Examining consumers’ attitude towards purchase of counterfeit fashion products

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Abstract

Purpose – This paper aims to investigate the factors affecting consumers’ attitude towards counterfeit fashion products and the relationship of consumers’ attitude towards counterfeit fashion products with purchase intention.

Design/methodology/approach – A conceptual model is proposed and validated by following the various studies on counterfeit products. A survey of 382 respondents was conducted in the Mumbai city. The researcher has used structural equation modelling to test the causal relationships among the constructs.

Findings – The results of the study indicate that value consciousness, materialism and social influence positively relate to consumers’ attitude towards counterfeit fashion products which eventually leads to purchase intention. Brand consciousness and perceived risk have no significant relationship with consumers’ attitude towards counterfeit fashion products. Low-income group consumers are value conscious and brand conscious and perceive a low risk which influences their attitude towards counterfeit fashion products.

Research limitations/implications – The study uses a self-reported measure to collect the data through email, and a printed copy of the questionnaire was circulated. Also, the method of sample selection was not random. These two aspects could limit the generalizability of the results.

Practical implications – The paper provides assistance to the manufacturers and the retailers of genuine brand products to formulate better marketing strategies for attracting new customers.

Originality/value – The study aims to investigate the factors affecting Indian consumers’ attitude towards counterfeit fashion products which is not much analysed. The factors were carefully chosen so as to meet the requirements of the study. Income is taken as a moderator for studying the relationship between factors and attitude towards counterfeit fashion products.

Keywords Consumer, Counterfeit, Purchase attitude

Paper type Research paper

Introduction

Luxury fashion goods business is a very lucrative one which is growing at a phenomenal growth rate, but simultaneously they have been trapped by the manufacturers of counterfeit fashion products. As the technology is becoming more and more advanced, it is becoming easier to manufacture counterfeit products (Phau et al., 2009; Eisend and Schuchert-Guler, 2006; Penz and Stottinger, 2005) with better quality (Eisend and Schuchert-Guler, 2006; Penz and Stottinger, 2005) and less of research and development costs (Gentry et al., 2006). Luxury brands are the first

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to get affected, as they are popular among consumers but expensive, which presents an opportunity for counterfeit manufacturers to produce it at lower costs and make money with established brand names. Counterfeit products are coming in excellent quality, cheaper in price and easily available, so even the people who can afford genuine luxury brands are also actively seeking for it (BASCAP Report, 2009), due to which the business of genuine brand manufacturers has gone down. Research suggests that if product attributes of counterfeit and genuine brands are similar in terms of quality and performance, then the consumer will prefer counterfeits, as it will be advantageous in terms of price (Kattoulas, 2002; Phau and Teah, 2009). In case of deceptive counterfeiting (Grossman and Shapiro, 1988), the consumer is not aware about the fake item purchased and buys poor-quality product due to which the image of the brand is affected. On the other hand, in non-deceptive counterfeiting, the fake products are knowingly purchased by the buyer (Wilcox et al., 2009), which is particularly seen in the luxury fashion market. In case of non-deceptive counterfeiting which is also the focus of this research, there are certain factors which influence the purchase of counterfeit. The number of factors and the amount of influence varies between area, age, income and education. Counterfeit is a serious problem which needs to be curbed, studying the factors influencing the purchase of counterfeit can help the genuine brand manufacturers to devise certain strategies for retaining their market share.

Customer buying behaviour is affected by certain factors like social influence, risk involved, materialistic attitude, value for money, brand consciousness and many more. These factors also influence the purchase of counterfeit fashion products, and several researchers have found value consciousness (Cordell et al., 1996; Ang et al., 2001; Wang et al., 2005; Gentry et al., 2006; Chadha, 2007; Furnham and Valgeirsson, 2007; Prakash and Patnaik, 2017), brand consciousness (Grossman and Shapiro, 1988; Cordell et al., 1996; Wang et al., 2005; Phau et al., 2009; Djuhardi and Kusumawati, 2017), perceived risk (Matos et al., 2007; Tan, 2002), materialism (Wilcox et al., 2009; Gentry et al., 2001) and social influence (Bearden et al., 1989; Ian Phau et al., 2009), affecting the purchase of counterfeit fashion products. These findings are from regions and countries other than India, and it may not be similar to the Indian consumer. The income of the Indian people is much lower than the Western countries, and their perception of counterfeit products can also be different. In a country like India, people have less purchasing power and majority of people are at the bottom of the pyramid. It might be possible that value-conscious people, who cannot afford expensive luxury fashion goods, may resort to counterfeits. Also, the culture of India and people's lifestyle is different from the Western countries. Here, the people may or may not be so much brand conscious. Encouraged by previous studies, the researcher tries to find the factors affecting counterfeit fashion purchase in the Indian context and takes income as a moderator for studying the relationship between factors and attitude towards counterfeit fashion products.

