#### RESEARCH ARTICLE





# Self-concept, individual characteristics, and counterfeit consumption: Evidence from an emerging market

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#### **Abstract**

The study draws on a sample of over 350 consumers from 10 department stores in an emerging market where counterfeit products are available in abundance and there is a huge demand for such goods. The findings reveal that interdependent and independent self traits significantly affect individual characteristics, that is, susceptibility to normative influence, readiness to take social risk, and status acquisition (SA), which in turn influences counterfeit purchase intention. It was discovered that such individual characteristics play a mediating effect on the self-concept—purchase intention relationship and that high degrees of interdependent self traits positively affect consumers' purchase intention. The study adds to the theory of reasoned action (TRA) by incorporating SA variables into the TRA framework and discovers their significant influence on purchase intention. Some novel insights surrounding counterfeit consumption in an emerging economy context are presented and several implications are extracted to help practitioners appeal to such individual characteristics for combating counterfeit consumption.

### KEYWORDS

counterfeit consumption, emerging markets, self-concept, social risk, status acquisition and susceptibility to normative influence

# 1 | INTRODUCTION

In recent years, there has been increased demand for counterfeit goods (Amaral & Loken, 2016; Teah, Phau, & Huang, 2015), suggesting that the efforts made by different governments and luxury brand manufacturers to curb counterfeit activities appear to be having minimal effect on consumers (Hennigs et al., 2015; Wilcox, Kim & Sen, 2009). As a result, this has fueled growing interest among scholars to investigate the determinants of consumer preference for such goods (Bian & Moutinho, 2011; Bian, Wang, Smith, & Yannopoulou, 2016; Chen, Teng, & Liao, 2018; De Matos, Ituassu, Rossi, & Matos, 2007; Marticotte & Arcand, 2017; Orth, Hoffmann, & Nickel, 2019; Penz & Stottinger, 2005; Phau, Teah, & Lee, 2009; Pueschel, Chamaret, &

Parguel, 2017; Wu, Bagozzi, Anaza, & Yang, 2019). To cater for the limited understanding surrounding consumer motivations behind counterfeit consumption, this study aims to probe deeper into the role of the driving factors behind the attitudes and intentions of consumers who are willingly pursuing counterfeit products.

The study draws on the theory of reasoned action (TRA) to investigate how the link between attitudes relating to the self-concept and subjective norms that may affect individuals can influence the purchase intention of counterfeit goods. TRA is an appropriate choice to explain counterfeit consumption as it provides a well-established and useful theoretical framework to consider attitude and social influences (subjective norms) that can help explain the psychological processes underlying behavioral intention. Moreover, it offers a

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parsimonious model to explain ethical behavior (Aleassa, Pearson, & McClurg, 2011; Eisend, 2019).

The existing literature sheds some light on the potential antecedents surrounding the intention to purchase counterfeit products. For example, in reviewing studies in this area, Eisend and Schuchert-Güler (2006) classified such antecedents into four groups. These included (a) demographic and psychological characteristics—such as self image, social expressions, attitudes toward counterfeiting, readiness to take risk, fashion involvement, ethical predisposition, self-identity/price consciousness, materialism, and expected future social status (Chen et al., 2018; Eisend, Hartmann, & Apaolaza, 2017; Yoo & Lee, 2009); (b) product-related features—such as price, product attributes and brand image (Nia & Zaichkowsky, 2000; Thaichon & Quach, 2016); (c) social and cultural attributes—such as social norms and anticounterfeiting campaigns (Li, Lam, & Liu, 2018; Phau & Teah, 2009; Schlegelmilch & Stöttinger, 1999); and (d) purchase situation—such as the mood of consumers (Penz & Stottinger, 2005).

Moreover, in emerging economies and compared with developed countries, some differences exist (Kaufmann, Petrovici, Filho, & Ayres, 2016). In attempting to understand more about counterfeiting, the existing literature has tended to report on studies carried out in developed economies (Eisend & Schuchert-Güler, 2006; Staake, Thiesse, & Fleisch, 2009). Therefore, the quest to understand further regarding consumers in emerging economies, with respect to counterfeit consumption and the decision-making process leading to this behavior cannot be underestimated. In a marketplace where counterfeit goods are readily available and affordable, there is a strong likelihood that consumers may be looking for products that signal a brand, rather than genuine articles (Eisend et al., 2017).

A review of the literature reveals that little research has attempted to examine both individual characteristics and the self-concept collectively in a counterfeiting context. This study contributes to the literature by investigating the links among self-concept, individual characteristics, and counterfeit consumption behavior, which has tended to be neglected in prior research. The study intends to piece together these attributes into a concept to empirically test several relationships. The purpose of this study is to explore the relationship between the consumption of counterfeit goods and consumers' identity construction and evaluate these by drawing on the TRA (Fishbein & Aizen, 1975).

Historically TRA research has signaled that subjective norms and attitudes are important predictors of intention. However, Fekadu and Kraft (2001) suggest that self-concept congruity may also be a useful predictor of intention. This study provides fresh insights by positing a model linking the consumers' self-concept, that is, the independent and interdependent self with consumers' characteristics toward behavior and purchase intention. Whereas previous TRA research has tended to model one's attitude to act, that is, their intentions, the proposed framework acknowledges that consumers' self-concept could have a direct influence on both individual consumer characteristics as well as their purchase intention. The current study, therefore, contributes to the literature by advancing the TRA framework through incorporating certain societal determinants such as susceptibility to normative influence (SNI), readiness to take social

risk (RSR), and status acquisition (SA) in the interplay between selfconcept and purchase intention for counterfeit products.

The study also offers fresh insights in the context of an emerging market. Consumers' access to counterfeit merchandise may be more prevalent in emerging economies and in countries where moral and ethical issues may be less prominent, as widespread counterfeiting activities continue to proliferate (Chen et al., 2018; Eisend, 2019). However, the influence of counterfeiting activities within emerging economies has not yet been systematically addressed (Staake et al., 2009). The fact that counterfeit goods are produced and very largely distributed in emerging economies, that the price difference between a counterfeit and a genuine product is way higher (and nonproportional) compared to what is expected in Western countries are all pertinent issues that warrant further investigation.

The remainder of the manuscript is structured as follows: in the next section, an overview of counterfeiting has been provided and then the framework is introduced for helping to understand how consumers may be motivated to consume such counterfeit products. The data collection and analysis are later presented, before discussing the implications of the findings and outlining avenues for future research. The findings aim to provide fresh insights by contributing to the subject at large which is likely to have significant interest among both scholars and practitioners alike.

#### 2 | THEORETICAL BACKGROUND

Counterfeiting refers to the unauthorized production of goods that are normally protected by trademarks, copyrights, or patents (Hennigs et al., 2015; Shultz & Saporito, 1996). Counterfeiting could be either deceptive or nondeceptive (Eisend et al., 2017; Randhawa, Calantone, & Voorhees, 2015). It includes reproduced copies that are often identical to legitimate articles including their packaging, trademark, and labeling (Ang et al., 2001; Bian et al., 2016). Though consumption of counterfeits is generally considered unethical, consumer demand for such products is growing exponentially, making it a serious concern for producers of genuine goods (Bian et al., 2016; Davidson et al., 2017). Markets throughout Asia, Europe, America, Australia, and Africa are often associated with brand piracy in the forms of counterfeits (Eisend et al., 2017; Gentry, Putrevu, & Shultz, 2006). Likewise, counterfeit product consumers can be found almost everywhere (Amaral & Loken, 2016). However, the availability of such products in Asian and Western societies does not necessarily imply that consumers buy them for the same reasons, or that the goods have similar social functions in each society. "Counterfeits" and "counterfeit products" are used here to refer to the same phenomenon of counterfeiting.

