U.S. Consumers’ Motivations for Purchasing and Not Purchasing Fashion Counterfeit Goods

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Abstract This study explores U.S. consumers’ perceptions about fashion counterfeit goods and counterfeiting and motivations for purchasing and not purchasing those goods. A qualitative research technique utilizing self-administered essay questions was used to collect data. A convenience sample of female college students (N=129) drawn from classes at Midwestern and Southern universities in the U.S. participated in this study. This study found that a majority of consumers tended to perceive that fashion counterfeit goods are merely imitations of the legitimate goods and that counterfeiting is producing and selling fake goods, but a small number of consumers associated those goods with illegally produced goods and illegal practices or violations of intellectual property rights. The major motivations for purchasing counterfeit fashion goods were found to be price/value consciousness, appearance of counterfeit goods, status consumption, availability of the goods, desire for souvenirs, and social (family and peer) influences. In addition, the major deterrents to purchasing these goods were identified as integrity/ethical judgment, poor quality of counterfeit goods, self-image/status, and unavailability of the goods. This study provides policy makers and anti-counterfeit coalitions with information to develop effective educational programs or campaigns to influence consumers’ counterfeit fashion purchasing behavior.

Key words Fashion counterfeiting, counterfeits, motivations, non-deceptive counterfeiting

Introduction

Counterfeiting is a $600 billion dollar industry which has showed a 10,000% increase during the last two decades from $5.5 billion in 1982 (IAAC, 2008) and which costs U.S. businesses about $250 billion annually (IAAC, 2008; Tucker, 2005). Counterfeiting is defined as copies produced to deceive consumers into believing that the goods are genuine (Bamossy & Scammon, 1985). The International Anti Counterfeiting Coalition (n.d.) states that “counterfeiting is illegal and purchasing counterfeit products supports illegal activity.” Because this business is unlawful and therefore non-taxable, it costs the U.S. economy tens of billion dollars each year (Li, 2011) and results in the loss of honest jobs (Bosworth, 2006). In ad-

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dition to the harm imposed upon the economy, profits from the sale of counterfeit goods have been linked to organized crime in the form of money laundering, drug trafficking, prostitution, and even terrorist efforts (Bosworth, 2006).

In an attempt to combat such detrimental behavior, organizations both national and worldwide have implemented laws restricting counterfeit practices and have made great efforts to enforce trade barriers blocking the entrance of pirated items. For example, the Anti-Counterfeiting Trade Agreement (ACTA) recently completed the legal verification of the ACTA text, a document which inaugurates international standards for enforcing intellectual property rights in order to fight counterfeiting and piracy issues, build best practices for enforcement, and provide an effective legal basis for prosecuting counterfeiters (“Anti-Counterfeiting Trade,” 2012). However, Frontier Economics forecasts that the annual global economic impact of counterfeiting will increase to $1.7 trillion by 2015 (“Sink the Pirates,” 2012). This statistic shows that the legal steps taken by customs agencies and the judicial system to deter counterfeiting on the supply side may offer only benign “slap-on-the-wrist” punishments and fall short of a solution to the problem.

While the counterfeiting trade encompasses a vast array of products, one of the most mainstream and controversial product categories is luxury fashion goods. The U.S. Customs and Border Control reported at mid-2006 that fashion items accounted for 45% of the counterfeits seized (Casabona, 2006). Among the products confiscated, luxury names Louis Vuitton, Gucci, and Prada comprised three of the top five brands counterfeited (McGlone, 2006). This fact indicates that counterfeiting poses a serious threat to legitimate luxury brands as well as to the fashion industry (Oldenberg, 2005).

Despite the efforts of U.S. legal policies and the fashion industry to limit production and sale of counterfeits on the supply side, fashion counterfeiting has continuously increased due to strong consumer demand for luxury brand goods and perceived price advantage over the genuine goods (Kim & Karpova, 2010). In an effort to determine a more effective way to counter counterfeits, researchers have examined consumers’ motivations for purchasing counterfeit goods. However, while most studies have used a quantitative research technique (see Table 1), studies using a qualitative research technique on this topic are limited and no qualitative studies have been conducted to examine U.S. consumers’ motivations to purchase fashion counterfeits. Hoe, Hogg, and Hart (2003) suggest that in-depth explanations for consumers’ underlying motives when purchasing counterfeits can be better assessed by qualitative research. While qualitative research allows researchers to obtain a deeper understanding of the way consumers think and the motivations behind their behavior (Ruyter & Scholl, 1998), the use of interviews may result in censored responses that are tailored around social norms because respondents tend to offer socially acceptable responses (Churchill & Lacobucci, 2005). This limitation is particularly relevant to questions regarding non-deceptive counterfeit purchasing due to the illicit nature of the subject matter. In addition, no studies have investigated consumers’ association with counterfeiting and counterfeit goods by asking them to define those terms. Therefore, the purpose of this study was to explore U.S. consumers’ perceptions toward fashion counterfeiting and counterfeit goods and motivations for purchasing and not purchasing those goods using self-administered essay questions.