

The Influences of Moral Judgment, Social Influence and Attitude on Non-Deceptive Purchase Behavior of Counterfeit Products

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Abstract

The seriousness and global magnanimity of counterfeit has been a long term thief of company's intellectual property rights, robbing countries of income and societies of their jobs. Countless efforts have been taken government worldwide organizations and local government to combat the growth of counterfeiting. However, the growth of this illicit trade is still proudly blossoming despite all the effort to control it. The rampant growth of the counterfeit product sale in Malaysia has created a negative image to investors, foreigners, tourists, original piece manufacturers and caused loss of revenue to the government. The Malaysian government has been seriously playing a pivotal role in eradicating counterfeits such as through campaigns, raids and seizures of counterfeit products. However, the rate of growth of the industry still superseded the ability of the government to contain the spread of the industry. This study examines the factors influencing consumers' non-deceptive purchase behaviour of counterfeit products. An intercept survey involving 392 respondents was conducted at hot spot areas selling counterfeit products in Malaysia. A self-administered questionnaire was designed using established scales. This study utilized PLS-SEM to establish the validity and reliability of the measurement model and to test the hypotheses. The outcomes of this study show that non-deceptive purchase behaviour of counterfeit products is positively been influenced by attitude and social influence, while moral judgment negatively influences non-deceptive purchase behaviour of counterfeit products among consumers. This study offers theoretical and practical contributions for academics and practitioners. This study provides an understanding of non-deceptive purchase behaviour of counterfeit products. The research findings can be used by policy makers and genuine product producers to formulate strategies to combat counterfeiting activities.

Keywords: Attitude, Social influence, Moral judgment, Non-deceptive behaviour,

INTRODUCTION

The act of counterfeiting, according to historians is the world's second oldest profession and the industry was claimed to be as old as money itself, with its origin being traceable all the way back to ancient times when money was first introduced (Chaudhry & Zimmerman, 2013). The global market for counterfeit goods is increases gradually and has expanded over 100 percent in the past two decades (Chiu, Lee & Won, 2014; Quoquab, 2017). Counterfeit is a world-wide phenomenon as the market for it is worldwide and maintain to expand as a fast going challenge for global marketers of genuine brands. Fakes, counterfeits, imitations, illicit goods, pirated goods, pirated software are among goods produced unethically as they are usually associated with branded, famous and original goods and these products are being copied by the manufacturers without gaining the authorization from the original creator or owner of the intellectual property (Franses & Lede, 2015).

Counterfeit product buyers can be divided into two categories. As what has been mentioned by Chiu and Leng (2016) and Koklic (2011), the first category is so called deceptive counterfeit consumer (victim, unconscious, unknowingly purchase the pirated products as look similar). Deceptive counterfeit transactions occur when consumer cannot readily observe the quality of the goods or differentiate copies from the original during the purchasing process; they are victims. Deceptive counterfeit buyers are not aware that the product they are buying is a counterfeit, as is often the case in product categories such as automotive parts, electronics and pharmaceuticals. The second category known as non-deceptive is when the consumer aware that they are buting illegal products and purchase the counterfeit version even knew that is illegal. Non-deceptive purchaser is particularly common in premium product market where consumers are often able to distinguish channels and the inferior quality of the product itself (Chen et al., 2018; Martinez, & Jaeger, 2016). Since these consumers knowingly purchase the products that are not legitimate, the manufacturers and retailers cannot be accused for deceiving the consumers (Ang, Cheng, Lim & Tambyah, 2001). Researchers have generally concured that in most cases, buyers are generally under the non-deceptive purchase behaviors (Park-Poaps & Kang, 2018). The non deceptive purchase of counterfeits give birth to the debate of consumer misbehavior in the marketplace, indicating the need to understand the reasons for this misbehavior.

