

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Customer Perception Regarding Purchase of Counterfeit Garments in Selected Areas of Ludhiana City: A Comparative Study of Males and Females

Taranpreet Kaur Dhingra

Punjabi University, Patiala, Punjab, India

Dr. Ambika Bhatia

Punjabi University, Patiala, Punjab, India

Abstract:

People usually purchase counterfeit products for a plenty of reasons like value for money, opportunity to use much cheaper products without worrying about it being damaged, a way to be in trend, seek social status attached to the brand, etc. As a consequence, the sale of counterfeit products does an enormous financial and reputation loss to the original brand manufacturers. Therefore, there is a dire need to research the market in this matter. The research paper aims to understand the perception of the customers regarding the purchase of counterfeit garments. Consumer behaviour studies show that males and females often have different perceptions regarding the same thing because they differ in the way they think. This paper tries to find whether there is any difference between the perceptions of males and females regarding counterfeit garment purchase. Thus, this paper tries to find out the way people think about the counterfeit product purchase and then analyse the difference in the thinking pattern of the two genders.

Key words: Counterfeit product purchase

1. Introduction

Brands are indispensable entities of our life nowadays. We use brands all through the day like mobiles, soaps, clothes, detergents, shoes, etc. Everyone wants to be attached with some good or well known brand. Therefore, the consumer demand for well known brands is huge not only in India but in the whole world.

Extensive growth in business of brands has paved way for introduction of counterfeits. Brands sell like hot cakes making you stand out in competition and thereby the necessity of copying, pirating, counterfeiting has emerged parallel to growth in brand business. Once counterfeit products come in market (especially a common man) is attracted towards these which are 40-45% cheaper than original brands or even more.

Counterfeiting means all the illegal activities related to violation of all the intellectual property rights (IPRs). The dictionary meaning of the word counterfeit is to forge currency documents. But these days counterfeiting also includes illegal use of well known company logos, brands and designs to sell a local product at a cheaper price as compared to what is quoted by the original brand.

Garment is an article of clothing. Garment is a product which is manufactured from fabric for protecting human body and decorative purpose.

Mostly three kinds of consumer goods are highly prone to counterfeiting:

- Those which are very expensive
- Those which are in high demand
- Those which can be easily copied

Counterfeiting is not limited to a particular product, brand or geographical area. It is seen in almost all products, brands and throughout the world. There is hardly any nation in the world where counterfeit products are not available. Although the volume of counterfeiting in developing and less developed economies is very high but even the developed economies are no less prone to it. If we look from the consumer's perspective, the customers who purchase counterfeit products are in either of the two following situations, viz:

- Customers who unknowingly purchase a counterfeit brand, i.e. the consumer is unaware of the fact that he has been sold a counterfeit brand instead of original. This is deceptive counterfeit purchase.
- Customers who are aware of the fact that they are buying a counterfeit brand. This is intentional counterfeit purchase.

The second category of customers, i.e. intentional counterfeit purchase is a part of this study.

1.1. Categories of Counterfeiting

Deceptive Counterfeiting	Piracy/no deceptive counterfeiting	Grey market
<ul style="list-style-type: none"> • This includes the manufacturing of duplicates that are identically packaged, have identical labels and trademarks. • They are copied in an attempt to appear like the genuine garments. • Consumers are deceived and naively accept a counterfeited commodity. 	<ul style="list-style-type: none"> • This is when the product does not defraud the consumer. • The consumer is fully conscious that the product being purchased is not the genuine article, as a result the consumer is also a collaborator in counterfeiting. 	<ul style="list-style-type: none"> • This portrays the unlawful sale of clothing production overruns by legally contracted manufacturers. • This issue is related to the supply side rather than customer interest.

Figure 1

1.2. Counterfeit Products in India

The metropolitans of India act as a base for the production of counterfeit products and it comprises for maximum Intellectual Property Rights Violations. In India, Delhi is the biggest marketplace for counterfeit products because approximately 70% of total counterfeit products in India originate here.

From electronics to fashion accessories to apparels, more than 50% of the Indian market is stuffed with counterfeit products. Sometimes Reebok shoes that are seen in market may not even exist in the design portfolio of Reebok International Ltd.. It may have been designed by an anonymous designer who sits in the narrow lanes of New Delhi and charges around Rs100 for the 'vector' in any color, any form and any design.

Counterfeit branding can be called a smarter way of doing business today because large global corporations spend billions of Rupees in developing a brand and once it becomes famous, millions of counterfeiters start thinking of the strategies to increase their product lines.