Also, contradiction exists in the previous research which is also a reason for conducting this study. Researchers in the past have come up with different findings on the influence of brand consciousness on counterfeit purchases. Grossman and Shapiro (1988) in their study found a negative relationship of brand consciousness and attitude towards counterfeit products, whereas Cordell et al. (1996); Wang et al. (2005) and Phau et al. (2009) found a positive relationship of brand consciousness and attitude towards counterfeit products. Similarly, there are mixed opinion about the impact of income on attitude towards counterfeit products. According to Ang et al. (2001), Tan (2002), Kempen (2003), Frannes and Lede (2012), Hamelin et al. (2013), Stravinskiene et al. (2013) and Stephen et al. (2014), low-income earners are more likely to purchase counterfeits, whereas Kwong et al. (2003), Bian and Moutinho (2009) and Jurghta et al. (2013) reported that income had no significant effect on consumers' intention to purchase counterfeit goods.

This study provides an insight into the factors which influence the attitude towards counterfeit fashion products about the Indian consumers. The results of the study validate previous findings that social influence, materialism and value consciousness affect Indian
consumers’ attitude towards counterfeit fashion products. It also confirms that low-income group consumers perceive a low risk for a positive attitude towards counterfeit fashion products. Also, low-income group consumers are more value conscious and brand conscious, which influences them to have a positive attitude towards counterfeit fashion goods. The findings of this study help the original fashion brand manufacturers to understand that Indian consumers are influenced by others. The original brand marketers should aim for relationship building with their customers and gaining word-of-mouth promotions. It is also suggested that retailers should handle point of purchase better that might lead to increase in sales by social influence. Sales presentation should be prepared before and salesmen should guide customers in making purchases. People of low-income group in India are value conscious, so the manufactures of big original brands can think of complementary gifts and point-based gifts. Value-based offers can be given to customers and the company should keep a track about their customers through data analytics and give customized discounts. Low-income group consumers are also brand conscious, but due to low purchasing power, they buy counterfeits, for those manufacturers can offer brand extensions where they can provide a lower range of products for value conscious and materialistic customers.

The present research intends to test the factors influencing attitude towards counterfeit fashion products. After thorough literature review, standard scale of factors like social influence, materialism, value consciousness, perceived risk and brand consciousness was prepared to test their influence on attitude towards counterfeit fashion products. A structured questionnaire was prepared and circulated among customers of fashion-related products. The respondents are 382 in number from Mumbai in India, and through structural equation modelling, causal relationships among the constructs are analysed. Furthermore, the findings and implications are discussed in detail.

**Literature review and hypotheses development**

Value-conscious customers have a positive attitude towards counterfeits (Cordell et al., 1996; Ang et al., 2001; Wang et al., 2005; Gentry et al., 2006; Chadha, 2007; Furnham and Valgeirsson, 2007; Prakash and Pathak, 2017). They prefer to pay lower prices for limited quality product (Ang et al., 2001; Wang et al., 2005; Hamelin et al., 2013) as long as the basic functional requirement and symbolic value is given by the counterfeits (Furnham and Valgeirsson, 2007). Price is an important influencing factor of consumers’ attitude towards counterfeit products (Cordell et al., 1996; Gentry et al., 2006; Chadha, 2007). Consumers who are not willing to pay a higher price purchase counterfeit products and gain brand name, prestige and image benefits (Gentry et al., 2006). Value-conscious consumers pay a low price and compromise on quality.

