

THE EFFECTS OF COUNTERFEIT GOODS ON CONSUMER PURCHASE BEHAVIOR

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Ahlia University, Kingdom of Bahrain,**Abstract**

Fake brands spread all over the world markets for their competitive prices compared to the original ones. These fake products such as medicines, cosmetic items, textiles, mobile phones, CD, software, make the genuine brands, companies and consumers suffering losses as a result of a doubtful quality¹. These products are preferred by consumers to express their social class to be admired, recognized and accepted by other people. Although, these fake brands has continued to be a challenge for both the developed and developing country market as a result of improving their quality make it more difficult for the consumer to find them from the original one. Accordingly, this paper explores consumers' attitudes and behavioral intentions towards fake products by investigating the influence of their reputation and price. In addition, this research will present methods to increase consumer awareness about the quality of counterfeit brand to promote legislation that controls the market. Finally, findings from this research show price and image encourage consumers' purchase intention.

Keywords: fake brands, counterfeit brands, consumer behavior, brand image¹Please see the photos in figure 1.



Figure 1: Illustrations show counterfeits goods rife in the global markets (Source: the authors)

1.0 Introduction

Nowadays, fake brands spread in most of the country market in the world as a result of trading activities, and rapid diffusion of technology and easy access to the Internet which increase the ability to produce quick, and inexpensive duplicate products [1]. This why consumers choose to buy counterfeits more than before.

Faking brand is called copycats, look alike or me-too products which are the same of the original luxury brand in name, logo and package design. On the other hand, a luxury brands must include the following criteria to be viewed as luxury brand as well as a higher price and superior quality: a strong artistic content and design, be known internationally, and have a high demand. As a result, the illicit trade for fake products which aims convince customers that they are identical with original ones represented by China that produces 60% of the total world products of fake brands is considered as a serious threat to the global economy force small and medium industries to close down, distorts brand loyalty, and damages social status, hence, affects employment growth [2,3,4,5]. On the other hand, brand products can be described as prestigious, known internationally, associated with high prices, superior quality, and a strong artistic content [6].

1.1 Research Hypothesis

The main hypothesis of the research is: “counterfeit products do not affect the perception of genuine luxury brands”.

1.2 Research Problem

As the counterfeit industry rapidly spread and manufacturers seeking to improve the quality and design of their product, it will be difficult to differentiate between fake and genuine products.

1.3 Research Aims & Objectives

This research aims to check the effect on consumer behavior towards counterfeit products and to understand the legal issues about these products.

1.0 Literature review

According to the marketing literature, the high demand for counterfeited products is as a result of their price compared to luxury brands. The high demand for a specific brand, attracts manufacturers to imitate it [7]. However, people like to imitate the consumption standard of people of high income and those of social hierarchy as they cannot afford the authentic ones and to reinforce their social status [8].

In addition, counterfeit products are not to deceive the consumers as they are aware that the products they buy are unauthorized copies of the original product. Hence, the counterfeit products don't affect luxury brand owner 's status, value and satisfaction [9]. People buy fake brands for their families and friends during vacations to show their financial status since it is a cheap comparing to luxury brand in their country [4]. Consumers improve their social status through purchasing products which are indicators of higher social status customers [10].

2.1 Brands Concept

The product which has the highest price, quality and the highest level of prestige in the market is considered a luxury brand [11]. Luxury Brand emerged as a result of the improvement in lifestyles, awareness of international prestige brands, rising disposable incomes of consumers that produced an affluent consumer class, and the availability of credit [2].

2.2 Counterfeiting Concept

Counterfeit products are copies or duplicate products of the original luxury brand with a fake logo and packaging which have the reputation of both lower quality and price and cannot be distinguished from original brands [12]. Therefore, counterfeit products are two types: deceptive and non-deceptive. Deceptive products are those products where consumers cannot distinguish duplicate products they purchase from the original ones, nor the quality of products [13]. Therefore, Consumers are deceived by the manufacturer and retailers. In addition, these products are identically packaged, have the same labels and logos which look like the genuine products. Non-deceptive counterfeits are common in markets, where consumers are aware and buy the fake products.

3.0 RESEARCH METHODS

To carry out the research and to draw an accurate conclusion, we used two types of research approaches: qualitative and quantitative approach. In the qualitative approach, we review relevant literature to check the kind of meaning in relation to luxury and counterfeit brands. For a quantitative research design the instrument used was the questionnaire (see the Appendix). Questionnaires help to collect different consumers point of views concerning the topic to satisfy the research aims and results in a short time [14]. A total of seventy-five (75) interviews was conducted in Bahrain City Center Mall (BCCM) as different luxury brands are found such as department stores; clothing, jewelry and shoe stores; and stores selling household items. Then, an analysis was done using SPSS – Statistical Package for Social Science.

