Impression Formation in a World Full of Fake Products

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ABSTRACT

This study extends existing theories on impression formation taking the fact of product piracy into consideration. The conducted qualitative study on Rolex watches confirms the suggested process of impression formation and brand appraisal consisting of four components. Our findings contribute to the theory of impression formation and lead to a better understanding of how people perceiving fake products are perceived. The results of this study also have major practical implications, suggesting that under certain circumstances product piracy may entail an overall positive brand reputation which in part contradicts the predominant negative view of brand piracy.

INTRODUCTION

“Counterfeit and pirated goods are a big problem for global business, costing hundreds of billions of dollars, according to manufacturers and trade groups” (The Wall Street Journal 2007, p.B1). Trade in counterfeited and pirated products has been spreading at alarming rates and has reached incredible high proportions. According to McDonald and Roberts (1994) “piracy has developed a momentum all of its own” (p.56). They argue that counterfeiting and product piracy have spread from areas such as music and video recording, garments, watches, leather goods, cosmetics and software to products such as aircraft and automobile parts, prescription drugs, baby pacifiers, mannequins, alcoholic drinks, foodstuffs, contraceptives et cetera. Therefore, it can be argued that nearly no product categories are left unscathed. OECD (2007) suggests based on analysis of international trade data that up to USD 200 billion of internationally traded products could have been counterfeit or pirated in 2005. Additionally, OECD (2007) points out that “the figure does not, however, include counterfeit and pirated products that are produced and consumed domestically, nor does it include non-tangible pirated digital products being distributed via the Internet. If these items were added, the total magnitude of counterfeiting and piracy worldwide could well be several hundred billion dollars more” (p.6).

As counterfeiting and product piracy have evolved into a global problem, research on counterfeiting and piracy has been extensive, and many marketing researchers have addressed different aspects of counterfeiting and piracy. Although, these researchers have not delivered a unanimous definition of counterfeiting and piracy, the most common definitions of these terms indicate, that counterfeit brands refer to a 100 per cent copy of the authentic brand, with the objective of deceiving the consumer into believing that it is the genuine brand (cf. McDonald and Roberts, 1994; Prendergast et al., 2002; Papadopoulos, 2004). In contrast to counterfeit brands the term pirated brand also involves the unauthorized reproduction of patented brands, but without the intention of deceiving the consumer that it is the authentic brand (cf. McDonald and Roberts, 1994; Prendergast et al., 2002; Papadopoulos, 2004). Brand piracy is a supply and a demand side phenomenon as consumers consciously buy the fake brands.

As already indicated counterfeiting and brand piracy have been investigated from supply and demand side, and due to the global impact of counterfeiting or product piracy researchers have given some implications of how this phenomenon could be battled (e.g. Jacobs et al., 2001; Tom et al., 1998; Wee et al., 1995). Therefore, it is well accepted among researchers that this phenomenon might lead to direct sales losses for the brand holder and consequently it also might result in job losses, and further entails tax revenue losses for the economy of a country. Further, it is also agreed on that product piracy leads to a deterioration of the brand image (cf. Jacobs et al., 2001; McDonald and Roberts, 1994; Wee et al., 1995; Prendergast et al., 2002; Nia and Zaichkowsky, 2000; Tom et al., 1998).

This study tries to demonstrate that product piracy needs not always be negative. Bamossy and Scammon (1985) hint that if imitation is indeed the highest form of flattery, then companies whose brands are faked have much to be flattered about. In other words, a brand that is not copied is neither desirable nor valued. This study especially argues that the brand reputation of genuine products needs not necessarily be effected negatively by the fakes if looked at the matter in a differentiated way. Therefore, in this study a further interesting approach to this phenomenon, which has been neglected so far, might be to investigate, how people buying pirated products are perceived by others, and based on this perception the argument is that the reputation of pirated products might be evaluated differently. Consequently, this work is based on the assumption that depending on the overall impression formed of a person, a brand is perceived as a fake or a genuine product, and therefore it is argued that product piracy might have positive implications for the overall brand reputation under certain conditions. Thus, it is all about differentiating easily between authentic and fake owners in reference to their overall impression and also deducing positive implications for the overall brand reputation from the usage of fake products by people who can easily be recognized as owning a fake.