Counterfeit fashion purchases are done for seeking variety, and the consumers can afford to compromise on quality, as they have an advantage to shop more with the limited budget. Counterfeit purchases vary according to product type, like if the product is bought infrequently, risky and highly self-expressive (an automobile), then the consumers do not compromise on quality for paying less (Kotler and Keller, 2011), they go for established brand names within their budget. As such, the following hypothesis is proposed:

**H1.** Value-conscious consumers have a positive attitude towards counterfeit fashion products.

Numerous researches have been conducted on the influence of brand consciousness on counterfeit purchases and have come up with different findings. Grossman and Shapiro (1988) in their study found that consumers who are brand conscious have a negative attitude towards counterfeit products. Similarly, Djuhardi and Kusumawati (2017) found brand image has significant influence on attitude towards counterfeit. Whereas, Cordell et al. (1996)
and Wang et al. (2005) say that the more the prestige and status of a brand, the higher is the desire for a customer to buy counterfeit luxury brands, as the desire for flaunting and showing off is fulfilled. According to Phau et al. (2009), if the counterfeits are coming in good quality and hardly any difference is seen, then even brand conscious consumers buy counterfeits. They compare the pros and cons of buying a counterfeit before making a purchase. As such, the following hypothesis is proposed:

**H2.** Brand consciousness is significantly related with attitude towards counterfeit fashion products.

Perceived risk is one of the most discussed variables in the marketing literature (Mitchell, 1999), and a lot of research has been conducted on the impact of perceived risk to explain consumers’ behaviour and decision-making (Forsythe and Shi, 2003). It is said to be an important issue during buying decisions and the consumer seeks to reduce uncertainty and the unfavourable consequences of their purchase decisions (Mitchell, 1998). Perceived risk comprises of multiple risk like functional risks, financial risks, social risks, physical risks, psychological risk and time risk (Sunitha et al., 2012). Every product is subject to all these risks and the tolerance level of each customer varies with the types of risks (Mitchell, 1998) and the type of product category.

According to Prakash and Pathak (2017), some consumers perceive buying counterfeit as risky and may end up buying a defective and unreliable product. Matos et al. (2007) say that consumers who perceive more (less) risk in counterfeits have unfavourable (favourable) attitude towards counterfeits. For instance, in case of pirated software, Tan (2002) examined the influence of perceived risk on purchase intentions and revealed that consumers who perceive low risk in pirated software have higher intention to purchase. Bian and Moutinho (2011) stated, financial risk is not a key deterrent in purchasing counterfeit, but social risk has a negative impact on purchase intention of counterfeit branded products.

However, even if a consumer perceives risk in counterfeit fashion products, it does not prevent them from buying it as the fashion-related products are wanted by consumers for pomp and show. The consumers enjoy the benefit of luxury brand name without paying the high price (Gentry et al., 2006). In case of non-deceptive counterfeit purchases (Wilcox et al., 2009), consumers are already aware that the product will be of substandard quality (Ang et al., 2001; Wang et al., 2005), and they accept the fact that there will be also some financial risk involved in it as counterfeits are coming without warranties (Bian and Veloutsou, 2007). In case of complex buying behaviour when the product is bought infrequently and highly self-expressive like an automobile, the consumers do not want to take any risks (Kotler and Keller, 2011). But, for purchasing fashion-related products, consumers ignore the associated risk involved, as the people who are less well-off can fulfil their aspirations of flaunting (Cordell et al., 1996; Wang et al., 2005). As such, the following hypothesis is proposed:

**H3.** Perceived risk is negatively related with attitude towards counterfeit fashion products.

Materialism refers to ownership and acquisition of material things in realizing life goals and desired status. As compared to average consumers, materialistic consumers are obsessed about having more goods. Their motive is to project wealth, status, uniqueness and generate social appreciation (Mason, 2001). Literature suggests that people may have uncommon behaviors when they are not happy with life (Trinh and Phau, 2011) like cheering themselves up by shopping and buying gifts. During recession 2010, there was an increase in sales of cosmetics, whereas the sales of necessities showed a drop (L’Oreal, 2010).
Richins and Dawson (1992) opined that material values like success, centrality and happiness are the three dimensions of materialism which influences consumer willingness to buy counterfeit luxury brands. Materialistic consumers buy luxury brands (Veblen, 1899) but with the mere distribution of counterfeit luxury brands (Wilcox et al., 2009), highly materialistic consumers who lack financial resources pursue their materialistic goals by purchasing counterfeit luxury brands (Gentry et al., 2001). As such, the following hypothesis is proposed:

\[ H4. \text{ Materialistic consumers have a positive attitude towards counterfeit fashion products.} \]

