

Negative Spillover Effect on an Advertised Competitor Brand in the Context of Rival Brands' IP Trouble

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Intellectual property (IP) has become increasingly important as a form of brand equity, and IP infringement is thus also a significant issue. Corporate scandals sometimes can affect competitors, in a phenomenon known as negative spillover effect. This study examines the negative spillover effect on an advertised competitor brand (Temu) in IP trouble between rival brands (UNIQLO and SHEIN). This study adopted a 2 (web news: IP trouble news vs. irrelevant news) × 2 (advertising: competitor's advertising vs. no advertising) between-subjects experimental design. To obtain a deeper understanding, consumers' previous experience with Temu was also considered in the analysis. A three-way ANOVA was conducted with attitude toward Temu as the dependent variable. The results indicate that the negative spillover effect occurs only when users of the competitor's service (here, Temu) see both web news about the IP trouble and the competitor's online advertising.

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