SINCERE FLATTERY: TRADE-DRESS IMITATION AND CONSUMER CHOICE

Luk Warlop
Department of Applied Economics
Catholic University of Leuven

Joseph W. Alba
Marketing Department
University of Florida

The authors gratefully the assistance provided by Kelley Barber, Lisa Bolton, Hope Loughlin, and Stijn van Osselaer.
SINCERE FLATTERY: TRADE-DRESS IMITATION AND CONSUMER CHOICE

Abstract

A copycat strategy uses visual similarity to an established leader as a persuasion tool. Although not uncommon in the marketplace, little is known about consumer response to such imitation. Contrary to speculation regarding consumer sensitivity to salient persuasion tactics, we find only conditional evidence that consumers spontaneously penalize brands that blatantly imitate market leaders. The results are discussed in the context of common marketing wisdom regarding the virtues of differentiation.
Visual uniqueness of a brand enhances the speed with which it can be identified in crowded purchase environments and the accuracy with which it can be differentiated from its competitors. Consequently, marketers have stressed the importance of managing and protecting the visual characteristics of a branded product (Aaker, 1991; Keller, 1993), and trademark laws have been promulgated to limit the ability of new entrants to imitate the appearance (or “trade-dress”) of an incumbent brand. Most consumer research on trade-dress imitation has focused on brand confusion and its effects (e.g., Foxman, Muchling, & Berger, 1990; Loken, Ross, & Hinkle, 1986; Miaoulis & d’Amato, 1978; Simonson, 1994; Wilke & Zaichkowsky, 1999) because confusion is the key criterion for trademark infringement (Allen 1991). However, confusion is unlikely when similarly packaged products have clearly distinguishable brand names. Nonetheless, lack of confusion does not imply a lack of psychological response.

PRODUCT SIMILARITY AND CONSUMER PREFERENCE

Although uniqueness has been shown to be an important determinant of product success (Boulding, Lee, & Staelin, 1994; Carpenter & Nakamoto, 1989; Henard & Szymanski, 2001), firms understandably fear imitation because consumers may interpret similarity in terms of substitutability. From a consumer welfare perspective, however, similarity and substitutability are not isomorphic. If the judged similarity between new and established brands is based on features that are diagnostic of product quality and relevant to the consumer’s goal, similarity-based inferences are likely to be accurate and adaptive and may speed consumer learning (Meyer, 1987). On the other hand, inferences based on nondiagnostic cues such as superficial package features may lead to unwarranted beliefs (cf. Gilovich, 1981).
The extent to which consumers are persuaded by mere package similarity is an open question. Similarity of appearance provides a basis for analogical reasoning, but such similarity is not literal. Some inferences about a copycat can be made safely but others will be more tenuous (Gregan-Paxton & John, 1997). In particular, there is no logical reason to infer that visually similar products provide similar benefits, although visual cues can be seductive (see, e.g., Hutchinson & Alba, 1991; Miaoulis & d'Amato, 1978).

Blatant imitation of a market leader also may stimulate a different type of inference regarding the imitator's motivation (Friestad & Wright, 1994). In the context of trade dress, these reactions may benefit the imitator if visual similarity is interpreted as a valid signal of benefit similarity based on the firm's earnest attempt to communicate competitive parity. On the other hand, an imitator may be penalized if package similarity is perceived as an intentional ploy to mislead consumers about product quality (cf. Campbell & Kirmani, 2000) or an attempt to free ride on the efforts of the leader.

A hybrid model predicts that visual similarity will enhance the evaluation of an entrant except when other contextual cues arouse suspicion (cf. Boulding & Kirmani, 1993). Such a pattern would be consistent with research on causal attribution, which suggests that attributions are spontaneously generated when an outcome is unexpected (Weiner, 1985).

