Research Article

FACTORS AFFECTING THE PURCHASE OF COUNTERFEIT FASHION ACCESSORY AMONG STUDENTS IN RAWALPINDI AND ISLAMABAD

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ARTICLE INFO	ABSTRACT
	Purpose- The purpose of this study is to investigate the factors which influence a consumer's decision to buy counterfeit products. Factors like product involvement, product attribute, price and gender are of particular interest for the purpose of this research. **Design/Methodology-** A total of 50 questionnaires were distributed among students of Air University and Foundation University. The questionnaire comprised of 21 questions. Data was analysed using linear regression. **Findings-** Gender showed a correlation with intention to purchase even though its effect was not clear. Price showed a negative correlation with intention to purchase. Product attribute did not exhibit a significant relationship with intention to purchase. Similarly product involvement showed correlation with the dependent variable but its effect on the dependent variable was not clear. **Research limitations-** A more appropriate method would be survey students in shopping malls. Cultural and other factors should may be considered as well. Future research should focus on counterfeits other than related to electronics or fashion accessories. **Originality/Value-**Fashion accessories, items which have an abundance of counterfeits were selected, as opposed to electronic items like tablets or mobile phones.

INTRODUCTION

Background

"Counterfeit goods are illegal, low priced and often lower quality replicas of products that typically possess high brand value." (Lai and Zaichkowsky 1999).The business of counterfeit products has been booming globally. According to a study by US Border and Customs protection, the global market value for counterfeit products is estimated at $500 billion with a growth rate of seventeen hundred percent over the past ten years (www.springer.com/978-1-4614). The existence of such a large market for counterfeit products poses a real challenge. Because counterfeit products can harm the original consumers to the extent that they may leave a customer completely unsatisfied because of poor quality or they may harm the health of an otherwise healthy person. They have also had very unfavorable impact on original brands. Brands like Levis and Louis Vuitton have suffered immensely in the past. In the 1980s Louis Vuitton had to recall all of its products from the market mainly because it could not actually compete with counterfeit products. (Bosworth and Yang 2002).

Hence, the reason why a market exists for counterfeit products and why consumers purchase counterfeit products is an area of special interest for any researcher. A lot of research has been done on counterfeit products and their impact but most of it focuses on the supply-side of things. Not much has been done which relates to the demand side-why consumers buy counterfeit products (Penz and Stottinger 2005). Only recently have researches begun to address the issue of why consumers buy counterfeit products. But most of that research relates to consumer buying behavior in western countries like United States of America, Canada, UK and Australia (Huynh and Wilson 2014).Very little research has been done which investigates the factors which influence a buyer's decision to buy counterfeit products in Pakistan. For the purpose of this research it is important to distinguish between deceptive and non-deceptive advertising. Deceptive counterfeit transactions are transactions where the consumer is not aware that merchandise purchased carries a brand name or logo without authorization from owner of the brand (Grossman and Shapiro 1988). Non-deceptive counterfeiting purchases are those purchases where the customer knowingly purchases a counterfeit product.

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Problem statement

The purpose of this research is to investigate the factors which influence the buyer's decision to buy non-deceptive counterfeit products in Pakistan, particularly among students in the twin cities of Rawalpindi and Islamabad. Several variables have been identified which might influence the purchase decision of a buyer. For the purpose of this research we are particularly interested in product attributes, price and product involvement as they relate to the decision to buy counterfeit products. We will discuss these variables briefly after we define our objective.

Objective

The objective of this research is to investigate the relationship between price, product attributes, product involvement, gender and intention to purchase, and to provide a framework for future research.

Independent variables

Low price has been a causal factor which relates to the demand for counterfeit products. (Albers, Millers 1999). Counterfeits provide an alternative to people who cannot buy original brands. Similarly, price has been shown to be an important factor in the purchase of online luxury goods (Anita 2012). Product attributes are those distinctive features that characterize a product or service and have been shown to play a significant role in the decision making process. The authors are particularly interested the study of design, quality and durability. Product involvement is commonly defined in marketing as consumer's enduring perceptions of the importance of product category based on inherent needs, values and interests (Bian and Mautinho, 2011B).Branded products are high involvement products and counterfeit products are low-involvement products.

Dependant variable

Intention to purchase is the dependent variable. It is simply the decision to buy or not to buy a counterfeit product.