Social influence refers to the impact which one individual exerts on another individuals’ purchase behaviour (Ang et al., 2001). Customer buying behaviour is significantly influenced by social class more than just income (Martineau, 1968). Consumers make purchases to impress others (Ang et al., 2001; Wang et al., 2005; Penz and Stottinger, 2005). They purchase a product keeping in mind what others think of them and would expect or want them to buy. They are more conscious about their self-image and are inclined to satisfy the society’s expectations and want to make a good impression on others.

Mellott (1983) says that people consume products according to their social class position and try to chase a class above them, so they try to purchase branded products to project status, wealth and social class. If the brand prestige is central to the customers and could not afford expensive branded products, they turn to counterfeits. With the pressure from referent groups and peers, customers buy original or counterfeit products and intend to make a good impression (Bearden et al., 1989). Ian Phau et al. (2009) in their study validates that social influence has a strong impact on attitude towards counterfeit products. Similarly, Djuhardi and Kusumawati (2017) found that brand image has a significant influence on attitude towards counterfeit. As such, the following hypothesis is proposed:

\[ H5. \text{ Social influence is positively related with attitude towards counterfeit fashion products.} \]

The link between attitude and behavioural intentions has been extensively examined in the consumer behaviour literature. According to the theory of planned behaviour (Fishbein and Ajzen (1975) and the theory of reasoned action (Ajzen and Fishbein, 1980), purchase behaviour of a customer is determined by purchase intention which in turn is determined by the attitude towards the product.

The attitude towards counterfeit luxury brands plays a major role in influencing a person to buy counterfeit luxury brands (Penz and Stottinger, 2005; Gentry et al., 2006). Favourable consumer attitude towards counterfeit luxury brands leads to higher chances of counterfeit brand purchases, and unfavourable consumer attitude towards counterfeit luxury brands leads to lesser chances of counterfeit brand purchases (Penz and Stottinger, 2005; Djuhardi and Kusumawati, 2017; Prakash and Pathak, 2017) regardless of product type (Ang et al., 2001). Also, the attitude towards counterfeit luxury brands is altered frequently, depending on how the consumer is satisfied with life (Trinh and Phau, 2011). As such, the following hypothesis is proposed:

\[ H6. \text{ Attitude towards counterfeit fashion products is positively related with the intention to purchase counterfeit fashion products.} \]

Numerous researchers have found that low-income earners are more likely to purchase counterfeits (Ang et al., 2001; Tan, 2002; Kempen, 2003; Franses and Lede, 2012; Hamelin et al., 2013; Stravinskiene et al., 2013; Stephen et al., 2014). People of lower-income groups in
Singapore have a more favourable attitude towards the purchase of pirated CDs (Ang et al., 2001), and in China, income is a moderator of purchase intention of pirated software (Tan, 2002). Similarly, Stravinskiene et al. (2013) and Franses and Lede (2012) opined that people living in low-income households or located in poor countries are more susceptible to purchase counterfeit drugs especially when the products become cheaper.

On the contrary, some studies (Kwong et al., 2003; Bian and Moutinho, 2009) reported that income had no significant effect on consumers’ intention to purchase counterfeit goods. Similarly, Jurgita et al. (2013) argued that the purchase of counterfeits cannot always be linked to low consumer income, as consumption of luxury goods counterfeits is widely spread in economically developed countries with high consumer income. As such, the following hypothesis is proposed:

\[ \text{H7a. Income is a moderator for attitude towards counterfeit fashion products.} \]

\[ \text{H7b. Income is not a moderator for attitude towards counterfeit fashion products.} \]

**Empirical study**

The hypothesized relationships between the constructs were empirically validated through a study among customers buying counterfeit fashion products in the city of Mumbai in India. The respondents were the customers who bought counterfeit fashion-related products. The customers were drawn from different areas of Mumbai, and the data were collected through a structured questionnaire. The respondents were people who bought counterfeit fashion-related products, as the researcher tried to study the behaviour of people who had already purchased counterfeit products in the past. An online survey was prepared and mailed to the respondents, and printed copy was also circulated wherein they filled their responses. Each statement was presented on a five-point Likert scale question, where 1 stands for the strongly disagree and 5 stands for the strongly agree. After thorough data cleaning, 382 responses were deemed fit for analysis.