The present series of studies is intended to explore the parameters of visual similarity more systematically and with an eye toward understanding the implications for a new entrant. Throughout, our focus is on the advantages or disadvantages afforded a copycat vis-à-vis other trailing brands. In practice, copycat brands are frequently priced below the level of the incumbent. The ability of a copycat to detract from an incumbent is merely a calibration issue involving the degree of consumer price sensitivity and the tradeoff between the size of the price differential and the many advantages
enjoyed by the incumbent (e.g., familiarity and reputation). Thus, the critical comparison in our studies is between brands for which price and preexperimental attractiveness can be controlled.

EXPERIMENT 1

In this and all subsequent experiments, participants were presented with three brands per product category. One brand was a well-known, marketing-leading incumbent. The other brands were unfamiliar “trailing” brands. To examine consumer reaction to visual similarity, both similarity and the relative price of the trailers to the incumbent were systematically varied. One trailer adopted a copycat appearance while the other was visually differentiated. The trailing brands were given identical prices but across conditions were either higher than, lower than, or equal to the price of the incumbent. A main effect of similarity would be revealed by consistently lower preference for the copycat trailer vis-à-vis the differentiated trailer. A priori, such an effect should be observed if consumers interpret the copycat appearance as a devious persuasion tactic. A different main effect should obtain if visual similarity is interpreted as a valid indicator of quality or if a less cognitive, halo-like process is operative. An interaction of similarity and price should be observed if a copycat is punished only when the combination of price and appearance prompts unflattering thoughts about the firm’s motivation or the belief that the firm is seeking a price advantage that is not justified by the presumed similarity of the copycat and market leader.

Method

Stimuli. Five different brand triads were constructed, each of which consisted of a well-known brand and two other brands that were either fictitious or unfamiliar to participants. Two triads served as practice stimuli and were adapted from the categories of hot sauce (Tabasco, Cholula, and Shotgun Willie), and ground coffee (Maxwell House, Café Pilon, and El Pico); the three other triads
served as the target stimuli and were adapted from the categories of laundry detergent (Tide, Prime, and Sun), Spaghetti (Mueller, Luigi Vitelli, Conte Luna), and potato chips (Lays, Herrs, and Smiths).

Full-color stimuli were created by scanning the package face of the leading brand and the two unfamiliar brands in each category. For each unfamiliar brand in the target triads, a copycat was constructed by digitally changing the brand name on the leader's package and substituting the name of the trailer. The resulting triads (available from the authors) consisted of one familiar leader and two unfamiliar trailing brands, one of which was a visual copy of the leader. Brand identity of the copycat brand was counterbalanced across participants. For the practice stimuli, the packages of the trailing brands were not altered and therefore all three brands were visually differentiated. In all cases, numeric attribute information (e.g., weight, expiration date) on the front panel of the package was either removed or replaced by information that was identical across alternatives.

Each brand was accompanied by a description (40 to 60 words) that was ambiguous with regard to quality. It consisted of unique but uninformative puffery along with factual attribute information that did not differ across brands. The description was placed below the package reproductions. The price of each brand was inserted between the package and the description. The leader's price was set at the average price of the brand in three major grocery stores in the local market. The price of the trailer brands was set at either the same level, 20 percent higher, or 20 percent lower. The prices of the trailer brands were always identical to each other.

Design. The design was a 2 (trailer similarity: copycat versus unique) X 3 (price: greater than, equal to, or less than the leader) X 3 (stimulus replicates) factorial. Trailer similarity was manipulated within participant; price and replicate were manipulated between participants.
Participants. Participants in this and the following studies were undergraduate business students who were compensated with extra credit in an introductory marketing class. In the present study, a total of 82 people participated in groups ranging in size from two to fifteen.

Procedure. Participants were informed that they would be viewing sets of product descriptions and that they would be allowed one minute to examine all available information in each set “in order to make an informed choice.” In total, participants were exposed to three triads: the two practice triads and one of the target triads. Immediately after presenting each triad, two measures were taken. The first measure (absolute share) asked participants to allocate 100 points across the three brands such that the allocations reflected the number of times each brand was likely to be purchased over 100 shopping trips. From this measure, relative preference for the copycat vis-à-vis the differentiated trailer was derived by taking the ratio of their respective market shares. The second measure (direct preference) asked for a preference ranking of the three products. Participants then expressed via seven-point scales their familiarity with the product categories and leader brands and the effort they exerted in the experiment.

