U.S. Consumer Attitudes toward Counterfeit Fashion Products

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ABSTRACT

Counterfeit products pose a serious threat to the manufacturers and retailers of authentic designer products and to the world economy. While research on the demand side of counterfeiting has grown over the past two decades, few extant studies have been conducted among non-student consumers outside Asia and Europe and few studies have focused on product categories other than consumer electronic-related items (CDs, DVDs, software). Using a sample of U.S. consumers (N=305), the current research investigates consumer attitudes in the context of fashion products. In contrast to the bulk of extant research on counterfeiting, handbags and sunglasses are used as the focal product categories rather than consumer electronic-related items. Findings suggest that value consciousness, social costs and anti-big business attitude influence consumers' intention to purchase counterfeit fashion products.

Keywords: Counterfeit products, Consumer behavior, Retailing, United States, Law

INTRODUCTION

Counterfeit goods have been defined as identical copies of authentic products (Lai & Zaichowsky, 1999). In most countries including the U.S., the trafficking and sale of counterfeit merchandise is unlawful. Identified as "the crime of the 21st century" (Abbott & Sporn, 2001), counterfeiting involves the deliberate use of a false mark that is indistinguishable from a registered mark. Thus, an item that bears a brand name or logo without the permission of the registered owner is counterfeit, or "fake." Unlike counterfeits, the production and sale of "knockoffs" or "imitations," which may look identical to designer originals but do not bear the brand name or logo of another owner, does not violate U.S. law. Counterfeit goods account for at least five percent of the world's trade (IACC, 2007). While the illicit nature of counterfeiting makes estimating the economic impact of intellectual property (IP) infringements difficult, (U.S. Government Accountability Office, 2010), one recent study places the value of counterfeiting and piracy in international trade between $287 billion and $362 billion annually (Frontier Economics, 2011). According to the World Intellectual Property Organization ("WIPO"),

counterfeiters are thwarting economic development and endangering public health and safety (Zarocostas, 2007). Counterfeit products have been found among virtually every type of consumer goods, including electronics, airplane and auto parts, pharmaceuticals, and even food products, sometimes with injurious consequences (Phillips, 2005; U.S. Trade Representative, 2007). Second only to CDs and software, luxury fashion merchandise is the counterfeit product category most widely purchased by U.S. consumers (Jacobs et al., 2001; Zarocostas, 2007).

Researchers have identified two types of transactions involving consumer purchases of counterfeit products, deceptive and non-deceptive (Grossman & Shapiro 1988; Chakraborty et al., 1996). In deceptive transactions, consumers erroneously believe they are purchasing the legitimate branded product (Grossman and Shapiro, 1988b; Chakraborty et al., 1996). However, in many cases, counterfeit merchandise is purchased knowingly by the consumer, a trend known as non-deceptive counterfeiting (Vida, 2007; Wilcox et al., 2009). In non-deceptive counterfeiting, the consumer recognizes that the goods are not authentic through information cues such as price, purchase location, and materials used (Chakraborty et al., 1996; Gentry et al., 2001).

Investigation into the role of value consciousness in the context of counterfeits has been limited (Wilke & Zaichowsky, 1999; Huang & Ho, 2004; de Matos et al., 2007; Penz et al., 2009). Moreover, the majority of the extant research on consumer attitudes toward counterfeit products has involved non-U.S. samples and focused on consumer electronics, software, movies, and other digital products (*e.g.,* Albers-Miller, 1999; Ang, et al., 2001; Tan, 2002; Kwong et al., 2003; Wang, et al., 2005; Moores and Chang, 2006; Chaudhry and Stumpf, 2011; Michaelidou and Christodoulides, 2011; Sharma and Chan, 2011). Few studies have employed samples from other countries and investigated fashion-related products. For example, Bian and Moutinho (2009)

investigated Glasgow shoppers' perceptions of counterfeit Rolex and Gucci brand products. *Bian and Veloutsou (2007) conducted a cross-cultural study of consumer attitudes toward counterfeits in the U.K. and China, using sunglasses as the focal product category. Their findings suggest that Chinese consumers display less favorable views of counterfeits as compared to their U.K. counterparts.* In studying consumer behavior, *researchers have found differences in purchase intention based on nationality (Amine & Shin, 2002; Harvey & Walls, 2003; Chapa, et al., 2006).* A study by Penz et al. (2009) suggests that consumer attitudes toward counterfeits in particular vary by country.

