I Am a Fashionista and I (Think) I Know It: the Role of Fashion Knowledge in Preferences For Counterfeits

Ludovica Cesareo, University of Pennsylvania, USA
Silvia Bellezza, Columbia University, USA

We investigate the role of fashion knowledge in consumers’ preference for counterfeits. Across four studies, we demonstrate how low fashion-knowledge consumers, relative to high fashion-knowledge consumers, have a more positive reaction to counterfeits because they feel flattered. Moreover, ownership of the real brand plays a moderating role, enhancing positive reactions.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1024745/volumes/v45/NA-45

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
I Am a Fashionista and I (think) I Know It: The Role of Fashion Knowledge in Preferences for Counterfeits

Ludovica Cesareo, University of Pennsylvania, USA
Silvia Bellezza, Columbia University, USA

EXTENDED ABSTRACT

Is counterfeiting good or bad for the imitated brand? Luxury counterfeiting is overwhelmingly believed to have a negative effect on the original brand, decreasing its perceived prestige and exclusivity (e.g., Commuri, 2009; Dubois and Paternault, 1995). Yet, potential positive effects of counterfeiting have also emerged, demonstrating that the status of the original brand may actually be enhanced by the availability of luxury counterfeits (Nia and Zaickowsky, 2000; Romani, Gistri and Pace, 2012). In a pilot study we conducted at the lab (N = 58) we asked participants if they had ever seen a product they owned in a counterfeit version and, if yes, how that made them feel. Interestingly, the sample was pretty split – while negative emotions were still predominant (65.5%, describing feelings like anger, frustration, annoyance and being upset), 35.5% of participants actually felt positively about it, with predominant feelings being flattery, excitement, interest and humor. In this article, we contribute to this debate by looking at consumers’ level of fashion knowledge, both objective and subjective, as a factor influencing reactions to counterfeiting in a systematic way. In addition, we also demonstrate the mediating role of flattery and the moderating role of ownership of the real brand.

The impact of prior knowledge on consumers’ information processing and product evaluations has been widely established in the literature. Whether referred to as knowledge, familiarity, expertise, or experience (Alba and Hutchinson, 1987), prior knowledge has been defined as what an individual knows and remembers about a product. Prior knowledge influences consumers’ perceptions of product quality (Rao and Monroe, 1988) and price (Monroe, 1973); brand extension evaluations (Keller and Aaker, 1992); it differentiates responses to hedonic vs. functional products (Park and Moon, 2003); and, it interacts with advertising effectiveness (Chandy et al., 2001).

In this research, we specifically look at the influence of consumer’s fashion knowledge, both subjective and objective, on preference for counterfeits. The former, which we refer to as Stated Fashion Knowledge (SFK), is a subjective level of knowledge expressing consumers’ self-perceptions as savvy in fashion and luxury goods; the latter, which we refer to as Revealed Fashion Knowledge (RFK), is an objective level of knowledge expressing how much a consumer actually knows about fashion and luxury goods. Moving forward, we will refer to fashion knowledge as being either stated or revealed.

Across four studies, we demonstrate how consumers’ knowledge of fashion and luxury goods, whether stated or revealed, is predictive of different reactions to counterfeit goods. Specifically, we find that when consumers have low fashion-knowledge, they will be the most favorable towards product counterfeiting. In addition, and in line with prior research highlighting the role of mimicry and pride in consumption (White and Argo, 2011; Bellezza and Keinan, 2014), we demonstrate that the positive reactions to counterfeiting by low-fashion-knowledge consumers are mediated by feelings of flattery for being imitated. Interestingly, the effect of knowledge on favorable predispositions towards counterfeits is moderated by ownership, such that owners of the real product whose fashion knowledge is low are the most favorable towards counterfeits. Presumably, owners who do not know much about fashion feel flattered by others wanting to imitate them. This finding is consistent with prior research on the upsides of mimicry and non-core users seen as brand tourists (White and Argo, 2011; Bellezza and Keinan, 2014).

In the studies that follow, we either measured consumers’ stated fashion knowledge, that is self-perceptions as savvy in fashion and luxury goods (“How knowledgeable do you feel about fashion and high end luxury goods”), or we measured consumers’ revealed fashion knowledge. To develop a reliable measure for this second construct, we followed prior knowledge measure developments and manipulations from the literature (Wood and Lynch, 2002; Hong and Sternglau, 2010). We used four existing multiple choice questions regarding the luxury and fashion goods industry (Bellezza and Berger, 2017) and created a battery of 12 others ranging from very easy (e.g., Q: “What do the letters CK stand for on a bottle of perfume?” A: Calvin Klein) to very hard (e.g., Q: “Which brand is known for its intrecciato technique?” A: Bottega Veneta). Lab participants (N = 203) answered all 16 questions in random order. Based on the results, we selected the four hardest questions and used them as a measure of revealed fashion and luxury goods knowledge in the subsequent studies.