1.3. Scale of Problem

Counterfeits are harmful for both original brand manufacturers and customers. Counterfeits are like parasites which ride on the goodwill and brand value earned by original brand manufacturer. It takes a number of years to 'build a brand' but counterfeits reap the benefits without any efforts because there are no input costs, no safety standards, excise or taxes paid. Therefore, counterfeiters eat into the sales of original brand manufacturers, snatching away their profits. While the customers are affected because counterfeits are may be lower in quality or adulterated and can prove harmful in some cases, especially pharmaceuticals and FMCG. In this direction, this study aims to study the perception of people regarding counterfeit garments.

2. Objectives of the Study

The aim of the study is to throw light on consumer perception about counterfeit garments and their willingness to buy the same. More specifically, the objectives of the study are:

- To understand customer perception regarding purchase of counterfeit garments.
- Comparative analysis of perception of males and females towards purchase of counterfeit garments.
- To identify the most preferred product categories of counterfeit products.

3. Review of Literature

According to House of Commons Canada, 2007, Counterfeit products are defined as the "unauthorized reproduction of goods protected by an intellectual property right". Nia & Zaichkowsky, 2000, stated that counterfeit consumption is a growing phenomenon, with studies estimating that 59% to 70% of the North American population has engaged in this behaviour. According to Allred, Bristol, Chakraborty, & Sukhdail, 1997; Grossman & Shapiro, 1988 counterfeit consumption is not limited to one product or brand category, and occurs in both deceptive and non-deceptive purchasing situations.

As per Casola, Kemp & Mackenzie, 2009; Swami, Chamorro-Premuzic & Furnham, 2009, the demographics of counterfeit purchasing customers have been documented by the marketing and consumer studies literature. Age has been found to contribute a small effect size, accounting for 6-14% of the variance. Casola, Kemp & Mackenzie, 2009 stated that younger, less educated, and lower social status groups are more likely to purchase counterfeit products.

Penz and Stottinger, 2005 examined how self-identity in customers influences purchase intention of counterfeit brands. The study also pointed out that those customers who perceive themselves with low self-identity are highly influenced by others’ expectations and tend to acquire counterfeits of prestigious luxury brands.

Ang et al, 2001 illustrated that informative and normative susceptibility or social pressure has an influence on attitude toward purchase of counterfeits, indicating that consumers make inferences based on what others would think of them. Corneo and Jeanne 2005 highlighted that, apart from intrinsic utility, consumers purchase goods in order to achieve greater social status.

Wee et al., 1995 associated the concept of life cycle of fashion products with the amount of money consumers are willing to pay for the fashion products that are not in fashion for long enough. They pointed out that fashion-conscious consumers may not be willing to pay more for a fashion that has shorter life cycle and hence would prefer to purchase products that look similar to the genuine brand, yet sold at a lower price.

de Matos et al., 2007 stated that integrity reflects consumers’ inclination toward lawfulness and reluctance toward counterfeit brands. Even though purchasing counterfeit brands is not considered a criminal activity in the United States, consumers demonstrate an illegal or an immoral action by purchasing counterfeit fashion brands. Those consumers who have a lower level of integrity may neither rationalize their behaviour nor consider themselves accountable toward their actions in the society.

4. Research Methodology

Research design is a pattern or an outline of a research project’s working. It is a statement of the essential elements of a study, those that provide the basic guidelines for the details of the project. The study conducted is based on **descriptive research design**. In this study, population includes all the people in Ludhiana city within the income bracket of Rs.20,000 to Rs. 50,000 per month and within the age bracket of 20 years to 50 years.

Data is collected from both primary and secondary sources.

Primary data is collected through **structured undisguised questionnaires**. Secondary data regarding the subject is collected from various websites, books, journals, magazines, news clippings etc.

Sampling technique adopted for the study is Judgemental Sampling (Non-Probability Sampling) and the sample size for the study is 200 respondents.

5. Findings

Male/Female					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	97	48.3	48.5	48.5
	Female	103	51.2	51.5	100.0
	Total	200	99.5	100.0	
Missing	System	1	.5		
Total		201	100.0		

Table 1: Profiling of Respondents on the Basis of Gender

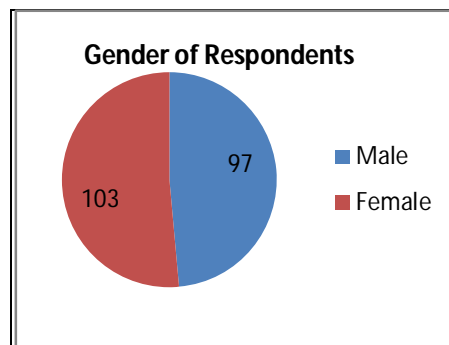


Figure 2

- Objective 1: To understand customers’ perception regarding purchase of counterfeit garments.

