaging. This may have been because of the limitation of conducting the interviews online and having no physical examples to offer participants a tactile interaction.

Theoretical Implications

Copycat brands emphasize their packaging design features, such as colour scheme, product name, logotype and structural design, to drive consumers into mistaken purchases. The materials and textures of copycat packaging designs appeared to have no notable role in driving mistaken purchases, perhaps a reason these features received less attention. This study contributes to the previous literature on copycat phenomena in the packaging industry by highlighting which design features copycat brands adopt in order to transform their appearance into a visually similar offering to the market leader brand's packaging. These findings extend the notion of brand confusion (Miceli and Pieters, 2010) that leads to mistaken purchases (Miaoulis and Damato, 1978) by uncovering how the various design features of the leader brand packaging play an unequal role in influencing consumers to mistakenly purchase copycat brands. Mimicking the colour scheme of the leader brand is the most impactful packaging feature to drive consumers to mistaken purchases, which supports earlier findings (Satomura, Wedel and Pieters, 2014).

Practical Implications

This study offers two practical implications for practitioners. In an unfair competitive environment, where copycat brands use visually similar packaging to take advantage of the associations with the leader brands, leader brands need to give greater strategic consideration to their packaging design features in order to sustain their leadership in the market. First, leader brands should use packaging design to place greater emphasis on protectable characteristics, such as assigning more space to enlarging registered brand names, while reducing the emphasis on generic names. Second, the use of colour needs to be better integrated into the brand identity, including the use of speciality inks on higher cost items, so that colour is not the defining feature but a supportive feature to the brand identity.

Originality/Value

This is one of the first studies to investigate consumer evaluations of copycat phenomena from a design perspective. This approach enriches the academic debate about copycat brands by

contributing a better understanding of how copycat brands use design features to transform their appearance into a visually similar offering as the leader brand's packaging, without infringing on protectable assets.

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