INFATUATED BY FORGED PRODUCTS: WHY CONSUMERS KNOWINGLY BUY COUNTERFEITS

Elfriede Penz
Bodo B. Schlegelmilch
Barbara Stöttinger

Department of International Marketing & Management
Wirtschaftsuniversität Wien

Abstract

Few consumers actually believe they acquire a genuine product, when they are buying a Rolex watch for under $10 at a market somewhere in Southeast Asia. Indeed, most consumers will be well aware that they are purchasing a fake product and are quite willingly colluding in the illegal business of counterfeiting. The production of and trade with fake products has emerged as a major and growing problem for global marketers. Surprisingly, little is known about the factors influencing the demand for counterfeits, as the majority of researchers have focused their attention to supply side remedies.

We attempt to redress this imbalance by investigating what drives the demand for counterfeits. Using the Theory of Reasoned Action by Ajzen and Fischbein (1980) to consolidate a diverse set of existing findings, a comprehensive and yet parsimonious model of voluntary counterfeit purchases was developed and subsequently tested on a sample of 385 Austrian consumers. From the analysis, several interesting insights emerged. First, the general model structure we propose appears to hold. Additionally, the relevance of price is the most important predictor of the intention to purchase counterfeits. This effect gains in strength, as the price discount increases. Other attitudes do not seem to influence consumers’ intentions to buy fake products (with the singular exceptions of perceived efficiency of counterfeiters at low discount rates). In terms of antecedents, knowledge and education appear to have the strongest role in influencing consumer attitudes, whereas fashion involvement, religiousness and age have virtually no bearing on attitude formation.

From a managerial perspective, it becomes clear that price is a key issue in the demand for counterfeits. The fact that the price issue has such a strong effect on the purchase intention, while other attitudes do not, may also be a message from the consumers. While they do value the benefits they get from brands, like image, prestige, etc. (why else would they seek to buy a copy of a well-known brand?), they might no longer be willing to pay the high price of the original. Results also suggest that manufacturers should stress facts rather than exploit emotional aspects, such as embarrassment potential when fighting counterfeiters. The latter argument is strengthened by the fact that better educated consumers are less likely to be embarrassed by counterfeit products.