Literature Review

The emphasis of literature to date has been on strategies to eliminate supply of counterfeit products and their infiltration into channels of distribution. Hurvey and Donkainein (1985) identified four strategies that companies use in dealing with counterfeit products. Bush et al (1989) surveyed firms in the manufacturing sector. Results of the study indicated that manufacturing demonstrated a high level of mistrust because they realized that at least half of sellers as well as wholesalers studies sold counterfeit products on a voluntary basis. Demand-side literature to date provides limited insight into consumer behavior with respect to counterfeit product purchases. The limited research which has been done on the subject demands further testing and hence is not easily replicable. However, because previous literature on the subject exists, albeit limited in scope, we will discuss relevant research which has been done to date. A notable study on the subject was done by J. Robert Bosworth Field in 2000.The author investigated the effect of various factors on the decision to purchase counterfeit products according to the means-end chain analysis. The key question in the research was whether purchaser's ability to identify counterfeit products was affected by gender and gender orientation of products. Results from the MANOVA analysis indicated a significant relationship between gender and product type. Perceived product quality and perceived value were most influential with respect to purchase intentions. Factors of risk, materialism and status consumption were also significant influencers. Other relevant literature will now be discussed with respect to our variables.

Product Involvement/Involvement

Andrews, Durvasula and Akhtar (1990) indentified major themes and provided framework to guide future involvement. Several points regarding involvement were noted. One was that it is an individual interval state. Second was that it is different from risk and familiarity. Third was that it has intensity, direction and persistence. Because involvement is based on individual consumer product purchases, it is appropriate to investigate counterfeit product purchases from personal situational involvement. Zaichowsky identified an individual's personal involvement as "inherent interest, values or needs that motivate one toward the object" (Zaichowsky 1985). Zaichowsky developed a 20 item instrument to gauge an individual's personal involvement within a product class. An individual with low involvement in a particular product class would not conduct an extensive search for information. On the other hand, a person with high product involvement would be able to distinguish the genuine product from counterfeit. These hypotheses were consistent with Zaickowsky's findings regarding attribute comparison, homogeneity of brands and brand preference. Furthermore Zaichkowsky hypothesized that a person exhibiting low product involvement would have greater intentions to purchase counterfeit products while individuals with high product involvement would have lesser intentions to purchase a counterfeit product. The hypothesis was supported by findings of the research. Similarly, (Wee, Tan and Cheok 2015) investigated various non-price variables which might influence a purchaser's decision to buy counterfeit wallets/purses and watches which are dominated by attribute concerns of appearance, image, purpose and perceived quality. Bian and Mautinho (2009) investigated factors such as brand image, product involvement and knowledge in explaining consumer purchase behavior of counterfeits. Product involvement has been widely used as an explanatory variable in consumer research; not much work has been done on how this work relates to the intention to purchase counterfeits. Bian and Moutinho(2009) investigated the relationship and found neither direct nor indirect effects on consumer purchase intention of counterfeit products, thus implying that consumers may purchase CBPS willingly even in high production situations.

Price

Objective price is the market price whereas perceived monetary price of a product is also referred to as consumer's internal reference price. (Bosworth 2000) found the relationship between intention to purchase and both objective price and perceived price to be significant. The researcher also found a positive relationship between price and intention to purchase.

Past research has stressed that price is an important driver of the demand for counterfeit products. The percieved favourable price/value relationship of counterfeits has been shown to have a strong impact on intention to purchase.(Penz, Schlegelmilch and Stottinger 2009). (Huynh and Wilson 2014) researched consumer perceptions towards counterfeit products in Vietnam.Their study found a conclusive relationship between price and intention to purchase.Unlike Bian and Mountinho (2009, 2011) their research found that price was important determinant of intention to purchase. That means that consumers are very likely to purchase a counterfeit product simply because it is cheaper than the original. Similarly, reinforcing the above-mentioned view, price is one of the most important factors which influences consumer's purchase of luxury goods online (Radon 2012).

Product attributes and Gender

Phau and Dix (2009) examined the effects of useful life and product performance on the decision to buy a counterfeit product. The researchers found that product involvement had an insignificant effect on the decision to purchase counterfeits. This could be attributed to the fact that quality and performance of counterfeit products is improving and thus consumers are gaining the same kind of satisfaction from the use of counterfeit products as they would from the branded product, albeit at a lower level. Useful life was found to have an adverse effect on the decision to buy a counterfeit product. Brand image and product attributes have been shown to have a significant positive relationship with intention to purchase. (Bian and Mautinho 2009) investigated the impact of brand image, product knowledge and product involvement on the decision to purchase a counterfeit product. The results of the study indicated that a strong relationship between perceived brand value and the intention to purchase counterfeit product. Similarly, the study found that functional attributes impacted decision making process significantly. The researchers found that consumers are more likely purchase a counterfeit product which has positive product attributes (as perceived by the consumer.)