Parameter	No. of respondents(N=200)	Percentage (%)
Value for money	68	34
Good option for those who cannot afford brands	47	23.5
Unethical Practice	14	7
A way to show off	46	23
Inferior Quality	25	12.5

Table 2: Perception Towards Purchase of Counterfeit Garments

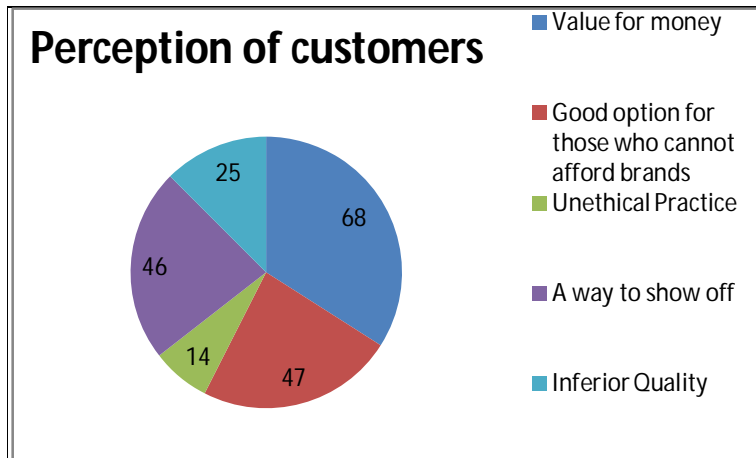


Figure 3

- Interpretation: The study shows 34% people perceive buying counterfeit garments as value for their money and still many (23% approx) perceive it as a way to show off and a good option for those who cannot afford brands. Very few perceive it as inferior quality products. This means people are quite positive about counterfeit garments.

	No. of respondents	Percentage (%)
Counterfeits deteriorate the brand image of original brands.	128	64
Counterfeits do not affect the brand image of original brands.	72	36

Table 3: Effect of Counterfeit Brands on the Brand Image of Original Brands

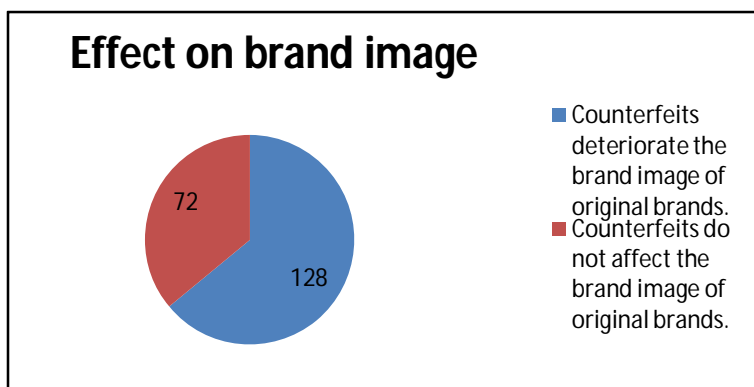


Figure 4

- Interpretation: The table above shows that 64% respondents believe that counterfeits deteriorate the brand image of original brands while 36% contradict it. The majority understands the bad effect of counterfeits on original brand image.
- Objective 2: Comparative analysis of perception of males and females towards purchase of counterfeit garments. (1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, 5= Strongly Disagree)

Group Statistics					
	Male/Female	N	Mean	Std. Deviation	Std. Error Mean
The price of counterfeit garments is very affordable.	Male	97	1.8660	.62298	.06325
	Female	103	1.9320	.67537	.06655
The quality of counterfeit garments is satisfactory.	Male	97	3.5567	1.08943	.11061
	Female	103	3.8544	1.01371	.09988
The counterfeit garments are very attractive in looks.	Male	97	2.4227	1.30572	.13258
	Female	103	2.5534	1.26590	.12473
I feel that counterfeit garments are long lasting.	Male	97	4.2062	.94580	.09603
	Female	103	4.0291	.97474	.09604
Buying counterfeit garments benefits the consumer.	Male	97	2.4330	1.24923	.12684
	Female	103	2.2816	1.34615	.13264
The act of purchasing counterfeit garments is ethical.	Male	97	2.1134	1.03959	.10555
	Female	103	2.3786	1.03957	.10243
It is risky to buy counterfeit garments.	Male	97	3.2371	1.18825	.12065
	Female	103	2.9903	1.24849	.12302
I do not bother about the brand name.	Male	97	3.1649	1.37447	.13956
	Female	103	3.1845	1.25047	.12321
Less price means low quality.	Male	97	2.1959	1.20450	.12230
	Female	103	2.2621	1.26771	.12491