The U.S. is the world's largest national economy (World Bank, 2011). It represents five percent of the world's consumers, and 27 percent of its purchasing power (U.S. Chamber of Commerce, 2010). As the average U.S. consumer spends more than $1,700 annually on apparel and accessories (U.S. Bureau of Labor Statistics, 2010), counterfeit goods undermine the economy by reducing sales of legitimate goods revenues (U.S. Immigration and Customs Enforcement, 2009a). In fiscal year 2010, U.S. Immigration and Customs Enforcement (ICE) made 19,959 seizures of counterfeit goods, a 34 percent increase over 2009 (U.S. Immigration and Customs Enforcement, 2011). With a total domestic value of $188.1 million, those fakes would have been worth a retail value of $1.4 billion if they were genuine (U.S. Immigration and Customs Enforcement, 2011). Clothing, footwear, jewelry and accessories are among the top 10 counterfeit categories entering the U.S. (U.S. Immigration and Customs Enforcement, 2009a).

In addition to negative effects on legitimate brand owners, the counterfeit market lessens employment opportunities, thwarts research and development, and reduces tax revenues (Trainer, 2003; U.S. Immigration and Customs Enforcement, 2009a). Counterfeits in the U.S. threaten the safety of consumers and national security if the goods are of inferior quality and are used

in health care, consumer goods, or defense, financial, and telecommunications systems (Buzzeo, 2005; U.S. Immigration and Customs Enforcement, 2009a). Although the theft of intellectual property is known to fund organized crime (e.g., Rand Corporation, 2009; U.S. Immigration and Customs Enforcement, 2009b; Wolf, 2010), many U.S. consumers find counterfeit products, especially fashion goods, "fun" and knowingly make such purchases (Nia & Zaichkowsky, 2000).

While one study shows that U.S. consumers make a clear distinction between legitimate brand manufacturers and counterfeiters (Penz & Stottinger, 2008b), few studies investigate the attitudes of the broad U.S. population toward purchasing counterfeit fashion products. One of the primary reasons for investigating the predictors of purchase intentions for counterfeit goods is to find ways to reduce the demand for such products (*Casola, et al., 2009*). Therefore, the purpose of this study is to investigate predictors of U.S.

consumers' intention to knowingly purchase unlawful counterfeit products outside of consumer electronics items (e.g., handbags, sunglasses). This research will contribute to the current body of literature concerning the demand side of counterfeit consumer goods and provide insight into ways brand owners can attend to curbing that demand. Specifically, the study will extend our knowledge of attitudes toward counterfeit products by focusing on a less-researched market (U.S. consumers) and fashion product categories (handbags, sunglasses).

LITERATURE REVIEW AND HYPOTHESES

Decision-making involving counterfeit goods has been explained largely by consumer attitudes (Wee et al., 1995; Ang et al., 2001; Phau & Teah, 2009). Therefore, the proposed model (Figure 1) focuses on the components of consumer attitudes toward counterfeit fashion products and intention to knowingly purchase counterfeits.
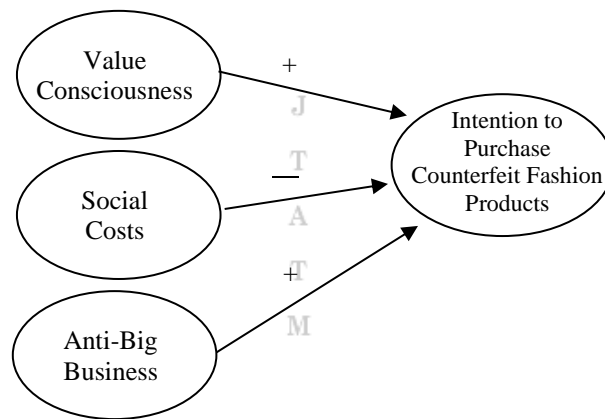
Figure 1.Proposed Model of Consumer Attitudes toward Counterfeit Fashion Products
Value consciousness

Lichtenstein et al. (1993) define value consciousness as a consumer's concern for the price paid as compared to the quality received. Bloch et al. (1993) reported that some consumers select counterfeits in lieu of the original when there is a price advantage, despite a

compromise in quality. Accordingly, Ang et al. (2001) found that value-conscious consumers in particular display a positive attitude toward counterfeit products. Another study found that the higher consumer's value consciousness, the more likely to choose a counterfeit over the

genuine branded product (Oneto et al., 2010). In a cross-cultural study, Penz et al. (2009) found that the perceived favorable price/value relationship of counterfeits had a strong impact on subjects from Austria, Slovenia, and the Czech Republic, but no effect on those from Mexico. Indeed, that study found that the higher the price discount compared to the legitimate original, the more favorable those subjects' perceived price/value relationship of the counterfeit product.

