Consumer Willingness to Purchase Counterfeit Brands: Frequent Change in Fashion As a Determinant

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This research examined the determinants of consumers’ willingness to buy counterfeit brands within the context of UAE market. Using a projective technique, we induced reasons why consumers prefer counterfeit brands. Then we developed scales to measure these factors, and conducted stepwise regression. Frequent change in fashion emerges as the strongest determinant of willingness to buy counterfeit brands.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/16122/volumes/v38/NA-38

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70% of the participants choose the dominant route, while this dropped to 40% when footprints (both smaller and larger distances) were depicted on the alternative route ($\chi^2(1)=4.13, p<.05$). Second, this study revealed (contrast analyses of an ANOVA) that participants walked faster with a larger distance between the depicted footprints ($M=18.77, SD=5.60$), compared to a smaller distance between the footprints ($M=24.15, SD=2.84$; $F(1, 56)=12.79, p<.001$) (one outlier was removed according to Interquartile Range; Tukey, 1977).

The goal of study 2 was to replicate these findings with non human shapes (squares) on a human walking rhythm. This study ($N=50$) had a between subject design (small vs. large distance between footsteps), and the participants’ walking behavior was taped by the surveillance camera of the research lab. Afterwards an independent judges coded the walking time of the participants. As expected, a t-test revealed with a smaller distance between the depicted squares the participants walked slower ($M=11.639, SD=1.1858$), than with a larger distance between the squares ($M=11, SD=0.922$), $t(48)=2.03, p<.05$ (one outlier was removed).

The goal of study 3 ($N=78$) was to examine if people follow an indicated rhythm of movement signals independent of both human shape and human walking placement by placing squares in a row. We used a between subject design (small distance vs. large distance vs. no footsteps), and the procedure was equal to study 2. As expected, we found (contrast analyses of ANOVA) that participants walked slower when there was a smaller ($M=8.57, SD=1.45$) compared to a larger distance between the squares ($M=7.87, SD=0.73$; $F(1, 65)=3.24, p=.077$). Planned contrasts also revealed that participants in both the smaller ($F(1, 65)=46.57, p<.001$), and larger distance conditions ($F(1, 65)=59.53, p<.001$) walked significantly faster than participants in the control condition ($M=11.16, SD=1.49$; four outliers were removed).

The influence of a shopping environment on consumer behaviour is an important aspect of marketing research. We showed that walking route and speed are significantly influenced by movement signals: the bigger the distances between the depicted signals, the faster people walk. Our findings have important marketing implications. For instance, to achieve high profits, a store manager can try to ‘lead’ the consumer to high margin products, and ‘sway’ customers to walk slowly in the vicinity of these products. We argued that movement signals automatically trigger mimicry of these signals, but based on the current studies we cannot exclude possible alternative processes, such as visual information.

References

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Extended Abstract
The objective of this research is to examine the determinants of consumers’ willingness to buy counterfeit brands within the context of UAE market. According to the International Anticounterfeiting Coalition (IACC, 2008), almost five percent of all products are counterfeits. Hence, from different perspectives, many consumer researchers have attempted to identify the non-price related factors as to why consumers buy counterfeits (e.g., Bamossy, and Scammon, 1985; Ferreira and Pereira, 2010; Kim et. al., 2010). Although actions to limit counterfeit can arise from both supply side and demand side, supply side has dominated most of the research work to date, where issues of controlling the source and flow of counterfeit products are examined to make recommendations to policy makers (Albers-Miller, 1999). This practice is very clear in UAE. For example, a cursory scan of over four hundred newspaper clippings in regards to counterfeiting in UAE demonstrates this trend where most of them relate to some form of seizures but nothing about understanding why consumers like or are willing to buy counterfeits.