Table 4

- Interpretation: The study shows that the both males and females are satisfied with the price and attractiveness of counterfeit garments. But somehow the quality and life (long lasting) of the counterfeit garments are dissatisfactory. The study also shows that the customers agree that buying counterfeit garments benefits the consumer and feel that the act of purchasing counterfeit garments is ethical. While they disagree that it is risky to buy counterfeit garments. Also, people are conscious about the brand that they wear and they still relate low price with low quality.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
The price of counterfeit garments is very affordable.	Between Groups	.218	1	.218	.515	.474
	Within Groups	83.782	198	.423		
	Total	84.000	199			
The quality of counterfeit garments is satisfactory.	Between Groups	4.426	1	4.426	4.006	.047
	Within Groups	218.754	198	1.105		
	Total	223.180	199			
The counterfeit garments are very attractive in looks.	Between Groups	.854	1	.854	.517	.473
	Within Groups	327.126	198	1.652		
	Total	327.980	199			
I feel that counterfeit garments are long lasting.	Between Groups	1.566	1	1.566	1.696	.194
	Within Groups	182.789	198	.923		
	Total	184.355	199			
Buying counterfeit garments benefits the consumer.	Between Groups	1.146	1	1.146	.678	.411
	Within Groups	334.649	198	1.690		
	Total	335.795	199			
The act of purchasing counterfeit garments is ethical.	Between Groups	3.514	1	3.514	3.252	.073
	Within Groups	213.986	198	1.081		
	Total	217.500	199			

		Sum of Squares	df	Mean Square	F	Sig.
It is risky to buy counterfeit garments.	Between Groups	3.043	1	3.043	2.046	.154
	Within Groups	294.537	198	1.488		
	Total	297.580	199			
I do not bother about the brand name.	Between Groups	.019	1	.019	.011	.916
	Within Groups	340.856	198	1.721		
	Total	340.875	199			
Less price means low quality.	Between Groups	.219	1	.219	.143	.706
	Within Groups	303.201	198	1.531		
	Total	303.420	199			

Table 5: Comparison Between Perception of Males and Females Regarding Purchase of Counterfeit Garments Using ANOVA

- Interpretation: The above table shows that the p value for all the likert scale statements is either equal to 0.05 or greater than 0.05. This means that null hypothesis is rejected. And there is no significant difference between the perception of males and females regarding purchase of counterfeit garments.
- In other words, males and females think alike about the counterfeit garment purchase.

	No. of respondents	Percentage (%)
No	63	31.5
Yes	137	68.5

Table 6: If Ever Purchased Any Counterfeit Garments

- Inference: 31.5% of total sample size had purchased counterfeit garments before while the rest 68.5% had not.

	No. of respondents	Percentage (%)
No	113	56.5
Yes	87	43.5

Table 7: Prospects of Purchasing Any Counterfeit Garments in Coming Future

- Interpretation: 43.5% of total sample size is a prospective buyer of counterfeit garments in coming future while rest 56.5% does not intend to.
- Objective 3: To identify the most preferred product categories of counterfeit products.

Product	No. of respondents	Percentage (%)
Jewellery	17	8.5
Clothing	67	33.5
Accessories	12	6
Sports Items	5	2.5
Toys	2	1
Electronics	40	20
Pharmaceutical Products	4	2
Mobiles	28	14
Shoes	12	6
Handbags	13	6.5

Table 8: Most Preferred Counterfeit Product Category Which You Have Bought or Would Prefer to Buy

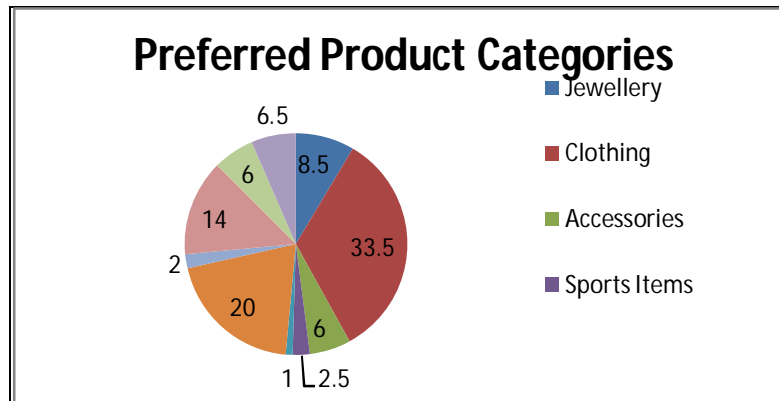


Figure 5

- Inference: According to the study the most preferred counterfeit product category is clothing (33.5%), followed by Electronics (20%). Mobile are also one of the widely opted product categories(14%). Rest all categories are comparatively less.

