

A Thesis
by
KELLY M. DURHAM

Submitted to the Graduate School
Appalachian State University
in partial fulfillment of the requirements for the degree of
MASTER OF BUSINESS ADMINISTRATION

May 2012
Walker College of Business

EVALUATING ATTITUDES AND PURCHASE DRIVERS OF LUXURY BRANDS
AND COUNTERFEITS IN CHINA AND THE UNITED STATES

A Thesis
by
KELLY M. DURHAM
May 2012

APPROVED BY:

Jennifer Henson
Chairperson, Thesis Committee

Betty Coffey
Member, Thesis Committee

Michael Dotson
Member, Thesis Committee

Joseph Cazier
Associate Dean for Graduate Programs and Research

Edelma Huntley
Dean, Research and Graduate Studies

Copyright by Kelly M. Durham 2012
All Rights Reserved

FOREWARD

The research detailed in this thesis will be submitted to the *Journal of Consumer Marketing*, a journal written by practitioners, consultants, and marketing academics and edited for marketers who further desire to understand how people behave as consumers worldwide. This thesis has been prepared according to the guidelines of the journal.

ABSTRACT

EVALUATING ATTITUDES AND PURCHASE DRIVERS OF LUXURY BRANDS AND COUNTERFEITS IN CHINA AND THE UNITED STATES. (May 2012)

Kelly M. Durham, B.S., Lees-McRae College

M.B.A., Appalachian State University

Chairperson: Jennifer Henson

The purpose of this article is to explore the relationships between four dimensions, power distance, collectivism, masculinity, and price quality association to determine consumer attitudes and purchase intentions towards counterfeited luxury branded items in China and the United States. A self-administered questionnaire was devised to include established scale measures and demographic characteristics. High levels of social inequality, independence, and masculinity correlate to increased consumer complicity on the individual level. At the national level, American and Chinese consumers were found to have no difference in their complicity to purchase counterfeits..

TABLE OF CONTENTS

Abstract.....	v
Background.....	1
Relevant Literature and Research Question Development.....	4
Methodology.....	13
Findings and Discussion.....	17
Discussion and Implications.....	21
Concluding Comments.....	24
References.....	25
Vita.....	28

Background

Luxury brands have been in existence since the 1800s, with the introduction of Hermès in 1837 as one of the front-runners in the industry. Although Hermès has humble beginning as a horse and saddle workshop for wealthy clientele, the brand has since become synonymous with the Birkin and Kelly bags, both named after actresses who famously carried each bag (GuÉRin, 2007). Today, Hermès Birkin is simply another brand offered on the street corner as an authentic item.

The counterfeiting industry accounts for \$250 billion a year in lost revenue, as estimated by the International AntiCounterfeiting Coalition (IACC) in the United States (Casabona, 2010). Globally, counterfeiting accounts for \$600 billion in lost monies. Impacting over 750,000 American jobs, the counterfeiting market not only impacts economies, but also the health and safety of world consumers (Casabona, 2010). New York City loses approximately \$1 billion annually in tax revenue and 2004 estimates conclude that New York City's counterfeiters were able to garner \$22.9 million in the city alone (Ross, 2005). Although the sales of counterfeit luxury goods have declined four percent between 2008 and 2009, the issue continues to escalate, as the value of seized fake merchandise was estimated to exceed \$260.7 million for 2009 in the United States alone, exposing many other industries to the harmful effects of counterfeits (Casabona, 2010). Even with the basis of copyright protection written into the Constitution and the recent advancements in copyright protection law, the existence of

copyright infringement will continue to exist until consumer demand for counterfeits decreases.

Human values play an important role in evaluating the market for counterfeit items. Status consumption, defined by researchers as the driving force behind enhancing social standing through consumption, impacts the daily lives of consumers (Phau and Leng, 2007). The habit of purchasing and displaying expensive items to prove one's economic wealth continues to show the status of an individual (Dawson and Cavell, 1986; Eastman *et al.*, 1997). It is reasonable to expect that with the increase in popularity of luxury branded products, counterfeited items will become increasingly attractive to allow all persons the ability to demonstrate their wealth, either through authentic purchases or counterfeited ones.