Until recently, the UAE government may have been turning a blind eye on the counterfeit industry as it has been a large aspect of tourism. However, since becoming a member of WTO in 1996, the government has been combating counterfeit trade. A massive amount of counterfeit trade currently present in the country is inconsistent with its attempt to portray a positive image in terms of luxury, tourism, business and real estate developments. The following points provide an overview of the scale of counterfeit trade in UAE and its impacts: About 35 per cent of software sold in the UAE is counterfeit (Gulfnews, November 15, 2008); value of fake products in the
UAE reached $696 million in 2006 (Gulf News, January 18, 2008); compared to the year 2006, 2007 shows a greater loss for concerned industries seeing a 52% increase in counterfeits (Gulf News, August 8, 2007). Despite counterfeit dilemma often being attributed to UAE (IACC, 2008), no study on counterfeit has been conducted in UAE from a consumer research perspective. Hence, in this research we examine the reasons why consumers prefer counterfeit brands, in the UAE market in particular.

We developed our measures using a projective technique in that fifty seven respondents (as part of their class exercises) were asked to write as many non-price related reasons as possible as to “why people buy counterfeit brands”. These responses were then categorized into eight meaningful themes (i.e., reasons as constructs). Several of these constructs overlapped determinants identified in prior studies (e.g., Gentry et. al., 2006). We then developed scales to measure these constructs using the procedures suggested by authorities in construct development in marketing (e.g., Churchill, 1979; Nunnally, 1978). We adapted scales from prior studies to measure attitudes toward counterfeit (Huang et. al., 2004) and intention to buy counterfeits (Ang et. al., 2001). Constructs are listed below with respective coefficient alpha, number of items, and a sample item in parenthesis:

- **Fashion changes quickly** (α=.78, 3 items, “Fashion changes so quickly so it is ok to buy counterfeits”)
- **Superior quality of counterfeits** (α=.61, 3 items, “The quality of counterfeits measure up to the quality of the original brands”)
- **Trialability of new brands** (α=.64, 3 items, “Some consumers use counterfeits to test it, then buy the original if they like it”)
- **Novelty/ curiosity of brand names** (α=.68, 4 items, “I like counterfeit for the novelty of having that brand name”)
- **Aspect of tourism** (α=.74, 3 items, “It is quite acceptable for tourists to buy counterfeits”)
- **Friendly/ approachable sellers** (α=.66, 6 items, “Sellers of counterfeit products are friendlier than sellers of original brands”)
- **Availability/ accessibility** (α=.76, 2 items, “Sometimes counterfeits are available before the originals are released”)
- **Household usability** (α=.55, 2 items, “For rough and in-house wear, I got no problem with counterfeit”)
- **Attitudes toward counterfeit** (α=.86, 4 items, “Buying counterfeit goods generally benefits the consumer”)
- **Intention to buy counterfeit** (α=.88, 4 items, “What is the chance that you think about a counterfeit product as a choice when buying something?”)

We collected data using a 7-point Likert scale from a total of 348 consumers, both students and non-students who live in UAE. The questionnaire also included several other items beyond the scope of this paper. We averaged the items under each construct to create a single item measure. In analyzing the data, we used stepwise regression analysis in SPSS in order to gain some preliminary insight. Using standardized beta coefficients, we summarize the results below:

- **Attitudes toward counterfeit** (R Squared=0.63, F=135, p=0.000)
  \[
  \alpha = \beta_1 \text{fashion changes} + \beta_2 \text{trialability} + \beta_3 \text{superior quality} + \beta_4 \text{household use} \]
  \[
  = [.51 \text{fashion changes}] + [.17 \text{trialability}] + [.14 \text{superior quality}] + [.13 \text{household use}] \]

- **Intention to buy counterfeit** (R Squared=0.40, F=152, p=0.000)
  \[
  \alpha = \beta_1 \text{fashion changes} + \beta_2 \text{superior quality} + \beta_3 \text{household use} \]
  \[
  = [.33 \text{fashion changes}] + [.25 \text{superior quality}] + [.17 \text{household use}] \]

This can be interpreted that 63% of total variance in **attitudes toward counterfeit** was explained by fashion changes, trialability, superior quality and household usability of counterfeits. Other variables mentioned by respondents in the projective technique did not make a statistically significant contribution. When it comes to **intention to buy counterfeit** brands, the result was somewhat different where trialability of counterfeit was not a predictor of intention. These results are quite insightful as frequent changes in fashion emerged as the strongest determinant of consumers’ preference for counterfeit brands, a determinant ignored in prior research. Interestingly, several factors strongly expressed by projective technique respondents were not supported by our large-sample regression model. For example, “counterfeit sellers are very friendly”, “they come to your door”, “they are available even before the originals” were reasons frequently mentioned by respondents. Currently, we have planned to do further modeling using Amos and analysis on differences between groups such as Arabs versus non-Arabs, and the users versus non-users of counterfeits.

