

**THE REPUBLIC OF TURKEY**  
**BAHCESEHIR UNIVERSITY**

**THE ATTITUDES OF CONSUMERS' TOWARD  
COUNTERFEITS OF LUXURY GOODS**

**Master's Thesis**

**ELİF BÖREKÇİ**

**ISTANBUL, 2013**



**THE REPUBLIC OF TURKEY  
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**GRADUATE SCHOOL OF SOCIAL SCIENCES**

**MARKETING**

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## ÖZET

### TÜKETİCİLERİN ORJİNAL ÜRÜNLERİN SAHTELERİNİ ALMA TUTUMLARI

Elif Börekçi

Pazarlama

Tez Danışmanı: Prof. Dr. Nimet Uray, Yrd.Doç.Dr. Gülberk  
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Bu çalışmanın amacı Türkiye'deki tüketicilerin lüks marka ürünlerin çok benzer kopyalarını alma davranışlarında sosyal ve demografik özelliklerinin etkisini ve satın alma tutumunun satın alma eğilimi üzerindeki etkisini araştırmaktır. Tezde önerilen kavramsal model ve ilgili hipotezler De Matos et al. (2007) ve Phau and Teah (2009)'ın çalışmalarından yola çıkılarak oluşturulmuştur. Geliştirilen hipotezleri test etmek için internet ortamında bir anket hazırlanmış ve uygulanmıştır. Çalışmanın sonuçları, anketin yapıldığı grup üzerinde değer bilinci değişkeninin pozitif bir etkisi olduğunu ortaya koymaktadır. Aynı zamanda tutarlılık, tutarlı olma, dürüstlük gibi değerlerömeklemi oluşturan tüketiciler için önem taşımakta ve sahte ürün alma davranışını olumsuz etkilemektedir. Ancak bunun dışında seçilen diğer değişkenlerin tüketicilerin alım davranışı üzerinde bir etkisi bulunmadığı görülmüştür.

**Anahtar Kelimeler:** Tüketici davranışları, satın alma eğilimi, taklit, lüks markalar, Türkiye

## ABSTRACT

### ATTITUDES OF CONSUMERS TOWARDS COUNTERFEITS OF LUXURY PRODUCTS

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Marketing

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The study aims to investigate which of the social and personality factors affects the attitude of the consumers towards counterfeit products in Turkey and the relationship of consumers' attitude towards counterfeit product with purchase intentions.

A conceptual model is proposed by following the studies of De Matos et al. (2007) and Phau and Teah (2009). A survey of 180 respondents was conducted in online environment to test the hypotheses postulated. The results showed that from the selected variables, value consciousness has a positive impact on attitude whereas integrity has a negative effect on attitude. Other variables have no effect on attitude. Theoretical contribution of this study is an extension of knowledge of consumers' attitude with regards to counterfeit products in Turkey.

**Keywords:** Counterfeiting, consumer attitudes, Turkey, luxury brands, purchase intentions

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## **ABBREVIATIONS**

ATO- Ankara Chamber of Commerce

IACC- International Anti-Counterfeiting Chamber

IS-Information Susceptibility

MAT-Materialism

NIC- Negative Influence of Counterfeits on Industry

NS- Normative Susceptibility

OECD- Organization for Economic Cooperation and Development

PG-Personal Gratification

PI- Purchase Intention

PPA- Positive Product Attributes

PSF- Personal and Social Factors

PQI- Price Quality Inference

SCT-Self Concept Theory

SC Status Consumption

TRA- Theory of Reasoned Action

VC- Value Consciousness

## **1. INTRODUCTION**

The epidemic growth of counterfeiting can be attributed to the increase in world trade and emerging new markets, fast developments in technology, and also the increase in goods that are worth counterfeiting (Wee et al., 1995; Bloch et al., 1993).

Luxury brands are easily counterfeited as it is easy to sell and incur low manufacturing costs (Shultz and Soporito, 1996; Gentry et al., 2006). Past researches have revealed that about one-third of consumers would knowingly purchase counterfeit goods (Tom et al., 1998; Phau et al., 2001). Since demand is always the key driver of a market, a number of researchers have argued that consumer demand for counterfeits is one of the leading causes of the existence and rise in growth of the counterfeiting phenomenon (Gentry et al., 2001; Ang et al., 2001). As a result of these arguments, a good deal of research has focused on identifying important factors that influence consumers' attitude towards counterfeit products.

The aim of this research is to understand the factors, namely as social and psychological factors that affect Turkish consumers' attitudes towards counterfeits of luxury brand which is believed that it leads to purchase intention.

In the second chapter, literature review of the related topics is presented. The chapter begins with the decision making process and counterfeiting buying behavior, the motivations and antecedents of this behavior and the case of Turkey and continues with previous studies which are done in understanding the factors affecting purchasing counterfeits of luxury brands specifically focusing on the demand side of the issue and finally factors affecting the counterfeit buying behavior are mentioned.

Following to that, the Turkish case is explained briefly, then the research methodology is explained by mentioning about the questionnaire which has been designed and delivered to the respondents to get data for the analysis part.

Fourth chapter is about the analysis of the data collected. In detail, the analysis results such as factor analysis and regressions are explained. Besides brief information about the sample characteristics is given. In the last chapter, limitations about the study and future research recommendations for marketers and future researchers are given to conclude the research.



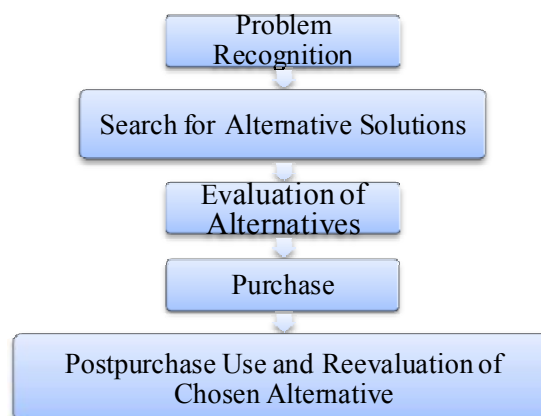
## 2. LITERATURE REVIEW

### 2.1 CONSUMER DECISION MAKING

Consumer behaviour studies deal with acquisitions, use and disposal of products, ideas and practices consumers go through in their daily lives and the social and psychological effects on behaviour. (Bagozzi et al, 2002) Besides, it analyzes what they buy, why they buy, when and where they buy, how often they buy and use it, how they evaluate it after purchase and finally what is the impact of the evaluations on future purchases. (Schiffman and Kanuk, 2010).

Consumers' decision making process is one of the major areas of consumer behaviour that is researched in detail and theorized by marketing scholars. The consumer decision making model which is suggested by Engel et al. describes how consumers address consumption discrepancies that move them between actual and desired states. (Robinson and Doss, 2011). This model also provides a framework for the identification and interaction of factors that influence the consumer decision-making process (Robinson and Doss, 2011). According to this model, consumers typically go through five stages as problem recognition, information search, evaluation of alternatives, purchase and post purchase behaviour.(Kotler&Keller, 2012).

**Figure 2.1 Consumer Decision Making Process**



*Source: Peter, J.P. and Olson, J.C., (2010) Consumer Behavior and Marketing Strategy 9th edition, McGraw Hill Education, Asia, p.163*

The buying process starts with problem recognition as it can be seen from the figure above. This is the first step in which consumer recognizes a problem or an unfulfilled need triggered by either internal or external stimuli such as hunger or thirst or buying a television or luxury fashion product which he/she sees on a friend and admired. According to Schiffman and Kanuk (2010, 485), there are two different problem recognition styles. First one is the actual state type in which consumers recognize that their products' performance is low. On the other hand, in desired state type consumers are inclined to try a new product which will prompt the decision making process. Once the consumer recognized the need and decided that the need must be satisfied, the pre-purchase search begins. According to Schiffman and Kanuk (2010, 485) consumers may use their past experiences in making their current decision. But if they have no prior experience or inadequate information about a certain product or brand, then they start to search for more information from external sources. There are several sources that consumer can obtain information from such as friends or family members, advertisements, websites, mass media etc. (Kotler&Armstrong, 2012). As more information is obtained, consumer's awareness and knowledge about the brand increase, they may learn about several availabilities, also may drop some of the options from considerations. The third step is evaluation of alternatives in which consumers arrive at brand choices, although the evaluation process is not simple and there may not be a single evaluation process. The evaluating of alternatives process depends on individual consumers and the buying environment. In some cases consumers make careful calculations, in some, they rely on intuition.

When the search for information is complete, consumers list their alternatives and begin to evaluate them. To evaluate the alternatives, consumers rely on two types of information. First one is the use of an evoked set that stands for a list of alternatives which will be the base for the selection and the second is the evaluation criteria that consumers consider (Schiffman& Kanuk, 2010, 488).

The last stages of decision making model are purchase and post-purchase activities which are related with the consumers' satisfaction with the purchase. According to Schiffman and Kanuk (2010, 497), there are three types of purchases that the consumers make; trial purchase, repeat

purchase and long-term commitment purchase. If a consumer purchases a new product, this can be an example of trial purchase because consumers tend to buy less in quantity compared to familiar products. If they are satisfied with the trial purchase, they are most likely to repeat their purchases and even make long-term commitments to the product or the brand.

After the purchase stage is completed, consumers begin to use and assess the performance of it to see whether the product fulfil their expectations. The results can be neutral if there is a match between expectation and performance; satisfactory when the performance is better than the expectations, or the opposite if the expectations are not met. (Schiffman & Kanuk, 2010, 498).

There are several ways of explaining consumer decision making in different situations or under different circumstances. One of the ways is the purchasing fashion products and their counterfeits which have been studied by several scholars throughout the time. (Tom et al, 1998, Cordell et al 1996, Penz and Stöttinger, 2005)

From the previous studies, it is possible to say that counterfeit purchasing behaviour takes place in the evaluation of alternatives step in which consumers compare the brands and narrow down their choices because of some reasons such as price, availability or personality traits (value consciousness, novelty seeking, status seeking, price consciousness, etc.) and if they think that counterfeit product will satisfy their needs, they purchase the product. But the process does not end with purchasing because some studies proved that, if consumers are satisfied with the counterfeit products and gratify themselves; sometimes they might consider buying the original one for next purchases or may consider buying the counterfeit products again. However, in some cases, consumers may fall into ethical dilemmas and might not consider buying again.

## **2.2 COUNTERFEITING**

### **2.2.1 Defining Counterfeiting**

Generally the brand of an enterprise is its most valuable asset. But the success of a brand may cause counterfeiting. (Maldonado and Hume, 2005) Counterfeiting which is not a new practice is, has exploded in the recent years. Due to global economy and advancements in technology, today

it is possible to counterfeit almost everything, from pharmaceuticals and automobile parts to music CDs and books. Counterfeiting is a serious problem which is affecting not only the products whose brand name is synonymous with its quality but also products which require high level of research and development, and marketing. (Wee et al, 1995). According to International Anti Counterfeit Coalition, counterfeiting costs U.S. businesses \$200 billion to \$250 billion annually and causes for the loss of more than 750,000 American jobs.<http://www.iacc.org>. From this, it can also be said that, counterfeiting does not only affect the brands, at the same time it directly affects the economies of the national countries.

In the literature several definitions of counterfeits or counterfeited products are also available. Kay (1990) defined counterfeit products as the reproduced goods that are identical to the legitimate articles in packaging, trademarks, and labelling. Similarly, Wilcox et al. (2009) defined counterfeits as ‘genuine fakes’ that are copies of original products which have high brand value in the market and are made to deceive consumers in the market. Wee et al, (1995) defined counterfeiting as the production of copies that are identically packaged, including trademarks and labelling, copied so as to seem to a consumer the genuine article. This means that the counterfeiters copied or imitated the products that have patents and trademarks without taking any permission from the manufacturers of the original products and selling them at lower prices than the original ones. Apart from the definitions, there are several terms used to represent product counterfeiting, such as piracy, imitation brand and a large “grey” area (Lai and Zaichkowsky, 1999) which has similar meanings, same essence with the term counterfeits and most of the times these words are used interchangeable. For example Lai and Zaichkowsky (1999) stated that counterfeiting and piracy are in the same essence since they both are reproduction of identical copies of authentic products but piracy is mainly related to software and fixed medium contents such as films and music recordings.(Cheung and Prendergast, 2006). According to Şahin and Atılgan’s study “Analyzing Factors that drive consumers to purchase counterfeits of luxury branded products” the main reason why a market for counterfeit brands is emerged is the desire of consumers to obtain luxury-branded products. So the reason why people purchase luxury branded products can be a significant indicator in understanding the reasons why they purchase counterfeit branded products. (Atılgan&Şahin, 2012).

### **2.2.2. Forms of Counterfeiting**

The literature suggests that from the consumer point of view, there are two forms of counterfeiting; deceptive and non-deceptive counterfeiting. This classification can be done according to the level of awareness of the consumers because in deceptive counterfeiting, consumers are not aware of the fact that the products they are purchasing are counterfeits. It is possible to say that, they are victims in a way. On the other hand, in some other cases, consumers are fully aware that the product they are buying is counterfeit in which the situation can be defined as non-deceptive counterfeiting. (Grossman and Shapiro, 1988).

There are two sides of counterfeiting which are studied in the literature as supply and demand side of counterfeiting. The supply side of counterfeiting, although by being not much studied, (Staake et al., 2009), deals with understanding the way the illicit markets are operating, how companies in the emerging markets are using those copy products in their development processes and how the manufacturers of original, legal brands can fight with illegal producers. On the contrary the demand side of the counterfeiting has been studied more by scholars and researchers. Demand side of counterfeiting deals with the attitudes of consumers, the motivations and factors positively or negatively affecting their buying intentions.

