Original Article

Targeting buyers of counterfeits of luxury brands: A study on attitudes of Singaporean consumers

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ABSTRACT This paper examines the factors that influence the attitudes of Singaporean consumers towards counterfeits of luxury brands. Data were collected using a self-administered questionnaire from 300 postgraduate students of a large university. Both social influence and price quality inference were found to significantly influence attitudes towards counterfeits of luxury brands. There was no significant relationship with brand consciousness, personal gratification, value consciousness and brand prestige. Attitudes towards counterfeits of luxury brands were found to influence purchase intention.

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BACKGROUND

The luxury goods industry is a very lucrative market. Market analyst Mintel had estimated that the global luxury goods industry would be set to grow at a compound annual growth rate of 12 per cent from the current market value of US\$70 billion to \$100 billion by 2008.¹ With the luxury market value growing at such a phenomenal rate, many luxury designer brands have become targets for counterfeit producers. It is estimated that the

trade in counterfeit brands has exceeded more than \$500 billion,² and is deemed to be a booming market.^{3,4} The market in fake goods may reach the \$2 trillion mark in 20 years, which represents 3 million businesses in the United States.⁵ Counterfeiting is extremely rampant in Asia,⁶ for instance, Korean Customs Service announced that out of the \$162.5 million worth of fake products that have been seized, those bearing Chanel's logo alone have accounted for \$23.5 million, far exceeding any other brand.⁷

The growth in the counterfeit market can be attributed to the increase in world trade and emerging new markets.⁸ As a result of fast-paced technology advancements, luxury goods are easier

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to counterfeit, as technology is more easily available.^{9,10} Luxury brands are vulnerable targets for counterfeiters, as they are popular with consumers.¹¹ As very little research and development costs are incurred, they are less expensive to manufacture.^{12,13} Luxury goods are replicated even to the slightest detail in colour, design and range. All these come to the consumer at a fraction of the original price, making them a welcomed alternative to original luxury goods.¹⁰

Many countries have implemented anti-counterfeiting strategies to curb the problem. For example, the French authorities have imposed a fine on those who bring fake designer goods into the country.¹⁴ The Chinese government, in view of the then upcoming 2008 Olympics and membership of the World Trade Organization, also clamped down on retailers selling counterfeit products.¹⁵ Singapore has always been supportive of the fight against piracy and counterfeiting. Intellectual Property Office of Singapore (IPOS) has set up a special taskforce to protect trademarks, designs and patent rights both locally and internationally. Yet this has not deterred locals from purchasing counterfeit brands when they are overseas travelling for pleasure or work.¹⁶

Many of the early studies on counterfeiting focused on the supply dimension, and the development of counter strategies for piracy or counterfeiting.^{17–19} Recently, we have seen an increase in studies on the issues pertaining to the demand side of counterfeiting.^{20–22}

Several studies have been conducted to understand consumer demand for counterfeit products. For example, Cordell *et al*²³ found three motivators for counterfeit consumption – the status symbol of the brand, the retailer's channel of distribution and the price of the counterfeit product. Kau *et al*²⁴ and Wee *et al*⁸ found that consumers purchase fakes to make a point to brand houses for selling their branded products at inflated prices. Bloch *et al*⁹ emphasised that there are situations where consumers are 'willing accomplices' rather than victims of deception, especially in cases of prestige goods. Using this analogy, there is a need to understand the driving forces behind consumers' demand for counterfeits

of luxury brands. This is especially important in a law-abiding nation like Singapore.

This paper therefore strives to understand the driving factors that constitute the attitudes and intentions of Singaporeans in their pursuit of counterfeits of luxury brands. The paper will first examine the relationship between six antecedent factors (brand consciousness, personal gratification, value consciousness, pricing and quality inference, social influence and brand prestige) and attitudes towards counterfeits of luxury brands. It will also investigate the relationship between consumers' attitudes towards counterfeits of luxury brands and the intention to purchase counterfeits of luxury brands. This paper is organised into several sections, beginning with a discussion on extant literature, and leading to the model and hypotheses development. This is followed by a description of the research method. The discussion of the findings and analysis is then presented. Finally, the managerial implications and limitations of the study are highlighted.