THEORY

“Clothes make the man” or “Fine feathers make fine birds”

Those sayings were formed in times when product piracy or counterfeits did not exist, at least to this extent. Also, when scholars introduced their theories how clothes and other material possessions contribute to the formation of an impression about a person, they did not consider that one has to check if the person’s belongings are real or fake products when forming an overall impression about the person. This study extends existing theories on impression formation taking the fact of product piracy into consideration.

This section delivers a sound overview of existing theories contributing to an understanding of impression formation, role of fake and real products, distinction of it and consequences on the perception of fake bearers. Based on the theoretical foundations, it introduces an impression formation and brand appraisal process consisting of four components. The first component comprises the first impression theories and Veblen’s conspicuous consumption (Veblen, [1899][1945]) and demonstrates the formation of an overall impression of a person and the inferences made from this overall impression. The second component contains Goffman’s dramaturgic perspective (Goffman, 1951, 1959) and illustrates the detection of misrepresentations and the resulting judgement of possessions as fake or authentic. The third component embraces Bourdieu’s social space (Bourdieu, 1989a, 1989b) and describes the differentiation aspects from people belonging to other social classes. Finally, the fourth component incorporates the implications on overall brand reputation in accordance to the other three components.

Impression Formation: We meet a variety of people in every day life and tend to form first impression of others even in short time
encounters. According to Bierhoff (1989) “first impressions do not emerge slowly over a long period of time but are formed almost immediately during the first encounter with the target person” (p.2). He further concludes that “impression formation is best considered as a process by which an organized overall impression emerges in which single traits receive specific meanings” (p.2). Jones (1990) argues that the importance of appearance cues cannot be overestimated in a first impression formation situation, and notes that such appearance cues include the attributions of commonly recognized physical attraction, clothes and grooming, facial expression, and posture. Further, research has shown that in a society where brief social contacts are numerous, clothing has become an important aspect in impression formation (cf. Douty, 1963; Holman, 1980; Judd et al., 1975; Lennon, 1986; Rosencranz, 1962). These studies further indicate that clothes worn are a major element in appearance, and therefore play a significant role in impression formation and in accrediting socioeconomic class. Research has also placed emphasis on the importance of material possessions in impression formation (cf. Hunt et al., 1996; Belk, 1978; Belk, 1980; Belk, 1981; Belk et al., 1982a; Belk et al., 1982b). These studies imply that people first use possessions when they present themselves to others and second, also resort to similar possessions when they gather information about others. In other words, people use products to encode information about themselves, and as they develop a knowledge which products can be used to provide certain information, they also refer to these experiences when they decode information about others. Therefore, it can be argued that all these attributes are used to make inferences about others. Consistent with the presented research, this study argues that people refer to attributes like physical attractiveness, posture, facial expressions, material possessions, speech patterns etc. to make inferences about others. Further, it is argued that these single attributes receive specific meanings, and that an overall impression of others emerges according to these assigned single attributes.