### **2.2.3 Previous studies on Attitudes and Behaviours of Counterfeit Products**

The past studies have proven that, from the demand side of counterfeit products, the most common reason to buy them is the low and affordable price (Eisend & Guler, 2006). However, the studies show that consumers with high incomes also buy counterfeit products (Eisend & Guler, 2006) which means that price is not the only reason in explaining counterfeit purchasing. Majority of the past studies analyzes the factors influencing the attitudes towards counterfeit products. For example, Wee, Tan and Cheok(1995) studied non-price determinants of intention to purchase counterfeit goods by doing surveys on 516 Southeast Asian college students and they found out that there is a highly significant relationship between the intent to purchase counterfeit purses/wallets and the function of personal appearance and snob appeal. Ang et al. (2001) studied the effects of social influences, demographic factors and personality characteristics on

counterfeiting buying behaviour and their results suggest that value consciousness has positive influence on attitude towards piracy, normative susceptibility, integrity and personal income has negative influence on attitude towards piracy and lastly, they found that males have more positive attitude towards piracy when it is compared to women. Moreover, Cordell et al (1996), analyzed attitude toward lawfulness, expected performance of the product, branding for low investment at-risk products, retailer prestige for high investment-at risk products, and price concession for low investment-at-risk products. The results of the study suggest that attitude towards lawfulness negatively related to willingness to purchase a known counterfeit only for knit shirts; expected performance positive related to willingness to purchase a known counterfeit for both products; branding and price concession positive related to willingness to purchase a known counterfeit for low investment-at-risk and finally retailer prestige positively related to willingness to purchase a known counterfeit for high investment-at-risk. Albers-Miller (1999) investigated the decision to purchase illicit goods by using four measures such as product type, buying situation, perceived criminal risk and price. The results of the study suggests that the interaction between risk and product type and also the interaction between price and product type were significant predictors of willingness of purchase(Albers-Miller, 1999). Besides, the results showed that peer pressure has a strong effect in illicit buying behaviour; the entire respondents who are questioned in the study mentioned that they most likely engage in illicit behaviour if there was peer pressure to do so. After 2000s, this issue became more popular and analyzed by researchers more. Among these studies, Gentry et al. (2001) analyzed the volitional choice for counterfeits and they found that counterfeits are purchased because of the brands and if the trial of the lower version is successful, people they interviewed mentioned that they would buy the authentic versions. According to their results, counterfeits are acceptable compromises and offer lesser value for lesser costs. The main reasons why counterfeits are purchased are because they represent a brand, provide novelty and symbolize person's travel experiences. Penz and Stöttinger(2005) made a survey with 1040 Austrian consumers and they found that attitude towards counterfeiting and self identity have a positive effect on purchase intentions, particularly at low price levels; normative pressure and perceived behavioural control have a positive impact on purchase intentions at low and high levels of price, personality traits(readiness to take risk,

fashion involvement and ethical predisposition) influence attitude towards counterfeiting and subjective norm. In 2005, Wang et al made a survey on 314 Chinese students to analyze the effect of attitude towards piracy which is influenced by social influences, personality characteristics, and demographics on attitude towards piracy and purchase intentions. According to their findings, attitude towards piracy, value consciousness, and novelty seeking and value consciousness has positive influence on purchase intention and negative influence on normative susceptibility. There are studies which analyzed the effect of perceived risk, integrity and past buying behaviour of consumers on the attitudes of consumers and their buying intention. First of these studies is done de Matos et al. (2007). In order to analyze the main predictors of consumers' attitude and behavioural intentions towards counterfeits the researchers made a survey and found out that perceived risk is the most important variable to predict consumer attitude toward counterfeits. According to their results, consumers who valued honesty and responsibility generally show negative attitudes toward counterfeits, on the other hand consumers who considered price as an indication of quality has more favourable attitude towards counterfeits. Yoo and Hee Lee (2009) proved that the past buying of the counterfeit products would have the positive influence towards the buying of the counterfeit products.

Kim and Karpova (2009) made a study to identify the motivations influencing attitudes towards buying fashion counterfeits by using Theory of Planned Behaviour. Their results indicate that product appearance, past purchase behaviour and value consciousness affect attitude toward purchasing fashion counterfeits positively, on the other hand, normative susceptibility has a negative effect on attitude. (Kim and Karpova, 2009). Phau and Teah (2009) analyzed the reasons behind the attitudes of consumers towards counterfeits of luxury brands and the outcomes of the attitudes in Chinese society by making surveys to 270 consumers. They analyzed the effect of normative and information susceptibility, collectivism, value consciousness, integrity and status consumption on the attitude and purchase intentions of consumers towards counterfeits of luxury brands and they proved that information and normative susceptibility have an effect on the attitude but their study showed that people who rely on expert opinion of others while purchasing products would be less tend to buy counterfeits of luxury brands. (Phau and Teah, 2009). Interestingly, collectivism does not have an effect on attitude

whereas value consciousness and status consumption influence purchase intention. Value conscious consumers would be more likely to buy counterfeits but on the other hand status consumption influences purchase intention negatively because according to their study the consequences of being caught while consuming counterfeits would be humiliation and embarrassment and these feelings would keep the Chinese consumers away from purchasing counterfeits of luxury brands.( Phau and Teah,2009).

In contrast to China and Brazil, Turkey is not of the countries in which counterfeiting and the attitude of consumers towards this issue is studied much. One of the studies dealing with this subject is Argın(2010)'s study which investigated the rapid increase in the sales of counterfeit brands in Turkey and attempted to identify the major factors motivating consumers' purchase intentions of counterfeits of luxury brands. According to the results, an overwhelming majority of consumers purchase counterfeit brands regularly. Besides, there is a significant relationship between income level and counterfeit brand purchase, gender doesn't influence counterfeit purchases and finally the study suggests that there is a significant relationship between age and counterfeit purchases.

As consumers' demand to counterfeit brand increases, it becomes important to understand how consumers are motivated and have favourable attitudes toward the purchase of counterfeit brands and what is the reason behind this. The focus of this study is to investigate factors(social and personality) lying behind the purchase of counterfeit brands in the framework of Theory of Reasoned Action (TRA) and Self Concept Theory(SCT) and the bandwagon effect of consumer demand. .

The table in the appendix 2 present the studies which analyze the attitudes towards counterfeiting, the main motivations, reasons lying behind, and the relationship between attitudes and purchase intentions.



#### **2.2.4 Factors affecting the attitude towards counterfeits of luxury brands**

Attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object (Schiffman & Kanuk, 2010, p.246). Since attitudes are learned, it is possible to say that, the attitude relevant to a purchase behaviour are forms of either direct experiences or mass media, Internet or other sources. (Schiffman & Kanuk, 2010). There are several factors affecting the attitude towards objects. In the view of Turkish consumers, the attitude towards counterfeits of luxury brands can be influenced by several factors which are listed in study as social factors and psychological factors.

- **Social factors**

Individual's behaviours are affected by social influence and according to Bearden et al (1989) susceptibility to interpersonal influence is a general trait that differs from person to person. Ang et al. (2001) suggested that informational susceptibility and normative susceptibility influences attitudes towards counterfeit luxury brand purchasing.

**Normative susceptibility:** can be defined as the tendency to conform to the expectations of others. (Bearden et al., 1989). From this, it can be concluded that, if a person think that the fashion apparel he/she purchases may not like or may not impress others, or he/she might not get the approval from his/her social environment, he/she will likely develop negative attitudes towards counterfeits. (Kim and Karpova, 2009).

**Informational susceptibility** refers to the tendency to learn about products or brands by seeking information from knowledgeable others, or making inferences based on observing people's behaviours. (Bearden et al., 1989). For example, a consumer may observe other people and may think that people have luxury fashion items and they appear to be popular. By taking this thought, he/she might come to a conclusion of purchasing counterfeits as an alternative. According to Ang et al. (2001) study, there is a negative relationship between normative susceptibility and attitude towards counterfeits.

- **Personality factors**

**Value consciousness:** Luxury brands are purchased because of the image, the value and prestige benefits that the brand carries but if consumers are not willing to pay high prices for it, counterfeits are good alternatives that can be considered value for money. (Lichtenstein et al, 1990, Bloch et al, 1993). Value consciousness can be defined as a concern for paying low prices, subject to some quality restraint. Since counterfeits provide the same functional benefits as the original ones but at lesser price, consumers perceive counterfeits favourably. For consumers who are value conscious, attitudes towards counterfeit product would be positive.

**Integrity:** represents the level of consumers' ethical standards and obedience to the law.(Wang et al.,2005). The level of integrity a consumer possesses defines the way he/she feels about counterfeiting. If integrity is important to a consumer, most probably he/she will develop a negative attitude towards counterfeit luxury brands. Kohlberg(1976) suggests that consumer's behaviours are affected by their personal sense of justice and the influence of values like integrity will affect their behaviours to be involved in an unethical activity.(Phau &Teah, 2009).

**Personal gratification** refers to the need for a sense of accomplishment, social recognition and the desire to enjoy the finer things in life.(Ang et al, 2001,Phau &Teah, 2009). If a consumer likes to enjoy finer things in life and puts a higher value on social recognition, he/she will most probably value the original brands and will not prefer counterfeits because of the inferior quality of the counterfeit brands.

**Status consumption:** According to Eastman (1997) status is a form of power that consists of respect, consideration and envy from others and represents the goals of the culture. According to Phau& Teah (2009), status consumption has long been defined as the purchase, use, display and consumption of goods and services as a means of gaining status (Eastman et al., 1997, Phau &Teah, 2009). Status consumption is for consumers who are seeking self satisfaction as well as to display their prestige and status to surrounding others usually through visible evidences (Phau &Teah, 2009). This means that, if a consumer wishes to show their prestige, and wishes to feel social respect, recognition from a group, most probably he/she will use original products because

original products will provide more accomplishment and respect to the consumer than counterfeits and most probably he/she will not have favourable attitudes towards counterfeit products.

**Materialism:** Materialism is the importance an individual attaches to worldly possessions (Belk, 1984). Richins and Dawson (1992) identified three materialistic traits: acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success. Acquisition centrality means that materialists view possessions and acquisitions as the core value of their lives. Acquisition as the pursuit of happiness means that materialists consider possessions or acquisitions as requisite to satisfaction and happiness. Possession-defined success refers to the tendency to judge people's achievements by their possessions. From these three traits, it can be said that counterfeits can be an alternative of satisfying the materialistic needs of consumers, if counterfeits can be perceived as way of satisfaction. (Albers-Miller, 1999; Bloch et al., 1993, Kim and Karpova, 2009).

**Price- quality inference:** In predicting consumer behaviour, the belief in price-quality inference, is very important. For some consumers price might be perceived as a cue in determining the quality of a product. (Schiffman and Kanuk, 2010). Lichtenstein, Ridgway, and Netemeyer (1993) define price-quality schema as "the generalized belief across product categories that the level of price is related positively to the quality level of the product". So, if the price of a product is higher, it would be more likely that consumers perceived that it is quality product

#### **2.2.5. Consumer Attitude toward Counterfeits**

Attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object.(Schiffman and Kanuk,2010, 246). According to Bagozzi et al. (2002) attitude is psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour. The study which is done by de Celso Augusto de Matos et al (2007), suggests that attitudes are highly correlated with one's intentions, which in turn is a reasonable predictor of behaviour. So, if one has favourable attitude towards an object or a

product, it is highly acceptable that a person would likely to purchase the product. Therefore, in order to understand why consumers buy counterfeits of luxury brands, it is important to understand the relationship between consumers' attitudes towards counterfeits and their intentions to purchase counterfeits of luxury brands.

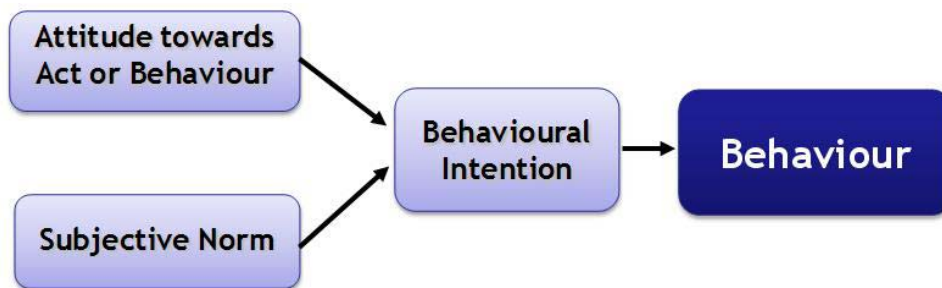
There are several factors affecting consumers' behaviours and ethical dilemmas they are faced with such as purchasing counterfeits products or not is one of the factors. In these kinds of situations, moral reasoning comes into play. (Phau et al., 2009). According to Kohlberg (1976), there are three stages that consumers encounter when they are faced with ethical dilemmas. At the pre-conventional level (Stages 1 and 2) an individual's reasoning is based on expected personal consequences such as reward and punishment. Stages 3 and 4 focus on maintaining and adhering to the expectations of reference groups and societal values and at the post-conventional level (Stages 5 and 6), there is a clear effort to define moral principles and values, whilst still maintaining and adhering to the values of one's reference group and society (Phau et al., 2009). From this theory which is called theory of moral competence, it can be said that consumers' attitudes towards purchasing counterfeits of luxury brands are shaped after the third stage in which consumers started to try meeting with his/her social group's expectations because it is possible to say that, consumers purchase counterfeit brands to be able to gain respect and acceptance from their social group without paying big amounts of money. Also the theory suggests that consumers' personal behaviours are predicted by a subjective sense of justice and purchasing counterfeit products can be explained by the attitudes. (Phau et al., 2009).

### **2.2.6 Purchase Intention**

The past literature indicates that individuals' attitudes toward counterfeit brands influence their intentions to purchase these brands (Kim & Karpova, 2009). Intentions are a psychological construct distinct from attitude which represents the person's motivation in the sense of his or her conscious plan to exert effort to carry out behaviour. (Fitzmaurice, 2005). According to Fishbein and Ajzen theory of reasoned action (1975), behaviour is determined directly by one's intention to perform the behaviour; intention in turn, is influenced by the behaviour. (Bagozzi et al., 1992). According to the model which is presented below as Figure 2, one's intention to act is

a function of; attitude towards the behaviour and subjective norm.(Bagozzi et al., 1992). The model suggests that, attitude is a function of beliefs that performing the behaviour will lead to specific outcomes combine with evaluations of the outcomes. The other element in the function; subjective norm is defined as the beliefs that specific individuals expect one to perform or not to perform the behaviour combine with one’s motivation to comply with these specific individuals. (Bagozzi et al., 1992).

**Figure 2.2: Theory of Reasoned Action model**



**Source: Ajzen and Fishbein, 1975, (retrieved from <http://www.fidis.net>)**

From the socio-psychological perspective, TRA is based on the assumption that “human beings are usually quite rational and make systematic use of the information available to them and that they consider the implications of their actions before they decide to engage or not engage in a given behaviour” (Ajzen & Fishbein, 1980) So, it can be concluded that TRA posits that an individual’s behavioural attitude influences intention.

The theory assumes that consumers behave in a way that their behaviours are total under their own volitional control, people believe they can and will do, whatever they intend or try to do so. (Bagozzi et al., 1992). Taking what the theory assumes into account, it can be said that, consumers’ intention to purchase counterfeits of luxury goods is totally under their own control and they do it because they believe they can do it, without paying attention to other preventive factors.

## **2.3 LUXURY BRANDS**

Luxury brands can be defined as goods for which the simple use or display of a particular branded product brings esteem for the owner; luxury goods enable consumers to satisfy psychological and functional needs. Above all these psychological benefits can be regarded as the main factor distinguishing luxury from non-luxury products or counterfeits. (Wiedmann et al., 2007). Phau et al.(2009) stated that consumers develop luxury meanings for brands based upon social interactions, object properties and hedonic values such as sensory beauty. Luxury goods can be defined as goods which are particularly used for display of certain brands which reflects prestige of the owner or the social status of the owner apart from its functional utility. (Phau et al., 2009). From this definition, it can be said that, luxury goods have a degree of exclusivity because of their name and higher price.