Very Limited research has been done on the subject of whether gender of a consumer impacts the decision making process with regard to the purchase of a counterfeit. However, (Carpenter and Lear 2011) found that females in the United States hold weaker beliefs with regard to counterfeit fashion products and are less likely to view purchase of counterfeit as a crime. This is opposed to earlier studies on Chinese buyers of fake software and CDs (e.g. Ang et al, 2001) which found that males had more favorable attitudes towards purchase of fake CDs and software. One possible explanation is that cultural differences impact such purchase decisions of both males and females.

Intention to purchase

Attitude is important as it directly influences consumer behavior. It influences individual's intentions which affect their behavior (Ajzen and Fisbein 1980). "Attitude is defined as the mental state individuals use to structure the ways to perceive the environment." (Chaudhary, Ahmed and Gill 2014). Attitude can either be positive or negative. Consumer's positive attitude towards counterfeits is positively associated with their

purchase intentions (Chaudhary, Ahmed and Gill 2014).Sirfraz, Sabir and Naz (2014) investigated the impact on attitude towards consumer buying intentions to purchase a counterfeit tablet PC. They found that changing attitudes towards counterfeits can be worked as resources to decrease readiness to buy counterfeit products. It has also been well documented in literature that purchase intention is an acceptable substitute for an actual purchase (Field 2000). There is a shortage of demand side literature on the factors which affect a consumer's decision to buy a counterfeit product. No study to date has attempted to study product involvement, product attributes, price and gender together with respect to the relationship they have with intention to purchase. There is particularly a lack of relevant literature which describes the relationship between different factors discussed in the paper and the consumer's decision to purchase a counterfeit product with special emphasis on students in Pakistan. This study attempts to fill that gap which exists in literature.

THEORETICAL FRAMEWORK
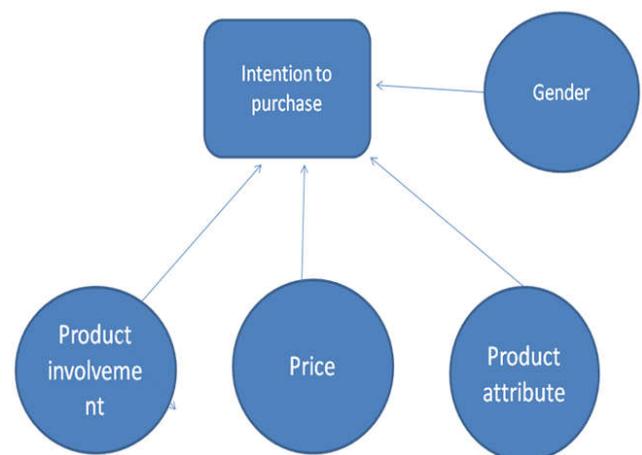
Hypothesis Development

Gender

H0: Gender of a consumer has a strong relationship with to intention to purchase a counterfeit

H1: Gender does not have a strong relationship with intention to purchase

Price

H0: Price has a negative relationship with intention to purchase.

H1: There is a positive relationship between price and intention to purchase

Product attribute

H0: Product attributes have a strong significant relationship with intention to purchase.

H1: There is no significant relationship between product attribute and intention to purchase

Product involvement

H0: Brands with high product involvement have a positive relationship with intention to purchase.

H1: There is no relationship between product involvement and intention to purchase.

RESEARCH DESIGN AND METHODOLOGY

PURPOSE OF THE STUDY

The purpose of study is "Hypothesis testing" Because in this research we test our hypothetical statement which we developed in previous step.

TYPES OF INVESTIGATION

Type of investigation used for the purpose of this study is "Linear regression analysis" Because we find the important variables or factors that contribute their part in percentage increase in consumer decision to buy counterfeit fashion accessories.

STUDY SETTING

Nature of our research is of "NONE contrived" Because we do our research in natural environment and not in artificial environment that is not in labs.

UNIT OF ANALYSIS

In this research unit of analysis is university students in Rawalpindi and Islamabad. Because in this research, questionnaires are filled by randomly selected people of twin cities, aged between 18-40 years

TIME HORIZON

The study is "One-shot" Or "Cross-sectional studies" Because in this research data is gathered just once in order to answer research questions.

QUESTIONNAIRE ANALYSIS

No. Of questionnaire filled = 50
No. Of error free copies = 50
Percentage of response rate = 100%

SAMPLING DESIGN

Element and units

The element and unit size would be students of twin cities of Rawalpindi and Islamabad aged 18-40 years

Extent

Universities in Rawalpindi and Islamabad were selected as the place where research would be considered.