LITERATURE REVIEW

Moral judgment (or sometimes referred to as moral reasoning) refers to an individual's beliefs about the moral rightness or wrongness of a certain behavior (Cohn, Bucolo, Rebellon & Van Gundy, 2010; Fernandes, 2013). Moral judgments are defined as

'prescriptive assessments of what is right or wrong', and it has been identified as an important element in explaining moral or immoral behaviors and behavioral intentions in various contexts (Kim, et al. 2009). Moores and Chang (2006) defined moral judgment as the ability of a person to make a decision based on some moral ideals. Haidt and Bjorklund (2005) explained moral judgment as 'the sudden appearance of consciousness, of an evaluative feeling of like-dislike or good-bad'. However, there are limited studies in the past that has applied the use of moral judgment in purchase behaviour.

According to Phau, et al. (2009), the higher the level of a person's moral judgment, the less likely is he or she to engage in counterfeit purchases. According to Kim et al. (2009), individuals who judge the act of pirating software or purchasing non-deceptive counterfeit products as wrong are unlikely to indicate that they intend to purchase such products and that the higher a person's moral judgment, the lower their level of intent to purchase products known to be either imitated, pirated or counterfeited. Past researchers have also found that students' moral judgments have a negative influence on purchase intention of pirated software (Moores & Chang, 2006; Tan, 2002; Wagner & Sanders, 2001) as well as non-deceptive fashion counterfeit products (Ha & Lennon, 2006).

In a study by Tan (2002) on pirated software purchase intention, moral judgment reduces the willingness to purchase piracy goods. Kim et al. (2009), discovered that moral judgment mediated the impact of guilt in the purchase of counterfeit products. Chen, Pan and Pan (2009) hypothesized that if an individual has a higher degree of moral judgment towards software piracy, then he or she will be less likely to use pirated software. Furthermore, findings by Rathnasingam and Ponnu (2008) suggested that moral judgment has a significant influence on intention to purchase pirated software.

From the review of literature, moral judgment plays an integral part of the consumer moral decision. It is a process that an individual would go through before deriving to their behaviour. Hence, in this study, we develop the hypothesis as below:

H1: Moral judgment is negatively related to the non-deceptive purchase behaviour of counterfeit products.

Apart from the moral factor, another important factor that has been associated with purchase behavior of counterfeit products is social influence, as proposed in Theory of Planned Behaviour (Ajzen & Fishbein, 1980). The social influence of an individual is known as "the perception of individual towards his/her social influences or

environmental referents that are around him/her, expect him/her to act or not to act towards certain behaviour (Ajzen & Fishbein, 1980; Ajzen, 1991). The examples of social influences are: parents, family, friends, government, neighbours, or physicians (doctors). Ajzen and Fishbein (2005) mention that both personal thoughts and social influences were predictors of behavioural intention, however, for certain individual personal thoughts were better predictors of intention.

Although some findings from the marketing literature were contradictory, many studies reported that social influences are crucial in describing the relationship between intention and behaviour (Ryan, 1982; Cox et al., 1998; Thøgersen, 2002), and act as antecedent for behavioural intention (Cox et al., 1998; Baker et al., 2003; Blanchard et al, 2009). Furthermore, Lee and Green (1991) reported that social influence predicted behavioural intention of the consumer. Similarly, Brug et al (1995) reported that significant others influence an individual towards the consumption of fruit and vegetable among adult, children and adolescents. Supported by Cox et al. (1998), the results reported that social pressure predicted consumer intention to increase fruit consumption.

In line with the Theory of Planned Behaviour (Ajzen, 1991; Fernandes 2012), social influence positioned on an individual by certain others plays an important role in the purchase of counterfeits as they help in maintaining certain relationships. It is these social pressures that influence consumers to perform certain acts to be able to gain approval in various social situations. Social influence explains a consumer's insight of the social pressures put forth on him/her in relation to the purchase of counterfeits. Social influence can lead people to act against the rules or break rules, which means that support from relevant others of the (mis) behavior would either encourage involvement or not (Ang et al., 2001; Alberts-Miller, 1999).

