

**WHAT KEEPS CONSUMERS FROM BUYING COUNTERFEITS?  
THE ROLE OF RISK AS AN OBSTACLE TO PURCHASING PIRATED PRODUCTS**

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**ABSTRACT**

The market in pirated and counterfeit goods is rapidly growing and is constantly reaching new record levels. These developments pose a serious threat to companies producing legitimate goods. Whereas rigorous research has been done to determine why consumers buy a pirated product instead of the original, relatively little is known about what prevents people from buying illicit goods. This research systematically explores risk as a key obstacle and, more specifically, the influence of different risk dimensions on customers' attitudes towards counterfeit goods and purchase intentions: legal risk, social risk, financial risk, functional risk, and psychological risk.

The relevance of the different dimensions of risk is examined with respect to three important types of piracy products: software (high legal risk), pharmaceuticals (high functional risk), and clothing (high social risk). 474 consumers, selected by a fixed-ratio schedule and randomly assigned to one of the three treatment conditions, participated in the study. Using partial least squares (SmartPLS) the study shows that attitude is not the dominant inhibitor of purchase intentions. In fact, the perceived risk a customer associates with the purchase of pirated products is essential to diluting the intention to buy these products. The analysis pinpoints the crucial role of doubts in functional aspects for product categories which are associated with high functional risks (pharmaceuticals) as well as for high legal risks (software) and social risks (clothing). Although legal, social, financial, and functional risks trigger negative feelings in consumers (i.e., psychological risk), these emotions do not considerably influence their decisions.

These findings are highly relevant for companies in virtually all sectors being threatened by product piracy. Instead of attempting to change one's attitude, product and marketing managers should seek to emphasize risk perceptions. In order to effectively deter customers from purchasing pirated products, quality aspects should therefore be picked out as a central theme in marketing campaigns.

References Available on Request.