Population

The population would comprise of all students aged between 18 – 40 years both male and female in the class.

Sample Size

Due to the time consideration a sample size of 50 people is considered. Although the sample size is small however this will also result in less non-response error.

SAMPLING

The researchers have collected sample size of 50 out of the population of random university students in twin cities of Rawalpindi and Islamabad. It includes both male and female. Sample technique: "convenient sampling"
Measuring tools: scales were developed indigenously and attached in appendix (A) where the response is collected on the scales.

Data analysis: (SPSS) version (20) was used for data analysis. Regression analysis and difference was calculated by using (SPSS).

TYPE OF QUESTIONS

The questionnaire consists of 21 questions. These questions are aimed at gathering customer responses on factors, which relate to the independent variables discussed in previous sections in the paper and are aimed at achieving objectives, the length of the questionnaire and the combination of questions are adjusted keeping in mind the time constraint. Therefore, most questions are closed-ended, signifying the importance of getting to the point and accurate answers.

MEASUREMENT TECHNIQUE

The measurement techniques that are being used in this research survey is questionnaire.

RESULTS

Simple linear regression analysis was carried between the independent and dependant variables. The results of the regression have been included in the appendix.

Gender and intention to purchase

The unstandardized co-efficient is negative. The value of the co-efficient is small. This shows that whereas gender does have a negative relationship with intention to purchase it only accounts for a small degree of variance in the intention to purchase. This does not support the null hypothesis that gender has a strong relationship with intention to purpose. Further testing is needed to test the hypothesis further. At this point however, it should suffice to say that the null hypothesis about gender is not thoroughly supported.

Price and intention to purchase

The unstandardized co-efficient is negative for consumers who think price is a very important factor and those who think price is important. This shows increase price causes a decrease in the probability or intention to purchase a counterfeit product. The small value of beta shows that price accounts for a very small degree of variability in the intention to purchase .

However this supports the null hypothesis that price has a negative relationship with intention to purchase.

Product attribute and intention to purchase

There is small correlation between product attributes and the intention to purchase. This is evident from unstandardized co-efficient values related to design, quality and durability, all of which relate to product attributes. As is evident from small value of the co-efficents, this does not support the null hypothesis that there is strong significant relationship between product attribute and intention to purchase.

Product involvement and intention to purchase

There is both positive correlation as well as negative correlation between product involvement and intention to purchase, as indicated by the coefficients which relate to the two items used to measure the impact of product involvement. However the correlation is not very strong. This does not the support the null hypothesis that there is positive relationship between product involvement and intention to purchase.

DISCUSSION

The market for counterfeit goods is a big one. According to one estimate it is worth $500 billion annually. (www.springer.com/978-1-4614). What is even more alarming is the fact that the trade has been growing not only globally but also in a small country like Pakistan.(Chaudhry, Ahmed and Gill 2014). The study shows that the all the independent variables explored in this research are related to the intention to purchase even though only 16.9% of variation in the intention to purchase is accounted for by the independent variable, thus supporting previous literature on the topic. The findings of the study support two of the four null hypothesis established earlier in the study. Price showed a negative correlation with intention to purchase whereas product attribute showed a weak correlation with intention to purchase. This supports the findings of earlier studies by Field (2000) and (Chaudhry, Ahmed and Gill 2014). It can thus be inferred with confidence that consumers like to buy counterfeits because they are cheaper than their original counterpart.

The study does not establish a conclusive relationship between gender and intention to purchase. The findings do indicate that gender has a correlation with intention to purchase but the numbers do not say much. It does not complement earlier studies done on the subject (eg. Carpenter et al 2001). Similarly, the study shows at least that there is correlation between product involvement and intention to purchase even though it is difficult to establish whether the correlation is positive or negative. It supports, at least partially, works by Field (2000) and Bian and Mautinho (2009) which showed that consumers like to buy high involvement counterfeit products. It is hoped that this research will serve as a precedent for future research on the topic.

Limitations and future research

The researchers feel there is still room for improvement. There are some limitations in this research which are worth mentioning.

The target population of this research comprised entirely of students. A more appropriate method will be conducting this research on individuals doing shopping in shopping malls and other shops. This study ignores the effect of cultural attitudes and cultural bias on the model. It will be worthwhile to examine the effect of cultural attitudes and cultural bias on this model. Lastly this research is based on the purchase of counterfeit fashion accessories. Future research should focus on the purchase of other types of counterfeits (other than electronics and fashion accessories).

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