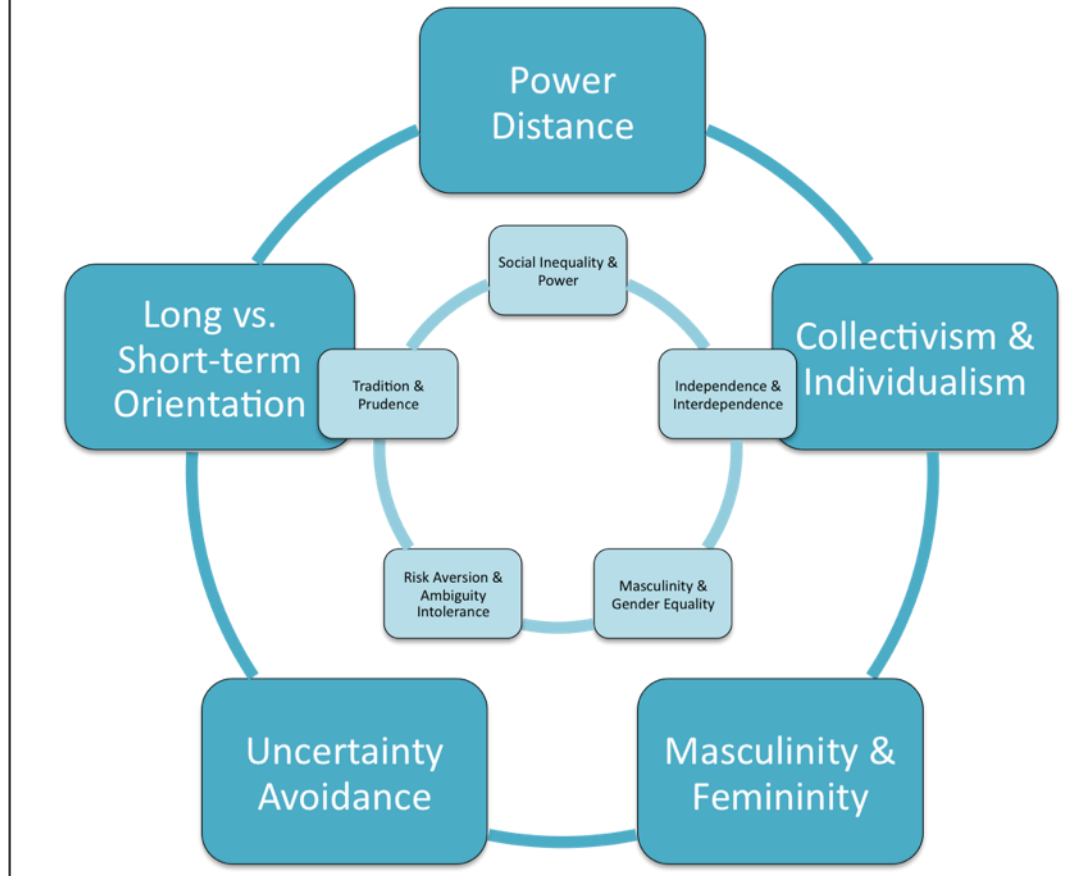
Individuals have a strong desire to purchase brands to protect one's self-identity (Phau and Teah, 2009), thus indicating the brands desired are high priced, high quality, luxury branded items. With the thriving nature of this status market, it is appropriate to expect that production of illegitimate products will compete with authentic products; therefore, the expansion of the mentality, that believes social status is shown by consumption, will continue to grow and devalue the authentic products. Those who may not have the ability to purchase expensive authentic luxury brands may opt to purchase counterfeited items for a lower cost. Social consumption forces individuals to fit within the confines of the consumer's desired status. These individuals are often driven by prices and quality.

Relevant Literature and Research Question Development

In 1967 and 1971, Gert Hofstede conducted an analysis across 116,000 of IBM's employees across 40 countries to analyze cultural differences and their impact on behavior (Sharma, 2009). The analysis was conducted based on responses to 32 items, which are described as goals or values in relation to work, which were then compared using the national averages in each country to develop four dimensions: individualism-collectivism, power distance, masculinity-femininity, and uncertainty avoidance (Sharma, 2009). Long vs. short-term orientation was added as a fifth cultural dimension following Hofstede's partnership with Bond in 1988 (Sharma, 2009).

Based on Hofstede's work on the national culture dimensions, Sharma developed a 10-measure scale to evaluate the national measures on an individual basis. To evaluate each of the five dimensions, Hofstede assumed each one acted as opposite ends of the same continuum, but researchers have since suggested that multi-dimensional measures may be more appropriate (Sharma, 2009). Therefore, Sharma (2009) developed two scales for each dimension to evaluate the national culture dimensions on the personal level. The relationship between the dimensions of Hofstede and Sharma's scale measures is illustrated in Figure I.

Figure I. A model of Hofstede's national culture dimensions and their relation to Sharma's scale measures.



