An Exploratory Study on Attitude Toward Luxury Products, Counterfeits and Imitations

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This research investigates how individual and company-controlled variables affect attitudes toward original luxury goods, counterfeits and imitations. Consumers' attitude toward brand imitations and counterfeits has a great impact on brand management decisions and has been recognised as an important stream of research by practitioners as well as researchers (Keller, 1998). Results suggest that the conformity level of an individual influences his attitude toward the three types of products (originals, counterfeits, imitations). Concerning the company-controlled variables, this study suggests that managers should focus their communications particularly on product quality and aesthetics.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/12589/volumes/v34/NA-34

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the likelihood of bidding on an auction when only the first character of the seller’s screen name matched the first character of the bidder’s screen name. Indeed, bidders had a greater than chance likelihood of participating in an auction when the first character of the seller’s screen name matched the first character of their own. To examine the hypothesis that the implicit egotism effect would reverse for high priced auctions, we looked at winner-seller pairs because auction winners are financially committed to the transaction. Consistent with our theorizing, for auctions with high bids over $50, bidders had a less than chance likelihood of winning an auction when the first character of the seller’s screen name matched their own. Experimental data currently being collected will replicate and extend these findings.

This research has a number of implications. Implicit egotism not only causes people to gravitate toward things that resemble the self. It also drives people away from self-resembling entities when those entities have potentially negative implications for the self. This opens up a new line of questioning in implicit egotism research. For example, would people named Carl have a higher than chance likelihood of living in Compton, California, notorious for its housing projects and gang activity? Additionally, implicit egotism had been primarily demonstrated through birth-given characteristics (name, birthday). This study shows that implicit egotism can also work via characteristics one selects to represent oneself (e.g., job title).

References

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EXTENDED ABSTRACT
This research investigates how individual and company-controlled variables affect attitudes toward original luxury goods, counterfeits and imitations. We distinguish original products, which are “goods for which the mere use or display of a particular branded product confers prestige on their owners” (Grossman & Shapiro 1988, p.82), from counterfeits, which are strict copies of genuine products (Kay 1990) and from imitations “designed as to look like and make consumers think of the original brand” (d’Astous & Gargouri 2001, p.153). Consumer’s attitude toward brand imitations and counterfeits has a great impact on brand management decisions and has been recognised as an important stream of research (Keller, 1998). Although several academicians (e.g. d’Astous & Gargouri, 2001; Warlop & Alba, 2004) studied this field, the literature remains scarce and largely incomplete.

The purpose of this research is to study a main effect (the impact of product type on consumers’ attitude), a potential moderator (conformity) and several items that may hinder the purchase of counterfeits or imitations.

Hypotheses
Our main proposition is that consumers will respond differently to original products than to counterfeits or imitations. The purchase of luxury goods is primarily intended to “satisfy buyers’ appetite for symbolic meanings” (Dubois & Duquesne 1993, p.37). Since originals and counterfeits look exactly the same, the attitude toward these two types of products should not differ. However, imitations may be distinguished quite easily from an original or a counterfeit and should therefore be less liked. We propose:

H1: Attitude toward original luxury products will be different from counterfeits and imitations. Specifically, attitude toward:
(a): originals is the same as toward counterfeits
(b): originals is more positive than toward imitations
(c): counterfeits is more positive than toward imitations

However, this first hypothesis is moderated by a personal variable. “Individual behavior is motivated in large part by social factors [desire for prestige, esteem, popularity, acceptance... which] tend to produce conformism” (Bernheim 1994, p.842), defined as an
individual’s behavior in the sense of the conventions of his peer-group. Consumers being highly conform to the rest of the society and wanting to appear as a part of the group (e.g. by dressing similarly to one’s friend, Lumpkin 1985), will evaluate original products more favorably than consumers not caring about conformity to the group. Following these arguments, we propose that:

H2: Attitude toward the product will vary according to the level of conformity. Specifically:
(a): originals are evaluated more positively (the same) than counterfeits by consumers with a high (low) level of conformity
(b): originals are evaluated more positively (the same) than imitations by consumers with a high (low) level of conformity
(c): counterfeits are evaluated more positively (the same) than imitations by consumers with a high (low) level of conformity.

Concerning company-controlled variables, we intended to assess factors which could hinder consumers to buy counterfeits or imitations. Eight items were chosen based on a literature review and on a pretest: perceived level of quality, legal issues, image perceived by others during product usage and purchase, external aspect, prize, ethical aspects and made in of the product.

Method
Materials: Two brands (handbags and polo shirts) from the luxury industry were chosen because they were familiar to almost everybody and, even if expensive, were not out of touch for the respondents. Additionally, a lot of counterfeits and imitations for theses two brands are available on the market.

Procedure: 62 undergraduate students participated in the study, comprised of two ostensibly unrelated surveys. The first one inquired about personal characteristics like dress conformity (Lumpkin, 1985) and other variables not taken into account in this study. In the second part, a 3x2 between-participants experiment was conducted (type of brand: original vs. counterfeit vs. imitation; conformity: low vs. high). The three stimuli of the experiment were composed of a scenario and an illustration (visual / semantic) describing one of the three types of products.

After time for reflection, the respondents were asked to rate their attitude toward the product (Sujan & Bettman, 1989) and the eight items which could possibly hinder their consumption. Every respondent was randomly affected to one of the three scenarios and evaluated the two brands. This gives us a total sample of 124 observations.

Results and Discussion
Manipulation checks indicated that the three types of products were perceived as having different levels of similarity compared to an original product ($M_{original}=6.05$, $M_{counterfeit}=5.45$, $M_{imitation}=4.61$ $F(1, 103)=15.962, p<.01$).