The other way to define luxury brands is that luxury brands are those whose price and quality ratios are the highest of the market and even though the ratio of the functionality to price might be low with regard to certain luxury goods, the ratio of intangible and situational utility to price is comparatively high.(Wiedmann et al., 2007). From all these definitions, it is possible to conclude that, luxury brands are brands with high prices in the market and they provide big esteem, self satisfaction, self-gratification to the owner. Functionality of the brands may not be really important but satisfying psychological needs of the owner is more important. According to Wiedmann et al.(2007), the term luxury and the consumption of luxury goods involves purchasing a product that represents value to both, to the individual and their reference group. From this quotation, it can be said that, consuming luxury goods serves a very basic human desire; impressing others, as well as satisfying their own needs because of the fact that, these products are consumed publicly and used for signaling status and wealth. According to Bearden and Etzel (1982), publicly consumed products were more likely to be conspicuous products than privately consumed luxury products. So, it can be said that, luxury brands are generally used for displaying wealth and power and visible luxury brands dominates this conspicuous segment. (Phau et al., 2009). This conspicuous segments issue is brought by Veblen who suggests that consumers use conspicuous consumption to signal wealth and to reach power and status.

According to Veblen, conspicuous exhibition of material goods and wealth is essential in the quest for prestige and elevates personal status. (Jugessur and Cohen, 2009).

### **2.3.1 Conspicuous Consumption**

Veblen's theory of conspicuous consumption is based on the premise that those who put wealth "in evidence" are rewarded with preferential treatment by social contacts. (Bagwell and Bernheim, 1996). From this definition, it can be concluded that, wealth is essential element in searching for prestige, it elevates personal status and whoever makes his/her wealth visible by others, this person gets reward by getting the expected treatment from his/her social environment. Since, buying and consuming in a public context is an important issue in conspicuous consumption and has an impact on shaping consumer behavior and consumers' brand preferences (Bagwell and Bernheim, 1996), there should be another issue which should be mentioned; the bandwagon effect which is identified by Leibenstein (1950). Bandwagon effect is one of the symbolic aspects of fashion taxonomy which is identified by Leibenstein. According to Leibenstein, there are three kinds of symbolic aspects; bandwagon effect, snob effect and Veblen effect. Snob effect refers to the fact that the demand for a commodity decreases because everybody else also wishes to consume the same commodity. Consumers falling under this category wishes exclusivity, they want to be differentiated from the crowd. (Leibenstein, 1950). These people are like trendsetters, opinion leaders. Second effect is the Veblen effect which refers to the phenomenon of conspicuous consumption, the fact that the demand for a consumers' good is increased because of its higher price. (Leibenstein, 1950). For these consumers, price of a product is important because as it is mentioned above, consumers falling under this category put much emphasis on wealth, for these consumers, wealth is an important tool for signaling status. The final aspect is bandwagon effect which will be used for this paper. According to Leibenstein bandwagon effect refers to the extent to which the demand for a commodity is increased due to the fact that others also consuming the same commodity. (Leibenstein, 1950). It represents the desire of people to purchase a commodity in order to conform to the people they wish to be associated with; to be fashionable or stylish; or in order to appear to be "one of the boys". (Leibenstein, 1950) This effect can be applied to counterfeits of luxury brands as well

because, bandwagon effect suggest that, consumers of bandwagon effect are like followers, they try to fit in with the desired social environment, they usually tend to follow the opinion leaders, trendsetters. (Jugessur and Cohen, 2009) and similar to consumers of high fashion brands, it can be assumed that consumers may use counterfeits of high fashion brands to be able to keep up with the trendsetters, to be a part of the environment they wish to be in, to gain social acceptance from their groups.

## **2.4 SELF CONCEPT THEORY**

Luxury brands are used for public display and as a form of expression and they are the integral parts of the social fabric life. (Hoe et al., 2003) and they are important in understanding the self concept. The self is what one is aware of, one's attitudes, feelings, perceptions and evaluations of oneself as an object.(Grubb and Gruthwohl, 1967) Self concept theory refers to totality of the individual's thoughts and feelings having reference to himself as an object. (Sirgy, 1982). The theory has 4 components as actual self image, ideal self image, social self image and ideal social self image. Actual self and ideal self images are images of oneself as one would like to be. (Sirgy, 1982) Social self concept can be defined as the image that one believes others hold and ideal self concept refers to the image than one would like others to hold. From these concepts, social self concept which is also known as public-self; (Bushman, 1993) will be mentioned in this study because according to the article *Do counterfeits devalue the ownership of luxury brands* presented by Nia and Zaichkowsky (2000), luxury products are commonly purchased by consumers who are especially concerned with their impression on others, who put more emphasis on their physical appearance and care about gaining social approval from others. Consumers are motivated by a desire to impress others with their ability to pay particularly high prices (Phau et al., 2009); but when consumers have the desire to impress others but cannot afford paying such high prices, they tend to purchase counterfeits because according to Gino et al.(2010) counterfeits provides them this opportunity by signaling an aspiration to be something one is not; for example wearing counterfeits of luxury clothes or having counterfeit purses makes the wearer feel like he/she is one of the group that he/she desired to be.



### **3. FIELD STUDY ON CONSUMER ATTITUDES TOWARDS COUNTERFEITS OF LUXURY PRODUCTS: TURKISH CASE**

#### **3.1 COUNTERFEITING IN TURKEY**

The International Anti-Counterfeiting Coalition (IACC) has estimated that counterfeiting causes for at least 200 billion dollars of job losses in a year. (Phau et al.,2009) According to Turkey's Registered Brands Associations' findings, Turkey is the second largest country in counterfeiting after China (<http://tescillimarkalar.org.tr>). Similarly, Counterfeit Economy Report of the Ankara Chamber of Commerce (ATO) suggests that Turkey is the second-largest counterfeit product market in the world, with \$3 billion of turnover after China.(Ozdogan&Baklaci, 2010)

The report shows that the counterfeit product market has become a new and powerful sector that threatens the economy. One of the reasons of why counterfeiting becomes so powerful is because there is a wide availability of counterfeit brands in the country, as the report suggested Turkey is the second country after China in terms production and sales of counterfeits.(Argın,2010). It is possible to find counterfeits of luxury brands even in street vendors. (.Ozdogan&Baklaci, 2010).Besides, the new advancements in technology created opportunities for manufacturers of counterfeits to make products almost the same with the original ones and because counterfeits are sold in almost one third of price of originals(Ozdogan&Baklaci, 2010), although in Turkey, there are penal sanctions are applied to companies producing and distributing counterfeit branded products within the scope of Law on Protection of Brands.(Şahin&Atılğan, 2011).

#### **3.2 FIELD STUDY ON CONSUMER ATTITUDES TOWARDS COUNTERFEITS**

##### **3.2.1 Research Methodology: Research Design and Sampling**

Several attempts have been made to define counterfeiting and understand the factors affecting buying counterfeits of luxury brands. Particularly, the study tries to examine the social and personality factors such as value consciousness, price-quality inference and consumer

susceptibility in Turkey. The affect of selected demographics was also analyzed. Thus this study is based on descriptive research design through internet survey.

The original questionnaire was developed in English and translated into Turkish by the researcher and checked by the thesis advisor. The scale measures were taken from previous studies which are shown on the table 3.1 below. The questionnaire designed in an electronic environment with the help of an established survey site (qualtrics.com). The answers of respondents were saved in the database immediately when they fill out the questionnaire. The method of distribution for the questionnaire was through online social networks and mail groups.

**Table 3.1:** Measurement scale items and sources

<b>Variables</b>	<b>Scale/Measurement</b>	<b>Source (Adapted from)</b>
Information susceptibility	5 point Likert Scale	Bearden et.al, 1989
Normative susceptibility	5 point Likert Scale	Bearden et.al, 1989
Value Consciousness	5point Likert Scale	Lichtenstein et al. 1990
Integrity	5 point Likert Scale	Ang et al. 2001
Status consumption	5point Likert Scale	Eastman et al, 1997
Materialism	5 point Likert Scale	Richins and Dawson, 1992
personal gratification	5 point Likert scale	Ang et al. 2001
Price-quality inference	5 point Likert scale	Lichtenstein et al, 1992
Attitudes towards counterfeiting luxury brands	5 point Likert Scale	Wang et.al, 2005
Purchase Intention	5 point Likert Scale	Ang et al. 2001

In this study, a convenience sampling method was used.

### **3.2.2 Conceptual Model and Theoretical Background**

The hypotheses constructed for this study are shown below. The original hypotheses and conceptual model are adopted from the study of Phau and Teah (2009) and the construct “materialism” is added. In addition to the study of Phau and Teah(2009), the effect of selected demographic variables are also analyzed as a mediating variable.

*H1: Normative and information susceptibility have a negative influence on consumer attitudes towards counterfeits of luxury brands.*

*H2: information susceptibility have a positive influence on consumer attitudes towards counterfeits of luxury brands.*

*H3 : Value consciousness has a positive influence on consumer attitudes towards counterfeits of luxury brands.*

*H4.Integrity has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

*H5. Personal gratification has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

*H6. Status consumption has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

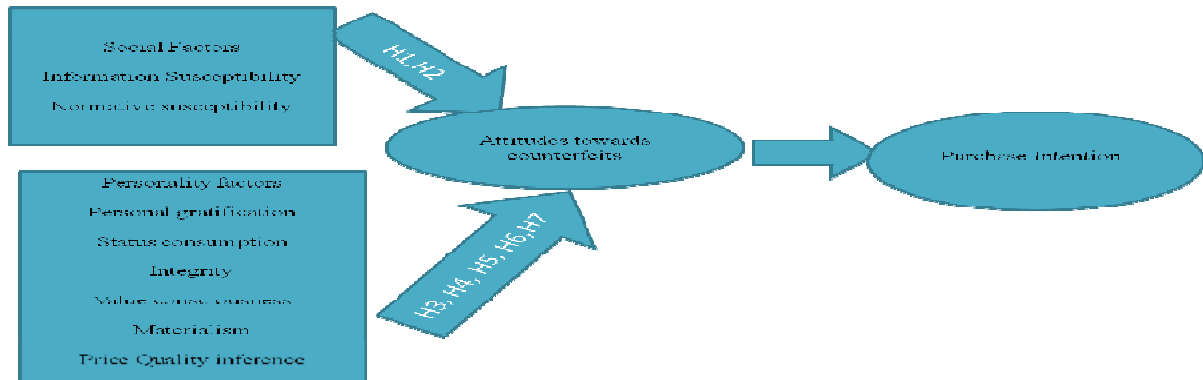
*H7: Materialism has a positive influence on consumer attitudes towards counterfeits of luxury brands.*

*H8: Price-quality inference has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

*H9: There is a significant relationship between attitude and purchase intention towards counterfeits of luxury brands.*

The figure below presents the proposed interrelationships of these hypotheses.

**Figure 3.1: Conceptual model**



**Source: Phau and Teah, 2009**

### **3.2.3 Normative susceptibility**

As previously mentioned, individual's behaviours are affected by social influence and according to Bearden et al(1989) susceptibility to interpersonal influence is a general trait that differs from person to person. Ang et al. (2001) suggested that informational susceptibility and normative susceptibility influences attitudes towards counterfeit luxury brand purchasing. Normative susceptibility is the tendency to conform to the expectations of others. (Bearden et al., 1989). If consumers think that the fashion apparel which is purchased may not like or may not impress others, or the consumer not get the approval from his/her social environment, he/she will likely develop negative attitudes towards counterfeits.(Kim and Karpova,2009). In the second part of the survey the respondents were asked to choose the best answer from four statements which are listed below.

*H1. Normative susceptibility has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

**Table 3.2 Normative Susceptibility Questions**

<p><i>It is important that others like the products and brands I buy.</i></p> <p><i>If other people can see me using a product, I often purchase the brand they expect me to buy.</i></p> <p><i>I like to know what brands and products make good impression on others.</i></p> <p><i>If I want to be like someone, I often try to buy the same brands that they buy.</i></p>
---

### **3.2.4 Informational susceptibility**

As it is previously mentioned, informational susceptibility refers to the tendency to learn about products or brands by seeking information from knowledgeable others, or making inferences based on observing people's behaviours. (Bearden et al., 1989). For example, a consumer may observe other people and may think that people have luxury fashion items and they appear to be popular. By taking this thought, he/she might come to a conclusion of purchasing counterfeits as an alternative. So it is possible to conclude that study, there is a positive relationship between informational susceptibility and attitude towards counterfeits.( Ang et al., 2001)

*H2. Informational susceptibility has positive influence on consumer attitudes towards counterfeits of luxury brands*

**Table 3.3 Informational susceptibility questions**

<p><i>If I have a little experience with a product, I often ask my friends about the product</i></p> <p><i>I often consult other people to help choose the best alternative available from a product class.</i></p> <p><i>I frequently gather information from friends or family about a product before I buy.</i></p>
--

### 3.2.5 Value consciousness

As it is stated before, value consciousness is the concern for paying lower prices, subject to some quality constraints. Since, counterfeits provide similar functions to original ones, it possible to conclude that, consumers would have chose counterfeits as an option.

*H3 : Value consciousness has a positive influence on consumer attitudes towards counterfeits of luxury brands.*

The questions asked in the survey are listed below and measured with 5 point Likert Scale.

#### Table 3.4 Value Consciousness Questions

*I am concerned about the price and quality of the product.*

*I compare prices for the best value of money.*

*I like to be sure that I get my money worth.*

*I try to maximize the quality for the money spend*

### 3.2.6 Personal Gratification

As it is previously mentioned, personal gratification is the need of sense of accomplishment, social recognition and to enjoy the finer things in life.(Ang et al., 2001). Consumers who purchase counterfeit products are willing to sacrifice the quality and functionality that original products provide to consumers. On the other hand consumers who purchase original products value those properties and they value social recognition and catching by others while using counterfeits would probably damages their social recognition , therefore it can be said that those consumers will have not a favorable attitude towards counterfeits of luxury products.

*H5. Personal gratification has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

The questions that are asked in the questionnaire are measured by 5 point Likert Scale and are listed in Table 3.5

### **Table 3.5 personal gratification questions**

*A sense of accomplishment is important to me.*

*I value pleasure.*

*I value social recognition.*

### **3.2.7 Status Consumption**

As it is mentioned before, status consumption can be defined as the purchase use, display and consumption of goods and services as a means of gaining status. (Phau et al., 2009). Besides, it involves social ranking and recognition from a group in which a person wishes to be part of as an award. (Phau et al., 2009).