Three of Hofstede's culture measures are used as the basis for individual-level analysis to evaluate consumer complicity with counterfeits, namely power distance, collectivism-individualism, and masculinity-femininity. Sharma's (2009) framework is used to translate these national culture values to an individual level.

Research Question 1: Will there be differences between Chinese and American consumers in the complicity to purchase counterfeit goods?

Given the concept of status consumption is increasing, researchers have observed that this mentality has spread to all areas of the world, including both developing and mature communities, such as China and the United States (Eastman *et al.*, 1997; Mason, 1981). China produces the majority of counterfeit goods (Zimmerman and Chaudhry,

2009), while the United States continues to consume a large portion of these goods. Further, there have been differences examined between Americans and Chinese cultures, thus leading to a further examination of difference and its impact on consumer complicity. The aim of this research is to examine the relationship between consumer values and shopping styles on consumer complicity with counterfeit purchases, specifically focusing on potential differences between Chinese and American consumers. The following section introduces the research questions that will be addressed in this study.

Research Question 2: Will differences in power distance relate to consumer complicity to purchase counterfeits?

Power Distance

Power distance is the degree that power is distributed among members of a society. Power distance introduces the dependence relationships that exist within each country. (Hofstede *et al.*, 2010). These relationships relate directly to the expectation and acceptance that power across individuals will be distributed equally or unequally (Hofstede *et al.*, 2010). For the individual, the roots of the belief lie within the family. From birth, individuals are either expected to act obediently towards parents, or the children are treated as an equal partner of the family (Hofstede *et al.*, 2010). Societal norms indicate which path a person will be expected to follow within their homes, thus leading to the continuation of the national norms.

The varying levels of power distance that exist within a culture may impact consumer propensity to purchase counterfeit or luxury items. Countries with a high power distance, generally exhibit a great distance between wealthy and poor such as

China (Hofstede *et al.*, 2010), leading consumers to choose to strive to purchase luxury brand items to ensure that their status is seen to be legitimate. In addition, Chinese society believes that an individual who has the ability to purchase expensive products, including luxury products (Anderson and He, 1998), has been successful professionally (Hu *et al.*, 2008). Countries with a lower power distance on the Hofstede scale can be interpreted as those with an equal distribution of wealth leading to purchases of counterfeit items being interpreted as those looking for high style over high quality for a reduced price. In these countries, the propensity to purchase counterfeits is higher and seen as an acceptable practice, whereas countries with high power distances may encourage purchases of authentic luxury branded goods.

The need to maintain a high status image relates directly to the national culture of power distance. The desire to maintain status and limit its loss is highly evident in high power distance cultures (Hu *et al.*, 2008; Sharma, 2009). Such cultures are striving to meet social expectations to maintain their image. Therefore, a high power distance individual will have a higher propensity for counterfeits to maintain this status. These same people may observe or be the victim of a loss of status, which is likely to end with grave personal consequences (Sharma, 2009).

Sharma introduced a two-sided dimension to power distance, relating to the high and low scales developed by Hofstede. The two dimensions, social inequality and power were relevant to each end of the spectrum. Power relates to the acceptance of variance in power among other individuals, where social inequality relates to the degree of inequality that the individual considers to be normal (Sharma, 2009). Therefore, those with a high

power distance and social inequality would lead to more counterfeit complicity to maintain status and consumption.

Research Question 3: Will differences in individualism relate to consumer complicity to purchase counterfeits?

Collectivism and Individualism

Collectivism is the extent to which individuals see themselves as part of a group. Alternatively, individualism is the extent to which an individual sees themselves as autonomous beings. Similar to the effect of high power distance, a collectivistic culture drives the propensity to purchase counterfeits (Swinyard *et al.*, 1990; Marron and Steel, 2000; Husted, 2000; Wang *et al.*, 2005; Phau and Teah, 2009). On the collectivistic side of the spectrum, individuals in this culture tend to integrate into groups where strong bonds exist and the need to belong to a large, protective group will be evident throughout life (Hofstede *et al.*, 2010). This collectivistic culture leads individuals to desire to seek a sense of belonging, which can be attained through purchases of high priced, authentic items indicating the capability to match the upper class's standards. These individuals will constantly strive to match the trends as well as be accepted by this group that they desire to belong. Collectivistic people tend to encompass the tendency to set aside their personal aspirations in order to accomplish the group's objectives (Sharma, 2009).