# 2.1 | Purchase intention of counterfeits

The symbolic and experiential value of luxury brands attracts counterfeit production (Le Roux, Bobrie, & Thébault, 2016). A considerable amount of research has focused on issues of supplying counterfeits to

consumers, this includes the marketing skills of the retailer, the shopping environment, product category (or the brand), price, and the country of origin effects of counterfeits (Swami, Chamorro-Premuzic, & Furnham, 2009; Wang, Wang, Keller, & Chan, 2017). The supply-side perspective also includes important issues, such as the sources of counterfeits, trade in such merchandise, its growth and strategies to combat them (Berman, 2008; Shultz & Saporito, 1996). Consumer demand for such products is one of the major reasons for the existence of counterfeits and a subsequent increasing body of research has been undertaken by academics in this arena (Gentry et al., 2006; Hennigs et al., 2015).

There has also been an increase in studies on the issues concerning the demand side of counterfeiting (Phau et al., 2009; Prendergast, Chuen, & Phau, 2002). The demand-side perspective refers to consumers who purchase counterfeits and their attitudes toward such products, their propensity to purchase them, their decision process, and so on (De Matos et al., 2007). In recent times, a number of studies have been conducted on the consumer behavioral aspect of counterfeiting (Amaral & Loken, 2016; Bian et al., 2016; Chen, Su, & Widjaja, 2016; Hennigs et al., 2015; Kaufmann et al., 2016). The literature has also provided examples on nonprice determinants, like attitude (Ang et al., 2001; Furnham & Valgeirsson, 2007; Prendergast et al., 2002; Wee, Ta, & Cheok, 1995), social motives behind counterfeit consumption, such as the desire to create particular identities, fit with society, and the ability for individuals to impress others (Bloch, Bush, & Campbell, 1993; Penz & Stottinger, 2005; Wilcox et al., 2009).

This study investigates this phenomenon in the context of nondeceptive counterfeiting, that is, where consumers knowingly purchase these goods (Eisend et al., 2017; Orth et al., 2019). Such consumers are the "accomplice" (Bloch et al., 1993; Phau et al., 2009) rather than the victim of deception, as they willingly make purchases. This is exactly the opposite to deceptive counterfeiting, where consumers are deceived and told what they are purchasing is not a fake copy but the genuine brand itself. The choice surrounding the nondeceptive counterfeit context is worth-exploring as most consumers are willing to share their views regarding such behavior (Orth et al., 2019; Prendergast et al., 2002; Safa & Jessica, 2005). This helps in understanding the circumstances forming consumers' true perceptions of counterfeit products and also how these perceptions reflect on demand for such goods in shaping their attitude and purchase intention. Moreover, this context is crucial as it is the only situation where the consumer buying decision can be shaped actively.

# 2.2 | The theory of reasoned action

TRA suggests that an individual's behavior is affected by his/her intentions, which are influenced by their attitude and subjective norms (Ajzen, 1991; Ajzen & Driver, 1992). The theory advocates that individuals systematically use information that is available for decision making which subsequently influences their behavioral intention (Bian & Forsythe, 2012; Kaufmann et al., 2016). Historically, Fishbein

and Ajzen's framework has received considerable attention in the field of consumer behavior and has often served as a proxy of consumer intentions (Sheppard, Hartwick, & Warshaw, 1988).

This theory is useful as it considers psychological (attitude) and social influences (subjective norms), as predictors of behavioral intent. Previous studies have provided evidence of a significant association between individuals' subjective norms and their intention to consume (Ajzen & Driver, 1992). Schiffman and Kanuk (2010) suggested that attitude is relevant to purchase behavior as its a learned predisposition. Similarly, Kim, Kim and Goh (2011) used TRA to examine repeat purchase behavior. The theory generally supports the notion that individual attitudes toward certain issues and possessions can be affected by others, particularly if those opinions are valued (Han, Hsu, & Sheu, 2010).

While increasing research has focused on this theory in a consumer context, previous TRA studies have not comprehensively examined the consumer attitude—behavior relationship in light of counterfeit consumption. There are studies examining piracy behavior drawing on TRA (Cesareo & Pastore, 2014; Phau et al., 2014; Vida, 2012). Mourad and Valette-florence (2017) argued that consumers' attitudes toward counterfeits may influence purchase intention. Building on the TRA, Kaufmann et al. (2016) proposed that hedonic and economic benefits influence consumers' attitudes toward buying counterfeits.

#### 2.3 | Interdependent/independent self

Consumers express their personal and social attributes through the acquisition of material possessions, not purely for their own benefit, but also for influencing others. This signals the role and importance of products in helping to understand the self-concept (Eisend et al., 2017; Kim & Johnson, 2014). The self-concept refers to the overall attitude surrounding how people consider themselves and includes their self-esteem (Goldsmith, Moore, & Beaudoin, 1999). The self-concept can be defined as an individual's perception of one's own abilities, limitations, appearance, and characteristics, including their personality which can be activated and recalled to influence purchase decisions (Graeff, 1996).

Self-concept congruity has been usefully applied within a TRA context (Fitzmaurice, 2005). It motivates human behavior, giving control, and direction to an individual's performance and has the capacity to influence how consumers view brands (Malhotra, 1988). Consumers may therefore decide not to buy a specific product or brand if they feel it is not consistent with the perceptions they hold of themselves. Purchase and consumption are useful vehicles for self-expression as consumers often buy products that are congruent with, or can enhance their actual, or ideal self-concepts (Graeff, 1996; Malhotra, 1988; Sirgy, 1982).

The literature demonstrates that interdependence and independence are two distinct self-views and distinct scales have been used to measure each of these (Markus & Kitayama, 1991; Singelis, 1994). Depending on the specific self-views of consumers, the arousal of different moral emotions are required to discourage counterfeit consumption (Kim & Johnson, 2014). Markus and Kitayama (1991) presented a taxonomy of two different interpretations of the self. The independent self which is the belief that individuals are distinctly and inherently separate, and the interdependent self which is the belief that human beings are fundamentally connected to each other. Consumers with high independent self traits express a personal orientation while those with interdependent qualities tend to value the social function more (Kastanakis & Balabanis, 2012). An individual with a high interdependent self would talk mainly about social roles, family relationships, and affiliations; whereas those characterized with high independent self traits tend to be shyer (Wong & Ahuvia, 1998).

A tendency among consumers to concentrate (or not to concentrate) on social connections may be a pivotal point. For consumers, a luxury brand may possess more than a social value as its use could enhance a consumer's self-identity or extend a sense of self (Kim, Lloyd, & Cervellon, 2016). In the context of luxury brand consumption, consumers having an interdependent self worry more about the "social function"; conversely consumers having an independent self exhibit a "personal orientation" where the purpose is an expression of one's self (Kastanakis & Balabanis, 2014). Focusing on the interdependent or independent self can help understand more about the type of values consumers seek when undertaking genuine brand consumption. The research aims to explore whether the same holds for counterfeit products, since the interdependent and independent selves are related to cultural assumptions concerning the relationships between individuals and groups (Triandis, 1994). Moreover, the self-concept has been identified as a key indicator of counterfeit consumption in developing countries (Eisend et al., 2017).

Consumers with an interdependent self-orientation focus more on the opinion of certain important individuals, status in society and have a strong desire to maintain face. They are also aware of social risk or the potential disapproval among others. In contrast, consumers with an independent self-orientation make an obvious distinction between the individual and group (Wong & Ahuvia, 1998). The self-concept can escalate attitudes and intentions in developing countries (Eisend et al., 2017). Such interdependent or independent self-construals are therefore considered important variables in a counterfeit product usage context (Wang et al., 2017). However, the literature has not explained how these self-concept orientations impact counterfeit consumption. If pride rather than shame is linked to counterfeits, independents consider counterfeits to be morally wrong; while, interdependents tend to judge counterfeits as morally wrong when shame rather than pride is aroused (Chen et al., 2018; Eisend, 2019; Kim & Johnson, 2014). It is assumed that these individual characteristics have their origins in the self-concept and can explain the self-concept's influence on counterfeit consumption.