*H6. Status consumption has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

The questions asked in the survey were listed below.

### **Table 3.6 Status Consumption Questions**

*I am interested in new products with status*

*While buying a product, I don't put emphasis on the status that product represents.*

*I would pay more for a product if it had status*

*The status of a product is irrelevant to me.*

### **3.2.8 Materialism**

As it is mentioned before, materialism is the importance an individual attaches to worldly possessions (Belk, 1984). There are three materialistic traits as acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success. Based on these three it can be said that counterfeits can be an alternative of satisfying the materialistic needs of consumers, if

counterfeits can be perceived as way of satisfaction.(Kim and Karpova, 2009). Therefore, it is possible to say that, people with higher materialistic values will have favourable attitude towards counterfeits of luxury brands.

*H7: Materialism has a positive influence on consumer attitudes towards counterfeits of luxury brands.*

The questions that are asked in the questionnaire are measured by 5 point Likert Scale and are listed in Table 3.7

**Table 3.7 Materialism Questions**

<p><i>It sometimes bothers me that I can't afford to buy all the things I would like to buy.</i></p> <p><i>Some of the most important achievements in life including acquiring material possessions.</i></p> <p><i>I don't place much emphasis on the amount of material objects people own as a sign of success.</i></p> <p><i>I usually buy only the things I need.</i></p> <p><i>Buying things gives me a lot of pleasure</i></p> <p><i>I put less emphasis on material things than people I know.</i></p>
---

### **3.2.9 Integrity**

Integrity represents the level of consumers' ethical standards and obedience to the law.(Wang et al.,2005). The level of integrity a consumer possesses defines the way he/she feels about counterfeiting. Researches show that consumers who are more lawful-minded are less willing to buy counterfeits (Ang et al, 2001). Therefore it can possibly be observed that consumers who give value to integrity will have negative attitude towards counterfeit luxury brands.



*H4. Integrity has a negative influence on consumer attitudes towards counterfeits of luxury brands.*

The questions that are asked in the questionnaire are measured by 5 point Likert Scale and are listed in Table 3.8

**Table 3.8 Integrity Questions**

<i>I value honesty.</i>
<i>I value responsible people.</i>
<i>I value people who have self control.</i>

### **3.2.10 Price Quality Inference**

As it is mentioned above, price can be used as a predictor of the quality of the product. Lichtenstein, Ridgway, and Netemeyer (1993) define price-quality schema as “the generalized belief across product categories that the level of price is related positively to the quality level of the product”. So, if the price of a product is higher, it would be more likely that consumers perceived that it is quality product therefore, for consumers who believe in price quality inference, counterfeits may be perceived as inferior quality and they will have unfavorable attitude towards counterfeit products. The table 3.9 below presents the questions which are asked in the survey.

**Table 3.9 Price Quality Inference Questions**

I believe that the higher the price of a product, the higher the quality.
I think that the price of a product is a good indicator of its quality
I think if you want the best, you want to pay a little more.

### 3.2.11 Consumer Attitudes towards Counterfeit Luxury Goods

As it is mentioned before, attitude is psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour (Bagozzi et al. 2002). From this definition, it can be concluded that, if one has favourable attitude towards an object or a product, it is highly acceptable that a person would likely to purchase the product. In the first part, respondents are asked to choose original and counterfeit products that are purchased from a matrix table. There are ten choices and respondents are allowed to choose more than one answer to this part. In the second part, they asked to choose the best answer from 8 statements. Attitudes of respondents towards counterfeits are measured on a five-point Likert scale and the questions that are asked in the questionnaire are listed in Table 3.9

**Table 3.10 Attitude Questions**

<p><i>Counterfeit production damages the rights and interests of the original manufacturers.</i></p> <p><i>Counterfeit production damages the luxury goods industry.</i></p> <p><i>Counterfeits are as reliable as the original versions.</i></p> <p><i>Counterfeits provide similar functions to the original versions.</i></p> <p><i>Counterfeits have the similar quality as the original versions.</i></p> <p><i>There is a little chance of being caught while purchasing counterfeit luxury goods.</i></p> <p><i>I buy counterfeit products because everybody else does so.</i></p> <p><i>I never even think of buying counterfeit products.</i></p>
--

### 3.2.12 Purchase Intentions

Fishbein and Ajzen's (1975) Theory of Reasoned Action suggests that, behaviors are caused by attitudes of consumers and some psychological processes. Moreover, an individual's intention is related with their behaviors but this theory mainly focuses on the volitional behaviors which are done consciously. Since, most of the cases, counterfeit purchasing are done under full control of

the consumers, it is possible to say that, intentions lead to behaviors and there is strong relationship.

*H9: There is a strong relationship between attitude and purchase intention towards counterfeits of luxury brands*

In the same part, respondents are asked about considering themselves in the future and to choose the best answer from 4 statements accordingly. The questions about purchasing intentions are measured by 5 point Likert scale and listed in the table 3.9 below.

**Table 3.10 Purchase intention questions**

*I would consider buying counterfeits as an option.*

*I would buy very identical sisters of luxury brands from peddlers.*

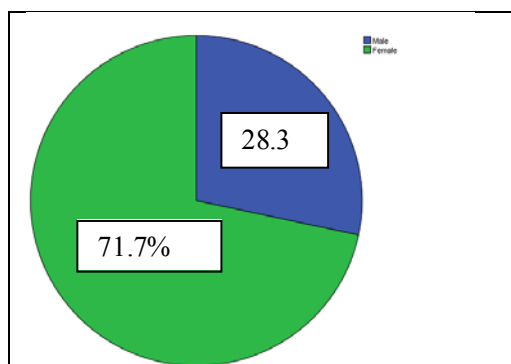
*If my friend wishes, I would think of purchasing very identical sisters of original brands for him/her.*

## 4. FINDINGS AND RESULTS

### 4.1 SAMPLE CHARACTERISTICS

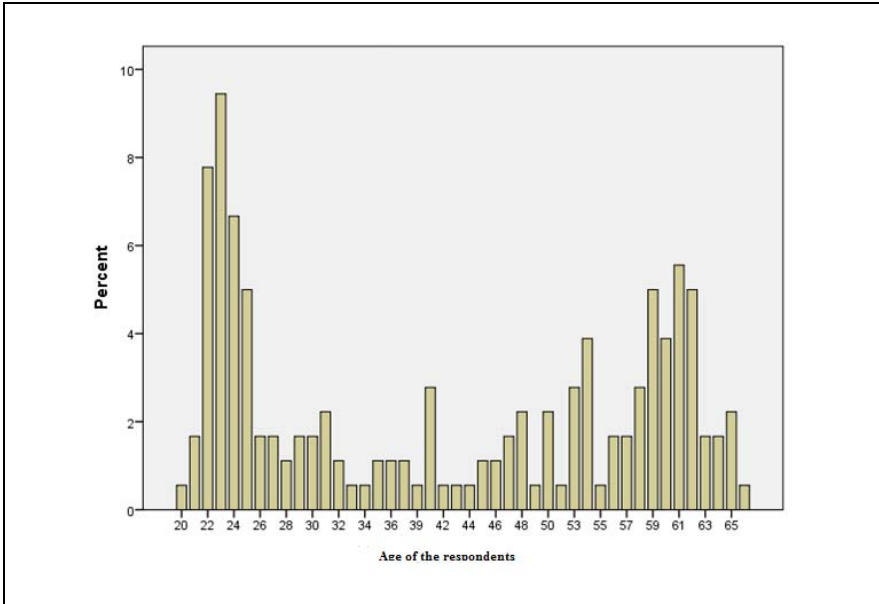
The graphs below contain information about the characteristics of the sample of 180 respondents. The numbers of female and male respondents are 129 and 51 respectively. The figure 4.1 below indicates the distribution of gender among respondents and the blue part of the chart represents male respondents distribution, green part represents female respondents' distribution.

**Figure 4.1 Gender Distribution of respondents**



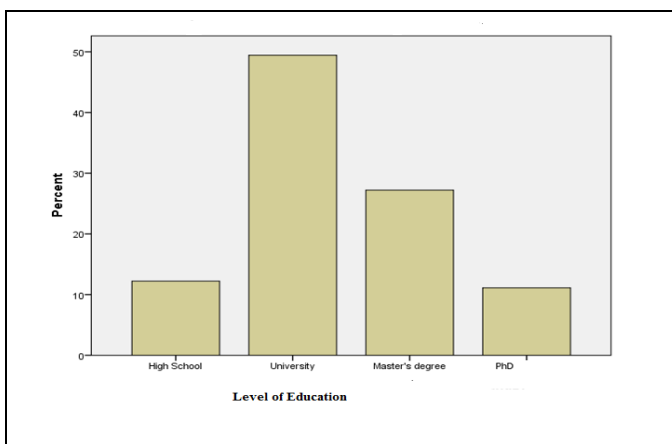
There are respondents from almost every age group from 20- 60 and the majority of respondents are 20-25 years old, specifically most of the respondents belonged to that group were 23 years old. Interestingly, it is followed by the age group 59-62. Figure 4.2 below shows the age distribution of the respondents.

**Figure 4.2 age distribution of the respondents.**



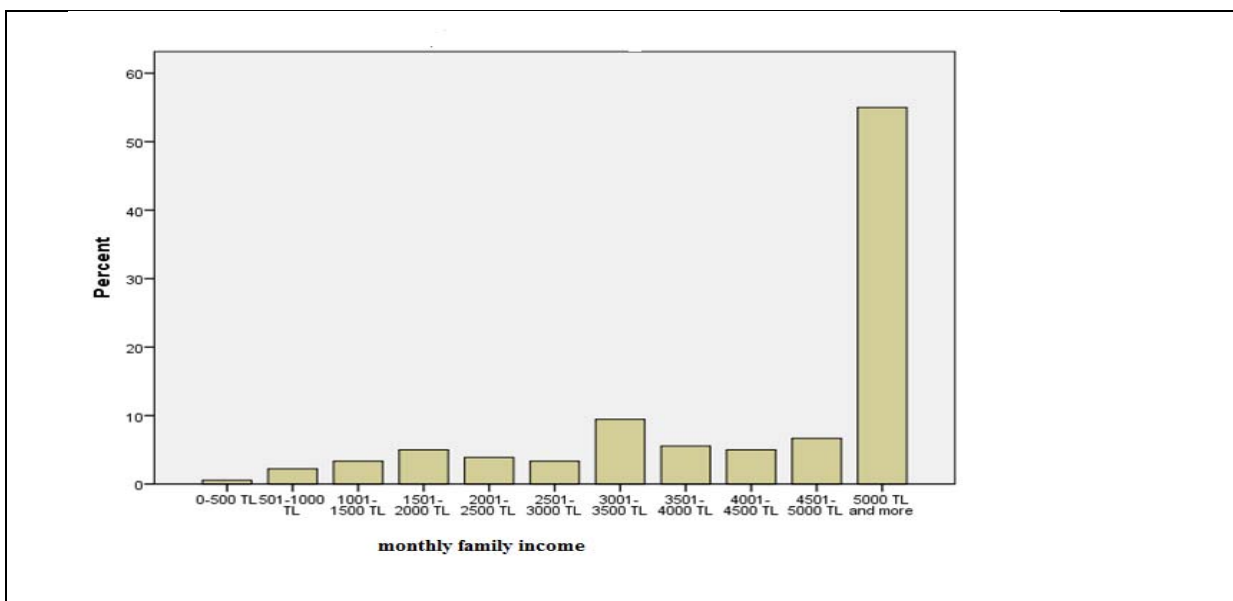
Approximately 49,4 percent of the respondents are university graduates and 38,3 percent of respondents have masters degree or higher. So it can be said that the education levels of the respondents is high. The table below presents the education levels of the respondents.

**Figure 4.3 Education Levels of the Respondents**

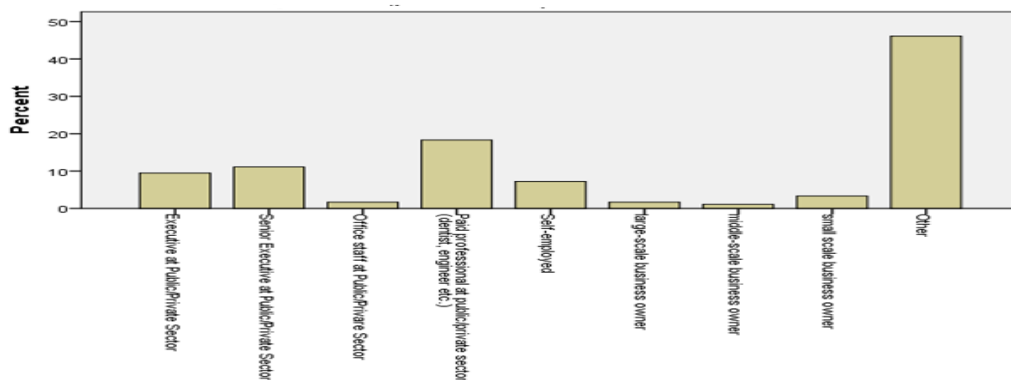


Majority of the respondents are working and their monthly family income is 5000TL and above. The tables below show monthly family incomes of the respondents and show whether the respondents are working or not. The results showed that almost all of the consumers have monthly family income levels are 5000TL and above. Besides almost all of the respondents are working and they stated their profession as other.

**Figure 4. 4 Monthly family incomes of the respondents.**



**Figure 4.5 Working Status of the respondents**



The table above shows the working status of the respondents. Majority of the respondents are working respondents and they selected the answer other.

## **4.2 FINDINGS AND RESULTS**

There were 348 respondents who filled out the survey distributed online. At the beginning of the analysis, missing value analysis has been made to the questions. There were fifty one questions in total; three to test Purchase Intentions, four to test Status Consumption, four to test Value Consciousness, three to test Information Susceptibility, five to test Normative Susceptibility, three to test Price-Quality Inference, three for Personal Gratification, three for test Integrity, six questions for Materialism and finally eight questions to test Attitudes. The survey tool which is used enabled the researcher to make answering all the questions compulsory, therefore there were not any missing data. However there were 168 surveys which were incomplete, so these were excluded from the analysis.

To test scale dimensionality and validation of the eight constructs both exploratory and confirmatory factor analysis were performed. Kaiser-Meyer-Olkin Measure of Sampling Adequacy of the factor test was 0,776 and the Bartlett's Test of Sphericity significance was 0,000. These results proved that sample size is satisfactory to perform factor analysis. The communalities of almost all items are higher than 0, 50 and the ones that were less than 0.50 were excluded and factor analysis was performed again. After these tests, Rotated Component Matrix has been performed. According to the results, several items are eliminated at the data reduction process; the items can be seen at Table 4.2. The reason behind the eliminations is that they were not matching with any or the factors.