Notwithstanding the recent emergence of high-quality counterfeits known as "super copies," (Kattoulas, 2002; Beebe, 2010), *most counterfeit branded products are lower-grade versions of their authentic counterparts (e.g., Nia & Zaichowsky, 2000;* Penz & Stottinger, 2005). Although consumers might recognize that counterfeit products are not equal in quality compared to authentic products, some consumers, especially from Western cultures, may be willing to sacrifice quality to purchase a lower priced counterfeit version (Bian & Veloutsou, 2007). Those consumers are likely to find that counterfeits, especially fashion products, are fun and worth the value (Nia & Zaichkowsky, 2000; Eckhart, et al., 2010). Others who purchase counterfeits may eventually become consumers of the original branded product (Haruvy, et al., 2004; Gentry et al., 2006; Yoo & Lee, 2009).

Wee et al. (1995) examined Asian students' intention to purchase fake fashion and media products, reporting that consumers did not expect durability from the low-cost fakes. Rather, for fashion items, such as wallets and handbags, appearance was a key determinant. The more closely the fake resembled the branded original, "the greater the subject's willingness to buy the counterfeit product, as they are able to enjoy the snob appeal . . . without paying the higher prices." (Wee et al., 1995, p. 38). In a study consisting of 102 interviews with international students drawn from 20 countries, Gentry et al. (2006) found that while some subjects were willing to try counterfeits, others shunned them, especially conspicuous fashion items, for fear of losing face among their in-groups.

However, the better the counterfeit product performs compared to the legitimate original, the more likely the consumer will choose the fake (Cordell et al., 1996; *Penz & Stottinger, 2008a).* Recent data *indicates that U.S. consumers would buy fake movies and drugs if they thought the counterfeit products were just as good as the legitimate product (Chaudhry & Stumpf, 2009). Likewise, other studies confirm that those who have purchased fakes in the past are more likely to believe they are similar in quality to the real brand (Wang et al., 2005; Cuno, 2008; Phau & Teah, 2009; Yoo & Lee, 2009). Not surprisingly, where consumers are able to rate the quality of the counterfeit product before purchase, the likelihood that they will purchase the item increases (Eisend & Schuchert-Guler, 2006).*

It is believed that at least one-third of consumers would knowingly purchase counterfeit goods (Tom et al., 1998; Phau et al., 2001). Although consumers may know a counterfeit product is of lower quality than the authentic product, they are still willing to purchase the counterfeit because the lower price makes the product affordable (Tom et al., 1998; Gentry et al., 2001; Bian & Veloutsou, 2007). As the increase of fakes in the marketplace is arguably fueled mainly by consumer demand (Gentry et al., 2001), there is little doubt that at least some consumers perceive value in the counterfeit product. Therefore, the following hypothesis is offered:

H1. *Value consciousness will have a positive effect on the intention to purchase counterfeit fashion products.*

Social cost

The International Labor Organization has reported that millions of children are forced to work in counterfeit manufacturing facilities in China, where most of the counterfeit goods destined for

the U.S. are produced (Goodwin, 2006; U.S. Trade Representative, 2011). One prominent intellectual property lawyer has described the horrific working conditions where counterfeit products are made, showing to his audience images of handcuffed child laborers (Kelly, 2005). Yet, many consumers see counterfeiting as a victimless crime (Perez, et al., 2010).