Applying this notion, studies have confirmed a strong association between social influence and intention to perform certain behaviours (e.g., Chang, 1998; Peace et al., 2003). For example, Peace et al. (2003) established a model to explain the intention towards software piracy and discovered that social influence acts as an important precursor of intention. Fernandes (2013) discovered that social influence is a significant factor for the consumer that is likely to purchase counterfeits, indicating that the pressure of significant others is likely to influence purchase of counterfeits. Study by Chen et al. (2009) in Taiwan revealed that social influence is a positive contributor to consumer's intention to use pirated software. In a similar vein, Hidayati and Diwasasri (2013) found that social influences have positive effect to the purchase intention of buying luxury

counterfeit hand bags. Therefore, based on the literature review and the nature of influence of social influence, the hypothesis stands as follows:

Hypothesis 2: Social influence is positively related to the non-deceptive purchase behaviour of counterfeit products.

Eagly and Chaiken (1993) defined attitude as “a psychological tendency that is expressed by evaluating a particular object with some degree of favour or disfavour”. In addition, attitude plays a role as guidance on how information is noticed, adopted, accepted or rejected. Frewer et al. (2003) stated that the process of evaluation towards certain object would express the approval or disapproval, liking or disliking, buy or not to buy, and consume or not to consume.

The more positive the attitude towards a behavior, the stronger is the person’s intention to perform that behavior. Attitude towards consumption of a product or service has been claimed as one of the most important predictors of consumers’ choices, including product preferences (Bredahl, 2001; Conner, Povey, Sparks, James, & Shepherd, 2003). In most studies, it was discovered that attitudes act as a significant antecedent of purchase intention (e.g., Povey, Wellens, & Conner, 2001; Arvola et al., 2008). Most behavior studies including studies concerning counterfeit products agree that people’s behavior follows reasonably from their beliefs, attitudes, and intentions.

Many past studies often used attitude as predictor on consumer purchase intention and purchase behavior (Phau et al., 2009; deMatos et al., 2005; Ramayah et al., 2003). The association between attitude and behavioural intention has been tested and confirmed in many social science research (e.g. Bearden & Woodside, 1978; Cronan & Al-Rafee, 2008; Leonard et al., 2004) and attitude has frequently been studied since individual attitude is regarded as an important construct in anticipating one’s behavioural intention (Al-Rafee & Cronan, 2006) which in turn has been found to be a good construct to predict behavior (Ajzen, 1985).

Attitude towards counterfeiting has been found as an important construct in the study of counterfeit purchase behavior (Sharma & Chan, 2011), and many studies have agreed that unethical decision making such as the purchase of counterfeits is explained largely by attitudes, regardless of product category (Wee et al., 1995, Phau & Teah, 2009; Ang et al., 2001; Koklic, 2011, Vida, 2007). This indicates that, if a consumer’s attitude towards counterfeits is more favorable, then it is more likely that the consumer would consider purchasing a counterfeit product (Hidayat & Pau, 2003). Similarly, the more

unfavourable attitude towards counterfeiting, the less likely is the chances of purchasing counterfeit products (Wee et al., 1995; Riquelme, Abbas & Rios, 2012). Wong et al. (1990) and Chen et al. (2009) examined the relationship between attitude and intention and found that students who used more pirated software tended to display more positive attitudes toward software piracy. This is in line with Peace et al. (2003) who argued that an individual's attitude toward software piracy is the most influential predictor of one's intentions to pirate software. Study conducted by Chen et al. (2009) discovered that in the context of software piracy, attitude of the consumer is positively correlated with the consumer's use intention of pirated software.

In the same vein, Budiman (2012) in his study among Indonesian woman found that the tendency of the positive respondents' attitudes towards the counterfeit bags gives stronger encouragement towards their intention to buy the counterfeit handbags. This is also supported by Khang et al. (2012) that attitude towards internet piracy is closely related with individuals' intentions of engaging in internet piracy. For the purchase of luxury brands, Phau et al. study's (2009) proved that individuals with favourable attitudes toward counterfeit of luxury brands will have more intentions to purchase counterfeits of luxury brands. This is supported by Hidayat and Diwasasri (2013) who discovered that attitude towards counterfeit products is positively related to the consumers' purchase intention to buy counterfeit luxury bags in Indonesia. Similar studies conducted in Indonesia by Setiawan and Tjiptono (2013) found that in the context of pirate digital products, the more positive /favorable the attitude towards digital piracy, the more likely an individual commits the act. This is also in line with Michaelidou and Christodoulides (2011) who found that attitude was found to be the strongest predictor of purchase intention for counterfeit products both symbolic and experiential products.