**Table 4.1 List of Eliminated Questions**

**Value Consciousness**

I am concerned about the quality of the product.

**Price-Quality Inference**

I think if you want the best, you want to pay a little more.

**Personal Gratification**

A sense of accomplishment is important to me.

**Materialism**

I don't place much emphasis on the amount of material objects people own as a sign of success.

Some of the most important achievements in life include acquiring material possessions.

I put less emphasis on material things than people I know.

**Information Susceptibility**

I often consult other people to help choose the best alternative available from a product class.

After the elimination of these ten items, factor analysis has been performed again. The factors emerged from the analysis slightly differed from the proposed thesis model. The Attitude factor has been divided into three groups namely as Positive Product Attributes (functionality, quality and reliability), negative influence of counterfeits on industry and manufacturers(damaging the industry and damaging the rights of manufacturers) and personal and social factors (I do it because everybody else do, and never thought of buying counterfeits). There were not any constructs has been excluded but with the elimination of the items some scales are changed accordingly.



**Table 4.2 Factor Loadings**

	<b>Factor Loading</b>
<b>Purchase Intentions</b>	
I would think of buying counterfeits as an option.	0,853
I would buy counterfeits of original luxury brands from peddlers .	0,718
If my friend wishes I would think of purchasing counterfeits of luxury brands original brands for him/her	0,804
<b>Product Attributes</b>	
Counterfeits of luxury brands have the similar quality of as the original	0,838
Counterfeits of luxury brands provide the similar functions to the original	0,788
Counterfeits of luxury brands are as reliable as the original versions.	0,814
<b>Personal Ethics</b>	
I buy counterfeit products because everybody else does so.	0,606
I never even think of buying counterfeit products.	0,856
<b>Industrial</b>	
Counterfeit production damages the rights and interests of the original manufacturers.	0,844
Counterfeit production damages the luxury brands industry	0,885
<b>Status Consumption</b>	
I am interested in new products with status	0,773
I would buy a product just because it has status.	0,762
The status of a product is irrelevant to me	0,796
I would not pay attention to status of a product when buying.	0,834
<b>Value Consciousness</b>	
I compare prices for the best value of money	0,829
I like to be sure that I get my money worth.	0,905
I try to maximize the quality for the money spends.	0,835
<b>Price-Quality Inference</b>	
I believe that the higher the price of a product, the higher the quality	0,878
I think that the price of a product is a good indicator of its quality	0,881
<b>Personal Gratification</b>	
I value pleasure	0,740

I value social gratification	0,885
<b>Integrity</b>	
I value honesty.	0,752
I admire responsible people	0,875
I value people that have self control	0.716
<b>Materialism</b>	
I usually buy only the things I need	0.738
It sometimes bothers me that I can't afford to buy all things I would like to buy	0.759
Buying things gives me a lot of pleasure	0.650
<b>Information Susceptibility</b>	
If I have a little experience with a product, I often ask my friends about the product	0.872
I frequently gather information from friends or family about a product before I buy.	0.858
I often consult other people to help choose the best alternative available from a product class.	0.668
<b>Normative Susceptibility</b>	
It is important that others like the product and brands I buy.	0.764
If other people can see me using a product, I often purchase the brand they expect me to buy	0.852
I like to know what brands and products make good impressions on others.	0.874
If I want to be like someone, I often try to buy the same brands that they buy.	0.799

The revised model of the thesis after factor analysis is shown in the Table 4.3 and the revised hypotheses are as the following:

*H1a: Normative susceptibility has a negative influence on Positive Product Attributes of consumer attitudes towards counterfeits of luxury brands.*

*H1b Normative susceptibility has negative influence on “ negative influence of counterfeits on industry and manufacturers” of consumer attitudes towards counterfeits of luxury brands*

*H1c: Normative susceptibility has negative influence on personal and social factors of consumer attitudes towards counterfeits of luxury brands*

*H2a: information susceptibility has a positive influence on Positive Product Attributes of consumer attitudes towards counterfeits of luxury brands.*

*H2b Information susceptibility has negative influence on “negative influence of counterfeits on industry and manufacturers” of consumer attitudes towards counterfeits of luxury brands*

*H2c Information susceptibility has negative influence on “personal and social factors of of consumer attitudes towards counterfeits of luxury brands*

*H3a : Value consciousness has a positive influence on Positive Product Attributes of consumer attitudes towards counterfeits of luxury brands*

*H3b : Value consciousness has a positive influence on “negative influence of counterfeits on industry and manufacturers” of consumer attitudes towards counterfeits of luxury brands.*

*H3c: Value consciousness has a positive influence on personal and social factors of consumer attitudes towards counterfeits of luxury brands*

*H4.Integrity has a negative influence on “negative influence of counterfeits on industry and manufacturers” of consumer attitudes towards counterfeits of luxury brands.*

*H4b: Integrity has a negative influence on “Positive Product Attributes of consumer attitudes towards counterfeits of luxury brands*

*H4c.Integrity has a negative influence on personal and social factors of consumer attitudes towards counterfeits of luxury brands.*

*H5. Personal gratification has a negative influence on Positive Product Attributes of consumer attitudes towards counterfeits of luxury brands*

*H5b. Personal gratification has a negative influence on personal and social factors consumer attitudes towards counterfeits of luxury brands*

*H5c. Personal gratification has a negative influence on negative influence of counterfeits on industry and manufacturers “of consumer attitudes towards counterfeits of luxury brands*

*H6a. Status consumption has a negative influence on positive product attributes of consumer attitudes towards counterfeits of luxury brands.*

*H6b. Status Consumption has a negative influence on personal and social factors consumer attitudes towards counterfeits of luxury brands*

*H6c. Status Consumption has a negative influence on negative influence of counterfeits on industry and manufacturers “of consumer attitudes towards counterfeits of luxury brands*

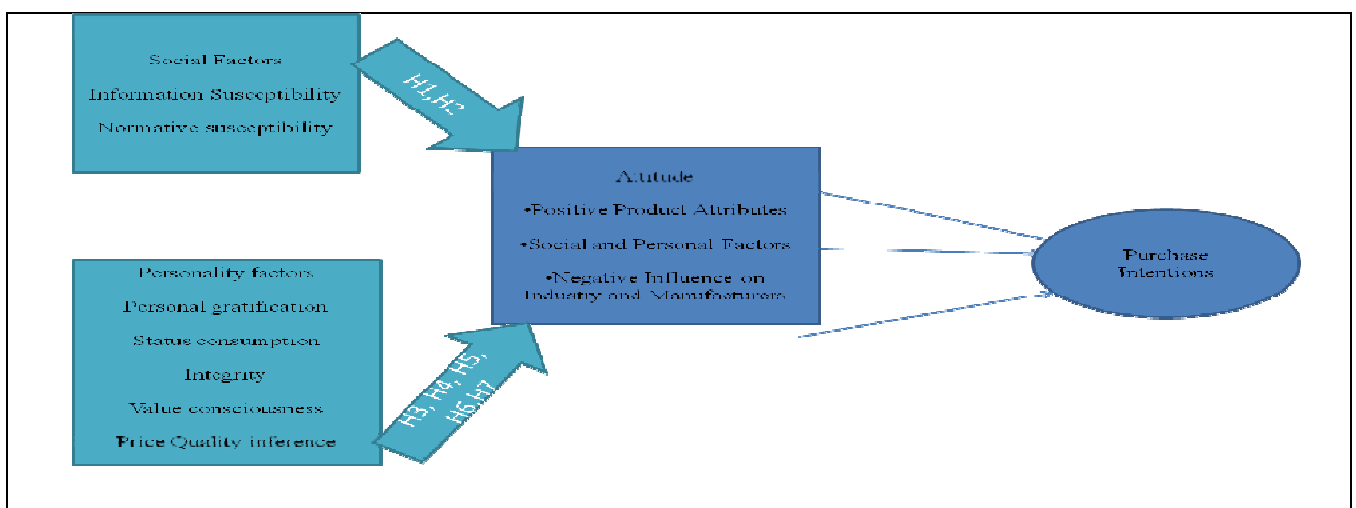
*H7a: Price-quality inference has a negative influence on and social factors of consumer attitudes towards counterfeits of luxury brands.*

*H7b. Price-quality inference has a negative influence on personal and social factors consumer attitudes towards counterfeits of luxury brands*

*H7c. Price-quality inference has a negative influence on negative influence of counterfeits on industry and manufacturers “of consumer attitudes towards counterfeits of luxury brands.*

*H8: There is a significant relationship between attitude and purchase intention towards counterfeits of luxury brands.*

**Figure 4.6 Revised model of the thesis**



After the factor analysis, reliability and correlation analysis have been made and then, regression analysis has been performed on the new model. Nearly all of the factors' Cronbach's Alpha values were more than 0,7 which shows that the factors were reliable. Only one factor's, materialism, was below 0.7 and this factor is removed from the model because it will be going to affect the reliability of whole model. The reliability scores all other factors are between 0,709 and 0,842 and this leads to the fact that the results are quite satisfactory. The results of the reliabilities and correlation analysis of each factor's are shown in Table 4.3 and Table 4.4 respectively.

**Table 4.3 Reliabilities of Factors**

<b>Variables</b>	<b>Source (Adapted from)</b>	<b>Reliabilities</b>
Information susceptibility	Bearden et.al, 1989	0.798
Normative susceptibility	Bearden et.al, 1989	0.842
Value Consciousness	Lichtenstein et al. 1990	0.821
Integrity	Ang et al. 2001	0.771
Status consumption	Eastman et al, 1997	0.710
Materialism	Richins and Dawson, 1992	0.036
Personal gratification	Ang et al. 2001	0.709
Price-quality inference	Lichtenstein et al, 1992	0.763
Personal and Social Factors(attitude)	Wang et.al, 2005	0.852
Negative Influence of Counterfeits (attitude)	Wang et.al, 2005	0.739
Positive Product Attributes (attitude)	Wang et.al, 2005	0.0805
Purchase Intention	Ang et al. 2001	0.682

This table above presented the reliabilities of each factor. Based on this table, almost all factors' reliabilities were above 0.7 except materialism; therefore it was removed from the model because it affects the reliability of the model.

**Table 4.4 Correlation Results**

	NS	IS	SC	VC	I	PQI	MAT	PG	PI	PPA	NIC	SPF
NS	1	.120	.602	.016	.017	.375	.266	.064	.064	-.109	.094	.177
IS	.120	1	.055	.255	.196							
SC	.602	.055	1	-.013	-.044	.283						
VC	.016	.255	-.013	1	.332	-.010	.014	.314	-.018	.023	-.004	-.148
I	.017	.196	-.044	.332	1	.008	.166	.379	.106	-.055	.295	.141
PQI	.375	.109	.283	-.010	.008	1						
MAT	.266	.104	.108	.014	.166	.104	1	.162				
PG	.064	.106	.081	.314	.379	-.011	.162	1				
PI	.064	.059	.084	-.018	.106	.053	.092	.128	1	.331	-.135	.173
PPA	-.109	.010	-.096	.023	-.055	-.102	-.078	-.065	.331	1	.277 <sup>**</sup>	.379
NIC	.094	.028	.052	-.004	.295	.020	-.066	.107	-.135	.277 <sup>**</sup>	1	-.017
PSF	.177	-.059	.060	-.148	.141	-.060	.066	-.020	.173	.379	-.017	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The minimum correlation was between materialism and personal gratification at 0.162 levels. The maximum correlation is between normative susceptibility and status consumption at 0.602 levels. There is a strong relationship between the factors personal gratification and integrity compared to others. Similarly, the relationship between price quality inference and normative susceptibility is also strong compared to others. Besides there is a strong negative relationship between the two dimensions of attitude: negative influence of counterfeits and positive product attributes, at -0.277 levels. The relationship of value consciousness and informative susceptibility with other factors are relatively weaker. There is also a relationship between the two dimensions attitude(positive product attributes and personal and social factors) and purchase intention. The last dimension of attitude has a no relationship between purchase intention. Finally, by looking at the table it can be said that except attitude factor, the other factors have no relationship with purchase intention.

After these analyses, regression analysis has been carried out. Because attitude towards counterfeits factor has been divided into three after the factor analysis, each factor has been taken separately. In the first step, positive product attributes (PPA) has been taken as a dependent variable and all other factors as independent. The results can be seen in Table 4.5

**Table 4.5 : Regression Analysis of PPA based on independent variables**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	3.365	.657		5.124	.000					
NS	-.052	.087	-.059	-.598	.551	-.109	-.046	-.045	.587	1.703
IS	.026	.069	.030	.383	.702	.010	.029	.029	.902	1.108
SC	-.034	.084	-.039	-.408	.684	-.096	-.031	-.031	.626	1.598
VC	.062	.100	.052	.621	.535	.023	.047	.047	.812	1.232
I	-.085	.129	-.056	-.662	.509	-.055	-.050	-.050	.788	1.269
PQI	-.066	.075	-.072	-.876	.382	-.102	-.067	-.066	.847	1.181
PG	-.077	.112	-.058	-.686	.493	-.065	-.052	-.052	.805	1.242

a. Dependent Variable: PPA

R Square: 0.026

Adjusted R Square: -0.014

The results showed that none of the independent variables have an effect on Positive Product Attributes because all of the independent variables' p values are greater than 0.05. Besides there is one other value which needs to be mentioned; VIF value which shows whether collinearity is a problem for the model or not and to be able to say that collinearity is not a problem for the model the VIF value should be less than 10. Since the VIF values are less than 10, it can be said that collinearity is not a concern.

Then the negative influences of counterfeits on producers and industry (NIC) has been taken as a dependent variable and regression analysis is performed again. According to results, only the Integrity has an effect on NIC. The results are shown in the table 4.6 below.

**Table 4.6 Regression Analysis of NIC based on independent variables**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	1.139	.799		1.425	.156					
NS	.100	.106	.088	.940	.349	.094	.071	.068	.587	1.703
IS	-.021	.084	-.019	-.247	.805	.028	-.019	-.018	.902	1.108
SC	.020	.102	.017	.192	.848	.052	.015	.014	.626	1.598
VC	-.174	.121	-.115	-1.436	.153	-.004	-.109	-.103	.812	1.232
I	.642	.157	.332	4.087	.000	.295	.298	.294	.788	1.269
PQI	-.023	.092	-.019	-.249	.804	.020	-.019	-.018	.847	1.181
PG	.021	.136	.012	.153	.879	.107	.012	.011	.805	1.242

a. Dependent Variable: NIC

Adjusted R Square: 0.072, R Square: 0.108

Finally the role of personal and social factors of buying (PSF) has been taken as independent variable and all other factors are taken as dependent variable. The results show that factors informative susceptibility, integrity and value consciousness have an effect on the personal and social factors of buying of consumer attitudes because their p values are smaller than 0.05., the other hypotheses were rejected. By looking at their VIF, it can be said that, since all values are less 10 than, the collinearity is not problem for the model.