Veblen’s Conspicuous Consumption: Veblen (1945 [1899]) introduced in his treatise “The Theory of the Leisure Class” the widespread term conspicuous consumption. He states that with growing industrial development the distinction between classes shifted more towards the acquisition of property. He points, “it is even more to the point that property now becomes the most easily recognized evidence of reputable degree of success as distinguished from heroic or signal achievement. It therefore becomes the conventional basis of esteem. Its possession in some amount becomes necessary in order to any reputable standing in the community. It becomes indispensable to accumulate, to acquire property, in order to retain one’s good name” (pp.28-29). Therefore, people are exerted to differentiate themselves from others and try to achieve this in acquiring goods, which are out of reach for people in lower social classes. Accordingly, Schulz (2006) outlines that in Veblen’s theory a simple and direct relationship between the owners’ status and their possessions of expensive goods exists. He implies that Veblen’s elite distinguishes herself from the others in consuming goods, which are out of reach for others, and this enables the holders of elite status to enhance their privileged status. Bagwell and Bernheim (1996) suggest that the signaling of wealth is best achieved with “expensive durable goods, including one’s automobiles, jewelry, and clothing”, which “are all observed regularly by numerous other individuals during the normal course of social interaction, and provide durable emblems of substantial resource dissipation” (p.367). So far with first impression formation and Veblen’s theory of conspicuous consumption we have a theoretical foundation for the first component of the suggested impression formation and brand appraisal process. As soon as people meet each other, they are inclined to form an overall first impression of each other in reference to their clothing, possessions (especially luxury products), facial hair, posture et cetera, and they are also inclined to make inferences regarding socioeconomic status and characteristic of the encountered person.

Goffman’s Dramaturgic Perspective: Goffman (1959) suggests that “when an individual enters the presence of others, they commonly seek to acquire information about him or to bring into play information about him already possessed”, and that “they will be interested in his general socio-economic status, his conception of self, his attitude toward them, his competence, his trustworthiness, etc. If unacquainted with the individual, observers can glean clues from his conduct and appearance which allow them to apply their previous experience with individuals roughly to the one before them or, more important, to apply untested stereotypes to him” (p.1). He argues that the individual plays a role and requests his observers to take seriously the impression fostered. He further indicates that the role is presented in a front (a setting), and this setting involves furniture, décor, physical layout, and other background items. Further, as part of personal front he includes insignia of office or rank; clothing, sex, age, and racial characteristics; size and looks; posture; speech patterns; facial expressions; bodily gestures; and the like. He suggests that once the proper sign-equipment has been obtained and familiarity gained in the usage of it, this equipment can be used for the performance of a favourable social style. Further he claims that “perhaps the most important piece of sign-equipment associated with social class consists of status symbols through which material wealth is expressed” (p.32). But Goffman (1951) also alerts that it is possible “that symbols may come to be employed in a “fraudulent” way, i.e. to signify a status which the claimant does not in fact possess” (p.296). Consequently, Goffman (1959) indicates that it is natural for the audience to judge if the impression the performer seeks to foster may be true or false. As he constitutes: “So common is this doubt that, as suggested, we often give special attention to features of the performance that can not be readily manipulated, thus enabling ourselves to judge the reliability of the more misrepresentable cues in the performance. And if we grudgingly allow certain symbols of status to establish a performer’s right to a given treatment, we are always ready to pounce on chinks in his symbolic armour in order to discredit his pretensions” (p.51). The presented research demonstrates that as soon as people encounter others, they are apprehensive to detect if the fostered image of others is reliable or if a misrepresentation is current. They fulfil this task by applying to restrictive devices of misrepresentation. For example, in connection with pirated brands the overall impression of the owner may contradict the personalities conveyed by the brand. Hence, the person observed may be perceived as owning a fake product. This comprises the second component of the impression formation and brand appraisal process, in which it is decided if a product is fake or genuine.

Bourdieu’s Social Space: Vogt (2000) argues that Bourdieu has changed the traditional Marxist approach of the economic capital concept in adding cultural, social and symbolic capital to the concept. Bourdieu (1989b) states that people position themselves according to their distributions of these resources in the social space. In Distinction Bourdieu (1989a) describes how these various capitals, in particular economic and cultural capital, work in the social field of consumption. Income, financial- and material assets compose economic capital. Thus, economic capital can be equated with wealth (cf. Vogt 2000, Holt 1998, Veenstra 2005). Cultural and factual knowledge, attitudes, preferences, behaviours, educa-