**Measurement model**

The study derives three items relating to value consciousness from Phau and Teah (2009); four items relating to perceived risk from De Matos et al. (2007); four items of social influence were derived from Phau and Teah (2009) and Bearden et al. (1989); four items of brand consciousness were derived from Ha and Tam (2015); four items of materialism were derived from Richins and Dawson (1992); four items of attitude towards counterfeit products were derived from Phau and Teah (2009), De Matos et al. (2007) and Wang et al. (2005); and four items of purchase intension were derived from Phau and Teah (2009), De Matos et al. (2007) and Ang et al. (2001).

In most of the studies, it was discovered that value consciousness, perceived risk, social influence, brand consciousness and materialism are the main factors which influence consumers’ attitude towards counterfeit products and therefore were included in the questionnaire. The questionnaire was divided into two parts. The first part of the questionnaire was designed to obtain the demographic characteristics (age, gender, income, education) and the second part consisted of 27 questions related to all the seven factors/constructs taken for the study. Table I displays the summary of measurement scales.

For data analysis, this study used AMOS 20 to validate the integrity of the proposed research model and the significance of our hypotheses. The maximum likelihood estimation procedure was followed for assessing the measurement model and the structural model. To assess the reliability of the measurement model, the overall model fit, composite reliability
(CR), the average variance extracted (AVE) and maximum shared variance (MSV) were computed. Table II displays the reliability of various constructs. The composite reliabilities were greater than the recommended 0.70 cutoff (Nunnally and Bernstein, 1994). The AVE values are higher than 0.5 which provides evidence of convergent validity (Hair et al., 2010). The MSV value is less than the AVE which indicates the discriminant validity between each

<table>
<thead>
<tr>
<th>Construct</th>
<th>Variable</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social influence</td>
<td>I observe what others are buying and using before buying a product</td>
<td>0.896</td>
</tr>
<tr>
<td></td>
<td>If I have little experience with a product, I ask around</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I consult other people to help choose the best alternative available from a product class</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I gather information from friends or family about a product before I buy</td>
<td></td>
</tr>
<tr>
<td>Materialism</td>
<td>I like to own things that impress people</td>
<td>0.903</td>
</tr>
<tr>
<td></td>
<td>I admire people who own expensive homes, cars, and clothes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I like a lot of luxury in my life</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I’d be happier if I could afford to buy more things</td>
<td></td>
</tr>
<tr>
<td>Value consciousness</td>
<td>I am concerned about price and product quality</td>
<td>0.864</td>
</tr>
<tr>
<td></td>
<td>I compare prices for the best value for money</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I try to maximize the quality for the money spent</td>
<td></td>
</tr>
<tr>
<td>Perceived risk</td>
<td>The risk that I take when I buy a counterfeit product is high</td>
<td>0.918</td>
</tr>
<tr>
<td></td>
<td>There is high probability that the product doesn’t work</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If I buy counterfeit products, it may negatively affect what others think of me</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying counterfeit products make me feel unhappy/frustrated</td>
<td></td>
</tr>
<tr>
<td>Brand consciousness</td>
<td>It is important that others like the products and brands I buy</td>
<td>0.816</td>
</tr>
<tr>
<td></td>
<td>If other people see me using a product, I often purchase the brand they expect me to buy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I like to know what brands and products make good impressions on others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If I want to be like someone, I often try to buy the same brands that they buy</td>
<td></td>
</tr>
<tr>
<td>Attitude towards counterfeit</td>
<td>Counterfeit products are as reliable as the genuine products</td>
<td>0.796</td>
</tr>
<tr>
<td></td>
<td>Counterfeit products have similar quality to the genuine products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Counterfeit products provided similar functions to the genuine products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Generally speaking, buying counterfeit products is a wise choice</td>
<td></td>
</tr>
<tr>
<td>Purchase intentions</td>
<td>I would think about a counterfeit product as a choice when buying something</td>
<td>0.888</td>
</tr>
<tr>
<td></td>
<td>I will buy counterfeit products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would recommend counterfeit products to friends and family</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I will buy counterfeit products from peddlers</td>
<td></td>
</tr>
</tbody>
</table>

Table I. Summary of measurement scales
construct and any other construct (Hair et al., 2010). Furthermore, discriminate validity is confirmed by checking the square root of the AVE which is greater than any of the inter-construct correlations (bold values in Table III). Table III is automatically generated by stats Tools Package which exhibits the correlation matrix.