# 3 | HYPOTHESES AND CONCEPTUAL DEVELOPMENT

A three-step iterative approach was employed to transform the conceptual understanding into a theoretical framework for explaining the

links between the underlying constructs of the self-concept and individual personality traits. First, a comprehensive and relevant literature review was used to help identify antecedent personality traits that play important roles in consumer decision making surrounding counterfeit consumption (Kastanakis & Balabanis, 2012, 2014; Li et al., 2018; Martinez & Jaeger, 2016). Second, these antecedent personality traits were presented to two focus groups, consisting of ten participants in total (six marketing academics and four managerial practitioners) to seek feedback and obtain further insights. This process proved useful for further refining the antecedents and intervening concepts in the counterfeit consumption process, as well as examining the links between such constructs.

Third, the conceptual model was then later presented to the same individuals for consideration and deliberation. The process led to validation surrounding the two individual-level cultural characteristics, that is, the independent and interdependent self-concept (Markus & Kitayama, 1991; Singelis, 1994). These two distinct views of self relate to individual differences which may help researchers understand more about counterfeit consumption (Aaker, 1999). The process was also helpful for validating the three secondary personality traits including consumers' SNI, their RSR and SA as potential mediating variables in the framework. Indeed, interdependent and independent orientations with individualistic and collectivistic origins may have different influence on personality traits, such as SNI, RSR, and SA (Kastanakis & Balabanis, 2014). Based on this process, the conceptual model was confirmed thanks to the input, comments, and feedback of the individuals from within the focus groups. In the next section, each of these antecedents and their association with counterfeit purchase intention is elaborated upon further.

# 3.1 | Susceptibility to normative influence

SNI can be defined as the purchase decisions based on expectations of what would impress other people (Ang et al., 2001; Penz & Stottinger, 2005; Phau & Teah, 2009). It is evident here that there is a tendency among consumers to conform to the expectations of others concerning their purchase decisions. The process occurs so that they can be identified with such individuals to gain reward or avoid punishment (Bearden, Netemeyer, & Teel, 1989). This SNI has been commonly linked to "subjective norms" in the TRA. Subjective norms reflect a person's belief about whether people to whom one is close or whom one respects think that he or she should perform a particular act or behave in a certain manner (Fishbein & Ajzen, 1975). The influence of subjective norms is presumed to capture the social pressure a decision-maker feels when considering making a purchase or not. This study posits that SNI is a function of the degree of peer pressure that one experiences in the counterfeit purchasing context.

In terms of luxury consumption, Kastanakis and Balabanis (2012) found that consumer's SNI has a positive relationship with the self-concept and purchase behavior. Normative influence is similar to subjective norms, as it relates to the consumer's self-image and its linkage to others, such as peers, friends, or families. Consumers often

wish to enhance their self-image through purchasing certain types of products or brands. The self-image positively affects purchase intention because this has the potential to deliver an image related to social status. Other research has demonstrated that individuals with higher self image tend to be concerned or attempt to impress others (Chen et al., 2018). Normative influence can therefore be regarded as a trend to conform to the expectations of other people.

SNI varies across individuals and shows differences among individuals concerning their compliance with social influence (Zhan & He, 2012). If family and friends give importance to the negative consequences of buying counterfeits it will influence consumers too as they consider the opinion of such people whose views are considered to be important (Ang et al., 2001; Thaichon & Quach, 2016). This seems to imply that SNI has a negative effect on attitude toward counterfeit consumption. According to Phau and Teah (2009), since counterfeit consumption may taint self-image, these researchers thought that this could also lead to negative attitudes toward counterfeits. However, their research found that normative susceptibility has a positive effect on consumers, implying that norms encourage the purchase of counterfeits. The reason being that consumers do not wish to be left out and instead prefer to fit in with the group. Thus, a direct positive effect of SNI on the preference of counterfeit goods is hypothesized.

**H1:** There is a significant positive relationship between consumers with high susceptibility to normative influence and their intention to purchase counterfeit products.

People with interdependent self-tendencies do not necessarily act like self-directed individuals, but as a representative of a group and prefer to merge with the group. This is the reason that people from interdependent cultures judge individuals based on family or nationality (Wong & Ahuvia, 1998). Wee et al. (1995) found that if the social group does not approve counterfeit purchases, the consumer may run the risk of being deserted for buying such goods. Therefore, consumers averse to financial, product, and, particularly, social risk may be less interested in purchasing counterfeits. This theory does not necessarily fit well with emerging economies because consumption of counterfeits in such markets may result in establishing a successful, rewarding self-image (Perez, Castaño, & Quintanilla, 2010).

The self-concept has been examined and proven to have an influence on consumer purchase behavior relating to products and services (Alden, He, & Chen, 2010). The self-concept represents perceptions that individuals form themselves as a kind of object. The independent or interdependent self-concept can be conceptualized as a fundamental trait which refers to an individual's predisposition to focus on their social network. If the group that consumers belong to advocate expensive and pretentious possessions to be socially acceptable, then a good member must give in to such display of wealth to fit in with the group. Such individuals give much importance to their relationships with others and are especially concerned about their recognition of position. This illustrates that these consumers pay close attention to the social meaning of products and material possessions become a tool to develop social relationships.

As a result, consumers utilize counterfeit goods to communicate their social status and earn respect from others. A positive relation between a consumer's interdependent self and SNI is therefore postulated. In contrast, the independent explanation refers to the belief that distinct individuals are inherently separate and the inner self is most significant in regulating behavior (Wong & Ahuvia, 1998). This shows their defiance to social pressure and the opposite occurs.

- **H2:** There is a significant negative relationship between consumers with high levels of independency and their susceptibility to normative influence.
- **H3:** There is a significant positive relationship between consumers with high levels of interdependency and their susceptibility to normative influence.

The final hypothesis relating to the SNI revolves around those earlier pathways posited. While hypothesis H1 delineated a link between normative influence on consumer purchase intention and hypotheses H2 and H3 considered the interdependent and independent self relationships with SNI, here these pathways are collectively considered, and SNI is posited as a mediating variable. Normative influence has previously been conceptualized and measured as the SNI and has been applied to a wide variety of consumption studies, particularly in a luxury counterfeit context (Bearden et al., 1989; Huang, Phau, & Lin, 2010). Individuals who are influenced by this phenomenon use their consumption of certain goods as a vehicle for improving their social image with certain reference groups. Normative pressure affects consumption as individuals can often be positively influenced by such interpersonal influences (Clark et al., 2007). There is also some evidence from psychology to suggest that normative beliefs play a significant mediating role on behavior (Ang et al., 2011). It is therefore hypothesized that:

**H4:** Susceptibility to normative influence has a mediating effect on the relationship between both the interdependent and independent self and purchase intention.

#### 3.2 | Readiness to take social risk

Counterfeiting is considered to be a social and political problem (Bian & Veloutsou, 2007). It bears a social risk which implies the risk of being sanctioned for buying counterfeits if the group does not approve of it (Wee et al., 1995). Consumers' desire for counterfeits hinge on their social motivation (Wilcox et al., 2009); therefore individuals may try to avoid exposure if they engage in behavior that is not supported by their peers (Downes & Rock, 2003). Consumers who value the opinion of their peers, find it embarrassing if they are caught using fake designer goods (Tang, Tian, & Zaichkowsky, 2014; Wee et al., 1995). In addition, counterfeits are often not as safe as original branded goods and this may have a negative effect on how others perceive them (Herstein, Drori, Berger, & Barnes, 2015).

Usually, if a consumer thinks that there is a certain risk in an action, they may avoid it. Drawing on a sample of Brazilian consumers, De Matos et al. (2007) found that consumers who perceived there to be a greater risk associated with counterfeits, developed more unfavorable attitudes toward such brands.

Although purchasers of counterfeits may not be too worried about breaking the law, they may however be more concerned about the social risk of being found with counterfeit products (Davidson et al., 2017). Perceived risk is therefore judged to be an important barrier for consumers when they consider making a purchase. In this study, perceived risk and social risk are used interchangeably and relate to consumer beliefs surrounding the potential uncertain negative outcomes associated with counterfeit consumption (Jacoby & Kaplan, 1972). In brief, purchasing counterfeit products carries a perceived risk, that is, a probable potential loss which can have a negative bearing on attitude and purchase intention. Losing face, therefore, seems to be a deterrent against the use of counterfeits (Phau et al., 2009). Nevertheless, consumers with some degree of tolerance for risk may not perceive social risk as important and therefore may not avoid consuming counterfeit merchandise (Tang et al., 2014).