1For detailed elaboration see Bourdieu 1983, 1989a, 1995
tional attainment, skills, experiences, worldviews, vocabulary, modes of speech etc. compose cultural capital (cf. Lamont and Lareau, 1998; Allen and Anderson, 1994). Further, Bourdieu (1989a) predicates in *Distinction* that cultural capital is an indicator of class position, and that cultural capital is accumulated by family upbringing and social background; formal education and personal educational experiences; and occupational culture (see also Holt, 1998; Veenstra, 2005). Accordingly, for people who hold both types of capital in high and low quantities different lifestyles can be classified. For example, people such as lawyers and doctors not only have high amounts of money to consume luxuries, but they also have the necessary cultural capital to position themselves in higher social classes. Further, Bourdieu (1989b) argues that “the representations of agents vary with their position (and with the interest associated with it) and with their habitus, as a system of schemes of perception and appreciation of practices, cognitive and evaluative structures which are acquired through the lasting experience of a social position. Habitus is both a system of schemes of production of practices and a system of perception and appreciation of practices” (p.19). Correspondingly, he concludes that habitus leads to the classification of oneself by choosing clothes, sports, friends etc. that suit ones position, and it also makes one “capable of perceiving the relation between practices or representations and positions in social space (as when we guess a person’s social position from her accent)” (p.19). Consequently, the habitus enables people to distance or differentiate themselves of people who vary in some kind of resource endowment. This can be exemplified in regards to new money people or people who own small businesses. These people may as well possess financial assets to position themselves in a high social status class, but this may be inhibited because they lack the cultural knowledge, which is accumulated via socialization during the family and social upbringing. This displays the third component of the impression formation and brand appraisal process, in which the habitus, which is predominantly shaped by cultural capital, enables to sense one’s and others place in the social space.

The perception of a person as owning a fake or a genuine product might have negative or positive effects on the overall brand reputation depending on the context of the situation. As above explained the bearers of genuine products form an overall impression of others (first component) and judge the same products on others based on their first impressions and distinguish between owners of fake or genuine products (second component). As the users of the authentic products might be prone to think that everybody can easily distinguish between fake and legal product due to first impression formation, they might regard the users of the pirated brands as not intruding in their social status sphere (third component). Quite the contrary, they might regard the users of the pirated brands as individuals who admire their social status and affluence and therefore, regard their social self as affirmed, and this might help them to enhance their self-esteem and might lead to an overall positive brand evaluation (fourth component). To determine if the suggested theory of an impression formation and brand appraisal process consisting of four components can be hold, a qualitative research is conducted.

**RESEARCH FIELD**

Of concern in this study are luxury brand products. Nia and Zaichkowsky (2000) point out the special characteristics of luxury brands being prestige and rarity, and assume that “the counterfeits may negatively affect the image of the original and hence the desire to own the original” (p.486). “What we have here are uninvited guests to the market party and, like any other party, there are those who will object to the gatecrashers” (McDonald and Roberts, 1994). This implies that the loss of rarity leads to a decline of the prestige aspect, and further the existence of pirated brands produces an area of conflict, which can have a negative effect on the overall perception of the authentic brands, as brand image incongruity might be the consequence of this market practice. A further reason, why luxury brands are chosen is that appearance and visibility are critical for these brands but not salient for functional products such as music CDs and software programs (cf. Tom et al., 1998).

Following these arguments, the brand Rolex is used for the qualitative research section. Rolex enjoys a high reputation among all interest groups of the brand, whether they can afford the brand or not. A brand such as Rolex with an excellent reputation is consequently committed to product piracy. This follows the argumentation that a brand that is neither desirable nor valued will not be copied (cf. Bamousy and Scammon, 1985). Further, the arguments offered in this section are also effective for the brand Rolex, as the loss of rarity might lead to a decline in prestige, and appearance and visibility seem to be critical for this brand as well.