With respect to the measurement model fit, the overall chi-square for the measurement model was 463.630 with Df = 303 and $\chi^2$/Df = 1.530. The comparative fit index was 0.975, the Tucker–Lewis index was 0.971, goodness-of-fit index was 0.920 and adjusted goodness-of-fit index was 0.901. The root-mean-square error of approximation was 0.037, which is less than 0.05 and suggests a close model fit.

**Hypotheses validation**

The result of the structural model suggests a significant effect of value consciousness on attitude towards counterfeit fashion products ($\beta_1 = 0.120, \ p < 0.05$) supporting the proposed hypothesis. Therefore, $H1$ was accepted. The path estimates depict that brand consciousness have no significant relationship with attitude towards counterfeit fashion products; thus, $H2$ is not supported ($\beta_1 = 0.061, \ p > 0.05$). The analysis also suggests that there is no significant relationship between perceived risk and attitude towards counterfeit fashion products ($\beta_1 = 0.038, \ p > 0.05$). Hence, $H3$ is not supported. The path estimates results suggest that materialism positively affects attitude towards counterfeit fashion products ($\beta_1 = 0.491, \ p < 0.001$). Hence, $H4$ was accepted. The path estimates point that social influence has a strong impact on attitude towards counterfeit fashion products ($\beta_1 = 0.300, \ p < 0.001$), thus supporting $H5$. The path estimates also suggest that attitude towards counterfeit fashion products positively influences purchase intention of counterfeit fashion products ($\beta_1 = 0.678, \ p < 0.001$). Thus, $H6$ is accepted (Figure 1).

<table>
<thead>
<tr>
<th>Construct</th>
<th>CR</th>
<th>AVE</th>
<th>MSV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value consciousness</td>
<td>0.865</td>
<td>0.682</td>
<td>0.280</td>
</tr>
<tr>
<td>Brand consciousness</td>
<td>0.817</td>
<td>0.528</td>
<td>0.176</td>
</tr>
<tr>
<td>Perceived risk</td>
<td>0.921</td>
<td>0.745</td>
<td>0.176</td>
</tr>
<tr>
<td>Materialism</td>
<td>0.904</td>
<td>0.702</td>
<td>0.342</td>
</tr>
<tr>
<td>Social influence</td>
<td>0.899</td>
<td>0.691</td>
<td>0.284</td>
</tr>
<tr>
<td>Attitude towards counterfeit</td>
<td>0.814</td>
<td>0.527</td>
<td>0.480</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>0.899</td>
<td>0.691</td>
<td>0.480</td>
</tr>
</tbody>
</table>