**Selected References**


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Advances in Consumer Research (Volume 38) / 839


New Business, New Babies: Proposing a Sociological Analysis of Consuming Early Childhood Development Service in China
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China’s Early Childhood Development (ECD) industry is at its very outset; however, by all means uprising. It was estimated that the current China ECD market scale is approximately worth four billion US dollars per year and will maintain a fast growth compared with other industries¹. It was reported in 2006 that over 50% urban Chinese parents are willing to purchase professional ECD services for their young children². This research aims to examine the cultural contexts in which the development of this relatively new market and the consumption of ECD service have embedded in China.

FOOTNOTE 1 and 2

Consumption on young kids’ early development education is an economic action, a consumer behavior, a familial practice, and with a more general view, a reflection of the interaction between social institutions and individual agents. Gary Becker (1991) uses rational choice theory to explain a series of familial relations and activities, such as marriage, fertility, education investment, and domestic division of labor. In his theoretical model, individual are not only social beings but foremost economic agents. Social and culture forces such as traditions and values may shape individuals’ decision making process however say little about how people act. Instead, one can only understand individual’s action as a consequence of a careful calculation on efficiency and utility maximization, regardless conforming or challenge social norms. Zelizer (2005), however, argues that the context-free analysis of market and the rational choice orthodox advocated in neoclassical approach of economic activities are inadequate to understand economic exchange. Adopting Weberian tradition, Zelizer (2005) proposed an “alternative approach” to analyze the interaction between social and cultural characters and market as well as economic activities, in which a market is neither treated in dominance nor in subordination, but recognized as one of the social categories (Zelizer 1988).

In current capitalist markets, child is one of the most central subjects which have been commercialized in most of the social aspects. However, parents’ consumption on early childhood development (ECD) services has been portrayed as either an investment or altruism based on parents’ sacred love, which may contribute to its understudies in existing literatures. Scholars, such as D. Cook (2000), argue about the reconciliation between “scared” childhood and the “profane” market was achieved through redefining certain commodities or services beneficial or useful to child’s development—the process of f the early life course moving through predictable, specifiable, and sequential stages (Seiter 1993). However, the “naturally” perceived child development periods and their commoditization are nothing given but culturally and historically constructed. The dominant moral standard of economically useless but emotionally priceless child was a consequence of an ideological victory of the sacred view of childhood over the productive one (Zelizer 1985).

Gymborre, recognized as “the global leader” in early childhood development program, was founded in 1976 in the United States and became an international brand in offering classes, trainings, and programs in early childhood development for under 5-year old children and their parents globally. The key philosophy as it publicizes is to “focus on the whole child in order to help children acquire the key ingredients—motor skills, social skills and self-esteem—they need to grow up to be confident, happy and successful adults.³” Gymboree Play & Music Program entered Mainland China’s market in 2003 and the franchise business has grown rapidly through licensing over 50 Gymboree centers within four years. Market operators expect to have over 200 centers by 2010, which will make China the biggest market for Gymborre’s ECD business. This working paper, using Gymborre, one of the best renowned global brands in early childhood development industry as a case study, aims to provide an alternative theoretical framework to understand the recent development of ECD market in China through a preliminary analysis of Gymborre’s rapid franchise expansion in China. By reviewing the literatures on parents’ consumption on children’s education, I propose the cultural embeddedness approach as a valuable tool to study the markets which are ingrained in the “presumable” or “unquestionable” moralities, such as consumption in ECD services. I argue that the booming ECD market and its swift popularity in China is culturally embedded phenomenon which deserves a more careful examination on the impact of social values and relations out of the money nexus on the formation of consumer culture and culture of consumption. The creation of consumption discourse in ECD market, I suggest, parallels with the on-going transformation of parenting and childhood ideologies in Chinese society, which needs to be understood with the formation of modern child and personhood in neo-liberalism social condition.

FOOTNOTE

Selected References
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