In general, previous studies have found that attitude is very important in predicting behavior. This relationship has been corroborated in numbers of studies in different disciplines. Given the importance of attitude in predicting behaviour, the need for specific research on the effect of attitude on consumer purchase behaviour of counterfeit products is justified. Therefore, the hypothesis may stand as:

H3: Attitude towards counterfeit products is positively related to the non-deceptive purchase behaviour of counterfeit products.

METHODS

The study was conducted with the intention to obtain a good grasp of the consumer purchasing behavior of counterfeit products. A survey method was employed because this study strongly believes that survey research is best adopted to obtain personal and social facts, beliefs, and attitudes (Kerlinger, 1973). The unit of analysis for this study was the individual consumer who went for shopping at hot spot areas that sell counterfeit products. This study treats each consumer's response as an individual data source.

Data was collected using an intercept survey at three hot spot areas selling counterfeit products in Malaysia. Shoppers were approached to participate in a self-administered questionnaire. Following the method by Phau and Teah (2009), every fifth individual that crossed a designated spot outside the main entrance of the area was approached to participate. Out of the number of shoppers intercepted, 74 percent of them agreed (392 respondents) to take part in the survey.

The main variables in this study were measured using multiple items drawn from previous research except for the socio-demographic characteristics. A five-point Likert scale was used to measure all of the items for the main variables to minimize the confusion among respondents and to make sure of the equality among variables (Ackfeldt & Coole, 2003; Ingram, Lee & Lucas, 1991). Non-deceptive purchase behaviour of counterfeit products measure for this study was based on a study of Wang, Zhang and Ouwang (2005). It required respondents to rate their responses towards four items relating to counterfeit products purchase behaviour in general. In line with definitions provided by Phau et al. (2009) and deMatos et al. (2007), this study operationalized attitude towards counterfeit products as consumer overall evaluation towards a counterfeit products. The structured questions regarding consumer attitude towards counterfeit products are based on deMatos et al. (2007) and Riquelme et al. (2012). Social influence is operationalized as a person's perceptions of social pressure in which buying the counterfeit products is approved/expected/supported by their important or significant others (Bearden, Netemeyer, & Teel, 1989; Ajzen, 2002). Social influence was measured using the scale adapted from Bearden et al. (1989) which consisted of five items. Moral judgment is operationalized as an individual's internalized ethical rules, which reflect their personal beliefs about right and wrong. The measures used for this study is based on Cronan and Al-Rafee (2008).

RESULTS

With the total 392 responses, they were used for analysis and this represent response rate of 74 percent. The 392 usable questionnaires are more than required sample size based on rule of thumb which equivalent to ten times of number of variables in the study (Hair et al., 2014). The application of PLS-SEM in present study for analysis methodology requires a minimal range of 30 to 100 responses only (Chin & Newsted, 1999). Thus, a total of 392 respondents for this study are greatly adequate for analysis.

Table 1 presents profile of the respondents. 55.5% of the respondents are males and 44.5% are females. With regards to age of the respondents, majority of the respondents (48.7%) are at the ages of 26-30 and 31-35. Respondents below 20 years old constitute 14.6% followed by respondents of ages 21-25 (15.9%) and finally, respondents of ages 36 and above (19.8%). Regarding the marital status of the respondents, almost half of the respondents (47.6%) are married. Those who are single constitutes 46.3% and a minimal 6.2% are divorced.