Table II. Reliability of research variable

<table>
<thead>
<tr>
<th>Construct</th>
<th>Value consciousness</th>
<th>Brand consciousness</th>
<th>Perceived risk</th>
<th>Materialism</th>
<th>Social influence</th>
<th>Attitude towards counterfeit</th>
<th>Purchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value consciousness</td>
<td>0.826</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand consciousness</td>
<td></td>
<td>0.726</td>
<td>0.863</td>
<td>0.838</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived risk</td>
<td>0.369</td>
<td>0.419</td>
<td>0.228</td>
<td>0.585</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materialism</td>
<td>0.327</td>
<td>0.298</td>
<td>0.226</td>
<td>0.482</td>
<td>0.831</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social influence</td>
<td>0.529</td>
<td>0.310</td>
<td>0.220</td>
<td>0.585</td>
<td>0.533</td>
<td>0.726</td>
<td></td>
</tr>
<tr>
<td>Attitude towards counterfeit</td>
<td>0.404</td>
<td>0.307</td>
<td>0.220</td>
<td>0.585</td>
<td>0.533</td>
<td>0.726</td>
<td>0.831</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>0.258</td>
<td>0.181</td>
<td>0.230</td>
<td>0.546</td>
<td>0.387</td>
<td>0.693</td>
<td>0.831</td>
</tr>
</tbody>
</table>
To investigate the moderating effects of income, the total sample was divided into high- and low-income groups. The multi-group analysis reveals the results of chi-square difference test which tells the two models are different based on the low-income and high-income groups \((p < 0.01)\). Table IV displays the results of modal comparison. The moderating effect of income was seen only for low-income groups for factors like perceived risk, value consciousness and brand consciousness. It was found that low-income group (LIG) customers perceived less risk (LIG: \(b_1 = 0.212, p < 0.05\); HIG: \(b_1 = 0.052, p > 0.05\)) which positively influenced their attitude towards counterfeit fashion products. Similarly, low-income group customers are more value conscious (LIG: \(b_1 = 0.382, p < 0.01\); HIG: \(b_1 = 0.154, p > 0.05\)) and brand conscious (LIG: \(b_1 = 0.245, p < 0.05\); HIG: \(b_1 = 0.180, p > 0.05\)) which positively influenced their attitude towards counterfeit fashion products. In both high and LIGs, moderating effect of income was not seen in case of materialism (LIG: \(b_1 = 0.394, p > 0.05\); HIG: \(b_1 = 0.345, p > 0.05\)) and social influence (LIG: \(b_1 = 0.318, p > 0.05\); HIG: \(b_1 = 0.287, p > 0.05\)). Thus, \(H7a\) and \(H7b\) are partially accepted (Table IV) (Figures 2 and 3).

**Discussion**
This study provides an insight into the factors which influence the attitude towards counterfeit fashion products. The conceptual model of our study resulted in acceptance of four hypotheses,
while two hypotheses are not supported by the results. We found that value consciousness, social influence and materialism are positively related with attitude towards counterfeit fashion products. The relationship between consumers’ attitude and purchase intentions were re-established, which also reflect in many other studies conducted by various researchers (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980; Ang et al., 2001). It has been found that consumers of counterfeit fashion products in India who have favourable attitude towards counterfeit fashion products also have a strong intention to re-purchase counterfeit fashion products.

The results of the study validate previous findings (Cordell et al., 1996; Ang et al., 2001; Wang et al., 2005; Gentry et al., 2006; Chadha, 2007; Furnham and Valgeirsson, 2007) that consumers who are value conscious have a positive attitude towards counterfeits. It has been observed that the perception of value is one of the factors in explaining attitude towards counterfeit among the customers of low-income group.

Table IV. Modal comparison

<table>
<thead>
<tr>
<th>Model</th>
<th>DF</th>
<th>CMIN</th>
<th>P</th>
<th>NFI Delta-1</th>
<th>IFI Delta-2</th>
<th>RFI rho-1</th>
<th>TLI rho2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural weights</td>
<td>26</td>
<td>36.297</td>
<td>0.008</td>
<td>0.014</td>
<td>0.015</td>
<td>0.007</td>
<td>0.007</td>
</tr>
</tbody>
</table>

**Figure 2.**
Path coefficients in hypothesized relationship for high-income group customers

\[ N = 164 \]
According to the present study, brand consciousness is one of the characteristics among people of low-income group which motivates them to have a positive attitude towards counterfeits and eventually purchase counterfeit fashion products. Sometimes, brand conscious consumers cannot afford original branded products and hence have a desire to purchase counterfeits (Wang et al., 2005; Cordell et al., 1996). Similarly, Budiman (2012) opined that consumers with lower status generally buy counterfeits so they can project a higher position.

There is a negative relationship between perceived risk and attitude towards counterfeit fashion products among the customers of low-income group in India. The perception of risk is less among them, as they are already aware of substandard product quality (Ang et al., 2001; Wang et al., 2005) and enjoy the benefit of luxury brand name without paying the high price (Gentry et al., 2006). In case of non-deceptive counterfeit purchases (Wilcox et al., 2009), they have deliberately ignored the risk associated with the purchase of counterfeits. Also, there is a combination of high risk and low risk among the high-income group customers of counterfeit fashion products in India.