A 3 X 2 ANOVA was conducted with attitude toward the product as dependent variable, type of product and conformity as between-participants factors. Low/high groups on the conformity scale were constituted using a conventional median split.

The attitude toward original products, counterfeits and imitations was different ($M_{original}=4.44$, $M_{counterfeit}=3.75$, $M_{imitation}=3.11$, $F(1, 102)=7.38, p=.01$). Post hoc tests revealed that this difference is only significant between originals and imitations. These results confirm H1a, H1b and H1c.

The two-way interaction between type of products and conformity was significant by Hotelling’s criterion ($F(1, 99)=5.45, p<.01$). Planned contrasts revealed that the evaluation of the three types of products differed significantly for consumers with a high level of conformity ($F(2, 99)=11.27, p<.01$) but not for consumers with a low level of conformity ($F(2, 99)=.632, n.s.$). For high conformity individuals, participants evaluated more positively originals ($M_{HC Originals}=5.26$) than counterfeits ($M_{HC Counterfeit}=3.89, p<.05$) and imitations ($M_{HC Imitations}=3.98, p<.01$). For low conformity individuals, the evaluations of the three products are the same ($M_{LC Originals}=3.56$, $M_{LC Counterfeit}=3.65$, $M_{LC Imitations}=3.21, n.s.$). Therefore, we confirm H2a and b. On the contrary, counterfeits and imitations were evaluated the same way by high and low conformity individuals, which infirms partially H2c.

Concerning the company-controlled variables, results indicate that the legal and ethical issues are not really taken into account when considering purchasing a counterfeit or imitation. The criterions identified as most important concern primarily the external aspect of the product and its quality.

On basis of this first research, high conformity consumers may be identified as an interesting target group since their product attitude is more favorable towards original products. In a second study, we plan to investigate not only attitudes but also purchase intentions and responses to the identified factors hindering the purchase of counterfeits and imitations. Therefore we project to develop several advertising stimuli in order to verify their effects on purchase intentions.

References
The Effect of Market and Merchant Comparisons on Customer Satisfaction: The Moderating Role of Information Uncertainty and Price Negotiation

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Abstract

We examine whether consumers are influenced by comparisons to other consumers and to the merchant. Past studies have estimated the impact that each type of comparison has on customer satisfaction separately, but have not examined the relative impact of each comparison simultaneously. We also examine the moderating effects of information uncertainty and price negotiation on the relationship between comparison information and customer satisfaction. Results show that unfavorable market comparisons impact customer satisfaction significantly more strongly than unfavorable merchant comparisons. However, no such difference is found for favorable comparisons. Information uncertainty and price negotiation decrease the impact of unfavorable market and merchant comparisons.

Introduction

Past studies have shown that comparative information has an effect on consumer purchase evaluations. For instance, some studies focused on comparisons to other consumers while others looked at comparisons to the merchant. Past research has found that both market and merchant comparisons influence consumer evaluations of a purchase experience.

This research has two contributions. First, we examine the relative impact that comparisons to the market and comparisons to the merchant have on consumer evaluations of their purchase experience. Second, we examine the moderating effects of information uncertainty and price negotiation on the relationship between market/merchant comparisons and customer satisfaction.

Hypotheses

Since earlier studies examined only one type of comparison at a time, there is no evidence which type of comparison may have a stronger impact on customer satisfaction. However, people are likely to pay attention to information to the extent that it is relevant to their decision. For example, paying more than the market price implies that the consumer would probably pay less for the same item if s/he went to another merchant. On the other hand, getting more or less than the merchant typically has little direct impact on the consumer’s wallet. Thus, we expect:

Hypothesis 1: (a) Favorable comparisons to the market affect satisfaction more strongly than favorable comparisons to the merchant; and (b) unfavorable comparisons to the market affect satisfaction more strongly than unfavorable comparisons to the merchant.

The more ambiguous and uncertain a piece of information is believed to be, the less likely people are to attribute value to it and incorporate it into their decisions. Consumer certainty in the market price and the merchant’s net outcome (output–input) varies with the consumer’s familiarity with the product category, the market, and the merchant. For instance, whereas consumers typically can only speculate about the merchant’s net outcome from a sale, consumers familiar with the merchant’s business or the industry (such as market analysts specializing in the industry) may have a fairly accurate idea of the merchant’s outcomes. Thus, we propose:

Hypothesis 2: Information uncertainty decreases the impact of (a) comparisons to the market and (b) comparisons to the merchant on customer satisfaction.

Price negotiations are common in farmers’ markets, garage sales and flea markets, the real estate market, and in markets for used products such as automobiles. Consumers at such marketplaces are likely to view initial comparison information as less relevant because the outcome of the transaction can potentially be changed through negotiation. Thus, we can expect that:

Hypothesis 3: Price negotiation decreases the impact of (a) comparisons to the market and (b) comparisons to the merchant on customer satisfaction.

Method

Two studies were conducted. In both studies, participants were asked to evaluate 25 hypothetical transactions with a local light fixture store. Participants were asked to imagine considering a table lamp for purchase. The retail price of the table lamp was $50 in all 25 transactions. Two variables—the market comparative outcome and the merchant comparative outcome—were systematically varied in the hypothetical transactions. The market comparative outcome had five levels. At the midpoint level, the retail price was the same as the market price. There were two levels where the retail price was above the market price and two levels where the retail price was below the market price. Similarly, the merchant comparative outcome also had five levels: the midpoint level where both the consumer and the merchant benefited equally; two levels where the merchant benefited more; and two levels where the consumer benefited more. For instance, in one condition the transaction was described as follows: “The market price is $50. You save $10 from the market price. You benefit $10 less than the store from the transaction.”