RELEVANT LITERATURE

Luxury brands and counterfeit brands

Vigneron and Johnson²⁵ stated that consumers develop prestige or luxury meanings for brands based upon social interactions (for example aspired and/or peer reference group), object properties (quality) and hedonic values (for example sensory beauty). Luxury or status goods are defined as goods for which the mere use or display of a particular branded product reflects prestige onto the owner, apart from any functional utility.²⁶ Nueno and Quelch²⁷ define luxury brands as 'those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high'. Bearden and Etzel²⁸ concluded that publicly consumed luxury products were more likely to be conspicuous products than privately consumed luxury products. Therefore, luxury products are often used to display wealth and power, and highly visible luxury brands dominate this conspicuous segment. This is a point put forward by Veblen,²⁹ who suggested that people use

conspicuous consumption to signal wealth and to infer power and status. Consumers are motivated by a desire to impress others with their ability to pay particularly high prices for prestigious products.³⁰ When they carry a luxury branded product, it is an ostentatious display of their wealth.

Counterfeits are reproductions of a trademarked brand – usually that of a luxury brand.²³ They are closely similar or identical to genuine articles, including packaging, labelling and trademarks to intentionally pass off as the original product.^{31–33} According to McDonald and Roberts,³⁴ consumers who purchase counterfeit goods can be separated into those who are deceived into thinking that the product they bought is genuine and those who knowingly buy counterfeits. The first would be a victim, when they unknowingly and unintentionally purchase counterfeit goods due to it being so closely similar to the genuine articles.^{9,26,35,36} However, the latter is a willing participant or consumer of counterfeit products, wherein they seek out counterfeit products even when they know that the products are illegal and a copy of the genuine.^{9,20,23} As such, this paper only focuses on the ‘accomplice’, or consumers who are willing purchasers of counterfeits of luxury brands.

Counterfeits are cheaper alternatives to the expensive originals.³⁷ In many instances, these counterfeits have shown that there might not be any noticeable difference in perceived quality.¹² As such, counterfeit brands may diminish the symbolic value of authentic luxury brands and dilute the brand equity.^{26,38,39} Buyers of genuine products may refrain from purchasing these brands, as they may be mistaken as cheap imitations even if the products are genuine.

Attitudes towards counterfeiting

Consumers purchasing counterfeit brands are willing to pay for the visual attributes and functions without paying for the associate quality.^{23,26} As such, consumers prefer counterfeit products with a famous brand name attached that would present some connotation of prestige to the consumer. This reinforces the concept that

only brand names that are well known or worth counterfeiting are targeted for illegal production.^{13,23}

Past research has examined a host of factors, including economic, quality, legal and ethical issues that shape and influence attitudes of consumers purchasing counterfeit brands.^{23,32,40} Fundamentally, consumers will consider purchasing counterfeits of luxury brands when functional needs are met. However, the associated prestige and status symbol that the trademarked brand exudes is an even stronger propellant for consumers to purchase counterfeits of luxury brands.^{23,41}

More commonly, price is also reflective of consumer attitudes towards the value of counterfeit products. Counterfeits of luxury brands capitalise on the lower and more competitive pricing strategy.⁴² Consumers seek to enjoy an alternative of a luxury branded product, but are unwilling to foot the high price tag associated with it.¹² In addition, it is perceived that the low financial risks provide an added benefit, as the price is relatively advantageous.²³ Consumers compensate for the lower quality with a lower price tag. As long as the basic functional requirements are met or the visibility and symbolic value is achieved, consumers will be satisfied.³⁷