Based on a UK study, Bian and Moutinho (2009) found social risk to be a significant negative predictor of the intention to purchase counterfeit products. Generally, it is presumed that the greater the social risk, the lower the likelihood that consumers will consider counterfeits. This is because consumers buy luxury brands to achieve social or financial status and superiority. Such consumers, therefore, have a tendency to reject counterfeits as these may cause embarrassment (Nia & Zaichkowsky, 2000; Penz & Stottinger, 2005; Wilcox et al., 2009). However, due to the high symbolic and social value attached to a counterfeit (due to the luxury brand that it impersonates), consumers may subject themselves to social risk. This study therefore not only considers perceived risk but also includes consumer readiness to take risk when undertaking counterfeit consumption within a TRA context. While, consumers who are not willing to take social risks are less likely to purchase counterfeits (Wee et al., 1995), the opposite is likely to occur when consumers exert a willingness to take social risk. Thus, a positive relation between consumers' RSR and purchase intention is posited for counterfeit products and is hypothesized accordingly:

**H5:** There is a significant positive relationship between consumers with high levels of readiness to take social risk and their intention to purchase counterfeit products.

Certain consumers are conscious about what others think with regard to whether or not they should engage in specific behavior (Ang et al., 2001; Bushman, 1993; Nia & Zaichkowsky, 2000). They may consider the consumption of fakes as a means of being assimilated into a desired social identity which helps them enhance their self-image. Alternatively, they may also carry some inherent risk associated with a fake stereotype (Gistri et al., 2009). Consumers of luxury counterfeit goods are more likely to be concerned with social

as oppose to legal consequences (Davidson et al., 2017). According to Bian et al. (2016), legal and ethical issues are not of great concern compared with social risk and facing embarrassment, if consumers are exposed to their peers. However, the researchers argued that it may not always be the case, as positive emotional outcomes may occur if counterfeit consumers are able to get away with acquiring high-quality counterfeits at very low prices. Similarly, should peers approve of the purchase and consider them to be well-informed and smart.

Research by Bian et al. (2014) showed that individuals who are less influenced by others' opinions are more prone to highly conspicuous luxury brand counterfeit products than those who are more influenced by social norms. Research by Chen et al. (2015) suggests that regret may reduce preference for purchasing conspicuous counterfeits, especially among those consumers with an independent orientation. Perez et al. (2010) found consumers of counterfeits not only enjoy the social self-image which such merchandise helps them to project, but these people also consider themselves as being smarter than those they want to impress. Such individuals often enjoy the thrill related to the risks involved in purchasing and consuming counterfeits. This study also revealed that consumers seeking social approval accept the inherent risk of losing face when purchasing and consuming counterfeits. Moreover, it was also revealed that although wealthy respondents foresee the potential loss of social face, they are willing to take a risk-suggesting consumers with a strong interdependent self have a positive attitude toward RSR in the context of counterfeit consumption. In contrast, since consumers that have a tendency toward their independent self do not worry about what others think of them, a negative relation between consumers' independent self and their RSR is posited. Following this logic, it is hypothesized that:

**H6:** There is a significant negative relationship between consumers with high levels of independency and their readiness to take social risk.

**H7:** There is a significant positive relationship between consumers with high levels of interdependency and their readiness to take social risk.

These pathways are now collectively considered and RSR is posited as a mediating variable. As discussed earlier, in contrast to individuals with an independent self orientation, those with an interdependent self orientation are more concerned about the approval among others and are aware of social risk (Wong & Ahuvia, 1998). According to Kim and Johnson (2014) the consideration of counterfeits varies depending upon individuals' independent/interdependent orientation. Social risk is found to be a significant predictor of consumers' attitude toward counterfeits (Bian et al., 2016; Davidson et al., 2017). While in H5 it was reasoned that there is a significant positive relationship between consumers with high levels of RSR and their intention to purchase counterfeit products; in H6 and H7 it is argued that individuals' independent/interdependent

orientation significantly impact consumers' RSRs. The interdependent self positively and independent self negatively impact purchase intention for counterfeits (Chen et al., 2015; Perez et al., 2010). However, what is not clear is how these self-concept orientations impact purchase intention for counterfeits in the presence of social risk and therefore such a mediating effect relating to the RSR is posited.

**H8:** Readiness to take social risk has a mediating effect on the relationship between both the interdependent and independent self and purchase intention.

# 3.3 | Status acquisition

SA occurs when consumers buy, use, display, and consume goods or services to gain status (Eastman et al., 1997; Veblen, 1899). Consumers use brands to show self-identity relating to themselves (Belk, 1988). Products that consumers consume show their personality and the groups they belong to. The status of the product is more significant than the functional attributes, so consumers who want to be considered as belonging to a higher social class but do not have the income to support it purchase counterfeits, regardless of their ethical standing (Wee et al., 1995). Consumers who wish to convey a high social status are more inclined toward purchasing a counterfeit product for self-presentation, as it carries a status symbol (Wilcox et al., 2009).

The possession of status is similar to a valued commodity because status consumption assembles various psychological reward (Sivanathan & Pettit, 2010). Consumers can enhance their egos through purchasing certain brands, which makes the consumption of status-infused goods a predictor of behavior. Status-oriented consumers often demand products or brands which serve as indicators of high social status. Consumers, therefore, buy such counterfeit luxury brands as they are seeking a particular position in society (Jiang & Cova, 2012). There is empirical evidence to suggest the associated status that luxury goods provide can influence consumers to purchase counterfeits (Wiedmann, Hennigs, & Klarmann, 2012). Counterfeit products can, therefore, exhibit a desirable identity, relating to status, which drives consumption (Eisend et al., 2017). As status-seeking consumers have a positive attitude toward counterfeit goods it is hypothesized that:

**H9:** There is a significant positive relationship between consumers that are highly status orientated and their intention to purchase counterfeit products.

Consumers may have different luxury consumption behavior relating to a variety of counterfeit products depending on their wealth and need for status (Han et al., 2010). Luxury brands and arguably counterfeit products can act as social tools for self-expression to communicate or symbolize status or one's ideal self. The self-concept is also related to an individual's conspicuous consumption (Turunen & Laaksonen, 2011). Research also revealed that

female millennial consumers like to purchase certain types of handbags due to status (Grotts & Johnson, 2013).

Consumer demand for counterfeits may, therefore, depend on the extent to which such products fulfill social goals. Consumers having a strong desire to acquire a certain status are concerned by others and their social standing which implicitly refers to the interdependent self-concept. In contrast, people with independent self traits tend not to be bothered about hierarchies, as their focus is on the self as an isolated entity (Markus & Kitayama, 1991). Consumers having a strong susceptibility to external influences often try to gain their peer's appreciation by utilizing the signaling effect of branded goods, which in turn makes them more inclined to purchase counterfeits (Penz & Stottinger, 2005). Such consumers will purchase consumer products that symbolize status both for themselves and others. In contrast, the interdependent self status is enhanced through counterfeit consumption in a different way, as these consumers are able to be associated with their inspirational reference groups. It also helps them conform to certain expectations of others and they may be rewarded accordingly. Based on this discussion, the following hypotheses are posited:

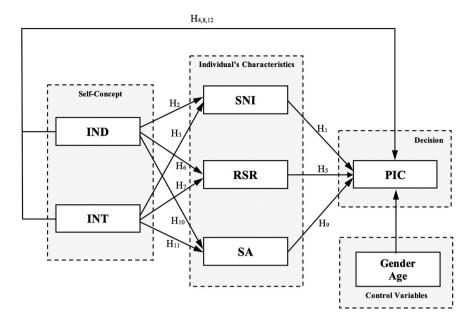
**H10:** There is a significant negative relationship between consumers with high levels of independency and their status orientation.

**H11:** There is a significant positive relationship between consumers with high levels of interdependency and their status orientation.