Results and Discussion

Neither familiarity nor motivation interacted with any of the independent variables in any of the experiments and were not incorporated into the subsequent analyses.

Choice Shares. The category replicate did not interact with any of the other factors, and therefore the means reported in Table 1 are collapsed across product category. A mixed ANOVA performed on the choice shares of the trailing brands produced a marginally significant main effect of similarity, $F(1, 73) = 2.80, p<.10$ that was qualified by a significant price X package similarity interaction, $F(2, 73) = 4.36, p<.05$. The choice share of the copycat was significantly higher than the share of the differentiated trailer in the lower-price condition, $F(1, 23) = 6.24, p<.05$, not
significantly different in the same-price condition, $F<1$, and marginally lower in the higher-price condition, $F(1, 25) = 3.08, p<.10$.

Similar results are obtained when the relative choice shares of the copycat and differentiated trailers serve as the dependent measure. Relative shares higher than 50% indicate preference for the copycat. The relative share of the copycat depended on price, $F(2, 81) = 5.97, p<.01$, with only the relative share in the lower price condition reliably different from .50, $t(25) = 3.07, p<.01$.

**Direct Preference.** The number of participants in each condition who ranked the copycat above the differentiated trailer was tallied. The copycat was preferred by 10 out of 28 participants (35.7%) in the higher-priced condition, 16 out of 28 participants (57.1%) in the same-price condition, and 18 out of 26 participants in the lower-priced condition (69.2%). The proportions in the lower-price ($z = 1.70$) and higher-price ($z = 1.77$) conditions are both marginally different from chance ($p<.10$, two-tailed).

Taken together, the results suggest that visual similarity of the copycat to the leader was not ignored, else preference should have been unaffected. Preference was affected, and the direction of change varied as a function of price. Thus, the assertion that similarity to an incumbent damages the prospects of a follower brand does not generalize in a simple way to the case of visual similarity. It is also evident that participants did not invoke a consistent and negative “schemer schema.” Similarity was generally interpreted in a positive light in the lower-price condition but in a negative light in the higher-price condition. The overall interaction rules out a simple demand explanation, and the results from the lower-price and equal-price conditions argue that visual similarity is not consistently interpreted as a deceptive ploy. Even the results from the higher-price conditions cannot
be taken as evidence for schemer-schema reasoning by consumers. To most consumers, a higher price typically implies higher quality. However, insofar as visual similarity is interpreted in terms of benefit (or quality) similarity, a high-priced copycat implies a poor value and need not prompt suspicion about the firm’s motives.

**EXPERIMENT 2**

One explanation for the lack of reactance in the preceding experiment is that the verbal information that accompanied each and its apparent relevance to the task may have distracted participants from considering the motivation behind the use of a copycat tactic or, more simply, shifted participants’ attention away from the visual cues. To test this possibility, the presence of verbal brand descriptions was manipulated.

**Method**

With the exception of the verbal-information manipulation, the method for Experiment 2 was nearly identical to that of Experiment 1. The only other meaningful change was that price was manipulated only at the two levels (same price and lower price) that failed to prompt a negative reaction in Experiment 1. The result was a 2 (trailer similarity: copycat versus unique) X 2 (price: equal to or less than the leader) X 2 (verbal description: present versus absent) X 3 (stimulus replicates) design. Brand identity of the copycat was counterbalanced within product categories. A total of 104 individuals participated.

**Results and Discussion**

**Choice Shares.** As in Experiment 1, there was no main effect nor any interactions involving product replicate. The mean choice shares are presented in Table 2. An ANOVA showed that the core result from Experiment 1 was replicated. A main effect of package similarity, $F(1, 92) = 10.79$, $p<.01$, was qualified by a significant package similarity X price interaction, $F(1, 92) = 5.82$, $p<.05$. 
The latter result again shows that the copycat was preferred over the differentiated trailing brand when the price of these brands was lower than the price of the leader.