In recent years, the product quality of counterfeit products has improved tremendously due to increasingly fast-paced technology. This has brought greater competitive advantage to counterfeit products.⁴⁰ Certain products can be tried before purchase to gauge the functionality or performance, which can encourage consumers' willingness to purchase.⁴³ In general, counterfeit products are without warranties, unlike genuine products, adding to greater financial risks of purchases.⁴⁴ However, the deceptively similar quality and appearances of counterfeits and originals have caused confusion even to manufacturers. There have been instances where original manufacturers provide warranty services for counterfeit products, as they are unable to discern the differences.⁴⁵ Prior studies found that if the perceived product attributes between the genuine product and the counterfeit product are

similar in terms of quality, the purchase intention will be higher.^{8,10,46}

Consumers rationalise purchasing counterfeits as justifiable because they perceive themselves to be less unethical or illegal.^{3,23,47–49} Hence, consumers feel less responsibility as a counterfeit patron. Furthermore, the ‘Robin Hood Mentality’ creates very little consumer sympathy for gigantic multinational corporations that complain about profit lost.^{23,32,43,50} It is not within the consumer’s immediate self-interest to pay a considerably higher price for the authentic good if the counterfeit item offers similar qualities.

Although there are different measures developed for attitudes towards the purchase of pirated software (for example Kwong *et al*⁵¹ and Wang *et al*⁴¹), testing consumer attitudes towards counterfeits of luxury brands is still in its infancy (for example Ang *et al*³²). Studies could be focused on the examination of the individual’s behavioural beliefs and feelings towards counterfeiting.⁸ Further, product attributes (such as quality, texture, status signalling, and so on) of counterfeits are unlike pirated software, and are more inconsistent and more easily distinguishable.¹⁰ In view of Singaporean consumers, attitudes towards counterfeiting of luxury brands can be influenced by factors such as brand consciousness, value consciousness, brand prestige, social influence, personal gratification, pricing and quality inference.

THEORY DEVELOPMENT

Studies based on the perspectives of theory of planned behaviour (TPB), expected utility theory⁵² and equity theory⁵³ have explained the behaviour that favours piracy. The literature has also shown that the theory of reasoned action (TRA) and TPB are highly applicable to attitudes and intentions towards counterfeits of luxury brands.^{32,41,51} Both of these are well-developed theoretical orientations that aim to contribute to the understanding of the psychological processes underlying intentions and behaviours of consumers favouring counterfeits of luxury brands.⁵⁴ Thus, they will be used to underpin this research.

Theory of reasoned action

TRA purports that people intend to behave in ways that allow them to obtain favourable outcomes and meet the expectations of others.⁵⁵ This cognitive model rests on the assumption that the decision to engage in behaviour is based on the outcomes that the individual expects to accrue from the behaviour.⁵⁶ According to the TRA, a decision to engage in a behaviour (that is purchasing a counterfeit luxury product) is predicted by an individual’s intention to perform the behaviour directly. In addition, an individual’s intention to perform the behaviour can be predicted if the consumer’s attitude and subjective norms are known. There are debates that propose that the two components are not conceptually distinct because it is not possible to distinguish between personal and social factors on an individual’s behavioural intention.⁵⁷ Results from other studies have confirmed that attitudes were found to be more useful or have a stronger effect on predicting behavioural intentions than subjective norms.^{58,59}

Theory of planned behaviour

TPB was developed by Ajzen,⁵⁸ with the additional variable of perceived behavioural control as a predictor for intentions and behaviour to improve the main flaw of the TRA. Perceived behavioural control is defined as the personal ease or difficulty of performing a behaviour. It is affected by perceptions of access to necessary skills, resources and opportunities to perform a behaviour, weighted by the perceived valence of each factor to facilitate or inhibit the behaviour.⁵⁴

The TPB can be largely used in this context to explain the decision to purchase counterfeits of luxury brands. Both personal and social factors influence intentions towards the purchase of counterfeits of luxury brands as explained by TRA. Ang *et al*³² have shown that these factors are those that accrue to attitudes towards the behaviour, and in this context are brand consciousness, personal gratification, value consciousness, pricing and quality inference, social influence and brand prestige. Figure 1 proposes the theoretical framework for the study.