**METHODOLOGY**

To detect if the presented research and especially the process of impression formation and brand appraisal consisting of four components can be hold, twelve authentic Rolex owners were interviewed. The interview method is used as it enables to “understand themes of the lived daily world from the subjects’ own perspective” (Kvale 1998, p.27). The interview also enables to “reach areas of reality that would otherwise remain inaccessible such as people’s subjective experiences and attitudes” (Peräkylä 2005, p.869). Consequently, as in this qualitative research the perceptions and experiences of the participants are of primary concern, the qualitative in-depth interview research is applied. Twelve interviews with authentic brand holders were conducted, and the interviews lasted from 30 to 50 minutes and were audio recorded. All interviews were transcribed to text for analysis. During the interviews visual aids in form of pictures were used. Five pairs of Rolex pictures representing an authentic and a fake product were used to detect if the interviewees could distinguish between the fake and the authentic product. This is of importance as this study claims that people do not distinguish between fake or real in reference to the appearance of the product, but make inferences from the overall image of the bearer to decide if the product is fake or genuine. Therefore, it is important that people are aware of the fact that some products cannot be distinguished only in reference to the appearance of the product and that they might rely on other facts to distinguish between fake and real. Further, five pictures of different people were shown during the interview, and it was claimed that all of these people had a Rolex. The intention was to detect if the interviewees decided in reference to the perceived overall image of the people if the Rolex was authentic or pirated, and if they identified or compared themselves with them. This exploratory study should help to clarify if the suggested process of impression formation and product piracy can be hold and what implications can be derived for the overall brand reputation of pirated brands.

**RESULTS**

The participants refer to many attributes when they form an impression of an encountered person. The most mentioned ones are clothes, shoes, watches, brands carried, personal appearance or public manner, jewelry or accessories, trimness and speech of the person encountered. Other attributes some interviewees rely on when forming an impression of others are trimness of face, hair or
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hairstyle, facial expression, posture, movement, physical appearance, occupation, age and even how spruce the finger nails are. Some interviewees indicate that they first rely on attributes like clothes and shoes or public appearance to form an impression of the encountered person, and that these attributes compose the most important ones and are used more intensively than other attributes, as interviewee#6 remarks: “Clothes make up most for me. The first impression for me is, how somebody is dressed, particularly the shoes. And then the next impression is the talk. Thus, how he acts, how he answers, how the language is. And then a first impression is formed. The first impression is appearance and clothes.” This aspect also emerges when encountered people are described in a context. As soon as a context is included to the impression formation process, some attributes are more chosen to describe the impression they have of the person. In the most cases when the pictures are shown, immediately the occupation of the person is mentioned and the resulting implications for the overall impression formed are noted. Almost all participants mention attributes without objection, which indicates that they are aware of the process of attribute seeking in impression formation, and that they do it consciously. Therefore, it can be concluded that the interviewees rely on several attributes like clothes, speech, occupation, accessory, brands carried etc. to form an overall impression of the encountered person.

Further, the interviews evidence that the impression formation process also comprises categorization of the encountered people. The response of interviewee#5 illuminates this aspect: “It is looked at the overall picture. How the occurrence is, and of course it is looked at the clothes, at the movement and then in this context the person is positioned in a group, which is classified by oneself.” The categorization results from deduction of several characteristics from the overall impression formed. This means that first an overall image with reference to attributes like clothes, appearance etc. is formed, and that next from this overall image other characteristics are deduced. The mentioned characteristics, which the interviewees derive from the overall impression are financial resources or income, education level, and class membership. In respect to class membership, they distinguish between middle class and upper class or between blue-collar worker and white-collar employee or just wealthy people. Some interviewees notice that their inferences are based on prejudice, but remark that they are aware that they do it and assume that others behave in the same manner. The interviews reveal that the interviewees infer consciously or unconsciously from the overall image formed especially attributes such as financial success, education and class membership.