According to U.S. officials and the Secretary General of Interpol, there is a clear link between counterfeit products and organized crime (Noble, 2003; Bonner, 2004; Wolf, 2010). Many counterfeit organizations are known to be associated with organized crime and terrorist groups (e.g., Green Quest, 2002; Noble, 2003; Kelly, 2005; IACC, 2007; Rand Corporation, 2009; U.S. Department of Treasury, 2011). The Basque terrorist group ETA is known to sell counterfeit handbags and clothing around the world and online (IACC, 2007b). Additionally, counterfeiting has become a favorite method of funding for radical fundamentalist groups such as Al Qaeda and Hezbollah (Nurton, 2002; Noble, 2003; U.S. Immigration and Customs Enforcement, 2009b). A South American operation run by at least one known terrorist was identified as the largest financial network for Hezbollah outside the Middle East, channeling $20 million annually to the organization (Rand Corporation, 2009).

Media reports indicate that the FBI investigated the link between the sale of counterfeit merchandise in New York and the terrorists involved in the 1993 bombing of the World Trade Center (Stern, 1996). Remarkably, Al Qaeda terrorist training manuals seized by U.S. officials recommended selling counterfeit merchandise as a means of funding their operations (IACC, 2007b). Police Commissioner Raymond Kelly warned listeners at a 2007 anti-counterfeiting summit in New York that trafficking counterfeit luxury products is far from a victimless crime, reiterating the strong connections between counterfeit goods and terrorist activities (Casabona, 2007).

Research suggests that consumers may select counterfeit merchandise without considering public welfare issues (Bloch et al., 1993; Cordell et al., 1996). While this may be due to consumers being unaware of the social issues associated with counterfeits, one survey of U.S. college students found no difference in intention to purchase counterfeit goods where one group had been made aware of the illegality and negative effects of counterfeiting and the other had not (Norum & Cuno, 2011). Another study similarly concluded that although consumers may portray themselves in surveys as caring, they tend to maintain their established purchasing patterns despite associated social issues (Devinney et al., 2006). Yet another study suggests that providing consumers with information about the costs incurred by victims of illicit transactions such as counterfeiting actually lowered the price they were willing to pay for the goods, and increased the likelihood that they would refuse to buy at any price (Casola et al., 2009). Based on these findings, we propose the following:

> **H2.** *The perception of social costs will have a negative effect on the intention to purchase counterfeit fashion products.*

Anti-big business

Infringement of intellectual property rights costs U.S. businesses over $200 billion annually, according to U.S. Immigration and Customs Enforcement officials (IACC, 2007). In considering the Anti-counterfeiting Consumer Protection Act of 1996, Congress found counterfeiting to be a multi-billion dollar drain on the U.S. economy (H.R. 104-556, p. 2). The International Anti-Counterfeiting Coalition ("IACC") believes that counterfeiters cost the United States millions of dollars in tax revenue, and create unfair competition against legitimate manufacturers and sellers, causing sales losses for businesses and thousands of jobs for U.S. workers (IACC, 2007b).

Tom et al. (1998) found that both consumers who knowingly purchase counterfeit products and those who do not, acknowledge that counterfeit products hurt legitimate brand owners. However, those who knowingly purchase fakes are less likely to believe that counterfeit products hurt the U.S. economy as a whole (Norum & Cuno, 2011). Nill and Shultz (1996) first coined the term "Robin Hood" syndrome to explain some consumers' willingness to violate the rights of brand owners by supporting counterfeit activities. Muncy and Vitell (1992) suggest that those who patronize intellectual property rights violators or engage in other questionable customer practices do so as a result of negative attitudes toward large brand-owner firms.

In a cross-national study, Eckhardt et al. (2010) found that some consumers justify buying counterfeit products by deflecting blame to the large corporations that exploit consumers by charging high prices. The distaste for counterfeits held by some may be mitigated by the belief that legitimate brand owners are profiting excessively from exorbitant prices (Penz & Stottinger, 2005). Other *consumers justify purchasing counterfeits through feelings of sympathy for the small-business counterfeiter rather than the big-business brand owner (Fullerton & Punj, 1993; Tom et al., 1998). Still other consumers believe that because of their cost-efficiency and lower profit margins, counterfeiters actually deserve consumer support (Wee et al., 1995; Ang et al., 2001).* Consumers who harbor an anti-big business attitude are not necessarily more likely to shun conspicuous consumption but may simply prefer supporting the underdog over the larger competitors (McGinnis & Gentry, 2009).