Table 1 Profile of the Respondents (n=392)

Variable	Categories	(%)
Gender	Male	55.5
	Female	44.5
Age	Below 20	14.6
	21-25	15.9
	26-30	21.1
	31-35	27.6
	36-and above	19.8
Marital status	Single	46.3
	Married	47.6
	Divorced	6.2

This study uses partial least square (PLS) as the statistical tool. The original model included 25 reflective measurement indicators (MVs or items) for four variables or

constructs. There is only direct relationship measured in this study. Overall, there are three hypotheses were tested in this study. SmartPLS follows a two-steps approach: measurement model and structural model. Measurement model is first validate the data gathered by examine the convergent validity and discriminant validity. First of all, factor loadings and average variance explained (AVE) are evaluated to validate the convergent validity while composite reliability is referred to examine the reliability of the construct. Following Hair et al. (2014), loadings less than 0.4 should be removed while above 0.7 are accepted, whereas the loadings between 0.4 and 0.7 can be considered for deletions if the deletion leads to an increase of composite reliability and AVE. AVE value demonstrates how much the construct explains the variance of its indicators or items. The suggested AVE value should be more than 0.5, indicating that the constructs explain more than half of the variance of its indicators (Hair et al., 2014). Last but not least is the composite reliability (CR) in the convergent validity. Composite reliability refers to the degree to which a set of items consistently indicate the latent construct (Hair et al., 2014). Higher level of CR shows higher level of reliability of the construct. The suggested value for CR should be above 0.7 (Hair et al., 2014). As shown in table 2 below, the values for loadings, AVE and composite reliability (CR) are all higher than the threshold value. Therefore, the results confirm the convergent validity of the measurement model of this study.

In the present study, we uses Fornell-Larcker's criterion to evaluate the discriminant validity. Fornell-Larcker's criterion is the most conservative approach by comparing the square root of the AVE with the latent variable correlations (Hair et al., 2014). As shown in table 3, the values in the diagonal are more than the other values in the same row and column. This validates discriminant validity is fulfil in this study.

Bootstrapping technique is used to obtain the standard error value in SmartPLS 2.0. To run bootstrapping, we used 5,000 samples with the 392 cases. The t-value accompanying each path coefficient was generated using bootstrapping as reported in Table 3. Standard error was used to determine the significance of coefficient. The coefficient is considered significant if the t-value is larger than the critical value in a certain error probability. For two-tails test, the critical value is 1.96 at the significance level of 0.05; while for significance level of 0.01, the critical value is 2.57 (Hair et al., 2014).

Out of the three hypotheses, all are supported. Results show that for the factors influencing non-deceptive purchase behaviour of counterfeit products, attitude and social influence show positive relationships with non-deceptive purchase behaviour of counterfeit products, thus supports hypotheses 2 and 3. Moral judgment is negatively

related to non-deceptive purchase behaviour of counterfeit products. Therefore, supports hypothesis 1. Last but not least, R^2 value is the most common measure used to evaluate the structure model. R^2 value is a measure of the model's predictive accuracy and shows the amount of the variance explained in the endogenous variable by all exogenous variables which are linked to the endogenous variable (Hair et al., 2014). Based on the results of the path model, the R^2 for non-deceptive purchase behaviour is 0.67, indicates that 67% of the variance in non-deceptive purchase behaviour is explained by attitude, social influence and moral judgment.

Table 2 Convergent Validity Analysis

Construct	Item	Loadings	AVE	CR
Attitude	Att1	0.782	0.617	0.934
	Att2	0.821		
	Att3	0.762		
	Att4	0.857		
	Att5	0.802		
	Att6	0.853		
Moral Judgment	MJudge 1	0.750	0.625	0.925
	MJudge 2	0.710		
	MJudge 3	0.874		
	MJudge 4	0.886		
				0.931

Purchase behaviour	Purchase1	0.856	0.774	
	Purchase2	0.843		
	Purchase3	0.897		
	Purchase4	0.860		
Social influence	SI 1	0.759	0.697	0.951
	SI 2	0.905		
	SI 3	0.882		
	SI 4	0.858		