6. Conclusion

Through this research it can be concluded that the perception of most of the people regarding buying counterfeit garments is more or less. They perceive buying such products as value for money and a good option for those who cannot buy original brands. Majority are satisfied with the price and appearance of counterfeit garments but dissatisfied with the quality and life of garments. Also, though majority of people believe that buying counterfeit products harms the original brand image but still they show willingness in buying the same.

Research also shows that there is no difference between the perception of males and females regarding counterfeit garment purchase. That means counterfeit garment purchase is not gender dependent.

Also the research shows that clothing, electronics and mobiles are the most preferred product categories for buying counterfeit products as compared to pharmaceutical products, shoes, accessories and other product categories in which people are less interested.

7. Recommendations

The overall customer perception regarding counterfeit garments is optimistic. Price is the main reason behind such purchase followed by different other factors. So to stop counterfeit purchase, original manufacturers have to differentiate their products from counterfeits in such a way that the customer feels that the money invested in the original brand is worth it. A more adaptive approach should be developed to fight against the appeal of counterfeit products.

A customer should be able to differentiate between original and counterfeit products. Then only it is possible to eradicate counterfeiting from the market. And it lies upto the original brand manufacturers to find out the ways to make their products unique and appeal the customers at the same time in terms of product, price, quality and variety.

8. References

1. Allred, A., Bristol, T., Chakraborty, G. & Sukhdail, A.S. (1997). Use of negative cues to reduce demand for counterfeit product, *Advances in Consumer Research*, Vol. 24, 345-349.
2. Ang, S. H., Cheng, P. S., Lim, E., A. C., & Tambyah, S. K. (2001). Spot the difference: Consumer responses towards counterfeits. *Journal of Consumer Marketing*, Vol.18(3), 219-235.
3. Casola, L., Kemp, S., & Mackenzie, A.(2009). Consumer decisions in the black market for stolen or counterfeit goods". *Journal of Economic Psychology*, Vol. 30, 162-171.
4. Corneo, G., & Jeanne, O. (1997). Conspicuous consumption, snobbism, and conformism. *Journal of Public Economics*, Vol. 66, 55-71.
5. Grossman, G.M. & Shapiro, C. (1988). Foreign counterfeiting of status goods. *Quarterly Journal of Economics*, Vol. 103, 79-100.
6. Matos, G. A., Ituassu, C. T., & Rossi, C. A. V. (2007). Consumer attitudes toward counterfeits: A review and extension. *Journal of Consumer Marketing*, Vol. 24(1), 36-47.
7. Nia, A. & Zaichowsky, J.L. (2000). Do counterfeits devalue the ownership of luxury brands?, *The Journal of Product & Brand Management*, Vol. 9 (7), 485-97.
8. Penz, E., & Stottinger, B. (2005). Forget the "real" thing- Take the copy! An explanatory model for the volitional purchase of counterfeit products. *Advances of Consumer Research* 32,
9. Swami, V., Chamorro-Premuzic, T. & Furnham, A. (2009). Faking it – personality and individual difference predictors of willingness to buy counterfeit goods. *Journal of Socio-Economics*, Vol. 38, 820-825.
10. Wee, C. H., Tan, S. J., & Cheok, K. H. (1995). Non-price determinants of intentions to purchase counterfeit goods- an exploratory study. *International Marketing Review*, Vol. 12(6), 19-46.

11. Canadian Anti-Counterfeiting Network. (March 2007). Report on counterfeiting and piracy in Canada: a roadmap for change. Retrieved http://www.cacn.ca/PDF/CACN%20Releases/Roadmap_for_Change.pdf
12. House of Commons Canada (May 2007). Counterfeit goods in Canada – A threat to public safety. Retrieved <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=2985081&Language=E&Mode=1&Parl=39&Ses=1>
13. International Anti-Counterfeiting Coalition. (January 2005) White Paper. The negative consequences of international property theft: Economic harm, threats to the public health and safety, and links to organized crime and terrorist organizations. Retrieved http://4356049642aa3c99a6e91c99180a8219894d6198.gripelements.com/pdf/member-resources/iacc_whitepaper.pdf