Despite this, research suggests that consumers may view legitimate brand owners more favorably than counterfeiters, who were seen as pushy, false, and uncaring (Penz & Stottinger, 2005). In contrast, Kwong et al. (2003) found that the Asian subjects studied viewed counterfeiting CDs favorably when they see it as a way of attacking big business. One cross-cultural study involving neither U.S. nor Asian subjects found that anti-big business attitudes showed, at best, sporadic influence on the subjects' intention to buy fakes (Penz et al., 2009). Using a sample of very young U.S. adults and comparing their attitudes to students of the previous decade, Walthers and Buff (2008) found a stronger propensity toward buying counterfeits because the price of designer products are deemed unfair. Thus, we propose the following:

> **H3.** *Anti-big business attitude will have a positive effect on the intention of U.S. consumers to purchase counterfeit fashion products.*

METHOD

The goal of this study is to examine the relationships between the focal variables among nationwide sample of U.S. consumers. Data were collected using computer-assisted telephone interviews among a non-probability sample of U.S. consumers aged 18 years and older. Telephone administration was chosen for its effectiveness and efficiency reaching a range of consumer demographics within a short time period. The sample was weighted to match the demographic characteristics of the U.S. population as closely as possible in terms of gender, age, ethnicity, income, and level of education. To ensure respondent understanding of the meaning of the term "counterfeit products", a definition was provided at the beginning of the interview. Specifically, counterfeit products were defined as items that bear a brand name or logo without the permission of the registered owner. Two examples were provided: a handbag that bears a Gucci label without authorization from the Gucci company, and a pair of sunglasses that bears the Oakley label without authorization from the Oakley company.

A market research firm with expertise in telephone survey methods was contracted to carry out data collection. The listed household dialing method was

employed using a list of 23,999 listed residential telephone numbers randomly selected from a total population of 44,362,600 listed residential telephone numbers. Trained interviewers administered the survey during a three week period, including a pretest which was carried out prior to full data collection (*N*=50). Pretest subjects indicated clear understanding of the survey items. During final data collection, up to six attempts were made to contact numbers drawn from the original list. Calls were continued until a representative sample of U.S. consumers was attained based on gender, age, ethnicity, income, and level of education. A total of 305 U.S. consumers constituted the final sample for the data analyses.

Measures

The scales used in the study were drawn from the marketing literature and the counterfeit product literature. Value consciousness was measured using the Lichtenstein et al. (1993) scale. Social cost and anti-big business attitude were measured using the Kwong et al. (2003) scales. Intention to purchase counterfeit products was measured using the Ang et al. (2001) scale. All of the measurement scales used five-point agreement statements anchored by 'strongly disagree' and 'strongly agree'.

ANALYSIS AND RESULTS

Sample Characteristics

The gender distribution among the sample matches that of the U.S. population very closely (Table 1). The age of respondents ranged from 18 to 92 years with a mean of 46.8 years. The age distribution of the sample is slightly skewed toward the older age ranges as compared to the population. The ethnic composition of the sample is similar to the population with the exception of a few more minority respondents represented in the African American/Black, Asian/Pacific Islander, Native American and Hispanic groups. The sample is slightly skewed toward the higher income groups, with fewer low to middle income respondents as compared to the population. Likewise, education level among the respondents is also slightly skewed toward higher levels of education. The sample was national, including respondents in every region of the country: East North Central (16%); East South Central (6%); Middle Atlantic (13%); Mountain (7%); New England (5%); Pacific (16%); South Atlantic (19%); West North Central (8%); and, West South Central (10%).