*AVE = Average variance explained; CR = Composite reliability

Table 2 Discriminant Validity Analysis

	Att	MJudge	Purchase	SNorm
Att	0.817			
MJudge	-0.380	0.822		
Purchase	0.784	-0.385	0.864	
SInfluence	0.789	-0.289	0.731	0.853

Table 3 Path Coefficient and Hypotheses Testing

Relationship	Std. Beta	Std. Error	t-value	Decision	Hypothesis
MJudge > Purchase	-0.004	0.030	3.14**	Supported	H1
SInfluence > Purchase	0.220	0.049	4.54**	Supported	H2
Att -> Purchase	0.660	0.043	15.28**	Supported	H3

DISCUSSION

Concerning the influences of attitude, social influence and moral judgment on non-deceptive purchase behaviour of counterfeit products, the result shows that attitude and social influence appeared as positive significant predictors of consumer non-deceptive purchase behaviour. As hypothesized, attitude has a positive significant influences on consumer's purchase behaviour. Thus, this is consistent with Wu et al. (2013) who

discovered that attitude was significantly correlated with gambling intention among the Chinese respondents. This relationship was also supported by previous study in the context of purchasing illegal products such as pirated music CDs, software and counterfeited fashion products (for example Ang et al., 2001; deMatos et al., 2007; Koklic, 2011; Phau and Teah, 2009, Triandewi & Tjiptono, 2013). As illuminated by Yoo and Lee (2009), consumers with favorable attitudes toward counterfeit products may not aware that purchasing these products can be a social concern and hence promote strong intention to buy them (Hidayat & Diwasari, 2013). The result makes theoretical sense because the more favourable the perception in one's instrumental attitude toward counterfeit products, the greater likelihood that the person will purchase counterfeit products in the future. This finding is consistent with past studies using Ajzen's Theory of Planned Behaviour whereby the attitude variable has consistently produced strong effect on behavioural intention in a wide variety of context (Triandewi & Tjiptono, 2013).

We discovered that non-deceptive purchase behaviour of counterfeit products is positively related to social influence. The finding indicates that when consumers perceive more external pressure/support to buy counterfeit products, the tendency to do the purchase is likely greater. This is consistent with findings by Fernandes (2013) and Hidayat and Diwasari (2013) that consumers are more likely to purchase counterfeit products under the influence of their peers. In a similar context, the finding is supports Fukukawa and Ennew (2010) who pointed out that consumers' intention to engage in an ethically questionable behavior is influenced by their positive assessment of the social influence associated with performing the behavior. This is also in line with argument made by Phau and Teah (2009) that a consumer's consumption and purchase behavior is a reflection of his or her social class and the pressure from referent groups and consumers are more likely to purchase counterfeit products under the influence of their peers.

The results revealed that moral judgment is negatively related to non-deceptive purchase behaviour of counterfeit products. One explanation for this is that perhaps respondents think counterfeit purchasing is unethical. Logically, in the consumer ethics literature, researchers also posit moral judgment on an issue as an important input for individuals to derive their global perception towards this issue (Bian & Veloutsou 2007). Previous research has emphasized the moral dimension of counterfeited purchases (e.g. Chiou et al., 2005; Hilton et al., 2004). In particular, research suggests that consumers' willingness to buy counterfeit products depends on their moral principles involving lawfulness, as often counterfeiting is linked to child labour and other illegal activity (Cordell et al., 1996; de Matos et al., 2007). Moral judgment is different from personal integrity, as consumers may value honesty and responsibility (de Matos et al., 2007) but not feel obligated to

avoid ethically questionable behaviours such as buying counterfeit products or buy brands that result from child labour. On this basis, consumers who feel ethically obligated not to buy counterfeits are less likely to have positive attitudes and behaviour towards counterfeit products (Ang et al., 2001). Thus, it is reasonable to expect that moral judgment would be negatively related to purchase behaviour of counterfeit products.

Research Implications

The findings of this study have provided some valuable insights on consumers' behavior of purchasing counterfeit products. Based on the revelation obtained, we propose several recommendations in hope that these recommendations can be of assistance in fighting the war of counterfeiting. The results propose a few implications concerning how the policy maker (government), the manufacturers and marketers in the manufacturing industry can formulate an effective campaign and strategies to create awareness and discourage consumers from buying counterfeit products.