Besides this, the findings also validate that Indian counterfeit fashion products consumers who are materialistic have a positive attitude towards counterfeit fashion products. It is supported by Gentry et al. (2001) and Wilcox et al. (2009) who found that materialistic attitude is
positively related with counterfeits. According to the present research, there is no significant difference between high- and low-income group customers for influence of materialism on attitude towards counterfeit fashion products. Consumers with materialistic values, wants to have more and more goods (Mason, 2001), among those who can afford genuine luxury brands are actively seeking for it (BASCAP Report, 2009) and those who cannot, pursue their materialistic aims by purchasing counterfeit luxury brands (Gentry et al., 2001).

Customer buying behaviour is significantly influenced by others (Martineau, 1968; Ang et al., 2001; Wang et al., 2005; Penz and Stottinger, 2005). The findings reconfirn the earlier research conducted by Ian Phau et al. (2009) which opined that social influence has a strong impact on the attitude towards counterfeit products. Similar researches preached that referent groups and peers create strong influence to buy original or counterfeits, as the individuals want to create a positive impression on others and project wealth (Mellott, 1983; Bearden et al., 1989). The majority of people in India lie in the low- and moderate-income group and desire for high standard and luxury goods. Therefore, people who cannot afford expensive fashion goods resort to buying counterfeits which carries the same function of displaying wealth to their peers. Furthermore, counterfeits are also bought by those who can afford original fashion brands because of materialistic tendencies in them (Mason, 2001).

Theoretical and managerial implications
Customers are influenced by other people (Martineau, 1968; Bearden et al., 1989), and the present study validates that Indian customers are influenced by their social group which is a factor contributing towards attitude for counterfeits. This information can help the original fashion brand manufacturers to plan and re-establish their anti-counterfeiting strategies. Element of personal image should be taken as a weapon against counterfeits (Zhou and Belk, 2004) and should be targeted more specifically at a higher-income group with better purchasing power. Before buying a product, people observe what others are buying and using. Also, they consult and take information from others. So, original brand marketers should aim for relationship building with their customers, which will help them in gaining word-of-mouth promotions. It is also suggested that retailers should handle point of purchase better so they can make more sales by social influence. Sales presentation should be prepared before and salesmen should guide customers in making purchases.

People of low-income group in India are more value conscious. This may imply that if the prices of original fashion brands become low and reasonable, there would be less preference of buying counterfeits (Simone, 2006), and the customer would be willing to buy original fashion brands where they can find very less price difference. Conversely, this will hamper the exclusivity of original fashion brands where the higher-income group brand conscious consumers buy it deliberately because it is a premium fashion product (Chaudhuri and Majumdar, 2006). Also, they may perceive the product as fake or of a lower quality. Therefore, the company should look for a correct price to preserve the image of a premium brand and a fair price for value-conscious customers. For value-conscious customers, manufacturers of big original brands can think of complementary gifts and point-based gifts. Value-based offers can be given to customers, and the company should keep a track about their customers through data analytics and give customised discounts. Low-income group customers are brand conscious and buy counterfeits, for those manufacturers can offer brand extensions where they can provide a lower range of products for value-conscious and materialistic customers.

Counterfeiting of luxury fashion brands is a big problem which is spread across the globe. The issue of counterfeiting is rampant in India and everyone should work together to curb it. The government ought to take some responsibility to educate the people about the negative impacts of counterfeit products. Penalties and punishments can be imposed on both the buyers and sellers if
caught doing counterfeit-related activities. The practice of anti-counterfeiting is not well-planned and properly executed. So, adequate steps should be taken so that this problem can be solved.

The problem is Indian consumers do not perceive the counterfeit trade as illegal and, hence, is indifferent towards the lawfulness and the legality of the trade (Shine and Sabrina, 2014). Future research could be conducted on the Indians’ perception of ethical issues in purchasing counterfeits. Other demographic variables like age and education could be taken as a moderating factor in studying the factors influencing attitude towards counterfeit. A comparative analysis could also be done on factors affecting consumer purchase of counterfeit fashion products and original fashion products. A good research can be taken in future on the factors influencing purchase of counterfeit for different product types.

References


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Further reading

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