**Table 4.7: Regression Analysis of PSF based on independent variables**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	2.624	.439		5.978	.000					
NS	.169	.058	.270	2.894	.004	.177	.216	.207	.587	1.703
IS	-.039	.046	-.063	-.835	.405	-.059	-.064	-.060	.902	1.108
SC	-.028	.056	-.045	-.498	.619	.060	-.038	-.036	.626	1.598
VC	-.167	.067	-.199	-2.506	.013	-.148	-.188	-.179	.812	1.232
I	.251	.086	.235	2.914	.004	.141	.217	.208	.788	1.269
PQI	-.095	.050	-.147	-1.888	.061	-.060	-.142	-.135	.847	1.181
PG	-.052	.075	-.055	-.691	.491	-.020	-.053	-.049	.805	1.242

a. Dependent Variable: PSF

From all these tables above it can be concluded that, the factor integrity has a negative effect on both negative influences of counterfeits and the role of social and personal factors of buying of attitude. So H4a and H4c have been supported. Also, the results proved that normative susceptibility has a negative effect on personal and social factors of buying. So, the H1c is supported. According to the results, value consciousness has a positive effect on attitude towards counterfeits, thus H3 is supported. The table above shows that, informative susceptibility, status consumption, price quality inference and personal gratification factors have no effect on personal and social factors of buying. So, H2, H5, H6 and H7 were rejected.

In order to understand the effect of attitudes on purchase intention, a final regression analysis has been performed. The results show that, only positive product attributes has a significant effect on purchase intention, but the other components of attitudes have no effect on purchase intention.

**Table 4. 8 Regression Analysis of attitudes and purchase intention**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.738	.440		1.679	.095	-.130	1.606					
PPA	.335	.091	.294	3.666	.000	.154	.515	.331	.266	.260	.783	1.277
NIC	-.047	.066	-.052	-.705	.482	-.178	.084	-.135	-.053	-.050	.914	1.094
PERS	.098	.125	.061	.789	.431	-.148	.344	.173	.059	.056	.848	1.179

a. Dependent Variable: PI

R Square: 0.11, Adjusted R Square 0.10

In the questionnaire, there were also two questions in which respondents were asked how many original and counterfeit products they bought in last two years and what types of products that they buy as original and counterfeit. These parts were also mandatory as all other questions and respondents were allowed to choose more one than answer. The frequencies of the choices are given in Table 4.9 and 4.10 respectively.

**Table 4.9 : Original Product Buying Frequency**

	Frequency	Percent	Valid Percent	Cumulative Percent
None	19	10.6	10.6	10.6
3 and less	69	38.3	38.3	48.9
Valid 3-5	40	22.2	22.2	71.1
5 or more	52	28.9	28.9	100.0
Total	180	100.0	100.0	

The table 4.9 above indicates that almost all respondents bought original products at least once in their lives. Among the respondents 38.8 percent have bought 3 or less original products, 22.2 percent of the respondents have bought between 3-5, and 28.9 percent of them have bought 5 or more original products. Also there were respondents who have not bought original products in the last two years with 10.6 percent.

**Table 4.10 Counterfeit Product Buying Frequency**

	Frequency	Percent	Valid Percent	Cumulative Percent
.00	88	48.9	59.5	59.5
Valid 1.00	60	33.3	40.5	100.0
Total	148	82.2	100.0	
Missing System	32	17.8		
Total	180	100.0		

1=counterfeit 0=original

The table 4.10 above presents the counterfeit buying frequencies of the respondents and the results show that almost 48.9 percent of respondents purchase original products whereas 33.3 percent of them purchase counterfeits. According to the answers of the respondents, the most popular original products that are bought are sunglasses, followed by clothes and shoes. When we come to counterfeit products, interestingly, the answer “none” is selected the most by the respondents. So it can be said that the respondents are tend to buy original products more than counterfeits. In the next question, the respondents were asked to select whether they buy original or counterfeit products from a list of products.(sunglasses, clothes, shoes, watches, accessories, purses, bags, others and none). Interestingly, the answer “none” was selected by the respondents at the most for counterfeits of luxury products. Besides, from this question it can be derived that, all of the respondents prefer to buy wrist watches original. On the other hand, the products purchased originally are sunglasses shoes and clothes.

## 5. DISCUSSIONS

The aim of this thesis was to understand the effect of social and personal factors on attitude of consumers towards counterfeits of luxury products. The factors are listed as social and personal factors and from these are selected as informative susceptibility, normative susceptibility, value consciousness, personal gratification, materialism; status consumption and integrity were selected as independent variables. In the previous chapter, the results based on factor analysis and regression analysis were presented. Out of which, 3 hypotheses were accepted and 5 of them were rejected. The table 5.1 below shows summary of the hypotheses and the results. As it is mentioned in the previous chapter, the attitude factor has been divided into three factors and the effects of each independent variable on each of the three new factors have been analyzed separately.

**Table 5.1 Summary of hypotheses and results**

Hypotheses	Results
Information susceptibility has a negative influence on: <ul style="list-style-type: none"> <li>• Positive Product Attributes</li> <li>• Negative Influence</li> <li>• Personal and Social Factors</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Product Attributes → rejected</li> <li>• Negative Influence → rejected</li> <li>• Personal and Social Factors → rejected</li> </ul>
Normative Susceptibility has a negative influence on: <ul style="list-style-type: none"> <li>• Positive Product Attributes</li> <li>• Negative Influence</li> <li>• Personal and Social Factors</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Product Attributes → rejected</li> <li>• Negative Influence → rejected</li> <li>• Personal and Social Factors → supported</li> </ul>
Status Consumption has a negative influence on: <ul style="list-style-type: none"> <li>• Positive Product Attributes</li> <li>• Negative Influence</li> <li>• Personal and Social Factors</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Product Attributes → rejected</li> <li>• Negative Influence → rejected</li> <li>• Personal and Social Factors → rejected</li> </ul>
Value consciousness has a positive influence on:	<ul style="list-style-type: none"> <li>• Positive Product Attributes → rejected</li> </ul>

<ul style="list-style-type: none"> <li>• Positive Product Attributes</li> <li>• Negative Influence</li> <li>• Personal and Social Factors</li> </ul>	<ul style="list-style-type: none"> <li>• Negative Influence→rejected</li> <li>• Personal and Social Factors→rejected</li> </ul>
<p>Integrity has a negative influence on:</p> <ul style="list-style-type: none"> <li>• Positive Product Attributes</li> <li>• Negative Influence on industry and manufacturers.</li> <li>• Personal and Social Factors</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Product Attributes → rejected</li> <li>• Negative Influence → supported</li> <li>• Personal and Social Factors → supported</li> </ul>
<p>Personal Gratification has a negative influence on:</p> <ul style="list-style-type: none"> <li>• Positive Product Attributes</li> <li>• Negative Influence</li> <li>• Personal and Social Factors</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Product Attributes → accepted</li> <li>• Negative Influence→ rejected</li> <li>• Personal and Social Factors→ rejected</li> </ul>
<p>Consumer Attitudes has a positive influence on purchase intention</p>	<ul style="list-style-type: none"> <li>• Positive Product Attributes has an effect</li> <li>• Negative Influence→ no effect</li> <li>• Personal and Social Factors→ no effect</li> </ul>

From the table above it can be concluded that integrity has a strong negative influence on personal and social factors and negative influences on industry of attitudes towards counterfeits factor so H4 is accepted. This results is supported by the findings of Phau and Teah(2009) and De Matos et al. (2007).

Also the original hypotheses suggested that normative susceptibility has a negative influence on attitudes towards counterfeits. The results of the regression analysis showed that one of the components of attitude factor; the role of personal and social factors of buying has a negative influence, so this hypothesis is also supported. This result matches with studies in the literature.

Hypothesis about personal gratification was rejected, meaning that consumers with low personal gratification would have less favorable attitudes towards counterfeits. The result is supported by the finding of De Matos et al. (2007)

The null hypotheses about status consumption and information susceptibility were also rejected because the results showed that these factors have no affect on consumer attitudes towards counterfeit products. According to results, value consciousness has a positive influence on attitudes towards counterfeits so H3 is supported. Besides, it was suggested that price quality inference would have negative influence on attitudes but this hypothesis was also rejected.

In the beginning of the study, it was proposed that attitudes positively affect purchase intentions. As it is mentioned in the previous chapter, during the factor analysis, the attitude factor is divided into three and among these groups, positive product attributes affects purchase intention. However, the other two; social and personal factors and negative influence on industry and manufacturers have no affect on purchase intention.

## 6. CONCLUSIONS

The results of this thesis indicates that consumers in Turkey who participated in this study are likely to consider other people's opinions and thoughts when buying a particular product, they like to make good impression others and they often purchase the brands which others expect them to buy.

It is pleasing to know that respondents have high sense of integrity; they value honesty, responsibility and self control. From this it can be derived that being caught while purchasing counterfeit products would make them unhappy and irresponsible and according to results they also believe that counterfeit production would harm the manufacturers of original products so they would not willing to purchase counterfeit products of the value they put in responsibility because it is an ethical responsibility. This result matches with the literature.

For these consumers, value consciousness has a positive influence on attitudes towards counterfeits, therefore it can be derived that for these consumers the image, value and prestige benefits are important but these consumers are not willing to high prices for luxury product and may consider counterfeits as an alternative. This result actually matches with the study of Phau et al. study. (2009) but while thinking counterfeits as an alternative they don't think it is necessary to collect information from other people because the hypothesis about information susceptibility is rejected. These consumers do not collect information from others when they have little information about a product or they don't consult other people about a certain product.

The results showed that price quality inference would have negative influence on attitudes but this hypothesis was also rejected. This means that these consumers don't use price as a reference for quality. This result doesn't match with the literature, but on the other hand, since majority of these consumers purchase original products rather than counterfeits, this result wouldn't be a surprise.

Lastly the results showed that the consumers' attitude of whether they are in favor or not in favor of counterfeit products have an effect the consumer's purpose or objective to purchase counterfeit products but only on the product attributes side which means that the consumers who

participated in this study value the product attributes, they believe that counterfeits provide similar functions to counterfeits, they are as reliable as originals but they would not consider it buying as an option, or would not buy counterfeits from peddlers or would not purchase it for a friend. So it is interesting to say that, although they believe that counterfeits are as functional as the original ones, they would not purchase it as an option.

Actually, this result contradicts with what is came out in value consciousness because in value consciousness questions we asked people whether they would think counterfeits as alternatives or not and similar questions existed in the purchase intention questions.

An interesting result came out after this study; there are a high percentage of consumers who prefers to purchase original products over counterfeits and this can be explained by several points. First of all, consumers purchase originals of luxury brands because luxury goods enable consumers to satisfy psychological and functional needs and above all these psychological benefits can be regarded as the main factor distinguishing luxury from non-luxury products or counterfeits. (Wiedmann et al., 2007).

Second, luxury brands are consumed for displaying wealth and power and also consumers purchase originals of luxury brands for exhibiting their material goods and, wealth and status. (Veblen, 1899). The counterfeits of original brands do not really satisfy that need of showing wealth and status because of their lower price and quality.

According to Wiedmann et al.(2007), consumption of luxury goods involves purchasing a product that represents value to both, to the individual and their reference group. So, it can be derived that, people purchase luxury goods in order to be a part of a certain group, get approval from their social environment. Veblen's theory of conspicuous consumption also suggests similar thing by stating that conspicuous consumption is based on the premise that those who put wealth "in evidence" are rewarded with preferential treatment by social contacts. (Bagwell and Bernheim, 1996). Therefore it is possible to conclude that buying and consuming in a public context is an important issue in conspicuous consumption and has an impact on shaping consumer behavior and consumers' brand preferences (Bagwell and Bernheim, 1996).



## **LIMITATIONS OF THE STUDY**

This thesis has some limitations. First of all, in the beginning, while preparing the survey, I didn't assume that there would be too many female respondents and less male respondents because it is such a daily topic, counterfeit products are sold almost in every corner and everyone from various ages purchase these kinds of products. But the result proved just the opposite; there were almost 159 female respondents and 21 male respondents and this caused a pretty female dominated sample and it was not possible to compare which type of products are purchased by females and males.

The other point is that, since counterfeits are sold everywhere, I assumed that there would be many people who purchased but again the results proved just the opposite. My sample consists of female respondents with mostly 5000 TL and above income levels and purchasing original products. Due this, most of the hypotheses proposed in the research were rejected. There is another fact that, during the research face to face validity studies could be done more carefully and analyzed more carefully, due to time limitation and my lack of attention, this could not be done.

The results of the questionnaire showed that respondents' answers which they gave to different questions were not really matching with each other; for example the consumers who participated in this study value the product attributes, they believe that counterfeits provide similar functions to counterfeits, they are as reliable as originals but they would not consider it buying as an option, or would not buy counterfeits from peddlers or would not purchase it for a friend. So it is interesting to say that, although they believe that counterfeits are as functional as the original ones, they would not purchase it as an option. Actually, this result contradicts with what is came out in value consciousness because in value consciousness questions we asked people whether they would think counterfeits as alternatives or not and similar questions existed in the purchase intention questions.

The final limitation could be the fact that, although Turkey is one of the leaders in counterfeiting and it is possible to see counterfeit products everywhere, the studies which are done about this subject are limited.

## **RECOMMENDATION FOR FURTHER RESEARCH**

For further research focus groups or interviews could be added to this study to get more precise answers and would help to get more honest answers. In a survey with these questions, there is a chance that people would present themselves as others or deny their personal values. Focus groups may prevent these. Besides, there is too much psychology involved in this subject similar to most of other consumer behavior topics, therefore maybe psychological aspects could be analyzed more. Finally, different variables could be looked upon, maybe specific product categories can be selected rather than all product categories and sample selection should be distributed evenly.

## **MANAGERIAL IMPLICATIONS**

From the results of the study, it is found that, integrity is very important and has significant impact on consumer's attitudes, therefore original product manufacturers may put more emphasis on this issue and develop their marketing strategies accordingly so that they could encourage consumers to consider values such as responsibility and honesty in their lives, although this may be difficult to change. Since these consumers are aware of the fact that production would harm the manufacturers of original products, the marketing and advertising campaigns of original products could be done in this way, by putting more emphasis on the rights of the manufacturers and original brands business and maybe the honesty part could be underlined more because it can be a hook to catch the consumers. The original luxury brand manufacturers can widen the gap between risks of purchasing a low quality, fault ridden counterfeit with a sound and valuable original (Cordell et al., 1996). Loyal or current consumers can be encouraged to purchase original brands through promotional campaigns that aim at reinforcing positive attitudes towards the brand (Cheung and Prendergast, 2006).