Alternatively, increased levels of individualism, opposite on the scale of collectivism, may also lead to consumer complicity for luxury brands, as evidenced with low power distance. Individualistic consumers are expected to set themselves apart (Hofstede *et al.*, 2010). Thus individuals are seen to be ones who need to set themselves apart from others leading to a higher complicity for counterfeit luxury brands. These

individuals tend to pursue a better quality of life for themselves and the outward image is the only impact; meaning they can separate the decision of purchasing counterfeits versus purchasing authentic items in their minds to satisfy themselves. Individualistic personalities lack the need to be incorporated into the upper class, often found in collectivist cultures. Individualistic personalities tend to exhibit the need to act independently and exceed without any assistance from others and want to be recognized as such (Sharma, 2009).

Research Question 4: Will differences in masculinity relate to consumer complicity to purchase counterfeits?

Masculinity and Femininity

Masculinity is the extent to which individuals are seen as assertive or dominant (Sharma, 2009), while femininity is seen as the preference for harmonious relationships along with peaceful existence among individuals. One context for masculinity-femininity can be seen as the equality or inequality between the two sexes of male and female (Hofstede *et al.*, 2010). A derivation of the Hofstede measure focuses on quality of life and the nurturing characteristics of feminine personalities, while masculine individuals tend to have a desire for success and achievement.

With higher levels of masculinity, status purchases are more frequent in general (Hofstede *et al.*, 2010). Masculine cultures demonstrate willingness to purchase luxury goods; these items are status symbols such as high-dollar vehicles, expensive watches, and authentic jewelry. These items hold high value to the consumer, and their image to the outside world. Masculine people tend to exude similar characteristics to those with high individualism levels. Characteristics of masculinity include a strong desire for

achievement and strong assertiveness in everyday life. Masculinity also can lead to a strong desire for material success (Sharma, 2009).

Research Question 5: Will there be differences between Americans and Chinese shopping styles related to consumer complicity to purchase counterfeits?

5a: Will there be differences between Americans and Chinese in the relationship between quality consciousness and consumer complicity to purchase counterfeits?

5b: Will there be differences between Americans and Chinese in the relationship between brand consciousness and consumer complicity to purchase counterfeits?

Shopping styles refers to the extent to which consumer's price-quality associations drive their purchases and the extent to which brand consciousness drives their purchases.

Price and Quality Expectations

The fifth research question was introduced to gauge the impact of price-quality associations and whether these associations could be determined to have an impact on consumer complicity to purchase counterfeits. The variance the development of a consumer culture between the United States and China offers a unique perspective on price and quality associations. The United States is regarded as a mature market with standard expectations about the products an American decides to purchase. On the other hand, China is a developing market with many economic changes happening in recent decades. These two shopping markets may differ with respect to consumer shopping styles and products desired. Price and quality also affect the decision criteria for purchase.

The fifth research questions are concerned with overarching views at a national level between Americans and Chinese. In general, customers expect to pay high prices and receive outstanding quality when purchasing an authentic item, especially evidenced in luxury brands. This expectation is diminished when a consumer considers a counterfeit purchase due to expectations of reduced quality that accompany the lower price.

Consumers purchase luxury brands to associate their desired social status with the ability to purchase high dollar, name brand authentic items (Cordell *et al.*, 1996, Phau and Teah, 2009). As noted by Eisend and Schuchert-Guler (2006), luxury brands are the primary targets for counterfeit reproduction due to the effect of status consumption on consumer purchases.

Two scales, “quality conscious” and “brand conscious”, will be tested and analyzed to evaluate the impact of price and quality on American and Chinese respondents. “Quality conscious” shows the dedication of a consumer to search for and purchase the highest quality product available. “Brand conscious” shows the propensity to limit purchases to the well-known, global brands.

Research Question 6: While there be differences between Americans and Chinese in their views towards counterfeiting?

6a: Will there be differences between Americans and Chinese in the extent to which counterfeiting is viewed as an ethical issue?

6b: Will there be differences between Americans and Chinese in the extent to which counterfeiting has social consequences?

Consumer Attitudes, Ethics and Social Consequences

The final research question was included to evaluate national differences in ethical issues related to counterfeiting and the recognition of social consequences of the practice. Ethical issues relate to the areas of what is considered to be the normal, accessible actions of daily life and the impact of personal ethics. Differences in moral values have been identified through past research between eastern and western countries (Swinyard *et al.*, 1990; Wang *et al.*, 2005). For example, Americans tend to focus on legality, while Singaporeans focused on the outcomes of the situations (Wang *et al.*, 2005). Given the variance in focus, it was surmised that the influence of culture on the individual played a major role in the ethical impact of the purchase (Wang *et al.*, 2005). Given that the study evaluated Americans and Singaporeans, does this same focus translate to other eastern cultures, such as China? Is there a difference between Americans and Chinese in their recognition of counterfeiting as an ethical issue? Is there a relationship between the nationality and the recognition of potential damages to the luxury brands industry?