Consumer's status is linked to the symbolic use of consumption for luxury products. Social status seekers often purchase luxury brands because they wish to achieve this purpose (Souiden et al., 2011). Kastanakis and Balabanis (2014) also emphasized status as a motivation for conspicuous luxury consumption. Status seeking individuals are often eager to improve their social status through conspicuous consumption. Moreover, this process is mediated by SA. A positive relation between consumers' interdependent self and their tendency to purchase counterfeits and a negative relation between their independent self and their tendency to purchase such brands has been perceived. The extant literature provides evidence that if consumers decide to purchase on the basis of what is likely to impress others, they will be inclined to purchase counterfeits (Phau & Teah, 2009). Studies have confirmed the mediating role of status seeking, in terms of motivating luxury consumption (Kastanakis & Balabanis, 2012; Liu et al., 2012). Based on this discussion it is therefore hypothesized that:

**H12:** Status acquisition has a mediating effect on the relationship between both the interdependent and independent self and purchase intention.

Based on this discussion, the following concept (Figure 1) is provided to illustrate the relationships among the different variables in question. In this concept, the independent and interdependent selves act as independent variables, with purchase intention for



**FIGURE 1** Conceptual model. IND, independent self; INT, interdependent self; PIC, purchase intention for counterfeit products; RSR, readiness to take social risk; SNI, susceptibility to normative influence; SA, status acquisition

counterfeit goods being the dependent or outcome variable. SNI, RSR, and SA are posited as mediators. The potential differences relating to age and gender are also included as control variables.

# 4 | METHODS

#### 4.1 | Research context

Although the market for luxury goods has expanded due to the significance of emerging economies, most research on counterfeit consumption has however tended to be undertaken in developed economies (Eisend & Schuchert-Güler, 2006; Staake et al., 2009). Due to the significant market size associated with many emerging economies, these markets have tremendous potential for producers of counterfeits (Staake et al., 2009). According to Kaufmann et al. (2016), there is only limited understanding of consumer behavior surrounding the purchase of counterfeit products in emerging economies. They claim that the behavioral patterns within, across, and between countries in emerging markets needs greater exploration. This highlights the need for further research to examine the significance and determinants of counterfeiting along with their effect on intention toward purchasing counterfeits in the context of emerging markets (Yoo & Lee, 2012). The current study aims to offer some initial insights relating to this phenomenon.

Recently, Pakistan has experienced steady GDP growth, that is, 4.7% in 2016, and appears as an emerging economy on the MSCI index (Lagarde, 2016). According to Lagarde (2016), Pakistan is undergoing economic transformation, leading the country to be one of the comparatively stronger economies in South Asia. With the 18th largest middle-class economy worldwide, it represents a huge market for branded consumer goods. The steady growth of the economy has paved the way for the entrance of more and more foreign brands to enter the market. Although routinely accepted, counterfeiting is

considered an illegal activity. There is also a lack of publicly available information or comprehensive studies that report on the production of counterfeit goods in Pakistan. Occasionally, stories appear in local and national newspapers, in addition to business magazines.

Commonly, products imported from developed markets are considered to be of superior quality, compared with locally produced goods. Products imported from other emerging markets are judged to be of similar, inferior quality by consumers (Sharma, 2011). Low and middle-class consumers in emerging economies represent the main target segment for counterfeit providers. With such high demand, counterfeiting has become profitable business in Pakistan as consumers tend not to know about consumer rights (Eisend et al., 2017). As a result, the business of counterfeits is considered to flourish beyond proportion (Hussain, Kofinas, & Win, 2017).

In countries such as Brazil, China, India, and Pakistan, foreign brands are often appreciated, as they can provide a symbolic value that contributes to the social status of individuals. Such imports also have high perceived quality (Batra et al., 2000). Pakistan shares several economic, social, and cultural similarities with other emerging markets globally, including Brazil, Turkey, and the Czech Republic, as well as other markets in Asia, such as India, China, and Malaysia. Pakistan, representing an emerging economy and having a huge number of middle-class consumers has been selected as the context for this study because it has an ideal environment to test the concept and hypotheses. The emphasis on not losing face in Pakistani culture also makes the country an ideal setting to test the effect of social influence, social risk, SA, and self-image.

# 4.2 | Data collection and participants

For this study, a country with a large market demand and an abundance of counterfeit supply was specifically selected. Further, the study investigates this phenomenon in the context of nondeceptive counterfeiting, that is, where consumers knowingly purchase these goods (Eisend et al., 2017; Grossman & Shapiro, 1988). Thus, the study focuses on actual consumers. An area where counterfeit goods are widely available was also selected. Initially, 10 departmental stores from a list of retail establishments located in Lahore, Pakistan were contacted. To keep the sample consistent with the overall population, the selection of stores was carefully made bearing in mind the potential variance in size, location, and sociodemographic diversity. This study would also extend previous findings based on consumer student samples or convenience samples (Eisend et al., 2017; Nia & Zaichkowsky, 2000).

Consumers crossing a selected point outside a particular shopping area, were randomly approached to participate in a self-administered survey, that typically took around 10 min. Based on the results of a pretest concerning respondents' familiarity with counterfeit goods and to have a broader understanding of counterfeit product consumption, five different product categories of counterfeits were used, that is, cell phones, designer clothing, handbags or wallets, perfumes, and sunglasses. After obtaining the subjects' willingness to participate in the study, they were asked about the aforementioned counterfeit categories, from which they had recently consumed. Although they had an experience of purchasing counterfeits, to refresh their memory, the subjects were presented with both genuine and counterfeit copies of the same product category. This stimulus based procedure was followed to make sure that the subjects were familiar with the differences between such counterfeits and genuine brands. The remaining questions measured the respondents' independent and interdependent selves, RSR, SNI, perception about SA and purchase intention for counterfeit goods. The respondents were also asked a series of questions to record demographic data. The data collection spanned over a period of 1 month on both weekdays and weekends, to generate a significant sample size. The respondents' willingness and their ability to comprehend the English language were the main factors affecting participation. However, to help overcome the language issue, trained interviewers were on-hand to help respondents where needed.

**TABLE 1** Demographics

Characteristics	Frequency	Percent			
Gender					
Male	191	53.5			
Female	166	46.5			
Age					
Below 25 years	76	21.3			
26-40 years	155	43.4			
41-55 years	71	19.9			
56 years and above	55	15.4			
Product category					
Cell phones	84	23.5			
Designer clothing	58	16.2			
Handbags/wallets	69	19.3			
Perfumes	65	18.2			
Sunglasses	81	22.7			

Note: N = 357.

In total, 1,000 respondents were approached, from which 395 agreed to participate in the survey. After removing incomplete or inappropriate responses, finally 357 (35.7%) usable questionnaires were obtained. The respondents were aged between 18 and 64, 53.5% were male (46.5% female). Of the 357 subjects, 84 chose cell phones, 58 selected designer clothing, 69 went for handbags or wallets, 65 opted for perfumes, and 81 sunglasses (see Table 1).

#### 4.3 | Measurement of constructs

Following Kline (2010), each construct was measured using multiple items taken from the pertinent literature. However, to ensure that the questionnaire was a reasonable length, each construct was limited to a maximum of four items (Zhan & He, 2012). The consumers' independent and interdependent selves were measured using four items each which were adapted from Singelis (1994). RSR was captured using three items; two of these developed by Tan (2002) and one item was self-developed for this study. SNI and SA were measured by three items each using scales developed by Bearden et al. (1989) and Eastman et al. (1999). Purchase intention for counterfeit products was measured using three items adapted from Bian and Veloutsou (2007) and Furnham and Valgeirsson (2007). All the items in the instrument used 7-point Likert scales, anchored by 1 strongly disagree, to 7 strongly agree.

Although all the measures were adapted from the key literature, therefore having some degree of robustness in terms of reliability, each of the items were scrutinized and occasionally adjusted to the current context and pretested ahead of the final data collection. The instrument was first reviewed by four marketing experts to verify its content and face validity and then pretested with a sample of 45 respondents sharing similar demographics as the respondents in the main study. The results from Principal Component Analysis confirmed unidimensionality of the scales. Moreover, each construct had an adequate reliability as the Cronbach  $\alpha$  values for each was above .70. The respondents and the data used for the pretest were not included in the final analysis. The items used to measure each construct are presented in the Appendix.