Figure 1: Theoretical framework for intention to purchase counterfeit luxury brand.

HYPOTHESES DEVELOPMENT

Brand consciousness

According to Bush *et al.*,¹⁸ publicly self-conscious individuals are especially concerned about the impression they make on others. They are more likely to be concerned about physical appearance and fashions. They are more compliant with standards in society and more sensitive to interpersonal rejections. As defined earlier, luxury goods or status goods are mainly for use or to reflect the prestige on the owner, apart from any functional utility.²⁶ In such instances, consumers who are brand-conscious will most likely have a negative attitude towards counterfeits of luxury brands. As such, the following hypothesis is proposed:

Hypothesis 1: Brand consciousness has a negative influence on the attitudes towards counterfeits of luxury brands.

Personal gratification

Personal gratification is linked to the need for a sense of accomplishment and social recognition, and the desire to enjoy the finer things in life. Even though consumers who purchase counterfeits are aware that the counterfeit products do not provide similar levels of quality as the original, they are willing to accept such compromise. Consumers go through a process of moral reasoning when they make the decision to purchase a counterfeit. Nill and Shultz II⁴³ provided a model explaining how consumers go through the stages of moral reasoning.⁶⁰ The

process of moral reasoning goes through three distinct levels, namely, the expected personal consequences in terms of punishment, reward or exchange of favours; the social influence and conformity to the conventional order of the society; and the desire to differentiate values and moral principles from referent groups and authorities. The individual adopts the self-chosen ethical principles, and these are generally perceived as consistent and often universal.⁴³

When Bloch *et al.*⁹ compared buyers of counterfeits with non-buyers, they noticed that non-buyers of counterfeits tend to be less confident and less successful, and have lower perceived status. These characteristics are often associated with individuals who seek accomplishment, social recognition and a higher standard of living. Consumers searching for higher personal gratification will have negative attitudes towards counterfeits of luxury brands. As such, the following hypothesis is proposed:

Hypothesis 2: Personal gratification has a negative influence on attitudes towards counterfeits of luxury brands.

Value consciousness

Value consciousness is defined as a concern for paying lower prices, subject to some quality constraint.⁶¹ It has been observed that consumers are more likely to engage in illicit purchase behaviours when there are price pressures. Counterfeit products that may be of lower quality offer consumers huge savings as compared to genuine products. In such instances, the perceived value for the counterfeit products will be high for a consumer who is value-conscious.³⁷ Bloch *et al.*⁹ have shown that when a counterfeit product has a distinct price advantage over the genuine product, consumers will select the counterfeit. As such, the following hypothesis is proposed:

Hypothesis 3: Value consciousness has a positive influence on attitudes towards counterfeits of luxury brands.

Price–quality inference

Research has found that consumers will select a counterfeit over a genuine product when there is a price advantage.⁹ However, prior studies such as that of Grossman and Shapiro²⁶ suggest that there are two types of counterfeit buyers with relation to price and quality inference. The first group feels that if counterfeit products are comparable to the genuine in all aspects and yet is superior in price offered, then consumers will choose counterfeits, as they provide the advantage of the status and quality attributes of brand-name products. On the other hand, the second group feels that although counterfeits are inferior to the original, their superior prices more than compensate for the shortfall in quality and performance. As such, the following hypothesis can be proposed:

Hypothesis 4: Consumers who are more concern about price over quality have more negative attitudes towards counterfeits of luxury brands.

Social influence

A consumer's consumption pattern is a reflection of his or her social class position. It is a more significant determinant of his or her buying behaviour than just income.⁶² People tend to associate themselves with the current social class position they are in or the class above them.⁶³ Thus, they are more likely to buy branded products, which can convey brand status of affluence, wealth and social class. If brand status is important to consumers but they are unable to afford the expensive originals, they are likely to turn to counterfeit brands as cheaper substitutes for the originals. Depending on their social group norm, the pressure from referent groups can induce the consumer's decision to use original or counterfeits of luxury brands.⁶⁴ As such, the following hypothesis is proposed:

Hypothesis 5: Social influence has a positive effect on attitudes towards counterfeits of luxury brands.

