

# Counterfeit Purchase Behaviour: Towards a Comprehensive Conceptual Framework

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## INTRODUCTION

Counterfeiting is growing rapidly, constituting up to 10 percent of world trade (about USD 650 billion per annum); and up to 20 percent of domestic sales in countries such as China where this problem is particularly severe (Alcock, Chen, Ch'ng, and Hodson 2003; Balfour 2005; Berman 2008), however there is little research on why some product categories have more counterfeits than others; why some customers are more prone to buying counterfeits than others; and why counterfeiting is more common in some parts of the world than others?

This paper addresses this need with a two-part comprehensive conceptual framework, which integrates various theoretical perspectives about counterfeit purchase behaviour; distinguishes between counterfeit proneness, the general tendency to prefer counterfeit products and the attitude towards buying a specific counterfeit product; and delineates the process underlying the product category-specific counterfeit purchase behaviour. The first part of the framework includes many demographic, psychographic, social, and environmental antecedents of counterfeit proneness; and the second part describes the process of product category-specific counterfeit purchase behaviour, incorporating the attitude, ethical judgment, and subjective norms about buying a counterfeit product along with several important consumer and product attributes, and situational factors as determinants of counterfeit purchase intentions.

## CONCEPTUAL FRAMEWORK

**Attitudes towards Counterfeiting and Piracy:** Many studies explore the influence of attitude towards piracy and attitude towards counterfeiting on counterfeit purchase behaviour or intentions, albeit with mixed results. We propose that these mixed findings may be a result of using a general attitude towards counterfeiting or piracy to predict purchase intentions or behaviour in specific product categories. In other words, most of these studies do not seem to acknowledge that consumers may have different attitudes towards buying counterfeits in different product categories. For example, a customer may have a favourable attitude towards buying a counterfeit t-shirt but an unfavourable attitude towards buying a pirated DVD.

**Attitude towards Buying a Counterfeit Product:** To address the limitations of a general attitude towards counterfeiting or piracy in explaining purchase behaviour or intentions in specific product categories, others use attitudes towards specific counterfeit products and find significant differences (e.g., Chapa, Minor, and Maldonado 2006; Maldonado and Hume 2005). Others find significant differences in attitudes and purchase behaviour for counterfeits bought because of their status (e.g., clothing, belts, etc) and those purchased because of their functionality (e.g., MP3-players, cameras) (Shultz and Saporito 1996); and between search (t-shirt) and experience (electrical appliance) goods (Eisend and Schuchert-Güler 2006). Hence, we include attitude towards buying a counterfeit product as a predictor of purchase intentions.

**Counterfeit Proneness:** Counterfeit proneness is “the general tendency of consumers to like, prefer, purchase, and use counterfeit products”; and it is a relatively stable psychological trait (Sharma and Chan 2009), different from the attitude towards counterfeiting, a global attitude towards counterfeiting (Ang, Cheng, Lim, and Tambyah 2001; Wee, Tan, and Cheok 1995)

or the attitude towards buying a counterfeit product, a product-specific construct (Chapa et al. 2006; Maldonado and Hume 2005). Counterfeit proneness taps into various affective and behavioural elements related to the purchase of counterfeit products; unlike the cognitive and socio-normative aspects captured by attitude towards counterfeiting (Sharma and Chan 2009). Hence, we include counterfeit proneness as an antecedent of attitudes towards buying a specific counterfeit product.

**Demographic Characteristics:** Numerous studies explore the influence of demographics variables on counterfeit purchase behaviour; however the findings are far from conclusive. For example, there are almost an equal number of studies that find either a negative or no significant association between age and counterfeit purchase behaviour (e.g., Rutter and Bryce 2008; Walthers and Buff 2008). Similarly, findings on the influence of gender, income, education, and occupation on counterfeit purchase behaviour are quite mixed. Hence, we incorporate demographic variables as antecedents of counterfeit proneness in their framework.

**Psychographic Characteristics:** Prior research explores the influence of several psychographic variables on counterfeit purchase behaviour, albeit with mixed results. We argue that these mixed results could be due to various methodological or conceptual issues such as lack of measurement equivalence and low reliability of scales, use of highly correlated psychographic variables without testing for multi-collinearity in their data, and limited generalizability of findings (e.g., Wang 2005; Wee et al. 1995 etc.). Hence, we incorporate several psychographic variables as antecedents to counterfeit proneness, the general tendency to like, prefer, and buy counterfeit products.