In Study 1, we wanted to establish the link between knowledge and differential reactions to counterfeit goods. Participants in the lab (N = 353) first completed the 1-item stated fashion knowledge measure. Next, they read a description of either Louis Vuitton (females) or Rolex (males), while looking at a picture of a signature product from the brand (Speedy Louis Vuitton handbag or Oyster Perpetual Rolex watch) and writing their thoughts as they imagined owning it. All participants then saw an image of a stand with various counterfeited handbags/watches of different brands, among which was their handbag/watch. Finally, we asked their overall reaction (like/dislike) to the counterfeit handbag/watch (Bellezza and Keinan, 2014), and their intention to spread positive word-of-mouth regarding the counterfeit product (Cheema and Kaikati, 2010). Results demonstrated that low fashion-knowledge participants had a more positive reaction to the counterfeit product (F(1, 351) = 17.10, p < .001) and were more likely to spread positive word-of-mouth about the counterfeit product (F(1, 351) = 5.70, p = .017) relative to participants whose fashion knowledge was high.

In Study 2, we sought to replicate the effects from Study 1 but this time manipulating consumers’ stated fashion knowledge while also examining two other dependent variables.

Pretest. We wrote and pretested six articles, two about the fashion industry that would serve as our fashion-knowledge manipulation (history of the Louis Vuitton brand and history of the Rolex brand) and four about other topics, unrelated to fashion, to identify the best controls (history of Eataly, the gourmet Italian food shop; history of Baskin Robbins, the British unknown street artist; history of Tesla, the innovative motor company; and, history of Birchbox, the innovative make-up delivery company). Participants from Mechanical Turk (N = 59) read a short excerpt from each article and told us how appealing they thought the topic was, how interesting they thought it was alongside their intention to read the article in its entirety. Results confirmed our choice for the fashion manipulations, as Louis Vuitton and Rolex had the highest and most similar appeal (Appealing: MLV = 4.85 vs. MRolex = 4.79, t(57) = -1.16, NS; Intention to Read Entire Article: MLV = 5.12 vs. MRolex = 4.73, t(57) = -0.90, NS; Interesting: MMLV = 4.96 vs. MRolex = 4.33, t(57) = -1.53, NS).
conditions, the Eataly and Banksy articles ranked highest for females and males respectively, and were not significantly different from the Louis Vuitton and Rolex articles, so we chose them for the main study (Appealing: \( M_{\text{Eataly}} = 4.96 \) vs. \( M_{\text{Rolex}} = 4.45 \); Intention to Read Entire Article: \( M_{\text{Eataly}} = 5.08 \) vs. \( M_{\text{Rolex}} = 4.45 \); Interesting: \( M_{\text{Eataly}} = 5.15 \) vs. \( M_{\text{Rolex}} = 4.48 \)).

**Main Study:** Participants in the lab (\( N = 160 \)) were randomly assigned to one of two conditions, fashion-knowledge vs. control. Based on their gender (female/male), respondents read the article either about Louis Vuitton/Rolex (fashion-knowledge condition), or about Eataly/Banksy (control condition). They then completed a manipulation check in which they reported how knowledgeable they felt about the topic covered in the article they had just read and our stated fashion knowledge measure. Afterwards, they saw the same handbag/watch scenario as in Study 1 and the same counterfeit products’ stand before reporting their reaction to their brand being counterfeit and assessing the impact of the counterfeit on the reputation of the original brand. As expected, results showed how, across genders and conditions, there were no differences in terms of topic knowledge (\( M_{\text{LV/Rolex}} = 4.55 \) vs. \( M_{\text{Eataly/Banksy}} = 4.51 \), \( F(1, 158) = .06, \) NS), while participants who read the LV/Rolex articles perceived themselves as more knowledgeable about fashion than participants who read the Eataly/Banksy articles (\( M_{\text{LV/Rolex}} = 3.14 \) vs. \( M_{\text{Eataly/Banksy}} = 2.31 \), \( F(1, 158) = 20.18, p < .001 \)). Given that the fashion knowledge manipulation and measure were highly correlated (\( r = .337, p < .001 \)), we used the Z-score of the fashion knowledge measure for the subsequent analyses as in Study 1. Replicating the results from Study 1, again we found that participants whose fashion knowledge was low had a more positive reaction to the counterfeit (\( F(1, 158) = 8.82, p = .003 \)) and believed the counterfeit will have a more positive impact on the brand reputation (\( F(1, 158) = 6.00, p = .015 \)) relative to participants whose fashion knowledge was high.