With regard to the added factor in this study, there was no main effect of verbal information, $F<1$, but there was a marginally significant verbal information X package similarity interaction, $F(1, 92) = 3.60, p<.07$. Simple effects analysis shows that the difference between the copycat ($M = 20.10$) and the differentiated trailer ($M = 8.37$) was significant when verbal information was absent, $F(1, 44) = 14.79, p<.01$, but not when it was present (16.65 versus 13.20, respectively; $F<1$), although the latter contrast is directionally consistent. The three-way interaction between price, package similarity and verbal information was not significant ($F<1$).

---

Insert Table 2 about here.

---

The relative-choice measure produced significant main effects of price, $F(1, 92) = 4.24$, $p<.05$, and verbal information, $F(1, 92) = 5.60, p<.05$. These effects are consistent with the significant 2-way interactions in the preceding analysis. The interaction of price and verbal information was marginally significant, $F(1, 92) = 3.10, p<0.09$. The price effect was significant only when verbal information was absent, $F(1, 44) = 6.28, p<.05$.

**Direct Preference.** The ranking measure produced a consistent pattern of results. When the two unfamiliar brands were priced identically to the leader, the copycat was preferred over the differentiated trailer by 62% (16 of 26) of the participants in the verbal-information condition and by 58% (15 of 26) of the participants in the no-verbal-information condition. The corresponding percentages in the lower priced conditions were 61% (17 of 28) and 79% (19 of 24). The results in each cell are directionally consistent with a positive effect of visual similarity, but only the latter attained statistical significance, $\eta^2 = 7.05; p<.01$. 
These results argue that the failure to find consistent reactance to the copycat package in Experiment 1 cannot be attributed to distraction produced by the verbal descriptions. The results also beg the question of when, if ever, do copycat tactics induce strong reactance? Conceptually similar research on the impact of warranties on product preference has found that people use their “persuasion knowledge” to make inferences about the validity of such cues (Boulding & Kirmani, 1993). Experiments 3 and 4 attempt to stimulate greater use of persuasion knowledge.

EXPERIMENT 3

Because price-quality inferences are quite natural and difficult to suppress (Broniarczyk & Alba, 1994), Experiment 3 attempted to prompt reactance by introducing a price difference between the copycat and the other trailing brand. Both trailing brands were priced below the leader but differed from each other. In one condition the copycat was priced higher than its competitor; in the other condition it had the lowest price. Both conditions offer the consumer the opportunity to be skeptical. At a higher price, visual similarity could be interpreted as a ruse to obtain higher profit; at a lower price, visual similarity could be interpreted as an attempt to disguise lower quality.

Method

Based on the lack of a replicate effect in the preceding experiments, only a single category (potato-chips) was investigated. Appearance (copycat versus visually differentiated) was manipulated between participants. The leading brand was Lay’s. One trailer brand, Herr’s, took on either the appearance of Lay’s or its (own) differentiated appearance. The other trailer brand, Smith’s, was always visually differentiated. All three product stimuli were accompanied by nondiagnostic product attribute information, as in Experiment 1. The product descriptions of the trailer brands were counterbalanced across participants. The price of Lay’s was held at $1.39. In the low-price condition, Herr’s was priced at $1.12 and Smith’s was priced at $1.25. In the intermediate-
price condition, the prices of Herr's and Smith's was reversed. Thus, the design was a 2 (price: low versus intermediate) x 2 (package similarity: Herr's copycat versus Herr's differentiated) between-subjects factorial. The only other difference in experimental procedure was the absence of practice trials. A total of 91 people participated.

