Exposing the Designer Paradox: Understanding How Consumers Rationalize Purchasing Counterfeit Designer Merchandise

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This paper examines consumers’ use of five rationalization techniques, drawn from sociology, to evaluate their attitudes towards the purchasing of counterfeit designer merchandise. Findings from a large, multi-location survey reveal that nearly 70% of respondents rationalize the appropriateness of purchasing counterfeits. Furthermore, about 50% of the respondents have purchased at least one counterfeit designer product, while nearly one-third of respondents who believe that purchasing counterfeits is wrong have actually purchased a fake designer product. However, the results of a second experimental study reveal that a “designer paradox” in that the respondents’ desire to own authentic designer merchandise does not dissipate after they see counterfeit versions of designer products. Overall, these findings pose an interesting conundrum to luxury brand marketers looking to curb counterfeiting.

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SESSION OVERVIEW

Objective. Despite a booming multi-billion dollar global market for counterfeit goods, academic research on the consumption of such goods remains sparse. Who are the consumers of counterfeit goods? Why do they engage in such illegal consumption behaviors, even when they can afford the genuine goods? And how do others view those who engage in such questionable but, at the same time, often de rigueur actions? These are the questions that motivate this session, the objective of which is to further our understanding of this increasingly important but largely overlooked domain of consumption behavior.

Content. This session comprises four papers that together shed light on the individual and product-specific determinants, the motivational underpinnings, and the social and product-specific consequences of counterfeit good consumption. The papers are in advanced stages of completion, each containing empirical findings from one or more studies. The session’s scope is both broad and deep: the papers draw on a diversity of theoretical and empirical perspectives to contribute towards an incipient but persuasive, coherent understanding of how the social environment interacts with individual motivations to influence the consumption of counterfeit goods.

The first two papers examine the nature and extent of social sanction for counterfeit consumption behavior. The Geiger-Oneto paper draws on social identity theory to implicate the counterfeit buyer’s social distance as a determinant of others’ reactions of such a person. While counterfeit buyers are in general evaluated less favorably than buyers of genuine brands, the former are evaluated more favorably when they are members of an in-group than of an out-group. The Chang, Keinan and Lehman paper examines the moderating role of product type on such social perceptions by undertaking a product-specific (i.e., hedonic versus utilitarian) investigation of people’s opinions of counterfeit good buyers on dimensions of morality, likeability and attractiveness as a social other (e.g., friend, fellow shopper, etc.). Interestingly, while buyers of counterfeit utilitarian goods (e.g., software) are viewed as less moral, fair and considerate compared to buyers of the genuine versions, buyers of counterfeit hedonic goods (e.g., fashion) are viewed as more moral, fair and considerate compared to buyers of the real goods.

The final two papers complement the first set by investigating the socially-driven motivations guiding consumers’ pre- and post-counterfeit good purchase psychologies. The McCabe & Rosenbaum paper draws on sociological research on delinquent behavior to examine how consumers rationalize this illegal consumption behavior. Their findings suggest that consumers of counterfeit luxury branded goods not only employ multiple rationalizations to justify their purchases but also do not, paradoxically, desire the real brands any less. The Wilcox, Kim and Sen paper draws on theories of self-monitoring and accompanying attitude functions (social-adjustive vs. value-expressive) to demonstrate a consumer by product interaction in the motivations underlying purchases of counterfeit luxury brands: the purchase decision of low versus high self-monitors is differentially influenced by the extent to which the counterfeit product is identifiable as a desired luxury brand.

Structure. Each presentation will be 20 minutes long. As with most fruitful sessions on emerging topics, this session is likely to generate more questions than answers and the final 10 minutes of the session will be devoted to a discussion of worthy research directions in this domain of consumer behavior.

Audience. The potential audience for this session is quite broad. It will appeal to researchers interested in illegal/aberrant consumption behaviors as well as, more broadly, to those interested in consumer decision making, motivation, and social norms and influences. Equally importantly, the session will be of interest to practitioners and regulators seeking to formulate effective anti-counterfeiting or piracy policies/strategies grounded in consumer insights.

Contributions. The contributions of this session are four-fold. First, it enhances our substantive understanding of the motivational and social underpinnings of an increasingly important domain of consumption behavior. Second, it draws on relevant theories of motivation, perception, preference and groups to advance our theoretical understanding of counterfeit good consumption. Third, this session combines the internal control of experimental work with the external validity of field surveys and ethnography to yield a methodologically robust set of insights into the consumption of counterfeit goods. Finally, this session brings together a diverse set of researchers whose research efforts in the area of counterfeit good consumption complement each other in the articulation of a fruitful research agenda on this important but under-examined consumer behavior topic.