Brand prestige

The ability to consume prestige brands is viewed as a signal of status and wealth. If the price is exorbitant by normal standards, it will further enhance the value of its perceived conspicuous value.²⁵ Thus, when a brand is more prestigious, consumers will be more likely to purchase it to reflect their status. Such consumers seek self-satisfaction, and will show this to those around him or her through visible evidence.⁶⁵ The fact that consumers desire to possess brands that exude brand symbols to reflect their self-identity has numerous implications for their attitudes towards counterfeits of luxury brands.⁶⁶ As consumers are more conscious of brand prestige, their attitudes towards counterfeiting of luxury brands would be unfavourable. As such, the following hypothesis is proposed:

Hypothesis 6: Brand prestige has a negative effect on attitudes towards counterfeits of luxury brands.

Attitudes towards counterfeits of luxury brands

Building on the TPB, purchase behaviour is determined by purchase intention, which is in turn determined by attitudes.⁶⁷ Attitudes towards behaviour instead of towards the product are noted to be a better predictor of behaviour.^{47,67–70} However, the theory also stated that the opportunities and resources, such as the accessibility of counterfeit products, must be present before purchase behaviour can be performed. Without such circumstances, regardless of how favourable intentions are, it would be difficult to perform purchase.^{3,71}

Unethical decision-making such as the purchase of counterfeits is explained largely by attitudes, regardless of product class.^{8,32,71} The more favourable consumer attitudes are towards counterfeits of luxury brands, the higher the chances that they will purchase counterfeit brands. Similarly, the more unfavourable consumer attitudes are towards counterfeits of luxury brands,

the less likely are the chances of purchase.⁸ Therefore, the following hypothesis is postulated:

Hypothesis 7: Consumers with positive attitudes towards counterfeits of luxury brands have higher intention to purchase counterfeits of luxury brands.

METHODOLOGY

Data collection

The survey instrument was designed and put up on a website. Three hundred postgraduate students from a large university were emailed the website address, and were instructed to take part in the survey. It was highlighted to the sample that participation in this study was voluntary and that respondents' anonymity was ensured. Owing to the sensitivity of some questions asked, the respondents were further reassured that their responses would not be traced back to them. The demographic details requested were purely for statistical analysis. Respondents were given 2 weeks to complete the survey, and a reminder email was sent 1 week before the survey was closed. Two hundred and twenty surveys were completed, but 16 were rejected due to incomplete information. As such, 204 usable responses were employed in the final analysis.

Survey instrument

The first section of the survey instrument comprised six established scales to measure brand consciousness, personal gratification, value consciousness, pricing and quality inference, social influence and brand prestige. The second section comprised a 6-item scale to measure attitudes towards counterfeits of luxury brands, and a 2-item scale to measure purchase intention. All items in the first two sections were measured on a 7-point Likert scale, with 1 representing 'strongly disagree' and 7 representing 'strongly agree'. The last section comprised a series of demographic items.

The survey instrument was pre-tested with a group of 20 individuals who fell within the criteria of the unit of analysis. The feedback

received, which consisted mainly of issues on ambiguity and the paraphrasing of some items, was duly considered. Relevant issues were revised and amended before the survey instrument was distributed to the actual sample.

FINDINGS AND ANALYSIS

Samples

Two hundred and four usable responses were analysed with SPSS software version 14, as shown in Table 1. Of the respondents, 75.5 per cent were female. The majority (68.1 per cent) of the respondents were between 20 and 29 years old. The highest percentage in terms of occupation was executive and managerial level, at 24 per cent.