Results and Discussion

We again failed to prompt consistent reactance to blatant visual similarity (see Table 3). High variance suppressed statistical differences using the absolute choice shares. The relative preference measure, computed as the share of Herr's relative to the total trailer share, controls for the high variability in overall attractiveness of the trailers and shows an effect of package similarity but not of price. Relative shares for Herr's in the intermediate-price condition were 0.58 when it was a copycat and 0.43 when it was visually differentiated. In the low-price condition, the corresponding proportions were 0.53 and 0.47. Although the pattern reveals a larger effect of similarity in the intermediate-price condition, only the main effect of similarity was significant, \( F(1, 84) = 7.50; p<0.01 \). Analysis of direct preference using logistic regression revealed a marginally significant package similarity X price effect, \( \eta^2 = 3.31, p<.07 \). The simple effect of package was significant when Herr's had an intermediate price, \( \eta^2 = 8.99, p<0.01 \), but not when Herr's had the lowest price, \( \eta^2 <1 \).

Insert Table 3 about here.

These results attest to the robust and positive influence of visual similarity. When the unfamiliar Herr's brand was priced at level higher than the other trailing brand, visual similarity was not interpreted as a ploy to extract a higher price. Rather, similarity and price appeared to have synergistic effects, such that the combination of similarity and a higher relative price resulted in
greater absolute and relative preference for Herr's than when Herr's differed from the competing trailer on price alone. When Herr's possessed the lowest price, which ceteris paribus would imply lowest quality, blatant similarity to the leader did not have an adverse effect on purchase likelihood vis-à-vis the other trailing brand. That is, visual similarity was not interpreted as an attempt to induce purchase of an inferior brand.

**EXPERIMENT 4**

Only once thus far have we observed a result that might be interpreted as reactance to copycat tactics. In Experiment 1 the copycat was penalized relative to a differentiated trailer when both were priced at a higher level than the leader brand. Even in this case, however, the low attractiveness of the copycat could have been driven by perceptions of poor value rather than reactance to deceptive behavior on the part of the firm. That is, participants may have inferred the copycat was similar in quality to the leader but at a higher price was a poor value vis-à-vis a differentiated brand. Such reasoning would penalize a copycat without invoking suspicion about persuasion tactics. The present study makes a more overt attempt to stimulate reactance.

Potato chips again served as the stimulus category. The distinguishing manipulation consisted of the manner in which the copycat was portrayed. Specifically, Herr's was described as (1) a store brand of Winn-Dixie, a regional chain of supermarket possessing a low-price image or (2) a new national brand entrant. Whereas it would not be unusual for a store brand to portray itself as similar to a leading brand, differentiation is often critical to the success of entrants aspiring to compete at the level of the market-leading incumbent. A new national entrant using a copycat appearance might violate consumer expectations and prompt a negative reaction. To provide maximum latitude for inference making, the prices of the competing brands were left unspecified. Based on the lack of reactance observed in the preceding experiments, our expectation was that
visual similarity would have a beneficial effect on the relative attractiveness of an unfamiliar brand when it was not viewed as a direct competitor to the leading brand. Store brands typically seek a lower price, and implied similarity to a market leader should enhance attractiveness. Although our intent in the other condition was to stimulate reactance by positioning the brand as a new national entrant, we could not rule out a robust salutary effect of similarity.

Method

Similarity of the Herr’s brand to the category leader Lays was manipulated as in the preceding experiment. Participants were randomly assigned to one of four cells in a package similarity (copycat versus differentiated) X product origin (new national entrant versus store brand) design. Usable data were obtained from 70 participants. With the exception of the withholding of price information, the experimental procedure and measures were otherwise identical to the previous experiments.

Results and Discussion

The descriptive statistics are presented in Table 4. As before, high variance suppressed statistical differences among absolute choice shares. Using relative choice shares, the product origin (store brand versus new national brand) X package similarity contrast was marginally significant, \( F(1, 66) = 2.93, p<.10 \). The package effect was not significant in the store brand condition, \( F(1, 34) = 0.65, p=.43 \), but was significant in the national brand condition, \( F(1, 33) = 4.47, p<.05 \).

\[ \text{Insert Table 4 about here.} \]

The direct preference measure revealed a similar interaction, \( \Pi^2 = 3.12, p=.077 \). Binominal tests against 50/50 preference revealed a marginal advantage for the copycat trailer in the store-brand
condition, $z = 1.65, p < .07$, but a significant disadvantage in the national brand condition, $z = 2.25, p < .05$.