The findings have also shown that value conscious consumers are more likely to purchase counterfeits of luxury brands. This result matches with the previous studies. One way to combat this behavior is to use repetitive advertisements containing messages such as "even the best copy could not be closer to an original product" to stress the quality and value of the original brand.

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## APPENDICES

### APPENDIX 1. Questionnaire Sample

Günümüzde özellikle giysi ve gözlük, saat vs. aksesuar kategorisinde bilinen lüks markaların orijinaline çok benzerleri yapılmakta ve çok sayıda tüketici tarafından da satın alınmaktadır. Bu çalışma bir yüksek lisans tezi kapsamında, tüketicilerin lüks markaların orijinallerine çok benzerlerini satın alma davranışını incelemek amacıyla yürütülmektedir. Sorulara içtenlikle vereceğiniz cevaplar çalışma için çok büyük önem taşımaktadır. Kişisel bilgileriniz kesinlikle gizli tutulacak ve 3. şahıslarla paylaşılmayacaktır.

1.BÖLÜM Aşağıdaki sorular için size en uygun gelen cevabı işaretleyiniz

1. Giysi ve aksesuar kategorisinde lüks markalar denilince aklınıza hangi markalar gelmekte?

2. Bildiğiniz gibi, günümüzde bilinen lüks markaların orijinallerinin yanı sıra, çok benzerleri veya benzerleri üretilmekte ve tüketiciler bu tip ürünleri almaya eğilim göstermektedirler. **Bunu göz önüne alarak son 2 sene içinde kaç tane orijinal ve benzer ürünler aldığınızı lütfen tablo üzerinde uygun seçeneği belirtiniz.**

	Hiç	3 ve daha az	3-5	5 veya daha fazla
Orijinal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Orijinaline çok benzer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Orijinaline benzer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Lüks ürün kategorisinde orijinal veya benzer markalar niteliğinde hangi tür ürünleri satın aldığımızı aşağıdaki tabloda işaretleyiniz

	güneş gözlüğü	giysi	Ayakkabı	Saat	aksesuar	cüzdan	Çanta	Diğer( numaralı gözlük, zippo, vs.)
Original	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
orijinaline çok benzer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
orijinaline benzer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Kendimi yakın gelecekte hayal ettiğimde, bir şansım olsa,

	Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum, ne de katılmıyorum	Katılıyorum	Kesinlikle katılıyorum
Bir ürünü alırken, lüks markaların orijinaline çok benzerlerini seçenek olarak düşünebilirim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
İşportadan orijinaline çok benzer lüks marka ürün alırım	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bir arkadaşım için orijinaline çok benzer lüks marka ürün almayı düşünürüm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. BÖLÜM Aşağıda bir tüketici olarak alışveriş yaklaşım ve tercihlerinize ilişkin ifadeler yer almaktadır. Bu ifadelerin sizin için ne ölçüde geçerli olduğunu , her ifadeye ne derece katılıp katılmadığınızı lütfen ölçek üzerinde işaretleyiniz.

	Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum, ne de katılmıyorum	Katılıyorum	Kesinlikle katılıyorum
Belirli bir statü temsil eden yeni ürünler her zaman ilgimi çeker.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bir ürünü almamda o ürünün temsil ettiği statü hiç rol oynamaz	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Çoğu kişi gibi belirli bir statüyü temsil eden bir ürüne daha fazla para verebilirim	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ürünlerin temsil ettiği/çağrıştırdığı statülerle hiç ilgilenmem.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bir ürünün kalitesi beni yakından ilgilendirir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paramın karşılığını en iyi şekilde	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

alabilmek için fiyat karşılaştırması yaparım.					
Paramın karşılığını aldığımdan emin olmak isterim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Her zaman harcadığım paranın karşılığında alacağım kaliteyi maksimuma çıkarmaya çalışırım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bir ürün grubundan en iyi seçenekleri seçmeleri konusunda genellikle arkadaşlarıma yardımcı olurum.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hakkında çok az deneyime sahip olduğum bir ürün konusunda çoğunlukla arkadaşlarıma danışırım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Bir ürün almadan önce sıklıkla arkadaşlarımdan ve ailemden o ürün hakkında bilgi toplarım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bence, bir ürünün fiyatı ne kadar yüksekse, ürün o kadar kalitelidir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bence bir ürünün fiyatı, o ürünün kalitesi için belirleyicidir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
En iyisini istiyorsam biraz daha fazla ödemekten çekinmem.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Başkalarının aldığı ürünleri beğenmeleri benim için önemlidir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosyal bir ortamda iken, başkalarının satın almamı	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<p>bekledikleri ürünleri kullanıyor olmam, çoğu insan gibi benim için de önemlidir.</p> <p>Hangi ürün ve markaların başkalarının üzerinde iyi bir izlenim bırakacağını bilmek isterim.</p> <p>Hoşlandığım/takdir ettiğim kişilerin kullandığı markaları tercih etmeye çalışırım.</p> <p>Bir ürünün kalitesi beni yakından ilgilendirir.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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7. Aşağıdaki ifadeler kişi olarak önceliklerinizi daha iyi anlamak üzere hazırlanmıştır. Bu ifadelere ne derece katıldığınızı lütfen ölçek üzerinde belirtiniz.

	Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum, ne de katılmıyorum	Katılıyorum	Kesinlikle katılıyorum
Başarı hissi benim için önemlidir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keyifli bir yaşama önem veririm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosyal tatmine değer veririm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dürüstlüğe önem veririm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sorumluluk sahibi insanlara hayranlık duyarım.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
İradeli insanlara değer veririm.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bazen almak istediğim şeyleri alamamış olmam beni rahatsız eder.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Para veya maddi karşılıklarla	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<p>ödüllendirildiğim başarılarım, hayattaki en önemli başarılarımdır.</p> <p>İnsanların başarı işareti olarak gördükleri nesnel objelerin çokluğu, benim için çok önem taşımaz</p> <p>Genellikle, sadece ihtiyacım olan şeyleri alırım.</p> <p>Birşeyler almak bana büyük bir zevk verir.</p> <p>Nesnel objelere tanıdığım insanlara kıyasla daha az önem veriyorum.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Bu çalışmanın temel konusu olan ve çoğumuzun veya yakın çevremizin tercih ettiği orjinal ürünlerin benzeri nitelikteki ürünler her geçen gün daha fazla artmakta/dikkati çekmektedir. Aşağıda **orjinaline çok benzer/ benzer** nitelikteki bu ürünlere yönelik görüşlere ne derece katıldığınızı ölçek üzerinde belirtiniz

	Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum, ne de katılmıyorum	Katılıyorum	Kesinlikle katılıyorum
Orijinaline çok benzer ürünler almanın ahlaki değerlerle bir alakası olduğunu düşünmüyorum.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Orijinaline benzer ürünler en az orjinalleri kadar güveniliridir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hiçbir zaman orijinali dışında ürün almayı düşünmedim.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Orijinaline benzer ürünler satın alıyorum; çünkü herkes alıyor.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Orijinaline çok benzer ürünler, en az orjinalleri kadar kullanışlıdır.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Orijinaline	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

benzer ürünler, en az orijinalleri kadar kalitelidir. Orijinaline benzer ürün üretimi lüks marka endüstrisine zarar verir. Orijinaline benzer ürün üretimi orijinal üreticilerin haklarına ve çıkarlarına zarar vermektedir.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**3. BÖLÜM** Bu bölümdeki sorular sadece tanıma amaçlı sorulardan oluşmaktadır, kişisel bilgileriniz kesinlikle 3.şahıslarla paylaşılmayacaktır.

9. Cinsiyetiniz?

- Kadın
- Erkek

10. Lütfen yaşınızı belirtir misiniz?

11.En son bitirdiğiniz kurum itibarı ile eğitim durumunuz?

- İlköğretim
- Lise
- Üniversite
- Yüksek lisans
- Doktora veya üzeri

12. Medeni haliniz?

- Evli
- Bekar

13. Çalışıyor musunuz?

- Evet
- Hayır, öğrenci
- Hayır, emekli
- Hayır, ev hanımı
- Diğer

14. Şu andaki göreviniz/ pozisyonunuz?

- Kamu/Özel sektörde üst düzey yönetici
- Kamu/Özel sektörde orta düzey yönetici
- Kamu/Özel sektörde memur-büro elemanı
- Kamu/Özel sektörde maaşlı profesyonel(işletmeci, mühendis, vs.)
- Serbest meslek sahibi(Dr., avukat, mimar, dişçi, vs.)
- Büyük ölçekli işletme sahibi(25 kişiden fazla çalıştıran)
- Orta ölçekli işletme sahibi(10-24 kişi çalıştıran)
- Küçük ölçekli işletme sahibi(10 kişiden az çalıştıran)
- Diğer

15. Aylık aile geliriniz ?

- 500 TL ve altı
- 501-1000 TL
- 1001-1500 TL
- 1501-2000 TL
- 2001-2500 TL
- 2501-3000 TL
- 3001-3500 TL
- 3501-4000 TL
- 4001-4500 TL
- 4501-5000 TL
- 5000 TL ve üzeri



**APPENDIX 2:**

**Table 2. 1: Previous Studies about demand side of counterfeiting**

Study	Aim	Sample/Method	Variables	Scale	Results
Bloch et al., 1993	to shed a light on consumers' acceptance of counterfeit goods.	survey, 200 adult US consumers	price, self image, product importance, store reputation, durability, fashion ability of the product, brand image	5 point Likert Scale	brand image has a positive influence on purchasing a counterfeit compared to purchasing a designer label or no logo; apart from good value, all evaluation items scored higher for the designer label compared to the counterfeits; self-image is partially significant.
Wee et al., 1995	to understand why consumers buy counterfeit products by focusing only on consumers who knowingly purchase counterfeit products	survey, 949 students and working adults	psychographic variables (attitude towards piracy, brand status, materialism, novelty-seeking, risk taking), product attribute	7 point Likert Scale	attitude towards piracy is related to purchase intention for all counterfeit products; brand status, materialism, novelty seeking, and risk-taking have no influence.

Chakraborty et al. ,1996	to present the findings from an exploratory study that examines how the country of manufacturer of the product being imitated and consumer ethnocentrism impact consumers' perceptions of risk in buying counterfeits, evaluations of quality of counterfeits, and decisions	survey and scenario based experiment	perceived risk, past purchase feelings, quality evaluations,	7 point Likert Scale	High ethnocentric consumers perceive higher risk, evaluate counterfeits more negatively and feel more guilty after purchasing , when the original is made in U.S. and lower risk when the original is made in Germany compared to low ethnocentric consumers.
Tom et al, 1998	to identify counterfeit product prone consumers and the product attributes that attract them	survey, 126 US consumers	quality, past purchase experience, lawfulness of purchasing counterfeit products, anti-big business attitude, demographics	5 point Likert Scale	experience with counterfeit purchases enhances attitudes towards counterfeiting
Ang et al. 2001	to examine Singaporean consumers' motivation for buying counterfeits or pirated products.	survey, 3621 Singaporean consumers	consumer susceptibility, price, self image, perceived risk, morality of buying fake products, , value consciousness, integrity, personal gratification	-	positive correlation between attitude/purchase intention; negative influence of normative susceptibility, integrity and personal income on attitude towards piracy; positive

					influence of value consciousness on attitude towards piracy
Albers-Miller, 1999	To model the decision to purchase illicit goods.	Survey	product type, buying situation, perceived risk and price	Likert Scale	selling price enhances willingness to buy a counterfeits; presence of friends who also buy an illicit good enhance willingness to buy, buying alone decreases the willingness to buy perceived criminal risk has higher influence on buying stolen vs. counterfeit or genuine product
Nia& Zaichkowsky, 2000	To investigate how does the proliferation of counterfeits impact on the special equity of luxury brands.	survey, 69 Canadian consumers	quality, status symbol, price, durability, exclusivity, fun, prestige	-	Other than fun and prestige, all other dimensions (quality, status symbol, price, durability and exclusivity), consumers prefer genuine products over counterfeits.
Gentry et al., 2001	To investigate the live experiences of consumers with	interview with 100 international students at an Australian	quality, status symbol, price, durability,	-	counterfeits are purchased because of the brands; consumers

	counterfeits.	University			prefer counterfeits as a low-grade version with the intent to purchase the authentic product if trial is successful; offer lesser value for lesser cost; are purchased because they provide novelty and symbolize one's travel experiences for tourist consumers.
Prendergast et.al 2001	To understand more about consumers' buying behaviour by asking "who buys?", "when do they buy?", "where do they buy?", "why do they buy?" and "how do they buy?"	focus groups, survey with 100 consumers	price, physical appearance, durability, brands status, morality and lawfulness, conspicuous consumption and buying location	7 point Likert Scale	The results suggest that price is an important criterion, but not the only important criteria. Product quality, physical appearance, wide variety and brand status are also important. Ethics and legality issues do not play an important role in purchase decisions.
Prendergast et.al 2002	To identify who buys pirated brands, why they buy these goods and how they buy	survey, 200 consumers from Hong Kong, focus	price, quality, material, physical appearance, design, durability, brand	-	Quality and large supply enhances purchase intentions

	them.	group,	status, after-sale service, ethical issues, friends' opinion, popularity		for high spenders in case of VCDs; quality, material and friend's/family opinion is important for purchase intentions for low spenders in case of t-shirts. For t-shirts, quality, popularity, ethical and legal issues are more important than for VCDs. Overall price is very important for all the consumers regardless of their spending levels.
Hoe et al., 2004	To address the role of counterfeit fashion brands and their implications in the construction of consumer identity.	20 Interview with people below 30.	Perceived quality, lawfulness, status	-	The study shows that there is a contradiction in attitudes towards counterfeit goods.
Penz and Stöttinger, 2005	To develop a comprehensive model of the antecedents and drivers of volitional purchase of fake products.	1040 Austrian consumers	fashion involvement, ethical predisposition, price, subjective norm, self identity, embarrassment potential, readiness to take risk, brand image, access to counterfeits, perceived behavioural control	Likert Scale	attitude towards counterfeiting and self identity have a positive effect on purchase intentions; normative pressure and perceived behavioral control have a positive

					<p>impact on purchase intentions; personality traits influence attitude towards counterfeiting and subjective norm, price consciousness has no impact, access to counterfeits has a positive impact on purchase intentions. Purchase intentions are useful in predicting purchase behavior.</p>
Maldonado and Hume, 2005	to analyze the factors that influence customers to purchase counterfeit products.	Survey	demographic factors, type of products, consumer ethics, locus of control, financial risk, value consciousness, willingness to buy	7 point Likert Scale	The results show that ethics and financial risks are strong negative predictors of the evaluation of the products. Value consciousness differs from consumers to consumers.
Gentry et al., 2006	to investigate the cues used by consumers from areas where counterfeits are	interview with 102 international students at an Australian	sales outlet, price, quality and/or performance, willingness to seek counterfeits, social	-	The results suggest that sales outlet play an