Methodology

Sample

The sample included a total of 116 participants, with 70 indicating their nationality as American, 29 as Chinese and 17 as other nationalities. Using an open-ended question, the respondents identified their nationality. Within the sample, the average age was 26.5 years, with a range from 18 to 70. Table I presents the demographic characteristics.

Table I: Sample Distribution		
Average Age of Respondents	26.5 years	N = 116
American	70	60.3%
Chinese	29	25.0%
Other	17	14.7%

Where individual-level values are evaluated, the total sample of 116 was divided at the median to form two groups that held “high” and “low” levels of the value in question. *T*-tests were used to compare the means of the two groups. The median-split samples are used to analyze the power distance, individualism, and masculinity scales. For the research questions examining national differences between Chinese and Americans, nationality provided the basis for forming the two groups, using the relevant samples (N=99).

Scale Measures

The self-administered survey was comprised of 27 scale measures comprised of eight standard scales. The survey was administered in two forms, online and paper. Data was solicited on campus, as well as through personal contacts of the researchers. Additional questions were requested to compose the demographic analysis. The 27 scale measures were measured on a seven-point Likert scale with values from 1 to 7. Within this scale, the value 1 indicated “strongly disagree” and 7 indicated “strongly agree”. The results from Cronbach’s reliability analysis, to show the reliability of the scale items, are presented in Table II. The values ranged from 0.703 to 0.938. The data was analyzed using Microsoft Excel.

Each scale corresponds to a research question posed above. Social inequality, independence, and masculinity, corresponding to power distance, individualism, and

masculinity, are the relevant independent variables for Research Questions 2, 3, and 4. Brand consciousness and quality consciousness are the independent variables for Research Question 5. Each of these preceding questions uses consumer complicity to purchase counterfeits as the dependent variable. For Research Questions 1 and 6, nationality is the independent variable, with consumer complicity, ethical issues, and social consequences are the dependent variables, respectively.

Table II: Scale Items, Source and Cronbach's α Coefficient

Scale Measure	Source	Number of Items	Cronbach's α Coefficient
Power Distance: Social Inequality <ul style="list-style-type: none"> • A person's social status reflects his or her place in the society. • It is important for everyone to know their rightful place in society. • It is difficult to interact with people from a different social status than mine. • Unequal treatment for different people is acceptable to me. 	Sharma, (2009)	4	0.703
Individualism: Independence <ul style="list-style-type: none"> • I would rather depend on myself than others. • My personal identity, independent of others, is important to me. • I rely on myself most of the time, rarely on others. • It is important that I do my job better than others. 	Sharma, (2009)	4	0.729
Masculinity: Masculinity <ul style="list-style-type: none"> • Women are generally more caring than men. • Men are generally physically stronger than women. • Men are generally more ambitious than women. • Women are generally more modest than men. 	Sharma, (2009)	4	0.750
Brand Conscious <ul style="list-style-type: none"> • The well-known global brands are for me. • The more expensive brands are usually my choices. • The higher the price of a product, the better the quality. 	Sproles and Kendall, (1986); Sproles and Sproles, (1990)	3	0.752

Table II: Scale Items, Source and Cronbach's α Coefficient

Scale Measure	Source	Number of Items	Cronbach's α Coefficient
Quality Conscious <ul style="list-style-type: none"> • Getting very good quality is important to me. • When it comes to purchasing products, I try to get the very best or perfect choice. • In general, I try to buy the best overall quality. 	Sproles and Kendall, (1986); Sproles and Sproles, (1990)	3	0.938
Consumer Complicity <ul style="list-style-type: none"> • I would purchase the counterfeit version of a global luxury brand. • I recommend my friends to purchase the counterfeits of global luxury brands. • I would consider giving a counterfeit version of a global luxury brand to a friend. 	Chaudhry and Stumpf, (2011)	3	0.832
Ethical Issues <ul style="list-style-type: none"> • Since a lot of people purchase the counterfeits of luxury branded products in the region we live, purchasing counterfeits is not a problem for me. • As long as it is legal, ethics is not a major factor that needs to be considered. • In my opinion, purchasing counterfeits of global luxury brands is an ethical behavior. 	Sahin and Atilgan, (2011)	3	0.717
Social Consequences <ul style="list-style-type: none"> • Buying counterfeits of luxury brands infringes on intellectual property. • Buying counterfeits will hurt the luxury goods industry. • Buying counterfeits of luxury brands damages the rights and interests of the original brand owner. 	Adapted by Wang <i>et al.</i> (2005); Phau and Teah, (2009)	3	0.728