Preliminary checks

The scales were each factor-analysed to ensure uni-dimensionality, followed by a reliability check. These results and the respective sources are shown in Table 2. As reflected, most of the scales exhibit a high degree of reliability with the Cronbach α above 0.80, except for price quality inference, that

Table 1: Demographic profile

<i>Demographics</i>	<i>N</i>	<i>Per cent</i>
<i>Gender</i>		
Female	154	75.5
Male	50	24.5
<i>Age</i>		
20–29	139	68.1
30–39	37	18.1
40 and above	28	13.7
<i>Marital status</i>		
Never married	160	78.4
Married	43	21.1
Divorced/separated	1	0.5
<i>Occupation</i>		
Administrative staff	31	15.2
Civil servant	18	8.8
Executives and managerial	49	24.0
Professional	22	10.8
Sales and marketing	17	8.3
Student	24	11.8
Technician/skilled worker	20	9.8
Others	23	11.3
<i>Annual salary</i>		
\$14 000 or below	39	19.1
\$14 001–\$21 000	49	24.0
\$21 001–\$28 000	62	30.4
\$28 001–\$35 000	24	11.8
\$35 001 and above	39	19.1

Table 2: Reliability scores of scales

Scale measure	Source	No. of items	Cronbach α
Brand consciousness	Nelson and Mcleod ⁷³	8	0.861
Personal gratification	Ang et al ³²	5	0.849
Value consciousness	Lichtenstein et al ⁶¹	4	0.801
Price–quality inference	Kwan et al ⁷⁴	11	0.768
Social influence	Prendergast et al ²⁰	5	0.822
Brand prestige	Vigneron and Johnson ²⁵	5	0.813
Attitudes towards counterfeit of luxury products and intention to purchase	Ang et al ³²	6	0.898

All scales measured using 7-point Likert scale.

is, 0.768. The scale adapted in this study is still deemed as acceptable, as it is greater than 0.60.⁷²

Regression analysis

In order to test the hypotheses (Hypotheses 1–6), multiple regressions were used to analyse the effects of the independent factors on attitudes towards counterfeits of luxury brands. Results generated are shown in Table 3.

Only two variables, namely social influence and price quality inference, are found to be significant predictors of attitudes towards counterfeits of luxury brands ($F=5.663$, $P<0.01$). These predictors are explained by 48 per cent of the variance in attitudes towards counterfeits of luxury brands. Conversely, factors including personal gratification, value consciousness, brand consciousness and brand prestige are *not* significant predictors of attitudes towards counterfeits of luxury brands. In summary, there is sufficient statistical evidence to support Hypothesis 4 (price quality inference) and Hypothesis 5 (social influence), but Hypothesis 1 (brand consciousness), Hypothesis 2 (personal gratification), Hypothesis 3 (value consciousness) and Hypothesis 6 (brand prestige) are all rejected (Table 4).

Based on these results, Hypothesis 7 is strongly supported, and individuals with positive attitudes towards counterfeits of luxury brands are also more likely to purchase counterfeits of luxury brands. Intention to purchase counterfeits of

Table 3: Predictors of attitudes towards counterfeits of luxury brands

Independent variables	Standardized beta	t-statistic	P-value
Brand consciousness	–0.226	–2.019	0.045
Personal gratification	–0.074	–1.081	0.281
Value consciousness	0.094	0.987	0.325
Price quality inference	–0.432	–3.708	0.000**
Social influence	0.305	3.114	0.002**
Brand prestige	0.118	0.927	0.355

Dependent variable: Attitude towards counterfeits of luxury brands.

$R^2=0.48$; $F=5.663$ (significant at $P<0.01$).

**significant at $P<0.01$.

Table 4: Regression from factors of attitudes towards counterfeits of luxury brands onto intention to purchase counterfeits of luxury brands

Independent variables	Standardized beta	t-statistic	P-value
Attitudes towards the purchase of counterfeit luxury product	0.678	13.05	0.000**

Dependent variable: Intention to purchase counterfeits of luxury brands.

$R^2=0.46$; $F=170.287$ (significant at $P<0.01$).

**significant at $P<0.01$.

luxury brands explains 46 per cent of the variance. In summary, there is sufficient statistical evidence to support Hypothesis 7.