#### 5 | RESULTS

Statistical analysis was carried out using AMOS 23. The psychometric properties of the scales were examined before testing the proposed hypotheses. The former was accomplished by examining reliability and validity of the underlying constructs via confirmatory factor analysis and the latter was assessed through a structural model.

# 5.1 | The measurement model

A confirmatory factor analysis was carried out on all the underlying constructs simultaneously. The fit indices of the measurement model  $(\chi^2 = 231.938, df = 155, \chi^2/df = 1.496, \text{ goodness of fit [GFI]} = 0.940,$ 

adjusted goodness of fit [AGFI] = 0.919, Comparative Fit Index [CFI] = 0.982, Tucker Lewis Index [TLI] = 0.978, and root mean square error of approximation [RMSEA] = 0.037) indicate a good model fit to the sample data. Since satisfactory model fit was achieved, later, the reliability of the scales in terms of their internal consistency and composite reliability was tested. Each construct in the measurement model satisfied the required criteria of having the values of internal consistency and composite reliability above the minimum level of 0.7 (Nunnally, 1978).

The criterion of the factor loadings for each item above 0.6 and the average variance extracted for each construct greater than 0.5 was used to assess the convergent validity at the item and construct levels (Fornell & Larcker, 1981). Table 2 indicates that both of these conditions were met; suggesting convergent validity of the scales. Further, the discriminant validity of the scales were assessed by comparing the square root of the average variance extracted for each construct with the interconstruct correlations (Fornell & Larcker, 1981). Table 2 demonstrates that the square root of the average variance extracted for each construct is greater than the interconstruct correlations, thus confirming discriminant validity.

According to Podsakoff et al. (2003) common method variance (CMV) can often occur when conducting cross-sectional research. Behavioral researchers agree there may be several causes for such variance when data is collected from a single source, through self-report surveys. Ultimately CMV may artificially inflate or deflate results (Podsakoff et al., 2003). Unfortunately, there is no direct method to completely address the issue. However, it may be minimized by employing various procedural and statistical techniques (Guide & Ketokivi, 2015). Several procedural and statistical steps were taken to address this issue, in the current research. The procedural remedies adopted, included the use of well-established measures with high reliability. Second, to address respondents' identity concerns, no items were included in the instrument that could reveal individuals' identity or lead them to provide socially desirable answers.

In terms of the statistical techniques, Harman's test was used to assess if a single factor was able to explain a significant amount of variance. In undertaking the analysis, it was discovered that the maximum variance of any component did not exceed 40%, which is well below the

threshold of 50% (Podsakoff et al., 2003). In addition, a confirmatory factor analysis based on Harman's single factor test was run to verify the potential threat of CMV. According to this test, if common method bias exits then a single latent factor model should possess a better fit compared with the multifactor model. The model fit was poor for the single factor ( $\chi^2$  = 3,298.504; df = 189;  $\chi^2/df$  = 17.452; GFI = 0.437, AGFI = 0.375, CFI = 0.274, TLI = 0.270, and RMSEA = 0.215) and weak compared with the multifactor model. Finally, the interconstruct correlations were not high (see Table 2), suggesting collectively that CMV does not appear to be a problem associated with the data.

# 5.2 | Estimation of the structural model

To assess the suggested relationships posited in the concept, a structural model using bootstrapping with maximum likelihood estimation was employed. The fit indices of the structural model ( $\chi^2 = 363.836$  with df = 192,  $\chi^2/df = 1.895$ , GFI = 0.913, CFI = 0.960, TLI = 0.950, RMSEA = 0.050) reveal a good fit with the model and sample data. Table 3 shows the standardized and unstandardized coefficients along with their significance level for each direct path proposed in the conceptual model.

The findings reveal that the interdependent self-construct has a significant positive impact on each of the intervening variables, that is, SNI, RSR, and SA. This serves to confirm hypotheses H3, H7, and H11 respectively. The results also suggest that the interdependent self attribute has a significant positive effect on purchase intention. In contrast, high levels of the independent self attribute serve to significantly and negatively influence the same intervening variables, that is, SNI, RSR, and SA. These findings provide support for hypotheses H2, H6, and H10. No significant direct effect was found for the independent self construct influencing purchasing intention.

The findings also revealed that the three intervening variables, that is, SNI, RSR, and SA each served to have a strong positive impact on the purchase intention for counterfeit products. Hence, this provides evidence to support hypotheses H1, H5, and H9 respectively. In brief, all the hypotheses concerning the direct effects posited in the study were supported (see Table 3).

α	CR	AVE	Constructs	SA	IND	INT	SNI	RSR	PIC
.80	0.81	0.59	SA	0.766					
.89	0.89	0.68	IND	-0.287	0.824				
.88	0.88	0.66	INT	0.356	-0.405	0.811			
.89	0.90	0.75	SNI	0.521	-0.334	0.472	0.866		
.86	0.87	0.69	RSR	0.462	-0.304	0.443	0.506	0.831	
.84	0.85	0.65	PIC	0.578	-0.383	0.577	0.733	0.661	0.806

*Note*: The values in the bold font are square root of AVE. Values below the diagonal are the interconstruct correlations

Abbreviations:  $\alpha$ , Cronbach's  $\alpha$ ; AVE, average variance extracted; CR, composite reliability; IND, independent self; INT, interdependent self; PIC, purchase intention for counterfeits; RSR, readiness to take social risk; SA, status acquisition; SNI, susceptibility to normative influence.

**TABLE 2** Psychometric properties of the scale

TABLE 3 Structural model results

Relationship	Std. estimate	UnStd. estimates
Relationship	Sta. Cstimate	Onotal Estimates
IND→SNI (H2)	-0.173	-0.292**
INT→SNI (H3)	0.433	0.558***
IND→RSR (H6)	-0.143	-0.203*
INT→RSR (H7)	0.414	0.449***
IND→SA (H10)	-0.169	-0.242*
INT→SA (H11)	0.319	0.35***
SNI→PIC (H1)	0.411	0.326***
RSR→PIC (H5)	0.317	0.299***
SA→PIC (H9)	0.161	0.151**
IND→PIC	-0.013	-0.018 <sup>ns</sup>
INT→PIC	0.168	0.171**
Gender→PIC	0.027	0.058 <sup>ns</sup>
Age→PIC	-0.214	-0.241***

Abbreviations: IND, independent self; INT, interdependent self; ns, not significant; PIC, purchase intention for counterfeits; RSR, readiness to take social risk; SA, status acquisition; SNI, susceptibility to normative influence. pstar pst

To rule out any impact of gender and age; these were incorporated as control variables. Gender was not found to have any significant effect on purchase intention, implying there was no significant difference among male or female respondents to confound the proposed relationships in the concept. However, age was found to have a negative relationship with purchase intention, suggesting from the sample, that as people grow older their intention to purchase counterfeits diminishes.

#### 5.3 | Mediation effects

As there were multiple mediating variables (SNI, RSR, and SA) posited on the relationship between interdependent/independent self and purchase intention for counterfeit products, the approach offered by Macho and Ledermann (2011) was followed and AMOS 23 was used to test the specific impact of each potential mediator. This approach allowed the researchers to test multimediation models and assess total or specific indirect effects. Table 4 summarizes the specific indirect effects through each mediating variable along with the total indirect effects as well as the total effects.