Findings and Discussion

T-test analyses were used to compare differences in sample means for each Research Question. An α of 0.05 was considered for all *t*-tests. The *p*-values of equal to or less than 0.050 are considered significant, given this translates into five percent of the first sample is likely to be replicated in the second sample. Table III presents the results of the analyses. The table columns indicate the median split between respondents scoring

“high” and those scoring “low” on the individual value in question. The mean scores of the “high” and “low” groups on consumer complicity is presented in the table rows, along with the *t*-test results.

Power Distance: Social Inequality

Research Question 2 can be evaluated using Sharma’s individual “social inequality” scale. The average means of the scale measures between the high and low respondents differed by 0.935, detailed in Table III. To evaluate the relationship between power distance and “consumer complicity” and power distance within the high and low portions of the sample, the power distance responses were divided into two samples with the median of 3 as a divider. Following the division, a *t*-test was conducted between the “consumer complicity” scale and high and low groups of “social inequality”. The results of the *t*-test indicate a significant difference between the two samples, indicating a higher level of complicity among the low sample.

Table III: Individual Measures					
Research Question	Scale	High	Low	<i>t</i> -value	<i>p</i> -value
2	Power: Social Inequality and Complicity	2.205	3.140	3.450	0.000
3	Individualism: Independence and Complicity	3.043	5.166	-8.923	0.000
4	Masculinity: Masculinity and Complicity	3.024	3.899	-2.992	0.002

Individualism: Independence

Research Question 3 was evaluated by comparing the relationship between “consumer complicity” and “independence” shown in Table III. With a *p*-value of 0.000,

it was determined that the high and low samples are significantly different in terms of complicity to purchase counterfeits. The numbers clearly correlate high consumer complicity to the p -value. Thus, it can be concluded that highly independent persons are less likely to be complicit towards counterfeit luxury branded products, while the persons lower on this dimension will have a greater complicity.

Masculinity: Masculinity

Research Question 4 was determined to compare the relationship between masculinity and “consumer complicity”, again comparing the high and low respondents. The low portion of the sample would indicate less value placed on recognition and achievement, whereas the high portion would value such attributes more strongly. With a p -value of 0.002, there is a significant difference between those who are highly masculine and those who are less so in their complicity to purchase counterfeit products. A masculine person will be more likely to purchase authentic items of higher quality, rather than the counterfeit versions, to show his success to society, given his strong desire for success.

Price-Quality Association

In evaluation of Research Question 5, two t -test analyses were conducted using the scales of “brand conscious” and “quality conscious” to evaluate the expectations of price and quality. These tests were conducted at the national level between the American and Chinese respondents, where a general relationship exists between each culture and the variables of price and quality. The two scales were used to establish various shopping and decision-making styles based on certain characteristics (Sproles and Kendall, 1986; Sproles and Sproles, 1990). The results are summarized in Table IV.

“Quality conscious” was analyzed to determine how buyers evaluate with respect to a preference for global branded products. The means of the Americans and Chinese respondents differ by 0.126. It is noticeable that the two national populations exhibit no difference in their preference for quality products. American respondents evaluate both the quality of the product as well as the brand when contemplating purchasing a counterfeit. Also, the results show no significant difference in complicity between American and Chinese respondents. The second scale, “brand conscious”, also showed no difference between the nationalities; both American and Chinese respondents exhibit no difference in preference for the well-known global brands.

Table IV: National Measures					
Research Question	Scale	American	Chinese	<i>t</i> -value	<i>p</i> -value
1	Consumer Complicity	3.160	2.747	1.204	0.117
5a	Quality Conscious	5.766	5.640	0.408	0.343
5b	Brand Conscious	3.809	3.378	1.280	0.103
6a	Ethical Issues	3.005	3.460	-1.315	0.097
6b	Social Consequences	4.670	4.763	1.063	0.147

Consumer Attitudes, Ethics and Social Consequences

In evaluation of Research Question 6, the relationship between the American and Chinese respondents and two scales, “ethical issues” and “social consequences”, was examined with the results detailed in Table IV. The results show no significant difference between the two groups regarding their recognition of counterfeiting as an “ethical issue”. Both American and Chinese respondents were largely neutral with respect to the

statements in the scale, it can be surmised that the attitudes of both American and Chinese consumers in our sample were similar.