The next step was to identify if the interviewees classify, based on the overall image formed of others and the inferences they make from this overall image, the bearers of the Rolex as owning a real or a fake product. For the detection if the interviewees refer to other attributes than only the product observed when they distinguish between fake and real, it might be important to elaborate what the brand Rolex meant for these people. As in the theoretical part of this work already exemplified, the detection of misrepresentations might depend on mismatches between brand reputation and the overall impression formed of the person. Therefore, it is intended to detect what Rolex represents for the interviewees in order to be able to determine if their decisions are based on these representations of the brand in their minds. When asked what Rolex represents for them, some interviewees mention both which attributes the person should have who owns it and brand specific attributes. Other interviewees only mention brand specific attributes without considering traits of the people who own it. Among the attributes which the person should have are that the person should be self-confident, should be stylish, should be well dressed, should have a sense for quality, should be spruce, should be educated, should have a smart occurrence and should have a good income. Further, these people are regarded as not showing off, as people who consciously spend money on luxury and as people who indulge oneself in buying such things. When they refer to the specific attributes of Rolex, they mention the high quality of the product, the durability of the product, the timeless and the constancy of the product, luxury, the stable value of the product, the product being an asset, status symbol, perfection and as being the crown of the watches, as its brand label indicates it. Next, it was of interest to detect if the interviewees having specific brand representations refer also to other attributes than product appearance when they evaluate the bearers as owning a fake or an authentic Rolex. People who are perceived as having an overall elegant appearance or as being stylish dressed, as having a good job or working at higher levels, as being wealthy or as having higher income and as being well educated are assigned as owning an authentic brand. In the most cases the interviewees use these descriptions in some combination to reason their decisions. In contrast, people who are perceived as working at low qualification jobs, as being not so wealthy or as having less income, as being young and as not being well dressed were assigned as owning a fake brand. Again in the most cases the interviewees use these descriptions in some combination to reason their judgments. Therefore, the interviews highlight the aspect that people do not only differentiate between fake and real in reference to the observed brand or product, but they also refer to the overall impression formed of a person or to the deductions made from this overall impression to distinguish between fake and real bearer. The response of interviewee#11 evidences this argument: “You recognize it immediately from the quality. But it should not be forgotten that really good imitations exist. Thus, it exists A and B, average, normal and one to one very excellent imitations, with which even the expert has difficulties to recognize. But you recognize it from the person who has it. Certainly, you look at that person and ask yourself, can such a person afford for example such a watch or a product like that.”

The next step is to assess if the interviewees compared or identified themselves with the people who are identified as fake or real owners and what implications this has on brand reputation. When the pictures of the people, who are judged as owning a real Rolex, are presented to the interviewees and asked if they identify themselves with these people, the responses are manifold. First, some interviewees respond that they identify themselves with the person presented in reference to his or her style; appearance; occupation; clothes; and with the context in which the person is, like being in a convention. Second, others respond that they identify themselves with the person presented only in some attributes like style, and that they differ in regards to other characteristics like the person is more conservative or classical. Third, some interviewees tell that they could not identify themselves with the person presented, but give positive descriptions of the person like being nobler, more elegant and more career-minded. Although the responses are differing no one mentions any negative associations in reference to these people. When asked what it meant for the brand or for their perception of the brand if such a person owns an authentic Rolex, the responses are predominantly positive. Such positive responses are that they have a good feeling; that Rolex is worn by people, who are esteemed; that it has a positive smack; that it is a good promotion, which strengthens Rolex; that they have a positive attitude towards these people, and therefore as well a positive attitude toward the brand; that it strengthens their relation to the brand; and that they are confirmed in their product choice. As
no negative perceptions are mentioned and with reliance to these references it can be concluded that these people in the main enhance the perception of the brand reputation.

When the pictures of the people, who are judged as owning a fake, are shown and asked if they identify with these people, most of the interviewees respond that they could not identify themselves with these people. Whereas some of the interviewees only reply that they simply cannot identify or compare themselves with these people, some also reason why they do not compare or identify themselves with them. The reasons mentioned are how they dressed; the milieu they are in; the age of the person; these people did not amount to much, if they are satisfied with a fake; the job of the people; and that they are in a different income class. Therefore, it can be concluded that in general the interviewees do not identify themselves with these people. In the next step the interviewees are asked what they think why these people buy a fake Rolex. The most common responses are that these people esteem or admire the brand, as otherwise they would not buy the fake product; that the brand is in demand, but they cannot afford it; that they buy it just for fun; that they want to cheat; that they want to show off; that they want to keep up; and that they want to enhance their prestige. When asked what it meant for the brand or for their perception of the brand when such people own a fake brand. The responses again are predominantly positive, although beforehand as above indicated some negative responses such as they want to cheat or show off were stated, most of the interviewees argue that it proves that the brand is esteemed, admired and wanted, and they add that only valued products are copied. Ten interviewees state these descriptions and always conclude that therefore the owning of fake products by these people should not have negative implications for the brand. The interviews demonstrate that most of the interviewees do not regard the usage of fake products by these people as a problem, but quite the contrary, it is thought to enhance brand reputation.