It was hypothesized that the relationship between the interdependent self and purchase intention for counterfeit products was mediated by SNI (H4), RSR (H8), and SA (H12). So far, as the specific mediating effects were concerned, the indirect effect of interdependent self through each of the mediators (SNI:  $\beta$  = .182, p < .01; RSR:  $\beta$  = .134, p < .01 and SA:  $\beta$  = .053, p < .05) tested significant and supported the hypotheses. The total indirect effect ( $\beta$  = .369, p < .01), the direct effect ( $\beta$  = .171, p < .01), and total effect ( $\beta$  = .560, p < .01)

**TABLE 4** Mediated effects

Path	Unstd. estimate	BCCI lower	BCCI upper		
Direct effects					
INT→PIC	0.171**	0.007	0.264		
IND→PIC	-0.018 <sup>ns</sup>	-0.161	0.099		
Specific indirect effect	S				
INT→SNI→PIC	0.182**	0.125	0.275		
IND→SNI→PIC	-0.095*	-0.197	-0.029		
$INT \rightarrow RSR \rightarrow PIC$	0.134**	0.097	0.224		
$IND \rightarrow RSR \rightarrow PIC$	-0.061*	-0.120	-0.024		
INT→SA→PIC	0.053*	0.019	0.102		
$IND {\rightarrow} SA {\rightarrow} PIC$	-0.036 <sup>+</sup>	-0.073	-0.004		
Total indirect effects					
INT→PIC	0.369**	0.282	0.46		
IND→PIC	-0.192*	-0.324	-0.086		
Total effects					
INT→PIC	0.540**	0.395	0.636		
IND→PIC	-0.210**	-0.377	-0.071		
	0.0 .0	0.070	0.000		

Abbreviations: BCCI, bias corrected confidence intervals; IND, independent self; INT, interdependent self; *ns*, not significant; PIC, purchase intention for counterfeits; RSR, readiness to take social risk; SA, status acquisition; SNI, susceptibility to normative influence. \*n < 05.

of the interdependent self on purchase intention for counterfeit goods were significant and the relationship between the interdependent self and purchase intention for counterfeit products purchase intention was mediated by the individual characteristics, that is, SNI, RSR, and SA. These findings serve to confirm hypotheses H4, H8, and H12 for the interdependent self—individual characteristics—purchase intention relationships (see Table 4).

The same procedure was followed to test for the mediating effect of individual characteristics on the relationship between the independent self and purchase intention for counterfeit goods. On the relationship between independent self and purchase intention for counterfeit goods, significant mediating effects for each, that is, SNI ( $\beta$  = -.095, p < .05—H4), RSR ( $\beta$  = -.061, p < .05—H8), and SA ( $\beta$  = -.036, p < .10—H12) was found. Both the total indirect effect ( $\beta$  = -.192, p < .05) and total effect ( $\beta$  = -.210, p < .01) of independent self on purchase intention for counterfeit goods were significant. However, the direct effect ( $\beta$  = -.018, p = .782) was not significant. This provides evidence for such mediation effects of the individual characteristics on the relationship between independent self and purchase intention, and thus confirming the three hypotheses.

# 6 | DISCUSSION

Understanding consumer behavior in the context of counterfeit product consumption is essential for brand manufacturers and

<sup>\*\*</sup>p < .01.

<sup>\*\*\*</sup>p < .001.

<sup>\*\*</sup>p < .01.

<sup>+</sup>p < .10.

distributors of genuine goods, as they continue to grapple with a plethora of counterfeit products. Exploring the relationship between brands and consumers helps managers of genuine brands further understand issues surrounding consumer preference for counterfeit goods and specifically how an individual's self-concept is related to the purchase intention of such brands. The research extends the previous literature on the relationship between interdependent/independent self and purchase intention for counterfeits by exploring the multimediation effect of individual characteristics.

The data found support for the hypothesized relationships presented in the concept. While a consumer's interdependent self is positively associated with his/her purchase intention for counterfeit products, it was discovered that the independent self dampens this type of consumption. In contrast to Fitzmaurice (2005) who discovered that the self-concept did not significantly influence intention, the findings revealed that the interdependent self had a significant effect on purchase intention. Counterfeit consumption can be perceived as a socially directed form of behavior that originates from the interdependent self and is reinforced by susceptibility to normative forces, a desire to acquire status and deviation from norms. Conversely, the presence of a stronger independent self creates the tendency to disassociate individuals from others making them indifferent to normative influence and impressing others, leading to lower levels of counterfeit consumption. The findings extend the TRA by incorporating such SA variables into the framework and discovering that these have a significant influence on counterfeit product purchase intention.

The findings suggest that through the consumption of counterfeit goods consumers from emerging economies try to obtain symbolic benefits which help them to achieve a desired social image and identity, albeit by the help of questionable behavior, that is, counterfeit consumption. In line with the literature (Phau & Teah, 2009; Prendergast et al., 2002; Tang et al., 2014; Thaichon & Quach, 2016; Wilcox et al., 2009), the influential role of friends and family opinions in the acceptance or rejection of counterfeit consumption was also observed. It is due to social acceptance or social image improvement that consumers choose counterfeits. This finding was also supported by De Matos et al. (2007) who found that when relatives or friends approve counterfeits, consumers develop a positive attitude toward such brands. It was found that consumers associate these brands with values such as being a citizen of the modern world or attempting to show themselves as being cosmopolitan. This finding is in contrast to Bloch et al. (1993), who claimed that consumers who knowingly choose counterfeits see themselves as less well off financially, less successful, and less confident than other consumers.

When a counterfeit product is purchased, there exists an inherent risk of losing face when deciding to consume it. However, Perez et al. (2010) discovered through their study in Mexico, another emerging economy, that consumers are willing to take the risk because they perceive there is a low probability of being caught. They think they can deceive others by purchasing and consuming the best quality counterfeit products. This study suggests that in emerging economies, the opinion of others does significantly concern

consumers when they purchase counterfeit products. The findings challenge previous impressions gleaned from the literature (Bian & Moutinho, 2009; De Matos et al., 2007), that is, individuals' perceiving social risk associated with counterfeit consumption shy away from such brands due to the inherent social risk. The study empirically demonstrates the positive relationship between RSR and consumers' purchase intention. Indeed, consumers of counterfeits are willing to take the social risk. This result signals important implications for both academicians and practitioners in the field of counterfeit consumption and consumer ethics.

Overall, the study has uniquely examined both the self-concept and individual characteristics by developing a framework to link them together and consider their influence on the purchase intention of counterfeit goods. This study makes an incremental contribution by piecing these constructs together into a concept and empirically testing this in an emerging economy context. The study clearly illustrates how such individual characteristics influence purchase intention, and how the self-concept affects individual characteristics and purchase intention. The current study advances the TRA by incorporating societal determinants such as SNI, RSR, and SA in the interplay between the self-concept and purchase intention for counterfeit goods. The study also offers fresh insights into the context of an emerging market, as the influence of counterfeiting activities within such economies has not yet been fully realized (Staake et al., 2009).

# 6.1 | Implications

The findings of this study help practitioners to understand factors that truly affect consumer proneness toward counterfeit goods and provide fresh insights into the key drivers influencing demand for such merchandize. It is necessary to change consumers' attitudes toward counterfeit products as TRA posits that attitude is determined by its corresponding beliefs. Associating counterfeit products with negative consequences such as lost jobs, higher genuine brand prices, and so forth, may help form new beliefs amongst consumers leading to such negative attitudes toward these brands. As counterfeit consumers appear less influenced by legal issues (Bian et al., 2016), marketing managers of genuine brands should bear it in mind that stressing the fact that such consumption being illegal is not likely to have an instant effect. This suggests that manufacturers ought to focus more on imagery and the symbolic meaning of their brands rather than merely presenting facts to win consumer loyalty. They may also wish to emphasize the social risks associated with the consumption of counterfeit goods. These explicit messages will affect consumer attitudes toward counterfeits.

Deriving appropriate strategies to counter the price issue in a bid to control the menace of counterfeit goods is not a long-term solution to this problem. Consumers in developing countries aspire to enjoy an associated prestige endowed to them through the acquisition of counterfeits, so overcoming pricing issues represents a fundamental challenge in such contexts. Moreover, consumers buy

luxury goods because of prestige, which is linked to their high price (Nia & Zaichkowsky, 2000). The study signals that there are multifaceted reasons influencing consumer attitudes and behavior. The combination of psychological, social, and context-related antecedents, including the RSR and SNI are shown here to influence consumer behavior in this specific emerging economy context.