The responses to the second scale, “social consequences”, show that both respondent nationalities recognized the potential damages to the luxury brand industry and infringement on patents, trademarks, and intellectual property. However, the *t*-test indicates there is no significant relationship between the groups.

Discussion and Implications

The evaluation on two different levels offers differentiated results, with significant relationships for the personal level and non-significant for the national level. Personal variables were found to have strong relationships with consumer complicity when comparing the high and low portions of the sample. A low level of independence and social inequality level among individuals contributes to higher level of complicity towards counterfeit luxury brands. On the national level, both Americans and Chinese are considered to be quality conscious, but show no differences between them in their complicity towards counterfeits. It is important to consider the impact of changing cultural values on consumer complicity and the impact on each consumer’s shopping behaviors.

The individual culture values, “social inequality”, “independence”, and “masculinity” demonstrated significant effects of consumer complicity with counterfeit purchases. All proved to have relevant implications for consumer propensity to purchase the illegitimate version of a luxury brand. In addition, each culture value was compared to the national cultures of American or Chinese to evaluate the results. The “social

inequality” analysis highlighted the differences that exist between the high and low groups, as well as the low group’s high complicity towards counterfeit luxury brand products. The “independent” scale shows a significant shift from Hofstede’s original framework from over forty years ago. The high and low groups exhibit a significant difference in their opinion of independence between the two cultures with the low group holding a significantly higher complicity towards counterfeits. Therefore, those with a low view of independence will be more likely to purchase counterfeit items. Finally, the “masculinity” measure highlighted the belief that members of the high group believe that there is less division of responsibility, while members of the low group are still fond of the belief that there is a separate division of gender roles. Again, this result shows the low group holding a higher complicity towards counterfeits than the high group.

National factors also provided unique insight to the challenges facing both consumers and the luxury brand industry today. The comparison of price and quality within each culture provided a unique perspective in recognizing that price and quality are not firmly aligned, rather the focus of consumers is on the quality of their purchase. There are several larger factors, which may influence this change in perspective from previous studies. The primary driver behind this change may be the current economic situation that Americans are experiencing today and the anticipation of what may happen to other global economies. The comparison of consumer attitudes and beliefs among “ethical issues” and “social consequences” of counterfeiting was similar in both nationalities.

Limitations

There are two factors relating to the sample that would increase reliability of the study and provide a further in-depth analysis. By increasing the overall sample size, the results would be more generalizable to the overall population. Specifically, increasing the pool of Chinese respondents could provide unique perspectives, as additional respondents may be from varying provinces and have differing levels of the cultural values under study, as well as different perspectives on counterfeiting.

Concluding Comments

This study has examined individual and national level factors that contribute to a very important issue for the luxury brands industry. The individual level factors are relatable to how the individual consumer is influenced by the values of social inequality, independence, and masculinity. The national level factors are shown through price and quality, as well as social consequences and ethical issues. There may be other factors that continue to impact an individual's attitude counterfeiting. Economic considerations as well as the level of development of a country and its commitment to intellectual property protection will impact the perceptions among its citizens regarding counterfeit purchases. These and other factors are worthy of continued examination.

References

- Anderson, P. and He, X. (1998), "Price influence and age segments of Beijing consumers", *The Journal of Consumer Marketing*, Vol. 15 No. 2, pp. 152-169.
- Casabona, L. (2010), "Plague of counterfeits: despite more seizures, fakes continue to grow", *WWD: Women's Wear Daily*, Vol. 200 No. 7, pp. 1.
- Chaudhry, P.E. and Stumpf, S.A. (2011), "Consumer complicity with counterfeit products", *The Journal of Consumer Marketing*, Vol. 28 No. 2, pp. 139-151.
- Cordell, V.V., Wongtada, N. and Kieschnick, R.L. Jr (1996), "Counterfeit purchase intentions: role of lawfulness attitudes and product traits as determinants", *Journal of Business Research*, Vol. 35, pp. 41-53.
- Dawson, S.A. and Cavell, J. (1987), "Status recognition in the 1980s: invidious distinction revisited", *Advances in Consumer Research*, Vol. 14 No. 1, pp. 487.
- Eastman, J.K., Fredengerger, B., Campbell, D. and Calvert, S. (1997), "The relationship between status consumption and materialism: a cross-cultural comparison of Chinese, Mexican, and American students", *Journal of Marketing*, Vol. 5 No. 1, pp. 52-66.
- Eisend, M. and Schuchert-Guler, P. (2006), "Explaining counterfeit purchases: a review and preview", *Academy of Marketing Science Review*, Vol. 2006 No. 1.
- GuÈrin, P. (2007), "Family tradition", *Art & Antiques*, Vol. 30 No. 7, pp. 99-103.
- Hawkins, D.I., Hogg, G. and Hart, S. (1980), *Consumer Behavior: Implications for Marketing Strategy*, Business Publications, Dallas, TX.