Table 1.Sample Characteristics as compared to U.S. Census Data

Variable	Level	Frequency	Percent	U.S. Census Percent
Gender	Male	149	48.9	49.1
	Female	156	51.1	50.9
	Total	305	100	100
Age	18-24	28	9.2	13.9(*)
	25-34	56	18.4	14.2
	35-44	61	20.0	16
	45-54	64	21.0	13.4
	55-64	44	14.4	8.6
	65+	52	17.0	12.4
	Total	305	100	71.3
	Median	46.8 years		35.3 years
Ethnicity	Caucasian/White	194	63.6	70
	African American/Black	40	13.1	12.3
	Asian/Pacific Islander	13	4.3	3
	Native American	5	1.6	.8
	Hispanic	47	15.4	11.5
	Other	4	1.3	2.4
	Total	303	99.3(**)	100
Income (annual)	Less than $25,000	61	20.0	28.6
	$25,000-$50,000	69	22.6	29.3
	$50,001-$100,000	90	29.5	29.7
	>$100,000	50	18.5	12.3
	Total	270	88.5(**)	100
Education	No high school degree	16	5.2	19.6
	High school graduate	62	20.3	28.6
	Some college	48	15.7	21
	2 year degree	36	11.8	6.3
	4 year degree	89	29.2	15.5
	Graduate/Professional degree	49	16.1	9
	Total	300	98.3 (**)	100
Region	East North Central	48	16	
	East South Central	18	6	
	Middle Atlantic	41	13	
	Mountain	22	7	
	New England	15	5	
	Pacific	48	16	
	South Atlantic	58	19	
	West North Central	23	8	
	West South Central	32	10	

*U.S. Census data includes ages 15-19 in this category, but the sample includes those 18 and older.
**Missing values resulted in less than 100% response for variable.

Confirmatory Factor Analysis and Structural Equation Model

Anderson and Gerbing's (1988) two-step approach was followed using AMOS to evaluate the measurement model prior to testing the full structural equation model. The resulting measurement model showed acceptable fit ($\chi^2_{(57)}$ of 78.040; GFI = .96; NFI = .95; CFI = .98; RMSEA = .04). Composite reliabilities for the measures ranged from .77 to .90 and all but one of the constructs had an average variance extracted estimate greater than .50, demonstrating reliability based on accepted standards (Anderson & Gerbing, 1988; Fornell & Larcker, 1981). The value consciousness scale had an average variance extracted

estimate of .47, slightly below the threshold. All items loaded highly on their respective construct (>.60) and the variance extracted estimates exceeded the square of the phi estimates for all constructs, providing evidence of convergent and discriminant validity (Anderson & Gerbing, 1988; Fornell & Larcker, 1981). Correlations between the constructs ranged from .07 to .45.

The proposed structural model showed acceptable fit ($\chi^2_{(57)}$ of 78.040; GFI = .96; NFI = .95; CFI = .98; RMSEA = .04). The first hypothesis (H1) predicted that value consciousness has a positive effect on the intention to purchase counterfeit fashion products and was supported (γ = .189, p <.01). Hypothesis two predicted that social cost would negatively impact intention to purchase and was supported (γ = -.545, p <.001). Likewise, hypothesis three was supported, demonstrating that anti-big business attitude would positively affect intention to purchase counterfeit fashion products (γ = .226, p <.001).

DISCUSSION

The objective of this study was to investigate U.S. consumer attitudes and intention to knowingly purchase unlawful counterfeit fashion products. To tackle the counterfeiting crisis in the U.S., brand owners need more information about those consumers who are most amenable to fakes. While law enforcement must continue its efforts to restrict the flow of illicit goods into the country, the demand for fakes clearly continues to fuel the problem.

There appears to be an overall trend toward consumers viewing counterfeit products of various categories as normal goods that are legitimately within our economy *(e.g., Chaudhry & Stumpf, 2009; Norum & Cuno, 2011). Indeed, u*sing a sample of very young U.S. adults and comparing their attitudes to students of the previous decade, Walthers and Buff (2008) found a stronger propensity toward buying counterfeits. The body of research about the demand-side of counterfeits is growing. *For example, it appears that females tend to be more tolerant of fake fashion products, while males are more likely to purchase pirated digital products* (Cheung and Prendergast, 2006; Chaudhry and Stumpf, 2011). A study of primarily young female students in both Korea and the U.S. found that those who had purchased counterfeit fashion products in the past were more likely to believe counterfeits are viable alternatives to authentic branded goods (Lee and Workman, 2011). While one study found our Canadian neighbors considered fake fashion items fun and worth the value, little is known about what drives the U.S. fashion consumer to knowingly purchase counterfeits (Nia & Zaichkowsky, 2000). Our study *helps define the differences in consumer attitudes toward fake fashion products.*

Our findings indicate that value consciousness is a significant predictor of purchase intention. This supports the findings of previous research regarding value perceptions influencing purchase intention when counterfeits are compared to legitimate originals (Ang et al., 2001; Penz et al., 2009; Oneto et al., 2010). Moreover, our finding supports Bian & Veloutsou (2007) suggesting that consumers may be willing to sacrifice quality to purchase a lower priced counterfeit version of a fashion product. Similarly, our finding supports Eckhart et al. (2010) who report that their subjects felt justified in knowingly purchasing counterfeit goods, describing the illicit goods as "a good deal," and demonstrating that they were "smart consumer[s]" (Eckhart, et al., 2010, p. 430).