These results offer some evidence in favor of reactance. A newly launched copycat brand that was positioned as a potential direct competitor of the incumbent was viewed unfavorably. Unlike the preceding studies, this experiment provides evidence in support of the frequently cited prescription for new entrants, which argues for differentiation rather than imitation. Similarity apparently boosts the prospects of brands that are not expected to compete at the same level as the incumbent, especially in comparison to other brands of its stature. In contrast, similarity reduces the prospects of new brands that intend to compete directly with an incumbent.

**GENERAL DISCUSSION**

Consumers undoubtedly understand that a copycat appearance represents a firm’s attempt to suggest similarity of quality between itself and an established brand. Regardless of the validity of such cues, our results suggest that skepticism is not the modal response—even when the degree of visual similarity is extreme. The results are inconsistent with claims that consumers tend to ignore visual characteristics of products when considering its benefits for an evaluative judgment (e.g., Lefkoff-Hagius & Mason, 1993) but are consistent with other studies showing the influence of “irrelevant” but visually salient features (Hutchinson & Alba, 1991).

Taken together, the present results modify but do not refute the argument that later entrants are worse off the more similar they are to a pioneer brand (e.g., Carpenter & Nakamoto, 1989). The rationale behind this argument is that the more similar a later entrant is to the pioneer, the more likely it is that the pioneer will be used as a standard of comparison for the later entrant. Differentiated trailers, on the other hand, are more likely to be evaluated on their own merits. We found that visual similarity helps a trailer vis-à-vis other trailing brands. The lone exception occurred when the
copycat appeared to have the aspirations of a leader, which led to behavioral intentions not unlike those reported in research on pioneer advantage. It should be noted that our experiments are not directly comparable to research on pioneer advantage. Carpenter and Nakamoto, for example, did not use existing leader brands but instead created a leader or pioneer within the experimental session. Moreover, Carpenter and Nakamoto examined similarity of attribute descriptions rather than visual similarity. Nonetheless, insofar as their results can be interpreted as a case of “contrast” and the present results can be viewed as a case of “assimilation,” it would be useful to explore more fully the circumstances under which each of these processes is likely to occur.

It is also interesting to contrast different persuasion cues. Our initial hypothesis was that blatant similarity to an incumbent would stimulate persuasion knowledge and prompt negative reactions to the trailer. Campbell and Kirmani (2000) reported such an outcome when consumers’ persuasion knowledge was accessible and cognitive capacity was not taxed. In the present studies, the persuasion cue was obvious and the task was not burdensome. Nonetheless, reactance was observed only when an ulterior motive was made salient. One possible mediator of these outcomes is simple consumer familiarity. Visual copycats are not unknown to most consumers, and prior experience with store brands that mimic the quality of national brands may bias consumers toward a favorable reaction. However, a variety of other differences separate the two sets of studies, and therefore a unique account of the variance in outcomes is not possible. At this point we can only conclude that consumer reaction to persuasion cues or persuasion agents is a complex phenomenon that justifies additional research.

Finally, future research could also focus on underlying processes. It is possible that consumers learn to associate the visual appearance of the leader brand with the benefits it provides and then generalize those benefits to similar looking products. However, the current results are also
compatible with an inference process by which consumers recognize the similarity between the leader and copycat brands and apply the simple heuristic rule that "things that look the same, must work the same" (cf. Eagly & Chaiken, 1993). The associative learning hypothesis would be supported if copycat effects were found in cases in which the leader is not in the choice set and is not retrieved from memory at the time of judgment. However, there is no reason to believe that these processes are mutually exclusive. There is ample precedent for both associative learning and heuristic processing, and therefore it may be more profitable to identify the situational determinants of each.
Footnote

1 Copycat appearance and trade-dress imitation are the respective marketing and legal terms for the same phenomenon. We use them interchangeably but intentionally avoid the term "me-too products," which refers to similarity in positioning rather than physical appearance.
REFERENCES