- Hofstede, G. (2001)., *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations*, Sage Publications Incorporated, Thousand Oaks, CA.
- Hofstede, G., Hofstede, G.R. and Minkov, M. (2010), *Cultures and Organizations: Software of the Mind: Intercultural Cooperation and its Importance for Survival*, McGraw-Hill Companies, New York, NY.
- Hu, X., Li, L., Xie, C. and Zhou, J. (2008), "The effects of country-of-origin on Chinese consumers' wine purchasing behaviour", *Journal of Technology Management in China*, Vol. 3 No. 3, pp. 292-306.
- Husted, B.W. (2000), "The impact of national culture on software piracy", *Journal of Business Ethics*, Vol. 26 No. 3, pp. 197-211.
- Marron, D.B. and Steel, D.G. (2000), "Which countries protect intellectual property? The case of software piracy", *Economic Inquiry*, Vol. 38 No. 2, pp.159-174.
- Mason, R.S. (1981), *Conspicuous Consumption*, St. Martin's Press, New York, NY.
- Phau, I. and Leng, Y.S. (2007), "Attitudes toward domestic and foreign luxury brand apparel: a comparison between status and non status seeking teenagers", *Journal of Fashion Marketing and Management*, Vol. 12 No. 1, pp.68-89.
- Phau, I. and Teah, M. (2009), "Devil wears (counterfeit) Prada", *Journal of Consumer Marketing*, Vol. 26 No. 1, pp. 15-27.
- Ross, T. (2005), "Battling counterfeiters: divulging the dangers of \$500b global industry", *WWD: Women's Wear Daily*, Vol. 189 No. 22, pp. 1-10.

- Sahin, A. and Atilgan, K.O. (2011), "Analyzing factors that drive consumers to purchase counterfeits of luxury branded products", *The Journal of American Academy of Business*, Vol. 17 No. September, pp. 283-292.
- Sharma, P. (2009), "Measuring personal culture orientations: scale development and validation", *Journal of the Academy Marketing Science*, Vol. 38 No. 6, pp. 787-806.
- Sproles, G.B. and Kendall, E.L. (1986), "A methodology for profiling consumers' decision-marking styles", *Journal of Consumer Affairs*, Vol. 20 No. 2, pp. 267-279.
- Sproles, E.K. and Sproles, G.B. (1990), "Consumer decision-making styles as a function of individual learning styles", *Journal of Consumer Affairs*, Vol. 24 No. 1, pp. 134-147.
- Swinyard, W.R., Rinne, H. and Kau, A.K. (1990), "The morality of software piracy: a cross-cultural analysis", *Journal of Business Ethics*, Vol. 9 No. 8, pp. 655-664.
- Wang, F., Zhang, H., Hengjia, Z. and Ouyang, M. (2005), "Purchasing pirated software: an initial examination of Chinese consumers", *Journal of Consumer Marketing*, Vol. 22 No. 6, pp.340-351.
- Wee, C.H., Tan, S.J. and Cheok, K.H. (1995), "Non-price determinants of intention to purchase counterfeit goods: an exploratory study", *International Marketing Review*, Vol. 12 No. 6, pp.19-46.
- Zimmerman, A. and Chaudhry, P.E. (2009), "Protecting intellectual property rights: the special case of China", *Journal of Asia-Pacific Business*, Vol. 10 No. 4, pp. 308-325.

Vita

Kelly Michelle Durham was born in Jacksonville, Florida, United States of America on October 1, 1987. She attended elementary schools in Jacksonville, and graduated from Mandarin High School in 2006. The following autumn, she entered Lees-McRae College in North Carolina to study Business Administration, and in May 2009 she was awarded the Bachelor of Science degree. In the April 2011, she was accepted to the Master of Business Administration program at Appalachian State University and began study towards the degree in May 2011. The M.B.A. was awarded in May 2012.

Ms. Durham is a member of Alpha Chi and Sigma Beta Delta. Her home address is 8193 Trips Way, Macclenny, Florida. Her parents are Barry Durham of Alexander City, Alabama and Robin Steinmeyer of Macclenny, Florida.