While value consciousness may play a role in the decision to purchase a counterfeit fashion product, our results suggest that in terms of relative magnitude, the perception of social costs is a stronger predictor of intention to purchase counterfeits. The higher the consumer's perception of social costs associated with counterfeiting, the less likely they are to purchase counterfeit products. Therefore, we suggest that brand owners focus at least a portion of their marketing efforts on reinforcing values associated with social

costs and contrasting those values with the purchase of counterfeit goods. Because a consumer's decision to exhibit deviant behavior is believed to be intertwined with the consumer's ability to rationalize the behavior (Strutton et al., 1994), providing information which makes it difficult to ignore the social issues raised by counterfeiting may be useful. Our findings agree with those of Strutton et al. (1994) and Casola et al. (2009), suggesting that providing information regarding the social cost of counterfeits may discourage the purchase of counterfeits.

Currently, two entities associated with fashion brands have launched generalized campaigns addressing social issues in the context of counterfeit product sales. First, t**he fashion magazine** *Harper's Bazaar*, whose advertisers include numerous luxury brands, implemented in 2005 a consumer awareness initiative entitled "Fakes are never in fashion," which includes a web-presence, numerous print ads, magazine reports, and consumer interaction opportunities. According to publisher Valerie Salembier, "[i]f people knew where their dollars were directed when they buy a fake watch or a fake handbag, there is no question that they would think twice about purchasing a fake" (**Harper's Bazaar, 2007, p. 1**). Similarly, in addition to its interactive educational webpage, the IACC, a non-profit organization devoted solely to combating product counterfeiting and piracy, in 2009 launched its Global Public Service Ad Campaign, which includes anti-counterfeiting messages prominently displayed in New York's Times Square and across the world (IACC, 2009). These may provide models for brand-initiated marketing efforts.

Our findings also support previous research indicating that an adverse attitude toward big-business increases the likelihood of purchasing counterfeit goods (Fullerton & Punj; 1993; Tom et al., 1998; Penz and Stottinger, 2005; Kwong et al., 2003; Eckhardt et al., 2010). Because *Western cultures generally tend to view legitimate brand owners more favorably than counterfeiters, brand owners may be able to partially curb counterfeit demand by humanizing their corporate image via campaigns which show their role in community involvement, job creation, and corporate philanthropy efforts. On the other end of the continuum, brand owners must be careful to refrain from corporate actions which appear to consumers to be fraudulent or unethical.* Arguing that following the Enron era of corporate fraud and cover-up, brands have become dislocated from consumers, Willmott (2003) proposes that brand owners must embrace social values into their companies and become "citizen brands."

LIMITATIONS AND FUTURE RESEARCH

The sample in this study, though larger and more demographically diverse across the U.S. population than most of its kind, was a non-probability sample and slightly skewed toward a higher income consumer. Future studies among lower income consumers are desirable. In addition, mobile telephone numbers were not included in the telephone list. This could explain the skewing of the sample, which somewhat limits the generalizability of the findings. Future research could also address any variances in response based on demographic differences. For example, an early study by Tom et al., (1998) found that less affluent U.S. consumers purchase more counterfeit products. However, our findings are more akin to the Norum and Cuno (2011) study which found that among U.S. students, income was generally not a significant factor affecting the purchase of counterfeit goods. This apparent longitudinal shift in purchasing habits could be investigated more closely.

Another area of interest would be the growth in recent years of deceptive counterfeit transactions via online channels, including rogue websites (unauthorized websites purporting to offer legitimate products but in fact selling super-copies or lower quality fakes). Delving further into

any relationship between counterfeit-friendly consumers and those who shun conspicuous consumption would be an interesting topic for further study. Furthermore, while this study has focused on the negative effects of counterfeiting, it is important to note that some brand managers may see counterfeit products as positive in that they generate interest in the brand and could in some ways be perceived as free advertising and promotion. Future research could examine these and other potentially positive effects of counterfeit products.

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