## TABLE 1

Choice Shares and Preference Measures for Experiment 1

<table>
<thead>
<tr>
<th></th>
<th>Absolute Market Share of Copycat</th>
<th>Absolute Market Share of Differentiated Trailer</th>
<th>Ratio of Copycat to Differentiated Trailer</th>
<th>Direct Preference for Copycat Over Differentiated Trailer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trailers More</td>
<td>.09</td>
<td>.12</td>
<td>.42</td>
<td>.36</td>
</tr>
<tr>
<td>Expensive</td>
<td>(.13)</td>
<td>(.13)</td>
<td>(.23)</td>
<td></td>
</tr>
<tr>
<td>All Brands</td>
<td>.14</td>
<td>.11</td>
<td>.58</td>
<td>.57</td>
</tr>
<tr>
<td>Equally Priced</td>
<td>(.17)</td>
<td>(.20)</td>
<td>(.26)</td>
<td></td>
</tr>
<tr>
<td>Trailers Less</td>
<td>.20</td>
<td>.05</td>
<td>.68</td>
<td>.69</td>
</tr>
<tr>
<td>Expensive</td>
<td>(.26)</td>
<td>(.10)</td>
<td>(.29)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Absolute Market Share of Copycat</td>
<td>Absolute Market Share of Differentiated Trailer</td>
<td>Ratio of Copycat to Differentiated Trailer</td>
<td>Direct Preference for Copycat Over Differentiated Trailer</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------------------</td>
<td>---------------------------------------------------------</td>
</tr>
<tr>
<td>All Brands</td>
<td>.14</td>
<td>.12</td>
<td>.53</td>
<td>.60</td>
</tr>
<tr>
<td>Equally Priced</td>
<td>(.16)</td>
<td>(.15)</td>
<td>(.27)</td>
<td></td>
</tr>
<tr>
<td>Trailers Less</td>
<td>.23</td>
<td>.10</td>
<td>.63</td>
<td>.69</td>
</tr>
<tr>
<td>Expensive</td>
<td>(.23)</td>
<td>(.13)</td>
<td>(.28)</td>
<td></td>
</tr>
</tbody>
</table>
TABLE 3
Choice Shares and Preference Measures for Experiment 3

<table>
<thead>
<tr>
<th>Herr’s Price:</th>
<th>Lowest</th>
<th>Intermediate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herr’s Package:</td>
<td>Copycat</td>
<td>Differentiated</td>
</tr>
<tr>
<td>Herr’s Absolute Market Share</td>
<td>24.81</td>
<td>19.83</td>
</tr>
<tr>
<td></td>
<td>(26.09)</td>
<td>(24.43)</td>
</tr>
<tr>
<td>Herr’s Relative Market Share</td>
<td>.53</td>
<td>.47</td>
</tr>
<tr>
<td></td>
<td>(.23)</td>
<td>(.23)</td>
</tr>
<tr>
<td>Proportion Favoring Herr’s</td>
<td>.50</td>
<td>.39</td>
</tr>
</tbody>
</table>
TABLE 4
Choice Shares and Preference Measures for Experiment 4

<table>
<thead>
<tr>
<th>Herr’s Identity:</th>
<th>Store Brand</th>
<th></th>
<th></th>
<th>New National Entrant</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Herr’s Package:</td>
<td>Copycat</td>
<td>Differentiated</td>
<td>Copycat</td>
<td>Differentiated</td>
<td>Copycat</td>
<td>Differentiated</td>
<td>Copycat</td>
<td>Differentiated</td>
</tr>
<tr>
<td>Herr’s Relative Market Share</td>
<td>.52</td>
<td>.46</td>
<td>.46</td>
<td>.56</td>
<td>(.31)</td>
<td>(.13)</td>
<td>(.15)</td>
<td>(.11)</td>
</tr>
<tr>
<td>Proportion Favoring Herr’s</td>
<td>.50</td>
<td>.33</td>
<td>.25</td>
<td>.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>