These first two studies put forth evidence that indeed consumers’ stated fashion knowledge, whether self-reported or manipulated, influences how consumers perceive and react to counterfeit goods. In Study 3, we sought to replicate these findings on preference for counterfeits with a measure of revealed fashion knowledge, while also looking at the moderating role of ownership of the original brand. To ensure we would recruit a sufficient number of real owners of luxury goods, we recruited 197 wealthy participants from Qualtrics (80% female; all very high income). First, respondents completed the self-reported fashion knowledge measure. They then responded to the four hard fashion knowledge questions (tallied as a continuous variable 0-4, which we Z-scored) to measure revealed fashion knowledge. Next, participants who were luxury owners were asked to describe an owned luxury product (either a luxury leather good, luxury sunglasses, or a luxury watch) and subsequently read a counterfeiting scenario about the specific product and brand they previously mentioned. Non-owners simply read a general counterfeiting scenario about either counterfeit leather goods, sunglasses, or watches. Finally, we asked participants about their overall reaction (like/dislike) to the counterfeit product, whether their own or a generic. Results again showed how participants whose revealed fashion knowledge was low liked the counterfeit more (\( F(1, 195) = 25.53, p < .001 \)) relative to individuals whose revealed fashion knowledge was high. Interestingly, we found a significant interaction between revealed knowledge and ownership on liking/disliking the counterfeit (\( F(1, 193) = 4.87, p = .028 \); Johnson-Neyman point: -.494, area of significance is below), such that owners whose revealed fashion knowledge was low liked counterfeit products more relative not only to high knowledge owners, but also relative to low knowledge non-owners.

Finally, in Study 4 we sought to replicate the moderating effect of ownership while also establishing process evidence. Participants from Mechanical Turk (\( N = 421 \)) first completed the four hard fashion knowledge questions (tallied as a continuous variable 0-4, which we Z-scored) to measure revealed fashion knowledge. They then saw the same Louis Vuitton handbag/Rolex watch scenario as in studies 1 and 2, and the same counterfeit products stand before reporting their overall reaction (like/dislike) to the counterfeit product, their reaction to the brand being counterfeited, the impact of the counterfeit on the original brand and their likelihood of spreading positive word-of-mouth regarding the counterfeit. In addition, we also measured their reaction when seeing the counterfeit version of their product by having them complete a battery of emotions (e.g., guilty, proud, ashamed, embarrassed) among which was our target emotion of “flattery” which we measured through five items (flattered, admired, worshipped, glorified, inspired) and collapsed into a Flattery Index (\( \alpha = .90 \)). Through a full factorial model with fashion knowledge and ownership we found the predicted significant interactions between objective knowledge and ownership on liking/disliking the counterfeit (\( F(1, 417) = 6.46, p = .011 \)), reaction to the counterfeit (\( F(1, 417) = 6.34, p = .012 \)), the impact of the counterfeit on the original brand’s reputation (\( F(1, 417) = 8.12, p = .005 \)), their likelihood of spreading positive word-of-mouth (\( F(1, 417) = 13.65, p < .001 \)), and how flattered they felt by the counterfeit (\( F(1, 417) = 4.52, p = .034 \)), such that low knowledge owners always felt more positively about and more flattered by the counterfeit relative to both high knowledge owners and low knowledge non-owners. A moderated mediation analysis (Preacher and Hayes, 2008) tested whether low fashion knowledge individuals liked the counterfeits more via flattery, and whether ownership played a moderating role. Results (Process Model 8, 10,000 bootstrap samples) demonstrated how flattery mediated the effect of revealed fashion knowledge on all the dependent variables. Specifically, low fashion knowledge individuals liked the counterfeits more, but only when they owned the original (on like/dislike –Index of Moderated Mediation: [-.272;-.014]; Indirect effect for owners: [-.979; -.192]).

Previous literature has identified the negative and sometimes positive effects of counterfeit luxury goods on originals. We extend this work by demonstrating how knowledge of fashion and luxury goods plays a key role in consumers’ preference for counterfeits. Specifically, the lower consumers’ knowledge, the higher consumers’ liking and predispositions towards counterfeits, even more so if they are owners of the original, because they feel flattered. In addition to contributing to the literature on luxury and counterfeit goods, this research also has interesting managerial implications, suggesting how counterfeiting may not be as detrimental as both researchers and practitioners believe. While low fashion-knowledge consumers have a more positive reaction to counterfeits, high fashion-knowledge consumers, who are the primary target for luxury brands, know the value of the original and are overall less prone to counterfeit goods.

**REFERENCES**


Bellezza, S., & Berger, J. (2017), When low status becomes high, working paper.


Hong, J., & Sternthal, B. (2010). The effects of consumer prior knowledge and processing strategies on judgments. *Journal of Marketing Research, 47*(2), 301-311.