Often consumers purchase counterfeits to satisfy their desire to convey symbolic meanings, such as status, recognition, and superiority. However, when they are convinced that such brands are not helpful in impressing others, individuals will tend to avoid them (Nia & Zaichkowsky, 2000). Manufactures of genuine brands, should therefore make consumers realize that prestige and the sense of Westernization that they try to obtain from acquiring counterfeit goods comes with a variety of social, financial, and performance risks. Making consumers believe that counterfeit products can damage their ideal self and SA, may help combat counterfeit purchasing behavior in developing countries (Wang et al., 2017). Consumers with an independent orientation have a strong desire for individual expressions, while consumers with an interdependent orientation have a need for harmony. Therefore, the strategies to dissuade counterfeit consumption require evoking different moral or ethical emotions that depend on the orientation of specific consumers.

The empirically tested concept provides a useful framework for practitioners as it is evident that such individual characteristics all play significant roles in motivating the consumption of counterfeit goods. Practitioners operating with genuine merchandise need to take note of such points, particularly as good quality counterfeits, often referred to as "genuine copies" by traders may provide consumers with a feeling they have the genuine article and this serves to enhance their position or status in society. In the context of this emerging market, it also suggests that consumers are willing to take a risk in purchasing counterfeits, even though their peers would probably not approve—were they ever to know. Suppliers of genuine goods should seek to work with policymakers at various governmental levels to encourage action against illegal trading. There is also a strong likelihood that this may need to be part-financed by industry in order for this to successfully occur. It would be useful therefore if genuine suppliers form an alliance and work together with other manufacturers to combat the issue. A coordinated approach for entering international markets and cities or regions in a sequential manner should help better gauge a return on such investment and marginalize counterfeit sales in particular territories.

Original brand manufacturers should also strive to become more innovative in developing their ads to encourage ethical consumer behavior, through promoting such benefits associated with purchasing the genuine brand. They should also seek to provide greater added value in support of their products. Retailers for example have an opportunity to utilize their service environment to develop relationships with consumers and their peers. Staging reception events to showcase new products may prove useful, as would VIP event evenings where consumers and their friends and families can be invited for cocktails and canapés. Such events should prove beneficial

for re-enforcing the brand and nurturing good relations among existing and potential new consumers.

Practitioners need to become more familiar with the different notions of self, as they have significant influence on such individual characteristics. The study also revealed that consumers with high levels of interdependency have a significant propensity to purchase counterfeits. This is likely to be particularly salient in emerging economies where collective behavior prevails. It also further states the importance of developing brand and retail strategies that have the potential to appeal to consumers and their peers. As alluded to earlier, the ability to do this provides an opportunity which makes it impossible for counterfeit producers to imitate. Inviting customers and their friends and family to specific retail events may prove effective for both enhancing brands and elevating consumers' status among their peers. This could also help to contribute in some way, by making the risk associated with purchasing counterfeit products even greater. The ability to differentiate and appeal to both independent and interdependent consumers is something that practitioners need to grapple with. Therefore, creating appropriate messages to effectively communicate with these audiences is likely to be the key to success. Managers of genuine brands should also bear in mind that although age may be used for targeting consumers in developed markets, status-acquisition and the self-concept may play a more influential role among consumers in developing markets.

# 6.2 | Limitations and future research

Though the current research has provided some novel insights into consumer behavior associated with counterfeit products, the study has certain limitations. The manufacture and marketing of counterfeit goods is illegal and therefore the purchase and consumption of counterfeits is socially deviant. The data collected in this survey, may to some extent represent socially acceptable responses. However, to minimize such effects a neutral language was employed and at the beginning of the survey the subjects were informed that their responses would be exclusively used for academic purposes.

The data collected in this study was cross-sectional. Future work could look to build on this limitation by undertaking longitudinal research. Such work may better reveal the effect of age, income, education, and consumption over time. The study focuses on personality and societal factors influencing consumer attitudes toward counterfeit products and in turn purchase intention. However, the list is not exhaustive and other factors should also be considered in future research that may include characteristics of personality like responsibility, loyalty, dedication and courage, and so forth. The context of ethics is therefore considered to be important. Moreover, societal and environmental factors such as social norms, corruption in society, the willingness of society to consume counterfeits and protection of intellectual property are also worthy of future research, as we believe that such environmental factors can significantly influence the decision-making process.

This study has empirically analyzed respondents' attitudes toward counterfeit products but has not examined deceptive counterfeiting. Future research could explore this in more depth and even compare the two. Moreover, further work could examine whether (or not) the suggested variables have a different degree of influence on products that have high functional value, such as software and compare this with other luxury goods associated with a high image value, like handbags. Kastanakis and Balabanis (2012) suggest that different personality traits could also be included and tested in such models. Further research could also look to consider other contexts. The online shopping environment may be investigated in future studies, as lots of counterfeit products are now being sold in this way (Randhawa et al., 2015).

The approach undertaken in this study has relied heavily on consumer self-reporting measures. As consumers are not always likely to fully disclose their intentions surrounding counterfeit products, other approaches should be considered. Yoo and Lee (2012), for example, suggest that longitudinal studies may provide more reliable insights and offer an opportunity to track actual purchases over time. Moreover, some scholars have advocated the use of qualitative approaches to examine consumers' counterfeit purchase behavior. Such data may help provide deeper insights beyond quantitative data (Teah et al., 2015). An additional study might be beneficial in future research to strengthen theory development in a similar emerging market context. Five different product categories of counterfeits were used in this study but due to the sample size, comparisons between these were not undertaken. Some relationships in the concept may be affected by product category and future research should therefore address this issue by comparing the potential effect of each product category.

It may also be useful for future studies to consider the impact of price differentials on the consumption of counterfeits. Poddar et al. (2012) suggest that price differentials tend to vary based on the perceived corporate citizenship image of the original brand. Future studies should look to explore this phenomenon in greater depth, as findings relating to cross-cultural investigations on this topic are likely to reveal interesting insights relating to different nationalities. Since culture is a significant variable in luxury branding it is recommended that the research should be conducted across multiple countries to reveal more cross-cultural comparisons. For generalization of the concept, the model should also be tested in other emerging economies. The findings would prove fruitful, as the importance of emerging economies to the world economy should not be neglected. To reduce the illicit trade of counterfeit goods, managers must consider different consumer ideologies and consumption patterns across different markets. The problem of counterfeiting can never be totally eradicated, but it can be alleviated if governments, marketers of genuine brands and consumers join forces to address the concerns.

# DATA AVAILABILITY STATEMENT

The research data are not publicly available due to privacy or ethical restrictions.

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# **APPENDIX: SCALES**

#### Interdependent self (Singelis, 1994)

- It is important to me to respect decisions made by the group.
- Even when I strongly disagree with group members, I avoid an argument.
- I will sacrifice my self-interest for the benefit of the group I am in.
- I often have the feeling that my relationships with others are more important than my own accomplishments.

#### Independent self (Singelis, 1994)

- I'd rather say "No" directly, than risk being misunderstood.
- I prefer to be direct and forthright when dealing with people I've just met.
- I enjoy being unique and different from others in many respects.
- My personal identity independent of others, is very important to me.

#### Susceptibility to normative influence (Bearden et al., 1989)

- I achieve a sense of belonging by purchasing the same product and brands that others purchase.
- If other people can see me using a product, I often purchase the brand they expect me to buy.
- If I want to be liked by someone, I often try to buy the same brands that they buy.

# Readiness to take social risk (Tan, 2002)

- I am ready to buy counterfeit products though my friends/ relatives may find out that I am using counterfeit products, they will dislike it and think that I am unable to afford a genuine brand.
- I am ready to buy counterfeit products though my friends/ relatives may find out that I am using counterfeit products,

this will make them disrespect me considering me to be immoral.

• I am ready to buy counterfeit products though spending money on a counterfeit product is risky because others may laugh at me (self-developed)

# Status acquisition (Eastman et al., 1999)

- I would buy a product just because it has status.
- I am interested in new products with status.

• I would pay more for a product if it had status.

**Purchase intention for counterfeit products** (Bian & Veloutsou, 2007; Furnham & Valgeirsson, 2007)

- I am willing to buy counterfeit products for my own use.
- I am willing to buy counterfeit products to give to others as presents.
- Given good quality and good price, I would have no problem buying counterfeit products.