DISCUSSION AND IMPLICATIONS

With the TPB as a theoretical foundation, the linkage between attitudes and intentions has been reconfirmed again, reflecting many studies in other countries (for example Ang et al³²; Nia and Zaichkowsky⁷⁵). Individuals with favourable attitudes towards counterfeits of luxury brands will also have stronger intentions to purchase counterfeits of luxury brands. Even though Singaporean consumers have difficulties in purchasing counterfeits of luxury brands in Singapore, this does not deter them from buying them when they are overseas. Furthermore, consumers do not necessarily hold negative intentions towards luxury brand owners when they purchase counterfeits of luxury brands.⁹

The findings have reflected that social influence and price–quality inference factors have significant

influences on the attitudes towards counterfeits of luxury brands. In support of previous findings (such as Teah and Phau,¹⁰ and Bian and Veloutsou⁴⁴), price determinants are not the only influencing factors that affect consumer attitudes and purchase intention towards counterfeits of luxury brands. Clearly, social influence plays an important role as well. This echoes findings of Mellott⁶³ and Bearden *et al*⁶⁴ that consumers are more likely to purchase counterfeits of luxury brands under the influence of their peers. Many Singaporean consumers are becoming wealthier, and the need to display such wealth is greater. However, the gap between the rich and the poor is widening despite economic growth. The desire for luxury goods is still on the rise, propelling consumers to purchase for the sake of display. This contributes to dissonance, whereby consumers resort to buying counterfeits that can carry the same function as luxury brands, and can be displayed to their peers.

The above findings provide luxury brands manufacturers further insights into strategising their anti-counterfeiting campaigns. It is fundamental for luxury brand companies to properly target consumers who are influenced by their peers. Thus, the findings emphasise the importance of careful tailoring of luxury brand advertisements that appeal to consumers. One way to dissuade counterfeiting would be to emphasise personal image.⁷⁶ For consumers who value the opinion of their peers, it will be embarrassing if they are found to be using fake designer goods.^{8,76} Perhaps, the 'loss of face' could be a deterrent against the use of counterfeits. This should be strongly communicated to the target audience. It is further recommended that managers craft advertisements with high-involvement messages that use central processing.

A common topic of discussion in the past has been the perception towards the quality, reliability and functionality of counterfeits versus original articles.⁷⁷ Many of the counterfeits of luxury brands present in the marketplace today are of superior quality,⁴⁰ which poses a greater incentive for consumers to purchase. This is evident when consumers perceive product attributes of counterfeits and originals to be closely similar.

Luxury brand owners are propelled to differentiate and be as innovative as possible to be 'a step ahead' of counterfeiters (such as through special designs to brand their products) in order to avoid being easily imitated.¹² Such tactics will also reinforce the belief that consumers are paying high prices for innovative and quality products. It is important to remind consumers that they are not charged lofty prices for uninspiring products. In many instances, consumers are being deceived into believing counterfeits are authentic. As such, brand owners are recommended to publicise authorised retailers and advertorials that could detail differences between counterfeits and authentic items. Furthermore, the above tactics are intended to assist consumers in distinguishing between the counterfeit and authentic. However, concerns have been raised that such means might bring more attention and benefits to counterfeiters.¹²

Evidence has shown that tourists contribute to counterfeit product sales.^{8,12} It has been suggested that if prices of authentic brands could be made lower and more affordable to Singaporeans, there might be less inclination for them to purchase counterfeits.⁷⁸ Instead, they would be more inclined to purchase the authentic articles when they are overseas. However, this may carry the risk of eroding exclusivity for brand consumers who pursue the brand value that premium luxury products exude.^{8,79} If this concept is properly executed, brand extensions that further accentuate the parent brand, such as Armani-Exchange and Miu Miu, can be successful.