**Product Category-specific Variables:** Most studies show significant differences in attitudes towards counterfeits, purchase intentions and past purchase behaviour across different product categories. We argue that the extent to which consumers may be willing to buy a counterfeit product may depend on its perceived importance and the perceived risk associated with its purchase and use. Accordingly, we use perceived risk and product importance as antecedents of the attitudes towards buying a specific counterfeit product. We also include past experience with a counterfeit product as an antecedent for counterfeit proneness and the attitude towards buying that counterfeit product. Finally, we include the consumption context as a moderator of the link between subjective norms and purchase intentions.

**Brand Image and Shopping Environment:** The image, status and personality associated with the original brand have a positive influence on the demand for its counterfeit version in many studies (Bian and Moutinho 2008; Bloch, Bush, and Campbell 1993; Cordell, Wongtada, and Dieschnick 1996; Penz and Stöttinger 2008), but no significant influence in others (Tom, Garibaldi, Zeng, and Pilcher 1998; Wee et al. 1995). Similarly, shopping environment has a positive influence (Cordell et al. 1996; d'Astous and Gargouri 2001; Leisen and Nill 2001) except Bloch et al. (1993). We argue that brand image and shopping environment may also vary in their influence across product categories and hence these insignificant results could be due to the products used in those studies such as shirts, software, and purses. Hence, we include both brand image and shopping environment as important determinants of purchase intentions at a product category-specific level.

## DISCUSSION AND IMPLICATIONS

Our research will be quite useful for academics as well as practitioners in the area of marketing and international business. First, it represents one of the few attempts to integrate

all the existing research in the area of non-deceptive counterfeit purchase behaviour. In the process, it identifies several gaps and unanswered questions, and addresses these in the first ever comprehensive conceptual framework of counterfeit purchase behaviour. Second, it identifies “Counterfeit Proneness”, the general tendency to like, prefer, purchase and use counterfeit products, different from attitude towards counterfeiting or a specific counterfeit product; as a focal construct in the study of counterfeit purchase behaviour.

Third, this research introduces a two part framework, the first part focusing on the demographic, psychographic, social, and environmental antecedents of counterfeit proneness and the other focusing on the product category-specific counterfeit purchase behaviour. It also puts forth clear testable propositions and suggests a methodology to test these. Fourth, it combines the learnings from prior research on software piracy and other counterfeit products by introducing subjective norms about buying a counterfeit product as well as ethical judgment about it as predictors of purchase intentions. Thus, it integrates the theory of planned behaviour and the ethical decision making model for a better understanding of the complex socio-psychological process underlying counterfeit purchase behaviour.

For the practitioners and policy makers, this research provides an overall view for the first time of the process by which consumers become counterfeit prone and decide how, when and whether to purchase a counterfeit in a specific product category. This will help them understand the wide variety of reasons for the proliferation of non-deceptive counterfeiting and develop some ideas about how to curb it. By combining both external and internal motivations of counterfeit purchase behaviour, this research provides the practitioners a good idea about which factors they can control such as their brand image and the perceived price difference with the counterfeits, and which they can not such as the price, quality and availability of counterfeit products.

Findings about the influence of demographic variables will also help them identify those segments that are particularly prone to counterfeit purchase behaviour. This will be useful in developing special communication for these segments and targeting them in a cost-effective manner. We also identify psychographics such as price sensitivity, value consciousness, integrity, and lawfulness, which anti-piracy advertising campaigns may highlight. For the international marketers, this research will provide useful insights on cross-cultural differences in counterfeit purchase behaviour using popular cultural dimensions (Hofstede 2000).

### **LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH**

This paper integrates learnings from three different perspectives of counterfeit purchase behaviour and attitudes into a comprehensive conceptual framework to guide future research in this area of growing importance. However, we do not test this framework empirically, which is a limitation of this paper. To test our conceptual framework and its various propositions, we suggest using a mixed research design, beginning with a few in-depth interviews (exploratory) followed by a large-scale field survey (descriptive) and a series of lab and field experiments (causal). We also suggest that the sample should cover countries with varying cultural orientations, economic development, and availability of counterfeits, to ensure sufficient variance and generalizability.

**Note:** References available from authors upon request.