As what has been mentioned at the beginning of this article, counterfeiting has become a global social problem that cannot be stopped overnight. Notably, the stance towards anti-counterfeiting is toughening on a global scale. However, it needs long-term planning and implementation of strategies that are suitable with target consumers and suppliers to be able to succeed. In that sense, it is important for managers to recognize the basic of consumer attitudes and purchase behavior of counterfeits to be able to counter the counterfeit epidemic. As an initial stage, as attitude to counterfeit products and social influence affect consumers' tendency to knowingly purchase counterfeit products, therefore forming a negative attitude to counterfeit products and creating a consensus among reference groups and peers is one of the approaches of combating with counterfeit purchase. Reinforcing consumers' understanding toward counterfeiting through education would be one of the solution. Furthermore, emphasizing on ethical education especially among youngsters is another means. Promoting the idea that counterfeiting not only violates law but also damages the industry such as music and fashion, might correct their attitudes toward counterfeiting.

As been mentioned by prior researchers, consumers are often not well be informed about the disadvantages and harms of the counterfeit trade (Prendergast et al., 2002; Phau et al., 2009). More consistent and organized efforts should be carried out to educate consumers about the side effects of their non-deceptive buying behaviours have on the economy (Nia & Zaichkowsky, 2000). Messages targeted to educate them about counterfeits must be designed in such a way that "buying counterfeit products really do not give value for money but rather makes you lose money".

These educational programs should not only be targeting to school children, but should also cover various categories of consumers. As Wang et al. (2005) suggested, it is possible to evoke empathy from consumers by putting a more “human face” on the damaging effects of counterfeiting. This can be achievable through advertisements targeting high-spending consumers between ages 25 to 34 (Phau & Teah, 2009; Prendergast et al., 2002). The significant role of social influence in shaping consumers to knowingly purchase counterfeit products provides original producers further insights into strategizing their anti-counterfeiting campaigns. This advocates that interventions to discourage purchase should be targeted towards persuasions via peer and reference groups. It is important for the premium brand companies to properly target consumers who are easily influenced by their surrounding society. Thus, the finding emphasizes the importance of careful tailoring of premium brand or original product brand advertisements that appeal to consumers. One way to discourage counterfeiting would be to emphasize on personal image (Zhou & Belk, 2004). For consumers who appreciate and value the opinion and supports of others and look forward to be associated with their peers, it will be embarrassing if they are found to be using or buying counterfeit or fake products. Possibly, the “loss of face” could restraint against the purchase of counterfeits. This should be aggressively communicated to the target audience.

Also, the government should devote more resources and work more closely with original product manufacturers to enhance the quantity and quality of its enforcement officials. In its anti-counterfeiting communication/educational programs, the government should clearly define and convey to consumers the legal liabilities faced by counterfeit products buyers. These strengthened enforcement and assertive communication approaches would increase what Peace et al. (2003) and Chan et al. (2013) have coined the “punishment certainty” and consequently would lead to individuals’ lower perceived ability to involve in counterfeit purchase.

CONCLUSIONS

This research contributes to the existing literature by extending and testing the key factors that influence non-deceptive behaviour of counterfeit purchase. As suggestions for future research, it has been discussed that this research explored the consumers’ behaviour towards counterfeit products in general. Therefore, questions referring to all the constructs in this study referred to the general concept of counterfeit products without focusing on different counterfeit product categories. However, Phau and Teah (2009) argued that counterfeit products should be examined as different categories and not as one homogeneous group. Therefore, for future research, the study should focus on

specific counterfeit products categories with separate unique components such as luxury items, fashion, cosmetics and spare parts. Consequently, different categories of counterfeit products may have a different effect on the purchase behavior of the consumers. While the present study using solely quantitative approach, further exploration using qualitative approaches to examine consumer purchase behavior of counterfeit products may provide deeper insights.

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