More importantly, the government and luxury brand owners should work together to educate the masses on the negative impacts of counterfeiting and the health hazards it will cause, as counterfeits are without quality and safety assurances (for example Comité Colbert). Although instilling fear through penalties and criminal punishments is useful, other dimensions of changing consumer behaviour may also be looked into. Furthermore, to dissuade both 'buyers' and 'sellers' from committing counterfeit-related activities,⁹ government should enforce a policy whereby both parties should be penalised if caught. Such strategies would reiterate the fact that both 'suppliers' and 'buyers' will be held responsible for their actions.

In this study, brand consciousness and brand prestige did not have a significant influence over the attitudes towards purchasing counterfeits of luxury brands. Based on the research carried out by Vigneron and Johnson,²⁵ and Grossman and Shapiro,²⁶ brands and luxury goods have different significance and perceived values to different consumers when it comes to reflecting their social status. In the Singapore context, consumers use a variety of ways to reflect their status consumption. They also like to purchase upmarket properties and sports cars, and pay to join exclusive country clubs as a way to reflect their consumption power.

As mentioned in Nill and Shultz II's⁴³ research, consumers go through a process of moral reasoning when they make a decision to purchase a counterfeit. In this study, findings suggest that personal gratification did not have a significant influence on the attitudes towards counterfeits of luxury brands. Singaporean consumers are still highly influenced by Asian values. Social acceptance and image portrayed to peers and society are major considerations when consumers make a decision to purchase counterfeits of luxury brands.

Although Bloch *et al*⁹ have shown in their research that consumers will select counterfeits if there is a price advantage, value consciousness did not present the same results in the Singapore context. As mentioned in the literature review, Singapore has limited outlets where counterfeits of luxury brands can be purchased. Consumers have fewer opportunities to compare the price advantage between the genuine and the replica.

CONCLUDING COMMENTS

Counterfeiting of luxury brands has become a severe global economical problem that cannot be alleviated overnight.^{3,37} Singapore's stand on piracy and intellectual property is a main deterrent for counterfeit products to enter the country. But this has not stopped citizens from purchasing counterfeit products when they are overseas.¹⁶ Countries are best advised to work together to defeat or curb this problem.

Notably, the stance towards anti-counterfeiting is toughening on a global scale. However, it

requires long-term planning and execution of strategies that suitably target consumers and suppliers to be able to succeed. It is crucial for managers to understand the fundamentals of consumer attitudes and purchase behaviours of counterfeits to be able to counter the counterfeit epidemic.

In summary, this study presents the following conclusion: It is evident that consumer attitudes towards counterfeits of luxury brands play an important role in affecting consumer purchase intention. The social influence of the consumers plays an important role in their intention towards purchasing counterfeits. Even though most Singaporean consumers have a stable income, the price and quality of the counterfeit luxury product versus the original is still an incentive for them to opt against the latter.

There are a number of limitations worthy of improvement and future research. This study was conducted through an online survey and distribution of printed surveys among a certain social circle. This may limit the populations that could be reached. It is relatively tough to find retail shops that sell counterfeits of luxury brands. Those who purchase counterfeits of luxury brands may not have bought them in Singapore, but may have purchased them when they were overseas, where counterfeit products are readily available. The addition of factors such as where do they usually purchase or where did they last purchase the counterfeit luxury products can be further investigated to test for their influences on consumers.

Another study on Singaporean consumers who travel overseas frequently and who often buy counterfeit luxury products could well be delved into and examined.⁸⁰ This could entail the examination of situational and emotional factors involving tourists on holiday, as they are likely to have a sense of excitement and a softened ethical stance.^{40,48} Further exploration using qualitative approaches to examine consumer purchase behaviour of counterfeit products may provide deeper insights. Quantitative approaches are very commonly used, and the understanding derived may still be limited.^{40,80}

Although this study shows that the attitudes of consumers play a role in affecting purchase intention, they might differ in the purchase of other product categories such as pirated CDs. This study only examines purchase intention; actual ownership can be measured to determine whether buyers are also owners of counterfeit products. Counterfeit of luxury brands is only one area of counterfeiting. Other areas such as imitation, grey-area products and/or custom-made copies will also affect the intention of consumers to purchase counterfeits.

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