4. Results

In order to contextualize this analysis, the consumer profiles of the respondents were analyzed. The following findings were noted among the participants: 75

In relation to demographic profiles of the respondents (gender, age, marital status and income), a significant difference was only found for the gender, the majority of research sample were women 50 (67.1%) with males accounting for only 25 (32.9%) of the participants. In addition, 16 (20.1%) were less than 20 years old, 18 (23.9%) were between 21 and 25 years, 8 (11.1%) between 26 and 30 years, 15 (19.5%) were between 30 and 40 years and 19 (25.4%) were above 41 years. Concerning occupation, 52 (68.7 %) were students, 20 (27%) employed and 3 (4.3%) unemployed. In terms of education, 41 (54.6%) had already completed high school, followed by those who had not, 24 (32%). Concerning personal income, 31 (41.2%) the majority said they received monthly up to BD 150 (equal to US\$400), followed by 21 (28 %) in the range between BD150 and BD350, 15 (20%) between BD 350- 650, and 5 (6.8%) up to BD 1000, and 3 (4%) more than BD 1500. The majority of participants 57 (76%) affirmed that they had already bought a counterfeit product.

Concerning the perception of counterfeit products, the majority of the participants have a negative perception of counterfeit products 42 (56.2 %) had a negative perception, while 32 (43.8 %) has a positive perception.

The results of the questionnaire are presented in table1&2.

Indicator	Results (%)		
	Disagree	Neutral	Agree
Quality	56.2	25.5	18.3
Status Symbol	62.4	15.2	22.4
Worth paying	41.6	28.7	29.7
Durable	68.2	25.4	6.4
Common	63.2	29.3	7.5
Fun	52.1	31.2	16.7
Prestige	78.8	15.6	5.6

Table 1: Perception Result of fake products.

Indicator	Results (%)		
	Disagree	Neutral	Agree
Reputation	18.7	29.8	51.5
Expensive	2.6	3.5	93.9
High class	12.8	19.4	67.8
Proud	14.7	20.2	65.1
Reliable	6.8	18.9	74.3
Quality	7.8	29.1	63.1
Personal satisfaction	6.8	11.6	81.6

Acceptance	47.2	26.1	73.3
Admired	32.6	28.5	38.9
Demand	41.5	26.8	31.7
Value	41.7	22.6	35.7

Table 2: Result of the Questionnaire of Quality, Demand, and Social Satisfaction.

5. Conclusions

In conclusion, this research shows that consumers have a negative attitude towards counterfeit products. The result of the questionnaire showed fake products have a low quality and do not improve the social image or prestige of its consumers, but consumers buy counterfeits as they are unable to pay for luxury brands. Moreover, the result of this research showed that fake products influence the image, perception of genuine brands, and impose huge pressures on companies; therefore, manufacturers should improve the quality and design of luxury brands to improve their customers' perception in differentiating between fake and genuine products. In addition, they should increase the awareness by different advertising about the impact of counterfeit products on both the original brand and the country's economy. Moreover, governments should put strict regulations and enact laws to protect property rights and to stop the flow of counterfeit products in the country. Finally, the findings of this research about consumer's attitudes towards counterfeit products should be used as a basis for producing preventive measures against counterfeit products.

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Appendix

Questionnaire

1- Current occupation

- () Student
() Working
() Job seeker
() Other

2- Gender

- () Male () Female

3- Age

- () < 20 () 21- 25
() 26- 30 () 31-40 () > 41

4- Annual income

- () 0- 150 BD () 151- 350 BD
() 350- 650 BD () 651- 1000 BD
() 1001- 1500 BD () 1501- 3000 BD

() > 3000 BD

In the following questions, please tick the statement you agree with.

a- I feel that counterfeit products are:

1- Low quality

() Disagree () No response
() Neutral () Agree

2- Status Symbol

() Disagree () No response
() Neutral () Agree

3- Not worth paying for

() Disagree () No response
() Neutral () Agree

4- Not durable

() Disagree () No response
() Neutral () Agree

5- Common

() Disagree () No response
() Neutral () Agree

6- Fun to own

() Disagree () No response
() Neutral () Agree

7- Gives me prestige

() Disagree () No response
() Neutral () Agree

8- I feel that the genuine products have a good reputation

() Disagree () not at all
() Neutral () Agree

9- are expensive

() Disagree () not at all
() Neutral () Agree

10- Have a good reputation among my friends

() Disagree () not at all
() Neutral () Agree

11- Are used by a high percentage of people

() Disagree () not at all
() Neutral () Agree

12- Are reliable

() Disagree () not at all
() Neutral () Agree

13- Have good quality

() Disagree () not at all
() Neutral () Agree

14- I respect and admire people who have luxury brands

() Disagree () not at all
() Neutral () Agree

15- I respect and trust companies that manufacture luxury brands

() Disagree () not at all
() Neutral () Agree

16- I would be proud to own a luxury brand

() Disagree () not at all
() Neutral () Agree

17- I rely on the quality of the luxury brands

() Disagree () not at all
() Neutral () Agree

18- I feel that owning an authentic luxury brand gives me greater satisfaction than owning a pirated copy

() Disagree () not at all
() Neutral () Agree

19- helps me to be more accepted by others than if I were to buy a pirated copy

() Disagree () not at all
() Neutral () Agree

20- makes me becoming more admired by others than if I were to take a pirated copy

() Disagree () not at all
() Neutral () Agree

21- I believe that the value of owning a genuine product has decreased due to piracy

() Disagree () not at all
() Neutral () Agree

22- I believe that the satisfaction of owning a real thing has fallen because of piracy

() Disagree () not at all
() Neutral () Agree

23- If there were no piracy in the market, I would buy genuine products.

() Disagree () not at all
() Neutral () Agree