	<p>plentiful, to make evaluations of a product's genuineness.</p>	<p>University</p>	<p>status</p>	<p>important role in counterfeit purchasing decisions. The other indication is that tourists, regardless of their education levels, seek 'authentic' experiences in their travels and view the purchase of counterfeit products as symbolizing part of the authentic experience. The final result is that consumers in developing countries are extremely price conscious.</p>
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<p>Prendergast et.al 2006</p>	<p>to examine the demographic profiles of heavy and light buyers of pirated products and compare perceptions of pirated products vs. original products across 3 cities</p>	<p>focus group and survey with 1152 consumers</p>	<p>Status symbolized by the brand, distribution channel, price, appearance and visibility, product durability and reliability.</p>	<p>7 point Likert Scale</p>	<p>tertiary-educated males in white collar occupations are heavy purchasers of pirated video discs, attracted by their speed of publication, variety and supply. Heavy and light buyers of pirated clothing and accessories has similar demographic and attitudinal profiles, and were mainly attracted by the appearance of the product. Both product categories were rated less positively on their ethical and legal dimensions, and on after-sales service</p>
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<p>Eisend and Schuchert-Güler, 2006</p>	<p>to review a number of existing studies on the determinants of consumers' intention to purchase counterfeit products, and in doing so, provide an overview of the insights on this topic and identify potential gaps</p>	<p>focus groups and in-depth interviews</p>	<p>price, product attributes, social and cultural context, purchase situation, mood, demographic and psychographic variables</p>	<p>Likert Scale</p>	<p>The willingness of consumers to purchase a counterfeit product appears to increase if they are able to rate the quality of a product before purchase. The higher the willingness to take risks, the higher the willingness to purchase counterfeits that have primarily experience qualities. Situational context also important, the study show that, people buy status symbolizing brands particularly when they are on holiday.</p>
<p>de Matos et al., 2007</p>	<p>to propose and test a model that deals with the main predictors of consumer attitudes towards counterfeits and their intention to buy such products</p>	<p>survey with 400 consumers</p>	<p>risk averseness, perceived risk, integrity, personal gratification, subjective norm, past experience, behavioural intentions, price quality inference</p>	<p>Likert Scale</p>	<p>Consumers who considered important values as honesty, politeness and responsibility tended to have a negative attitude toward counterfeits; consumers who seek to have a sense of accomplishment have positive</p>

				attitudes; consumers who considered the price as an indication of quality had more favorable attitudes toward counterfeits,. The results proven that, other's opinion is important and finally, past purchase is an important indicator for future purchases.
Furnham and Valgeirsson, 2007	To examine the attitudes, beliefs and personality traits that account for the variability in people's willingness to buy counterfeit goods.	survey with 102 consumers	Materialism, person's value system (universalism and conformity), attitude towards counterfeits.	9 point scale. Beliefs about materialism do account for variance in people's willingness to buy counterfeit goods., high centrality reduces willingness to buy counterfeit goods; happiness and success from the materialism scale did not predict willingness to buy counterfeit goods. Background information proved to be the strongest block

					of predictors for willingness to buy counterfeit products.
Bian and Veloutsou,2007	to investigate consumers' views on counterfeit brands and to contrast them with genuine brands and the non-logo brands	focus group and survey	price, image, perceived fashion content, demographic variables, country of origin, perception of risk, attitudes about counterfeits, brand statues, appearance, quality	Likert Scale	Chinese respondents were less willing to admit that they purchased them for any reason or that they bought them for their own use British respondents stated that they were more willing to buy counterfeit brands for their own use, rather than as presents and admitted that they did purchase these brands more for their own use rather than for presents. Age is an influential factor in the intention and the actual purchasing frequency of counterfeit products for British consumers but not for Chinese consumers. All

				respondents appreciated that the exchange of counterfeit brands is not really ethical or legal. All consumers were somewhat unsure whether or not the counterfeit brands and the non-logo brands had similar quality.
Penz and Stöttinger, 2008	to determine the main differences and similarities, identify core aspects and relative evaluations of counterfeit brands and their counterpart original brands.	free association technique, 1347 associations	fashion involvement, the Self and individualism	- consumers associated original brands with exclusiveness, self-realization and something that can help distinguish themselves from others by having something that is in vogue. They also offer a certain beautiful or attractive reward. Respondents assumed high original brand awareness and fashion consciousness within their social group. The concept

					<p>“counterfeit brand” is associated with negative characteristics and emotions, low quality, questionable legal aspects. Respondents also indicated that they would feel cheated because they feared that counterfeits would attract unwanted attention.</p>
Shoham, Ruvio and Davidow, 2008	to assess the impact of consumer ethics and their piracy attitudes on piracy behaviour.	Survey	moral equity, relativism, attitudes toward the act	7 point Likert Scale	<p>the more negative consumers’ attitudes to piracy, the lower would be their use of pirated software and purchase of illegal copies of music CDs. Moral equity had a negative and significant impact on purchases of illegal copies of music CDs and relativism-based</p>

					perceptions had a similar impact on illegally copying software. The final result shows that more negative consumers' attitudes to piracy, the lower would be their use of pirated software and purchase of illegal copies of music CDs.
Alexander Walters and Cherly Buff, 2008	extending the research of Tom et al(1998) and compare the attitude differences from Tom et al.'s study to a new sample after 10 years.	Survey	past purchase behaviour, prices willing to pay, demographics	Likert Scale	overall measure of attitudes towards counterfeiting today are similar to those measured ten years ago, however differences on individual attitude items exist.
Phau et al. 2009	to examine the influence of personality factors and attitudes towards consumers' willingness to knowingly purchase counterfeit luxury brands.	Survey	status consumption, materialism, integrity	7 point Likert Scale	attitudes do not influence consumers' willingness to purchase counterfeit luxury brands. Integrity has a strong influence on both attitudes

					and consumer willingness to purchase consistently. Both buyers and non-buyers are tested for their attitudinal differences. Status consumption and materialism does not play a role in influencing attitudes or willingness to purchase.
Gistri et al., 2009	to understand the consumption practices by applying frames and models of consumption behaviour	in-depth interviews with 15 respondents.	personal gratification, individual drivers, position gained by using counterfeit luxury brand	-	The findings suggests that people could consider with special significance a particular version of a counterfeit, and then decide to buy and consume it, after obtaining solid knowledge of the originals, built from time spent seeking information, analyzing products etc.
Yoo and Lee,	to examine the effect of 3 groups of	Survey	materialism, self image, perception of	7 point	The results showed that

2009	variables on purchase intention of luxury brands and their counterfeits.		future social class, past purchase	Scale	purchase intention of luxury fashion counterfeits was positively predicted by past purchase experiences of counterfeits positive attitudes toward buying counterfeits by economic benefits positive attitudes toward buying counterfeits by hedonic benefits, and materialism . Purchase intention of genuine luxury fashion products was positively predicted by past purchase experiences of originals materialism, perceived future social status, and self-image and negatively predicted by positive attitudes toward buying counterfeits.
Phau et al. 2009	how social and personality factors influence Chinese	survey with 270 Chinese consumers	normative susceptibility, information	N/A	Status consumption has a negative



	consumers' attitudes towards counterfeits of luxury brands and how these two sets of variables influence purchase intention		susceptibility, collectivism, value consciousness, novelty seeking, integrity, status consumption,		influence. Information susceptibility has a significant negative relationship towards “perceptions of counterfeits” while normative susceptibility showed a significant positive relationship. Collectivism, value consciousness, integrity and personal gratification did not show any significant relationship
Ferreira, Botelho, 2009	to investigate what is the relevance of the supply attributes that influence the decision making of the counterfeit consumer in comparison to the consumer of original products	survey, in-depth interviews	price, symbolic value of the brand, quality, similarity to the original brand, product attributes	N/A	counterfeit consumption occurs beyond the questions of price or other objective values, since if the purpose of buying is merely economical, the consumer could choose an imitation (copy without using the brand). price is an attribute

					that distinguishes the decision process in both samples: the counterfeit consumer does not seem ready to pay dearly for the original product, not because of a lack of purchasing power.
Kim and Kaprova, 2009	to identify motivations that influence attitudes toward buying fashion counterfeits and use theory of planned behaviour to examine the relation among attitude towards buying counterfeits	survey, college women from a Midwestern university	informative susceptibility, normative susceptibility, integrity, status consumption, materialism, product appearance, past purchase	7 point scale	The results show that product appearance, past purchase behavior, and value consciousness are positively related to attitude toward purchasing fashion counterfeit goods, Whereas normative susceptibility is negatively related to the attitude.

<p>Wilcox et.al, 2009</p>	<p>To show that both consumers' preferences for a counterfeit brand and the subsequent negative change in their preferences for the real brand are greater when their luxury brand attitudes serve a socially adjustive rather than a value expressive function.</p>	<p>experiment, 3 studies</p>	<p>value expressive function, social-adjustive function, brand conspicuousness, advertising copy</p>	<p>Likert Scale</p>	<p>Social adjustive participants had higher purchase intent than value expressive ones. Logo plays an important role and social adjustive consumers have higher purchase intention. Moral beliefs had a stronger effect on purchase intent of the value expressive participants.</p>
<p>Phau, Ian.; Sequueira Marishka.; Dix, Steve, 2009</p>	<p>to examine the effect of personality factors on consumers' attitudes toward counterfeits and their willingness to knowingly purchase counterfeit luxury brands.</p>	<p>Survey</p>	<p>status consumption, materialism, integrity, product attributes (appearance, visibility, performance), attitudes toward the lawfulness and legality of counterfeit luxury.</p>	<p>Likert Scale</p>	<p>attitudes towards lawfulness of counterfeits and attitudes towards legality of purchasing counterfeits have no significant role in predicting consumer willingness to knowingly purchase counterfeit luxury brands. consumers with high integrity levels are more likely to hold unfavorable attitudes toward</p>

					the lawfulness of counterfeit luxury brands; status consumption influenced consumer attitudes. Materialism was found to have no influence on consumers' attitudes.
Koklic, Mateja, 2011	examining the factors underlying the purchase of non-deceptive counterfeit products.	Survey	perceived risk, moral intensity, intention to buy counterfeit products, attitude toward purchasing counterfeits.	5 point Likert Scale	The results show that moral intensity and perceived risk negatively influences attitude towards counterfeits; attitudes are strong and consistent predictors of intentions.
Chaudhry, Peggy.; Stumpf, Stephen, 2011	To decrease consumer demand for counterfeits of the products by examining the consumer beliefs and attitudes that have been found to support consumer complicity across multiple products using several criteria of complicity for each product.	Survey	collectivism, hedonic shopping experience, ethical concerns, perceived quality, idealism and relativism	7 point Likert Scale	Ethical concerns have a negative correlation for both products and strongly influenced their willingness to use a fake movie or pharmaceutical and acquire them. The results proved that there are

					fairly strong relationships of perceived product quality and willing use of counterfeit movies and pharmaceuticals, and moderate to weak relationships among perceived product quality and obtaining a counterfeit movie.
Budiman, Santi, 2012	to investigate the effect of product cues factors, attitudes towards counterfeits, religiosity, lawfulness attitudes, status consumption on purchase intention	Survey with 200 respondents	product cues factors, attitudes towards counterfeits, religiosity, lawfulness attitudes, status consumption	N/A	the stronger the religious value that the respondents have, the more increase their lawfulness attitude significantly. The better the intrinsic cues of the counterfeit bag products, the higher the respondents' purchase intention towards the counterfeit bag products. The biggest

					<p>direct effect from the latent variable towards Attitudes Towards Counterfeits comes from the Intrinsic Cues. The biggest indirect effect is the religiosity variable towards the Purchase Intention.</p>
Lear&Carpenter, 2011	to investigate the relationship between gender and the antecedents to purchase intention.	telephone interviews	ethics, social costs, and anti-big business attitudes.		<p>Male and female respondents perceive the social cost of counterfeiting in a similar manner. Similarly, there is no difference between males and females in terms of anti-big business attitude.</p>
Riquelme, Abbas and Rios, 2012	to understand the factors that influence attitudes towards counterfeits and the intention to purchase these illegal products in a Muslim country.	survey with 401 respondents	value consciousness, performance risk, consumer susceptibility, ethical consciousness, social status, past experience, store trustworthiness	5 point Likert Scale	<p>Value consciousness, performance risk (negative relationship), norms (subjective and descriptive) and ethical consciousness influence attitude. Previous</p>

					purchase moderates attitude and intention. Attitude explains a considerable percentage of the variance of intention to purchase counterfeits.
Michaelidou, Christodoulies, 2011	to investigate the impact of price consciousness, perceived risk and ethical obligation on attitude and intention towards counterfeit products.	Survey with 200 respondents	price consciousness, perceived risk and ethical obligation	7 point Likert Scale	Perceived risk is a significant predictor of attitude for both symbolic and experiential products. Ethical obligation has a negative impact on purchasing counterfeit goods. Price consciousness positively impacts attitude towards counterfeit experiential products but not purchase intention.
Hamelin,	to determine the	survey with 400	consumer	5 point	Price, quality,

Nwankwo, El Hadouchi, 2012	significant factors that trigger responsiveness and deterrence to counterfeit products.	consumers	demographics, ethics and product attributes	Likert Scale	safety and accessibility contribute positively to purchase intentions. Women are less likely to buy counterfeit products than men, relatively older and well-off consumers exhibit less attraction to buying fake cosmetic products. Gender, education, and income level contribute negatively to purchase intentions. if the design is judged to be an important decision factor, consumers will prefer to buy the original product rather than the counterfeit. Gender, level of education, occupation, and level of income are the most vital components of high purchasing frequency.
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<p>Pujara and Chaurasia, 2012</p>	<p>Attempts to study the drivers for purchasing pirated products in the context of smaller Indian cities.</p>	<p>Survey</p>	<p>price, quality, large supply, material, physical appearance, design, durability, brand status, others' opinion, ethical issues, popularity, after sales service.</p>	<p>5 point Likert Scale</p>	<p>The results showed that price is the most important criterion for purchasing counterfeit products.</p>
<p>Şahin, Atılgan, 2011</p>	<p>to analyze the factors that influence customers to purchase counterfeits of luxury branded products.</p>	<p>Survey</p>	<p>price-quality perception, social effect, brand loyalty, ethical issues</p>	<p>5 point Likert Scale</p>	<p>There is a significant negative relationship between consumers' perception about price over quality towards counterfeits of luxury brands and social effect of luxury products and brand loyalty towards luxury brands. Consumers who perceive the action of purchasing counterfeit products as ethical, shows positive purchasing intentions.</p>