Finally, the interviewees are asked if they believe that others perceive them as owning a real Rolex and how they deal with this situation. Nine interviewees state that they believe that others perceive them as owning a real Rolex. Three interviewees tell that they pay attention to their appearance, and that others surely regard them as owning a real Rolex because of the overall impression they display. The other six interviewees assert that they are regarded as having a real Rolex because of the profession they perform. One interviewee who is an army officer mentions that it depends on if he wears plain clothes or if he is in uniform. If he wears plain clothes, he is sure that others regard him as owning a real Rolex, but if he is in uniform, he supposes that he is considered as owning a fake product, as people think that such people do not earn enough money. But he tells that this does not bother him, as he values the brand in any case. Two other interviewees tell that they are probably not regarded as having a real Rolex because of their overall impression displayed. One of them tells that he has a young appearance and due to that people might consider him as owning a fake product. The other tells that she performs lots of free time activities like sports and because of her appearance at that time people might refer to her as having a fake product. But again both tell that their relation to the product is very intense, and therefore they do not care what others think of them.

DISCUSSION

This study extends existing theories on impression formation taking the fact of product piracy into consideration. It frames an impression formation and brand appraisal process consisting of four components. The first component comprises the impression formation theory and Veblen’s conspicuous consumption (Veblen, 1945 [1899]) and indicates the formation of an overall impression of an encountered person and the inference of attributes such as wealth or social status. The findings of the qualitative research confirm the reliance on several attributes to form an overall impression and the inference of further characteristics, such as class membership, education and income or wealth. The second component demonstrates the detection of misrepresentations. This study confirms Goffman’s (1951, 1959) detection of misrepresentations in regards to social status and extends it by including the detection of the authenticity of brands and products. The third component embraces Bourdieu’s social space (Bourdieu, 1989a, 1989b) and describes the differentiation aspects from people belonging to other social classes. The interviews reveal that people compare or identify themselves with others who have similar economic and cultural capital and distance themselves from people with different economic and cultural capital endowment. Finally, the fourth component incorporates the implications on overall brand reputation in accordance to the other three components. The results of the interviews indicate that people clearly distinguish between real and fake owners with reference to their formed overall image and the detected misrepresentations (component one and two). As people who own fakes can easily be identified, they do not get the opportunity to cheat and position themselves in a higher position (component three). In reliance to the specification of these three components the authentic users conclude that fake owners in most cases use a fake brand because they admire or esteem it, and not for deceiving others. Further, the admiration of the brand by these people proves according to the authentic owners that the product is really wanted and this again enhances brand reputation. Further, they also indicate that the existence of the fakes is positive for the brand, as only brands are copied which are valued, and that this again confirms their product choice (these arguments comprise component four indicating an overall positive brand reputation). Our findings contribute to the theory of impression formation and add a better understanding of how people wearing fake products are perceived. Due to the found clear distinction of fake and real bearers of products, the results of this study also have major practical implications, suggesting that under certain circumstances product piracy may serve as counter-intuitive marketing instrument which in part contradicts the predominant negative view of product piracy for brands.

However, the presented results comprise first findings. In this research we concentrated on one product category (watches), one brand (Rolex) and one interest group (owners of the authentic brand). Further research could demonstrate if the findings can be generalized or extended to other product categories or interest groups such as potential customers.

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